



# Joint Economic Committee

## Republicans

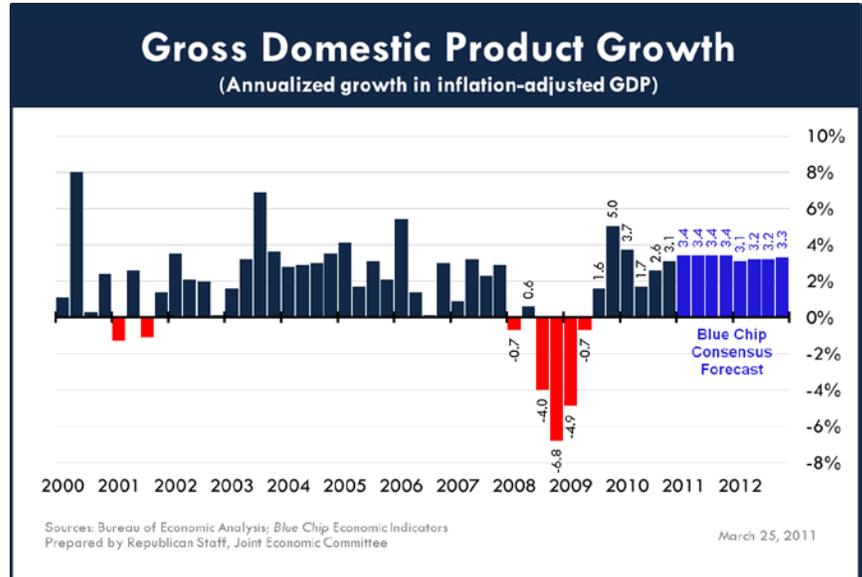
Representative Kevin Brady  
Vice Chairman Designate

March 25, 2011

### 4<sup>th</sup> Quarter Real GDP Growth Revised Upwards to 3.1%

The Bureau of Economic Analysis (BEA) revised its estimate of 4<sup>th</sup> quarter real gross domestic product (GDP) growth upwards to a seasonally adjusted annualized rate of 3.1 percent.

Last month, BEA had estimated real GDP growth for the 4<sup>th</sup> quarter at 2.8 percent. The third estimate of 4<sup>th</sup> quarter real GDP growth is close to BEA's initial, or advance, estimate of 3.2 percent that was released in January. Real GDP grew at an annual rate of 2.6 percent in the 3<sup>rd</sup> quarter. The entire BEA release can be viewed at:



[http://www.bea.gov/newsreleases/national/gdp/2011/pdf/gdp4q10\\_3rd.pdf](http://www.bea.gov/newsreleases/national/gdp/2011/pdf/gdp4q10_3rd.pdf)

The 4<sup>th</sup> quarter increase in real GDP reflected positive contributions from personal consumption expenditures (PCE), exports, and nonresidential fixed investment. Those positive contributions were partially offset by contributions from private inventory investment and state and local government spending. Also, imports, which are a subtraction from GDP, declined.

Real personal consumption expenditures increased 4.0 percent in the fourth quarter, compared with an increase of 2.4 percent in the 3<sup>rd</sup> quarter.

Real nonresidential fixed investment increased 7.7 percent in the 4<sup>th</sup> quarter, compared with an increase of 10.0 percent in the 3<sup>rd</sup> quarter. Nonresidential structures increased 7.6 percent, in contrast to a decrease of 3.5 percent. Equipment and software increased 7.7 percent, compared with an increase of 15.4 percent. Real residential fixed investment increased 3.3 percent, in contrast to a decrease of 27.3 percent.

Real exports of goods and services increased 8.6 percent in the 4<sup>th</sup> quarter after increasing 6.8 percent in the 3<sup>rd</sup> quarter. Real imports declined 12.6 percent after increasing 16.8 percent in the 3<sup>rd</sup> quarter.

Real final sales of domestic product (GDP change less the change in private inventories) increased 6.7 percent in the quarter compared to an increase of 0.9 percent in the 3<sup>rd</sup> quarter.

BEA will release its first, or advance, estimate of 1<sup>st</sup> quarter 2011 GDP on April 28<sup>th</sup>.