

GDP by Expenditure

The increase in real GDP in the fourth quarter reflected increases in private inventory investment, exports, consumer spending, and nonresidential fixed investment that were partly offset by decreases in both federal and state and local government spending.² Imports, which are a subtraction in the calculation of GDP, increased (chart 2 and table 1).

- The increase in private inventory investment was led by retail and wholesale trade industries. Within retail, inventory investment by motor vehicle dealers was the leading contributor.
- The increase in exports reflected increases in both goods and services. The increase in exports of goods was widespread, and the leading contributors were consumer goods; foods, feeds, and beverages; and industrial supplies and materials. The increase in exports of services was led by travel.
- The increase in consumer spending primarily reflected an increase in services, led by health care, financial services and insurance, and recreation services.
- The increase in nonresidential fixed investment primarily reflected an increase in intellectual property products that was partly offset by a decrease in structures.
- The decrease in federal government spending primarily reflected a decrease in defense spending on intermediate goods and services.
- The decrease in state and local government spending reflected a decrease in gross investment (led by new educational structures).
- The increase in imports primarily reflected an increase in goods (led by nonfood and nonautomotive consumer goods as well as capital goods).

Real GDP accelerated in the fourth quarter, increasing 6.9 percent after increasing 2.3 percent in the third quarter. The acceleration in real GDP primarily reflected an acceleration in private inventory investment, upturns in exports and in residential fixed investment, and an acceleration in consumer spending that were partly offset by a downturn in state and local government spending. Imports accelerated.

Real gross domestic income, which is the sum of incomes earned and costs incurred in the production of GDP, increased 5.1 percent in the fourth quarter after increasing 6.4 percent in the third quarter.

Chart 2. Real GDP: Contributions to the Percent Change in 2021:Q4

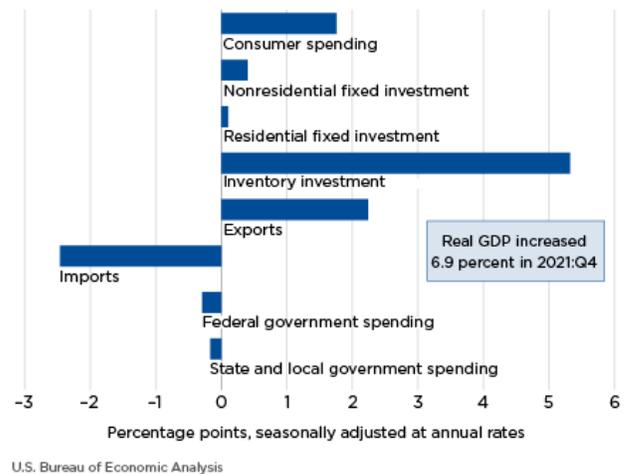


Table 1. Real Gross Domestic Product (GDP) and Related Measures

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2021	2021				2021			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Gross domestic product (GDP)¹	100.0	6.3	6.7	2.3	6.9	6.3	6.7	2.3	6.9
2	Personal consumption expenditures	68.0	11.4	12.0	2.0	2.5	7.44	7.92	1.35	1.76
3	Goods	23.5	27.4	13.0	-8.8	1.1	5.69	2.99	-2.21	0.28
4	Durable goods	8.6	50.0	11.6	-24.6	2.5	3.50	1.01	-2.52	0.22
5	Nondurable goods	15.0	15.9	13.9	2.0	0.4	2.19	1.98	0.30	0.06
6	Services	44.4	3.9	11.5	8.2	3.3	1.75	4.93	3.57	1.48
7	Gross private domestic investment	18.9	-2.3	-3.9	12.4	36.7	-0.37	-0.65	2.05	5.82
8	Fixed investment	17.8	13.0	3.3	-0.9	2.7	2.25	0.61	-0.16	0.50
9	Nonresidential	13.1	12.9	9.2	1.7	2.9	1.65	1.21	0.22	0.40
10	Structures	2.5	5.4	-3.0	-4.1	-8.3	0.14	-0.08	-0.11	-0.22
11	Equipment	5.4	14.1	12.1	-2.3	2.8	0.75	0.66	-0.13	0.17
12	Intellectual property products	5.2	15.6	12.5	9.1	8.9	0.76	0.62	0.46	0.45
13	Residential	4.7	13.3	-11.7	-7.7	2.2	0.60	-0.60	-0.38	0.10
14	Change in private inventories	1.0	---	---	---	---	-2.62	-1.26	2.20	5.32
15	Net exports of goods and services	-4.0	---	---	---	---	-1.56	-0.18	-1.26	-0.23
16	Exports	11.1	-2.9	7.6	-5.3	22.4	-0.30	0.80	-0.59	2.24
17	Goods	7.8	-1.4	6.4	-5.0	23.4	-0.10	0.48	-0.39	1.64
18	Services	3.2	-6.0	10.4	-5.9	19.9	-0.20	0.32	-0.19	0.59
19	Imports	15.1	9.3	7.1	4.7	17.9	-1.26	-0.99	-0.68	-2.46
20	Goods	12.6	10.6	4.3	-0.3	18.9	-1.21	-0.51	0.04	-2.16
21	Services	2.5	2.2	23.6	35.0	13.1	-0.05	-0.48	-0.72	-0.31
22	Government consumption expenditures and gross investment	17.2	4.2	-2.0	0.9	-2.6	0.77	-0.36	0.17	-0.46
23	Federal	6.5	11.3	-5.3	-5.1	-4.3	0.78	-0.38	-0.35	-0.29
24	National defense	3.8	-5.8	-1.1	-1.7	-6.0	-0.25	-0.04	-0.07	-0.24
25	Nondefense	2.7	40.8	-10.7	-9.5	-2.0	1.02	-0.34	-0.29	-0.05
26	State and local	10.7	-0.1	0.2	4.9	-1.6	-0.01	0.02	0.52	-0.17
Addenda:										
27	Gross domestic income (GDI) ²	---	6.3	4.3	6.4	5.1	---	---	---	---
28	Average of GDP and GDI	---	6.3	5.5	4.3	6.0	---	---	---	---
29	Final sales of domestic product	---	9.1	8.1	0.1	1.5	---	---	---	---
30	Goods	32.4	10.8	9.8	0.1	19.0	3.31	3.05	0.05	5.70
31	Services	59.0	4.2	7.9	4.7	2.4	2.52	4.62	2.77	1.44
32	Structures	8.7	5.0	-10.0	-5.8	-2.9	0.45	-0.94	-0.52	-0.25

1. The GDP estimates under the contribution columns are also percent changes.

2. GDI is deflated by the implicit price deflator for GDP.

Note. Percent changes are from National Income and Product Account (NIPA) tables 1.1.1 and 1.2.1, contributions are from NIPA tables 1.1.2 and 1.2.2, and shares are from NIPA table 1.1.10 or are calculated from NIPA table 1.2.5.

GDP by Industry

The third estimate of GDP includes estimates of GDP by industry, or value added—a measure of an industry's contribution to GDP. In the fourth quarter, private goods-producing industries increased 5.4 percent, private services-producing industries increased 8.5 percent, and government increased 0.1 percent (chart 3 and table 2). Overall, 19 of 22 industry groups contributed to the fourth-quarter increase in real GDP (chart 4).

- Within private goods-producing industries, the increase primarily reflected increases in nondurable goods (led by chemical products as well as food and beverage and tobacco products) and durable goods (led by motor vehicles, bodies and trailers, and parts) that were partly offset by a decrease in construction.
- Within private services-producing industries, the increase primarily reflected increases in information; professional, scientific, and technical services; real estate and rental and leasing (led by real estate); administrative and waste management services; health care and social assistance (led by ambulatory health care services); and wholesale trade. Partly offsetting these increases was a decrease in utilities.
- The increase in the government sector reflected an increase in state and local government that was partly offset by a decrease in federal government.

Chart 3. Real GDP by Sector: Percent Change from Preceding Period

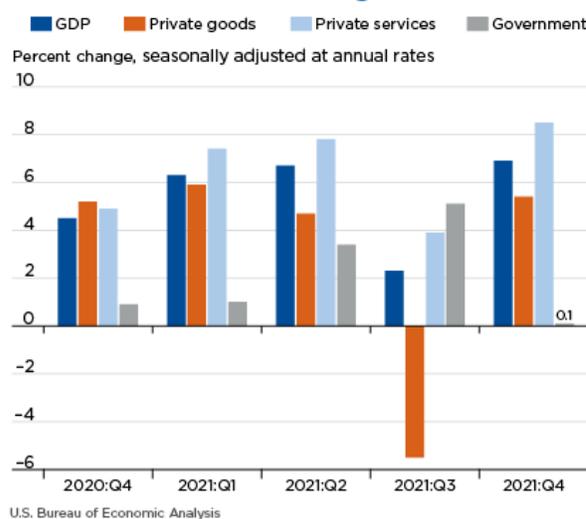
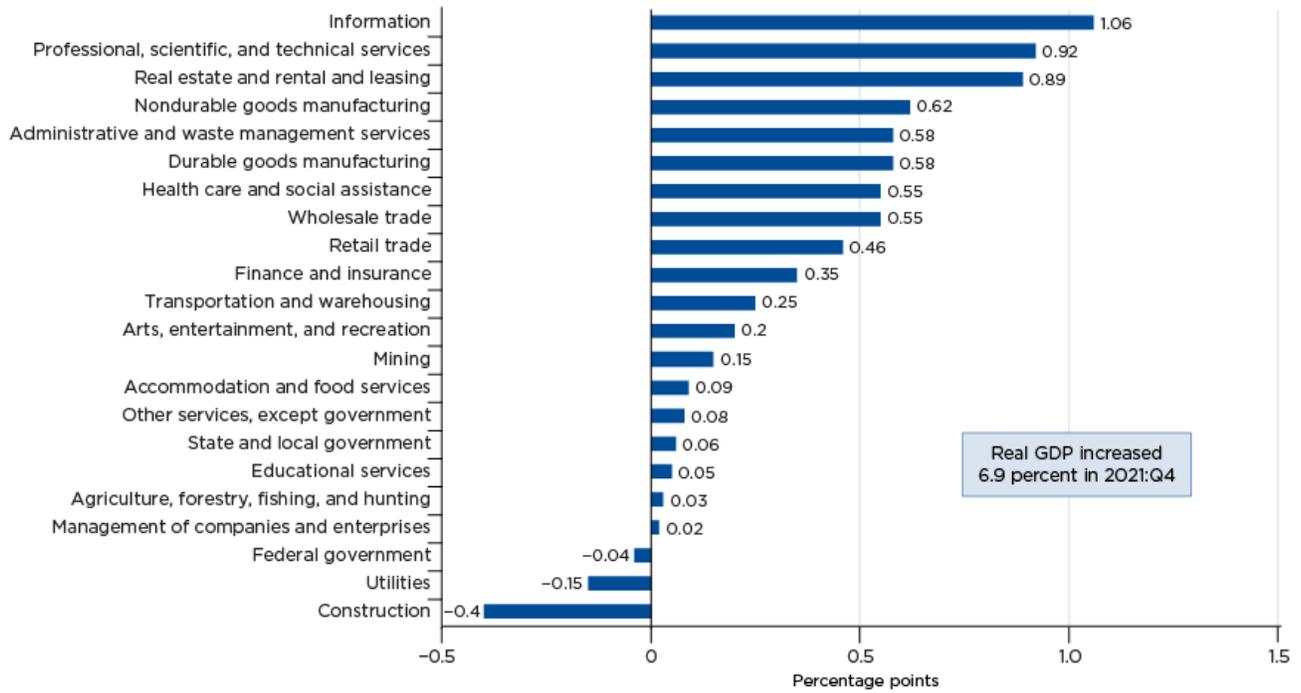


Chart 4. Contributions to Percent Change in Real GDP by Industry Group, 2021:Q4



Seasonally adjusted at annual rates
 U.S. Bureau of Economic Analysis

Table 2. Real Gross Domestic Product by Industry Group and Related Measures

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2021	2021				2021			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Gross domestic product (GDP)¹	100.0	6.3	6.7	2.3	6.9	4.2	6.7	2.3	6.9
2	Private industries	88.2	7.1	7.1	1.9	7.9	6.18	6.26	1.70	6.90
3	Agriculture, forestry, fishing, and hunting	1.1	-13.9	-13.1	-9.0	2.4	-0.14	-0.14	-0.11	0.03
4	Mining	1.4	-3.4	7.3	-7.9	12.0	-0.03	0.08	-0.10	0.15
5	Utilities	1.7	-8.5	3.8	-16.1	-8.6	-0.15	0.06	-0.29	-0.15
6	Construction	4.1	5.9	6.6	-13.9	-9.4	0.25	0.28	-0.62	-0.40
7	Manufacturing	11.3	8.7	5.5	-1.5	10.9	0.95	0.63	-0.17	1.20
8	Durable goods	6.0	13.0	4.3	-2.5	9.7	0.77	0.27	-0.15	0.58
9	Nondurable goods	5.3	3.5	7.0	-0.4	12.2	0.18	0.35	-0.02	0.62
10	Wholesale trade	6.0	3.4	3.7	-8.1	9.4	0.20	0.23	-0.51	0.55
11	Retail trade	6.0	17.0	-14.7	-14.0	7.6	0.96	-0.97	-0.91	0.46
12	Transportation and warehousing	2.9	8.9	-9.7	12.2	8.8	0.24	-0.27	0.32	0.25
13	Information	5.7	14.7	25.2	8.0	20.1	0.79	1.30	0.44	1.06
14	Finance, insurance, real estate, rental, and leasing	20.9	6.1	4.3	4.4	5.9	1.32	0.93	0.92	1.24
15	Finance and insurance	8.3	7.4	3.4	7.8	4.1	0.64	0.30	0.64	0.35
16	Real estate and rental and leasing	12.6	5.2	4.9	2.2	7.1	0.68	0.63	0.28	0.89
17	Professional and business services	13.0	12.4	11.8	12.6	12.1	1.55	1.48	1.54	1.52
18	Professional, scientific, and technical services	7.8	10.0	15.3	12.3	12.3	0.76	1.13	0.90	0.92
19	Management of companies and enterprises	1.8	8.0	2.2	7.9	0.9	0.15	0.04	0.15	0.02
20	Administrative and waste management services	3.4	21.4	9.7	16.0	18.6	0.64	0.31	0.49	0.58
21	Educational services, health care, and social assistance	8.3	-1.1	6.1	3.3	7.2	-0.09	0.52	0.28	0.60
22	Educational services	1.1	8.1	9.2	8.4	4.4	0.09	0.10	0.09	0.05
23	Health care and social assistance	7.2	-2.5	5.7	2.6	7.7	-0.18	0.42	0.19	0.55
24	Arts, entertainment, recreation, accommodation, and food services	3.9	17.0	68.4	23.6	7.7	0.52	1.83	0.79	0.29
25	Arts, entertainment, and recreation	0.9	36.3	16.0	43.1	24.1	0.25	0.12	0.31	0.20
26	Accommodation and food services	3.0	11.4	88.7	18.4	3.1	0.27	1.70	0.49	0.09
27	Other services, except government	1.9	-8.8	17.5	6.4	4.2	-0.18	0.32	0.12	0.08
28	Government	11.8	1.0	3.4	5.1	0.1	0.12	0.42	0.60	0.01
29	Federal	3.7	-0.4	0.5	0.3	-1.2	-0.01	0.02	0.01	-0.04
30	State and local	8.1	1.6	4.8	7.4	0.7	0.14	0.40	0.59	0.06
Addenda:										
31	Private goods-producing industries ²	17.9	5.9	4.7	-5.5	5.4	1.03	0.84	-1.00	0.98
32	Private services-producing industries ³	70.3	7.4	7.8	3.9	8.5	5.16	5.42	2.70	5.91

1. The GDP estimates under the contribution columns are also percent changes.

2. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

3. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from these GDP by industry tables: "Value Added by Industry as a Percentage of Gross Domestic Product," "Percent Changes in Chain-Type Quantity Indexes for Value Added by Industry," and "Contributions to Percent Change in Real Gross Domestic Product by Industry."

Gross Output by Industry

Real gross output—principally a measure of an industry’s sales or receipts, which includes sales to final users in the economy (GDP) and sales to other industries (intermediate inputs)—increased 3.8 percent in the fourth quarter (chart 5 and table 3). An increase of 4.9 percent for private services-producing industries and an increase of 2.6 percent for private goods-producing industries were partly offset by a decrease of 0.8 percent for government. Overall, 15 of 22 industry groups contributed to the increase in real gross output.

Chart 5. Real Gross Output by Selected Industries: Percent Change from Preceding Period

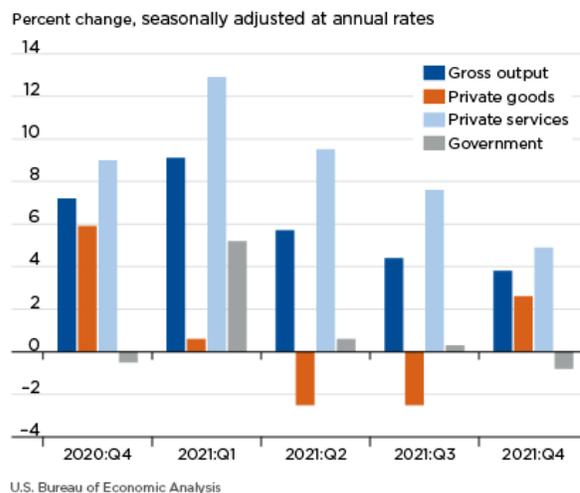


Table 3. Real Gross Output by Industry Group and Related Measures

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			
		2021			
		Q1	Q2	Q3	Q4
1	All industries	9.1	5.7	4.4	3.8
2	Private industries	9.6	6.3	4.9	4.3
3	Agriculture, forestry, fishing, and hunting	-5.5	-4.1	-3.6	-1.1
4	Mining	4.1	13.7	-0.1	6.6
5	Utilities	7.2	6.9	-0.9	-6.9
6	Construction	5.7	-8.3	-8.2	-6.5
7	Manufacturing	-0.7	-1.7	-0.9	5.4
8	Durable goods	3.2	-2.1	-1.7	8.2
9	Nondurable goods	-4.7	-1.3	-0.2	2.7
10	Wholesale trade	10.9	9.7	0.2	8.7
11	Retail trade	28.8	-4.4	-11.5	2.5
12	Transportation and warehousing	20.2	4.3	19.7	15.1
13	Information	19.9	19.4	12.6	9.4
14	Finance, insurance, real estate, rental, and leasing	10.5	1.5	6.7	2.5
15	Finance and insurance	20.0	-1.2	10.2	-0.4
16	Real estate and rental and leasing	3.3	3.7	3.9	5.0
17	Professional and business services	14.5	9.2	13.1	7.4
18	Professional, scientific, and technical services	14.4	9.4	11.3	6.5
19	Management of companies and enterprises	2.6	-0.5	9.2	-4.2
20	Administrative and waste management services	22.3	14.3	19.0	15.6
21	Educational services, health care, and social assistance	-4.1	9.9	4.1	3.9
22	Educational services	8.0	15.4	6.7	4.6
23	Health care and social assistance	-5.6	9.2	3.8	3.8
24	Arts, entertainment, recreation, accommodation, and food services	41.1	81.4	36.9	0.8
25	Arts, entertainment, and recreation	76.4	25.3	64.8	9.0
26	Accommodation and food services	32.8	99.8	30.6	-1.2
27	Other services, except government	-4.8	20.1	3.5	2.0
28	Government	5.2	0.6	0.3	-0.8
29	Federal	15.5	-6.4	-8.1	-3.5
30	State and local	0.6	4.1	4.3	0.4
	Addenda:				
31	Private goods-producing industries ¹	0.6	-2.5	-2.5	2.6
32	Private services-producing industries ²	12.9	9.5	7.6	4.9

1. Consists of agriculture, forestry, fishing and hunting; mining; construction; and manufacturing.

2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from the table [Percent Changes in Chain-Type Quantity Indexes for Gross Output by Industry](#) which is available through BEA's Interactive Data Application.

Prices

Prices for gross domestic purchases—goods and services purchased by U.S. residents—increased 7.0 percent in the fourth quarter after increasing 5.6 percent in the third quarter (table 4 and chart 6). The increase was the largest since the second quarter of 1981. Price increases were widespread across all subcomponents of gross domestic purchases, led by increases in the prices paid by consumers. The largest contributors to the increase were housing and utilities, motor vehicles and parts, and gasoline and other energy goods.

Food prices increased 9.0 percent in the fourth quarter after increasing 7.9 percent in the third quarter. Prices for energy goods and services increased 34.0 percent after increasing 19.4 percent. Gross domestic purchases prices excluding food and energy increased 6.2 percent after increasing 5.1 percent.

Consumer prices excluding food and energy, a measure of the “core” rate of inflation, increased 5.0 percent in the fourth quarter after increasing 4.6 percent in the third quarter.

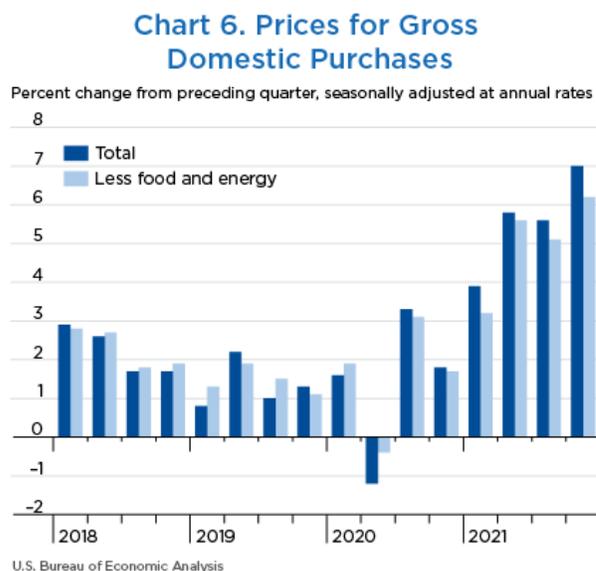


Table 4. Prices for Gross Domestic Purchases

[Percent change at annual rates; based on seasonally adjusted index numbers (2012=100)]

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2021				2021			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Gross domestic purchases¹	3.9	5.8	5.6	7.0	3.9	5.8	5.6	7.0
2	Personal consumption expenditures	3.8	6.5	5.3	6.4	2.51	4.23	3.54	4.19
3	Goods	5.9	9.3	7.3	10.2	1.29	2.11	1.67	2.27
4	Durable goods	2.3	16.8	9.7	10.8	0.19	1.38	0.81	0.88
5	Nondurable goods	8.0	5.0	5.9	9.8	1.10	0.73	0.86	1.39
6	Services	2.8	5.0	4.3	4.4	1.21	2.12	1.87	1.92
7	Gross private domestic investment	2.8	2.9	6.1	8.8	0.50	0.52	1.03	1.53
8	Fixed investment	3.7	4.5	7.0	8.9	0.64	0.80	1.20	1.51
9	Nonresidential	0.8	0.9	4.3	7.8	0.10	0.13	0.56	0.99
10	Structures	3.9	8.9	11.1	24.4	0.10	0.21	0.26	0.54
11	Equipment	2.2	-3.2	4.6	6.9	0.12	-0.16	0.25	0.37
12	Intellectual property products	-2.3	1.5	0.9	1.6	-0.12	0.08	0.05	0.08
13	Residential	12.4	15.3	14.8	11.9	0.54	0.67	0.64	0.52
14	Change in private inventories	---	---	---	---	-0.14	-0.28	-0.17	0.02
15	Government consumption expenditures and gross investment	5.4	6.1	6.1	7.6	0.93	1.04	1.02	1.27
16	Federal	4.0	4.1	5.0	5.7	0.27	0.28	0.33	0.36
17	National defense	4.4	4.3	4.9	5.5	0.18	0.17	0.18	0.21
18	Nondefense	3.3	3.9	5.2	5.8	0.09	0.11	0.14	0.16
19	State and local	6.3	7.3	6.7	8.9	0.66	0.76	0.70	0.91
Addenda:									
Gross domestic purchases:									
20	Food	-0.1	1.6	7.9	9.0	0.00	0.09	0.40	0.46
21	Energy goods and services	47.8	21.2	19.4	34.0	0.91	0.49	0.48	0.82
22	Excluding food and energy	3.2	5.6	5.1	6.2	3.02	5.20	4.72	5.72
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	0.7	4.1	7.7	8.7	---	---	---	---
24	Energy goods and services	47.7	20.4	18.9	34.2	---	---	---	---
25	Excluding food and energy	2.7	6.1	4.6	5.0	---	---	---	---
26	Gross domestic product	4.3	6.1	6.0	7.1	---	---	---	---
27	Exports of goods and services	21.0	19.4	9.7	6.4	---	---	---	---
28	Imports of goods and services	13.3	13.4	6.1	5.6	---	---	---	---

1. The estimated prices for gross domestic purchases under the contribution columns are also percent changes.

Note. Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are from NIPA table 2.3.7. Contributions are from NIPA table 1.6.8. Gross domestic product, export, and import prices are from NIPA table 1.1.7.

Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services, regardless of whether those goods and services were produced domestically or imported. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

The GDP price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export. The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the FAQ "[How do the effects of dollar depreciation show up in the GDP accounts?](#)" on BEA's website.

BEA also produces price indexes for all the components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, for energy goods and services, and for all items except food and energy are also estimated and reported.

Because prices for food and for energy can be volatile, the price measure that excludes food and energy is often used as a measure of underlying, or "core," inflation. The core PCE price index includes purchased meals and beverages, such as restaurant meals and pet food. (See "[What is the core PCE price index?](#)" on BEA's website.)

BEA also prepares a supplemental PCE price index, the "market-based" PCE price index, that is based on market transactions for which there are corresponding price measures. This index excludes many imputed expenditures, such as financial services furnished without payment, that are included in PCE and in the PCE price index. BEA also prepares a market-based measure that excludes food and energy.

Updates

The increase in fourth-quarter real GDP was revised down 0.1 percentage point from the “second” estimate (table 5). The updated estimates primarily reflected downward revisions to consumer spending, exports, and nonresidential fixed investment that were partly offset by upward revisions to private inventory investment and residential fixed investment. Imports were revised up.

- Within consumer spending, both services and goods were revised down.
 - For services, the revision primarily reflected downward revisions to health care (led by outpatient services) and transportation (mainly motor vehicles services, including maintenance and repair).
 - For goods, the leading contributor to the downward revision was food and beverages purchased for off-premises consumption.
- For both exports and imports, the revised estimates primarily reflected updated data from BEA’s International Transactions Accounts (ITAs).
 - Within exports, a downward revision to “other” business services (which includes professional and management consulting services; financial services; and telecommunications, computer, and information services) was partly offset by an upward revision to charges for the use of intellectual property.
 - Within imports, the leading contributor to the upward revision was industrial supplies and materials, reflecting upward revisions to nondurable goods (notably, petroleum) as well as durable goods.
- The revision to nonresidential fixed investment reflected a downward revision to intellectual property products led by research and development.
- The revision to private inventory investment reflected an upward revision to nonfarm inventories, led by retail trade (notably, general merchandise stores), “other” industries (specifically, information), and wholesale trade (led by durable goods).
- The upward revision to residential fixed investment was led by single-family structures.

Table 5. Second and Third Estimates for the Fourth Quarter of 2021

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Second estimate	Third estimate	Third estimate minus second estimate	Second estimate	Third estimate	Third estimate minus second estimate
1	Gross domestic product (GDP)¹	3.5	3.4	-0.1	7.0	6.9	-0.1
2	Personal consumption expenditures	2.3	2.2	-0.1	2.13	1.76	-0.37
3	Goods	2.8	2.7	-0.1	0.36	0.28	-0.08
4	Durable goods	3.3	3.2	-0.1	0.24	0.22	-0.02
5	Nondurable goods	2.6	2.5	-0.1	0.13	0.06	-0.07
6	Services	2.0	1.9	-0.1	1.76	1.48	-0.28
7	Gross private domestic investment	9.8	10.4	0.6	5.38	5.82	0.44
8	Fixed investment	2.8	2.8	0.0	0.48	0.50	0.02
9	Nonresidential	2.7	2.6	-0.1	0.43	0.40	-0.03
10	Structures	3.0	3.3	0.3	-0.25	-0.22	0.03
11	Equipment	2.3	2.4	0.1	0.14	0.17	0.03
12	Intellectual property products	2.9	2.6	-0.3	0.53	0.45	-0.08
13	Residential	3.2	3.4	0.2	0.05	0.10	0.05
14	Change in private inventories	---	---	---	4.90	5.32	0.42
15	Net exports of goods and services	---	---	---	-0.07	-0.23	-0.16
16	Exports	7.1	6.8	-0.3	2.35	2.24	-0.11
17	Goods	7.2	7.2	0.0	1.63	1.64	0.01
18	Services	6.9	5.8	-1.1	0.72	0.59	-0.13
19	Imports	5.6	5.6	0.0	-2.42	-2.46	-0.04
20	Goods	5.8	5.9	0.1	-2.11	-2.16	-0.05
21	Services	4.2	4.2	0.0	-0.31	-0.31	0.00
22	Government consumption expenditures and gross investment	1.2	1.2	0.0	-0.45	-0.46	-0.01
23	Federal	0.3	0.3	0.0	-0.30	-0.29	0.01
24	National defense	-0.2	-0.2	0.0	-0.24	-0.24	0.00
25	Nondefense	0.9	0.9	0.0	-0.06	-0.05	0.01
26	State and local	1.8	1.7	-0.1	-0.15	-0.17	-0.02
Addenda:							
27	Final sales of domestic product	2.2	2.1	-0.1	---	---	---
28	Gross domestic income (GDI) ²	---	1.2	---	---	---	---
29	Average of GDP and GDI	---	1.5	---	---	---	---
30	Gross domestic purchases price index	1.7	1.7	0.0	---	---	---
31	GDP price index	1.7	1.7	0.0	---	---	---

1. The GDP estimates under the contribution columns are also percent changes.

2. GDI is deflated by the implicit price deflator for GDP. For Q4, not published in second estimate.

Information on Key Source Data, Assumptions, and Methodologies

A comprehensive table that presents the “[Key Source Data and Assumptions](#)” that are used to prepare each vintage of the estimate of GDP for the current quarter is available on BEA's website. For the advance estimates that are released near the end of the month after the close of the quarter, the table shows the months of source data for the quarter that are available; for most components of GDP, 3 months of data are available. For the components for which only 2 months of source data are available, BEA's assumptions for the third month are shown. Second estimates are released near the end of the second month after the close of the quarter, and third estimates are released near the end of the third month after the close of the quarter. With each vintage, the table is updated to add newly available and revised source data that have been incorporated into the estimates.

For additional details about the source data and the methodologies that are used to prepare the estimates, see “[Concepts and Methods of the U.S. National Income and Product Accounts](#)” on BEA's website.

Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment (IVA) and the capital consumption adjustment (CCAdj)) increased \$20.4 billion, or 0.7 percent at a quarterly rate, in the fourth quarter after increasing \$96.9 billion, or 3.4 percent, in the third quarter (table 6). Profits of domestic financial corporations decreased \$1.3 billion, profits of domestic nonfinancial corporations increased \$5.0 billion, and rest-of-the-world profits increased \$16.8 billion.

Table 6. Corporate Profits
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)				
		Level	Change from preceding quarter					2021			
		2021	2021					2021			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Current production measures:										
1	Corporate profits with IVA and CCAdj	2,936.5	123.9	267.8	96.9	20.4	5.1	10.5	3.4	0.7	
2	Domestic industries	2,408.5	134.5	274.0	45.8	3.7	6.9	13.1	1.9	0.2	
3	Financial	550.6	1.3	52.8	14.2	-1.3	0.3	10.9	2.6	-0.2	
4	Nonfinancial	1,857.9	133.2	221.3	31.6	5.0	9.1	13.8	1.7	0.3	
5	Rest of the world	528.0	-10.6	-6.2	51.1	16.8	-2.2	-1.3	11.1	3.3	
6	Receipts from the rest of the world	970.5	34.2	27.4	65.2	12.6	4.1	3.2	7.3	1.3	
7	Less: Payments to the rest of the world	442.5	44.8	33.6	14.1	-4.1	12.7	8.4	3.3	-0.9	
9	Less: Taxes on corporate income	409.1	28.1	34.9	14.7	15.8	8.9	10.1	3.9	4.0	
10	Equals: Profits after tax	2,527.4	95.8	232.9	82.1	4.7	4.5	10.5	3.4	0.2	
11	Net dividends	1,465.1	-37.8	51.4	27.7	26.4	-2.7	3.8	2.0	1.8	
12	Undistributed profits from current production	1,062.3	133.6	181.5	54.5	-21.8	18.7	21.4	5.3	-2.0	
13	Net cash flow with IVA	3,230.4	154.5	224.7	56.5	95.3	5.7	7.9	1.8	3.0	

CCAdj Capital consumption adjustment

IVA Inventory valuation adjustment

Note. Levels of these and other profits series are shown in National Income and Product Account tables [1.12](#) and [6.16D](#).

Note on Measuring Corporate Profits

Corporate profits is a widely followed economic indicator used to gauge corporate health, assess investment conditions, and analyze the effect on corporations of economic policies and conditions. In addition, corporate profits is an important component in key measures of income.

BEA's measure of corporate profits aims to capture the income earned by corporations from current production in a manner that is fully consistent with the National Income and Product Accounts (NIPAs). The measure is defined as receipts arising from current production less associated expenses. Receipts exclude income in the form of dividends and capital gains, and expenses exclude bad debts, natural resource depletion, and capital losses.

Because direct estimates of NIPA-consistent corporate profits are unavailable, BEA derives these estimates in three steps.

First, BEA measures profits before taxes to reflect corporate income regardless of any redistributions of income through taxes. Estimates for the current quarter are based on corporate earnings reports from sources including the Census Bureau Quarterly Financial Report, Federal Deposit Insurance Corporation call reports, other regulatory reports, and tabulations from corporate financial reports. The estimates are benchmarked to Internal Revenue Service (IRS) data when these data are available for two reasons: the IRS data are based on well-specified accounting definitions, and they are comprehensive, covering all incorporated businesses—publicly traded and privately held—in all industries.

Second, to remove the effects of price changes on inventories valued at historical cost and of tax accounting for inventory withdrawals, BEA adds an inventory valuation adjustment that values inventories at current cost.

Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging).

Corporate Profits by Industry

Industry profits (corporate profits by industry with IVA) increased \$57.7 billion, or 2.0 percent at a quarterly rate, in the fourth quarter of 2021 after increasing \$126.1 billion, or 4.6 percent, in the third quarter (table 7 and chart 7). Domestic profits increased \$40.9 billion in the fourth quarter and primarily reflected an increase in manufacturing that was offset by a decrease in “other” nonfinancial industries. Rest-of-the-world profits increased \$16.8 billion.

Profits after tax (without IVA and CCAdj)—BEA's profits measure that is conceptually most like the profits for companies in the Standard & Poor's 500 Index—decreased \$21.3 billion in the fourth quarter.

**Chart 7. Corporate Profits with Inventory Valuation Adjustment in 2021:Q4,
Change from Preceding Quarter**

Billions of dollars, seasonally adjusted at annual rates



1. "Other" nonfinancial corporations includes the agriculture, mining, construction, and services industries.
U.S. Bureau of Economic Analysis

Table 7. Corporate Profits by Industry
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)			
		Level	Change from preceding quarter				2021			
		2021	2021				2021			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Industry profits:										
1	Corporate profits with IVA	2,931.6	104.7	285.9	126.1	57.7	4.4	11.6	4.6	2.0
2	Domestic industries	2,403.5	115.3	292.1	75.0	40.9	6.1	14.6	3.3	1.7
3	Financial	602.3	-1.1	57.0	20.6	4.9	-0.2	11.0	3.6	0.8
4	Nonfinancial	1,801.2	116.4	235.1	54.4	36.1	8.6	15.9	3.2	2.0
5	Utilities	19.9	1.3	-9.1	8.5	-0.5	6.6	-43.4	71.8	-2.2
6	Manufacturing	555.6	36.6	48.6	49.9	55.3	10.0	12.1	11.1	11.0
7	Wholesale trade	160.4	-23.6	25.0	17.8	5.0	-17.3	22.2	12.9	3.2
8	Retail trade	269.1	37.3	27.4	-37.4	-1.2	15.3	9.8	-12.1	-0.4
9	Transportation and warehousing	46.7	9.7	29.8	-17.0	-0.8	39.1	86.4	-26.3	-1.6
10	Information	172.4	3.3	14.5	1.3	-4.4	2.1	9.0	0.7	-2.5
11	Other nonfinancial	577.1	51.9	98.8	31.3	-17.4	12.6	21.3	5.6	-2.9
12	Rest of the world	528.0	-10.6	-6.2	51.1	16.8	-2.2	-1.3	11.1	3.3
Addenda:										
13	Profits before tax (without IVA and CCAAdj)	3,109.4	231.2	357.7	45.9	-5.5	9.3	13.2	1.5	-0.2
14	Profits after tax (without IVA and CCAAdj)	2,700.3	203.1	322.8	31.2	-21.3	9.4	13.6	1.2	-0.8
15	IVA	-177.9	-126.5	-71.8	80.2	63.2	---	---	---	---
16	CCAAdj	5.0	19.2	-18.1	-29.2	-37.2	---	---	---	---

CCAAdj Capital consumption adjustment

IVA Inventory valuation adjustment

Note. Levels of these and other profits series are shown in National Income and Product Account tables [1.12](#), [1.14](#), [1.15](#), and [6.16D](#).

Note on Corporate Profits by Industry

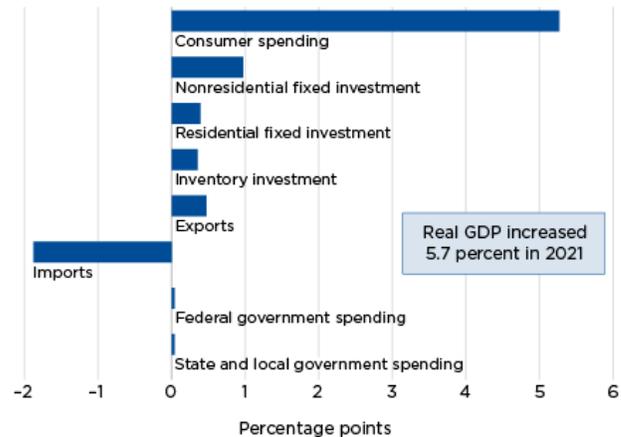
Industry profits are corporate profits by industry with inventory valuation adjustment (IVA). The IVA removes the effect of price changes on inventories. The IVA is the difference between the cost of inventory withdrawals at acquisition cost and replacement cost. Ideally, BEA would also add the capital consumption adjustment (CCAdj) for each industry. However, estimates of the CCAdj are only available for two broad categories: total financial industries and total nonfinancial industries. For more information about BEA's methodology, see "Corporate Profits" in [Concepts and Methods of the U.S. National Income and Product Accounts](#) on BEA's website.

Real GDP, 2021

Real GDP increased 5.7 percent in 2021 (from the 2020 annual level to the 2021 annual level), in contrast to a decrease of 3.4 percent in 2020 (table 8). The increase in real GDP in 2021 reflected increases in all major subcomponents, led by consumer spending, nonresidential fixed investment, exports, residential fixed investment, and private inventory investment. Imports increased (chart 8 and table 8).

- The increase in consumer spending reflected increases in both goods and services.
 - Within goods, increases were widespread, led by "other" nondurable goods (mainly recreational items and pharmaceuticals), clothing and footwear, and durable recreational goods and vehicles.
 - Within services, the leading contributors were food services and accommodations as well as health care.
- The increase in nonresidential fixed investment reflected increases in equipment (led by information processing equipment) and in intellectual property products (led by software as well as research and development) that were partly offset by a decrease in structures (widespread across most categories).
- The increase in exports reflected an increase in goods (mainly nonautomotive capital goods and consumer goods except food and automotive) that was partly offset by a decrease in services (led by travel as well as royalties and license fees).
- The increase in residential fixed investment mainly reflected an increase in new single-family construction.
- The increase in private inventory investment primarily reflected an increase in wholesale trade (mainly in durable-goods industries).

Chart 8. Real GDP: Contributions to the Percent Change in 2021



U.S. Bureau of Economic Analysis

Real gross domestic income (GDI) increased 7.2 percent in 2021, in contrast to a decrease of 2.9 percent in 2020. The average of real GDP and real GDI increased 6.4 percent in 2021, in contrast to a decrease of 3.2 percent in 2020.

Table 8. Real Gross Domestic Product (GDP) by Expenditure, Annual

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)		Contribution to percent change in real GDP (percentage points)	
		2021	2020	2021	2020	2021
1	Gross domestic product¹	100.0	-3.4	5.7	-3.4	5.7
2	Personal consumption expenditures	68.5	-3.8	7.9	-2.55	5.27
3	Goods	23.8	4.6	12.2	0.96	2.69
4	Durable goods	8.8	7.7	18.1	0.54	1.39
5	Nondurable goods	15.0	3.1	9.1	0.42	1.31
6	Services	44.6	-7.5	5.8	-3.52	2.58
7	Gross private domestic investment	17.9	-5.5	9.8	-0.99	1.72
8	Fixed investment	18.0	-2.7	7.8	-0.47	1.37
9	Nonresidential	13.3	-5.3	7.4	-0.73	0.97
10	Structures	2.5	-12.5	-8.0	-0.39	-0.23
11	Equipment	5.5	-8.3	13.1	-0.48	0.69
12	Intellectual property products	5.2	2.8	10.0	0.14	0.51
13	Residential	4.7	6.8	9.2	0.26	0.39
14	Change in private inventories	-0.1	....	....	-0.52	0.35
15	Net exports of goods and services	-4.0	....	....	-0.29	-1.40
16	Exports	10.8	-13.6	4.5	-1.57	0.47
17	Goods	7.6	-10.2	7.6	-0.76	0.52
18	Services	3.2	-19.8	-1.5	-0.81	-0.05
19	Imports	14.8	-8.9	14.0	1.28	-1.88
20	Goods	12.4	-5.6	14.6	0.65	-1.61
21	Services	2.4	-22.6	11.5	0.63	-0.26
22	Government consumption expenditures and gross investment	17.6	2.5	0.5	0.43	0.09
23	Federal	6.8	5.0	0.6	0.33	0.04
24	National defense	3.9	2.9	-0.9	0.11	-0.04
25	Nondefense	2.9	8.1	2.8	0.21	0.08
26	State and local	10.8	0.9	0.4	0.10	0.04
Addenda:						
27	Gross domestic income (GDI) ²	.....	-2.9	7.2	.....	.....
28	Average of GDP and GDI	.....	-3.2	6.4	.....	.....

1. The GDP estimates under the contribution columns are also percent changes.

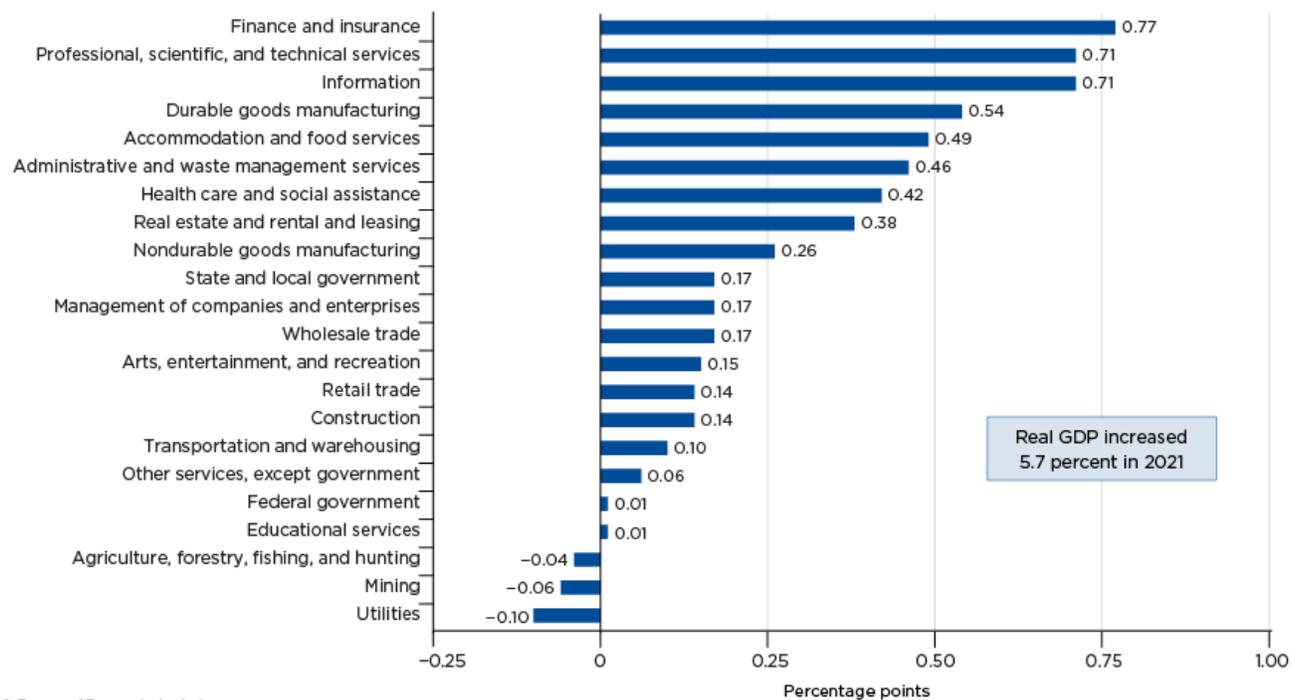
2. GDI is deflated by the implicit price deflator for GDP.

Note. Percent changes are from National Income and Product Account (NIPA) table 1.1.1, contributions to percent change are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

In 2021, private services-producing industries led the increase in GDP, increasing 6.6 percent. Private goods-producing industries increased 5.1 percent, and the government sector increased 1.5 percent (table 9). Overall, 19 of 22 industry groups contributed to the increase in real GDP for 2021 (chart 9).

- Within private goods-producing industries, the leading contributor to the increase was durable-goods manufacturing (led by motor vehicles, bodies and trailers, and parts as well as computer and electronic products).
- Increases within the private services-producing industries were widespread; the leading contributors to the increase were finance and insurance (led by Federal Reserve banks, credit intermediation, and related activities); professional, scientific, and technical services; information (led by data processing, internet publishing, and other information services); accommodation and food services (led by food services and drinking places); and administrative and waste management services.
- The increase in government reflected increases in both state and local government and federal government.

Chart 9. Contributions to Percent Change in Real GDP by Industry Group, 2021



U.S. Bureau of Economic Analysis

Table 9. Real Gross Domestic Product by Industry Group and Related Measures, Annual

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)		Contribution to percent change in real GDP (percentage points)	
		2021	2020	2021	2020	2021
1	Gross domestic product	100.0	-3.4	5.7	-3.4	5.7
2	Private industries	87.9	-3.8	6.3	-3.30	5.47
3	Agriculture, forestry, fishing, and hunting	1.1	14.0	-4.7	0.10	-0.04
4	Mining	1.2	-10.2	-5.7	-0.12	-0.06
5	Utilities	1.7	4.2	-5.6	0.06	-0.10
6	Construction	4.2	-3.6	3.2	-0.15	0.14
7	Manufacturing	11.1	-3.0	7.6	-0.32	0.80
8	Durable goods	6.0	-4.9	9.1	-0.30	0.54
9	Nondurable goods	5.1	-0.4	5.6	-0.02	0.26
10	Wholesale trade	6.0	-1.9	2.8	-0.11	0.17
11	Retail trade	6.0	-2.9	2.1	-0.16	0.14
12	Transportation and warehousing	2.8	-13.4	2.7	-0.42	0.10
13	Information	5.7	3.5	13.2	0.18	0.71
14	Finance, insurance, real estate, rental, and leasing	21.2	0.3	5.4	0.06	1.16
15	Finance and insurance	8.5	3.0	9.4	0.24	0.77
16	Real estate and rental and leasing	12.8	-1.3	2.9	-0.18	0.38
17	Professional and business services	12.9	-2.4	10.7	-0.30	1.34
18	Professional, scientific, and technical services	7.7	-1.9	9.3	-0.15	0.71
19	Management of companies and enterprises	1.9	1.5	8.9	0.03	0.17
20	Administrative and waste management services	3.3	-5.7	15.2	-0.18	0.46
21	Educational services, health care, and social assistance	8.4	-6.4	5.0	-0.56	0.43
22	Educational services	1.1	-11.3	0.5	-0.15	0.01
23	Health care and social assistance	7.3	-5.5	5.8	-0.41	0.42
24	Arts, entertainment, recreation, accommodation, and food services	3.7	-29.8	19.9	-1.29	0.64
25	Arts, entertainment, and recreation	0.9	-35.4	19.8	-0.41	0.15
26	Accommodation and food services	2.8	-27.8	19.9	-0.89	0.49
27	Other services, except government	1.9	-12.4	2.9	-0.27	0.06
28	Government	12.1	-0.9	1.5	-0.12	0.19
29	Federal	3.8	2.8	0.3	0.11	0.01
30	State and local	8.2	-2.6	2.0	-0.22	0.17
Addenda:						
31	Private goods-producing industries ¹	17.6	-2.9	5.1	-0.49	0.83
32	Private services-producing industries ²	70.3	-4.0	6.6	-2.81	4.64

1. Consists of agriculture, forestry, fishing and hunting; mining; construction; and manufacturing.

2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from these GDP by industry tables: "Value Added by Industry as a Percentage of Gross Domestic Product," "Percent Changes in Chain-Type Quantity Indexes for Value Added by Industry," and "Contributions to Percent Change in Real Gross Domestic Product by Industry."

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1. “Real” estimates are in chained (2012) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data; for more information, see “[The Revisions to GDP, GDI, and Their Major Components](#)” in the January 2018 *Survey of Current Business*. Quarterly estimates are expressed at seasonally adjusted annual rates, which reflect a rate of activity for a quarter as if it were maintained for a year.
 2. In this article, “consumer spending” refers to “personal consumption expenditures,” “inventory investment” refers to “change in private inventories,” and “government spending” refers to “government consumption expenditures and gross investment.”