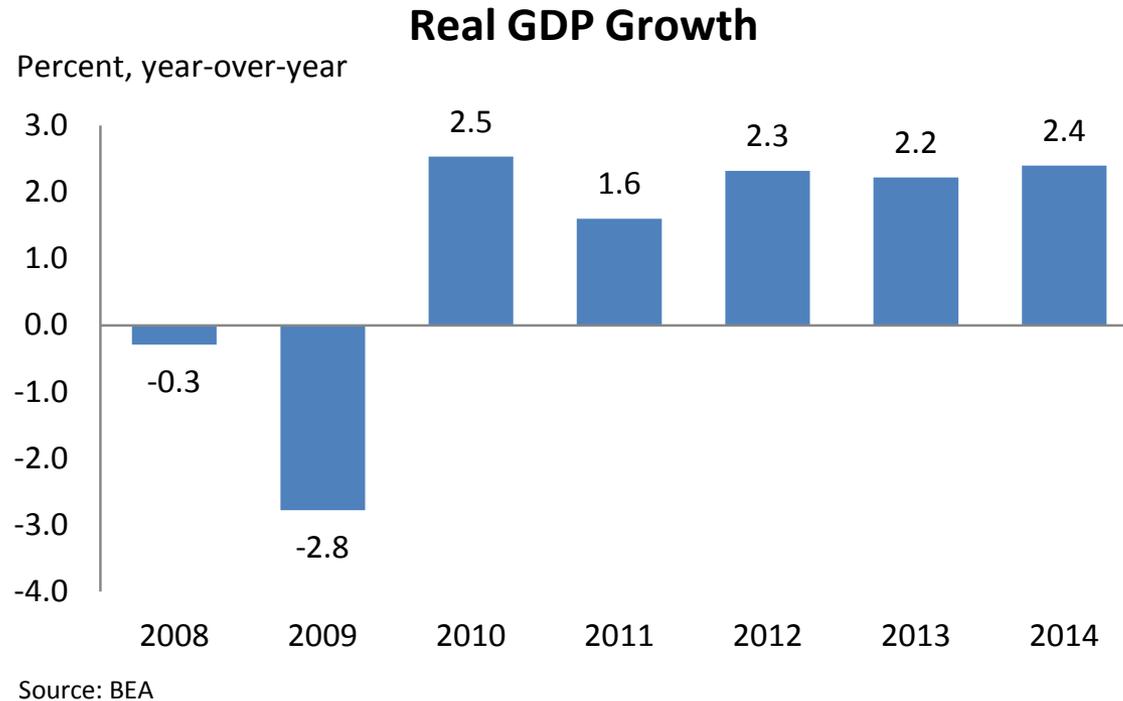


Highlights of U.S. Economic Growth in 2014

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Gross Domestic Product



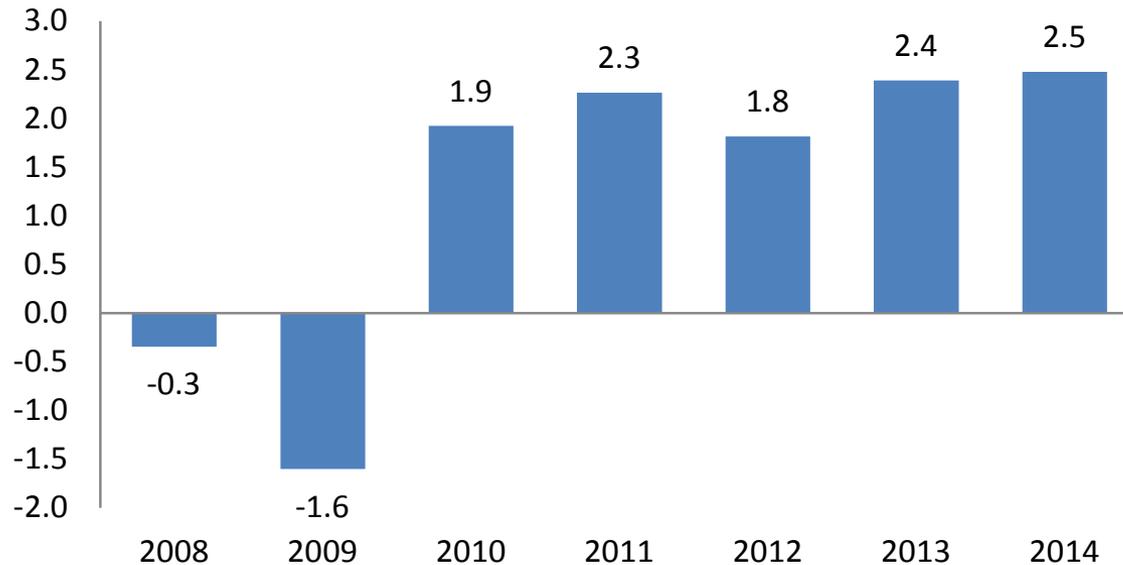
- GDP growth for 2014 came in at 2.4 percent, the highest rate of growth since 2010.
- Most domestic industries have been posting gains in 2014.



Consumer Spending

Real Personal Consumption Expenditure Growth

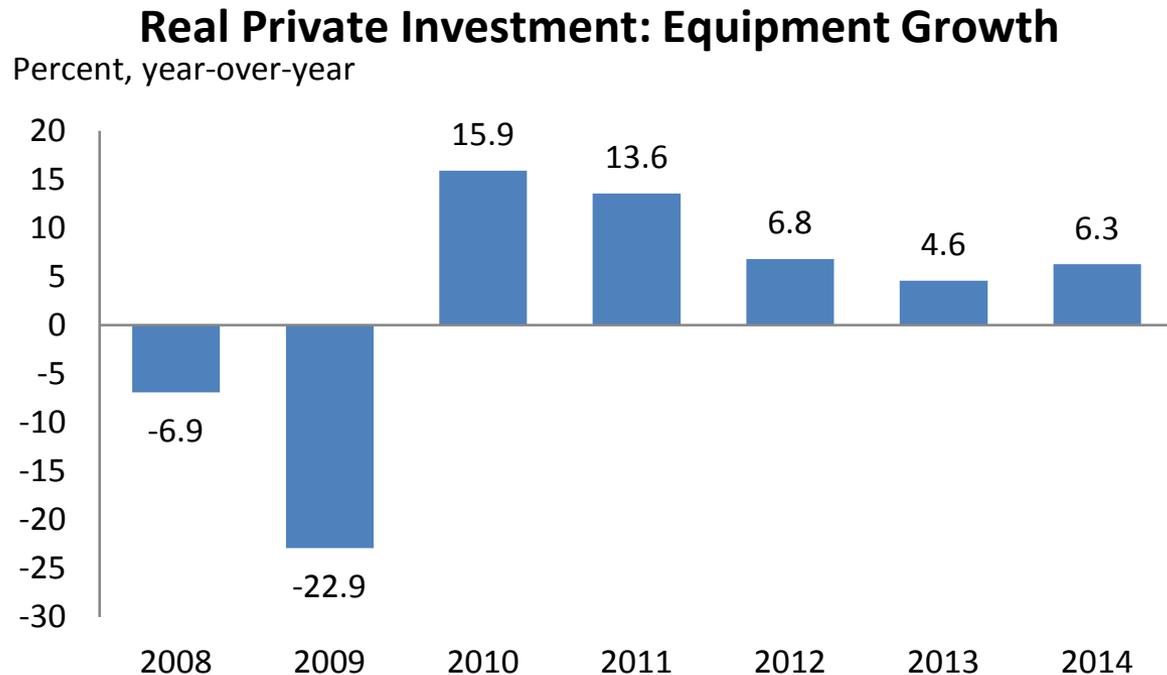
Percent, year-over-year



Source: BEA

- The U.S. economy was bolstered by the consumer in 2014, with real consumer spending increasing 2.5 percent. Like the job market data, consumer spending picked up speed in 2014, especially in the second half.
- Real disposable income rose 2.4 percent in 2014.
- Several measures of consumer sentiment have been increasing of late. In January, Michigan's consumer sentiment index reached its highest level since 2004 and the Conference Board's consumer confidence index hit its highest level since 2007.
- New car and truck sales in 2014 reached 16.4 million, the highest level since 2006.

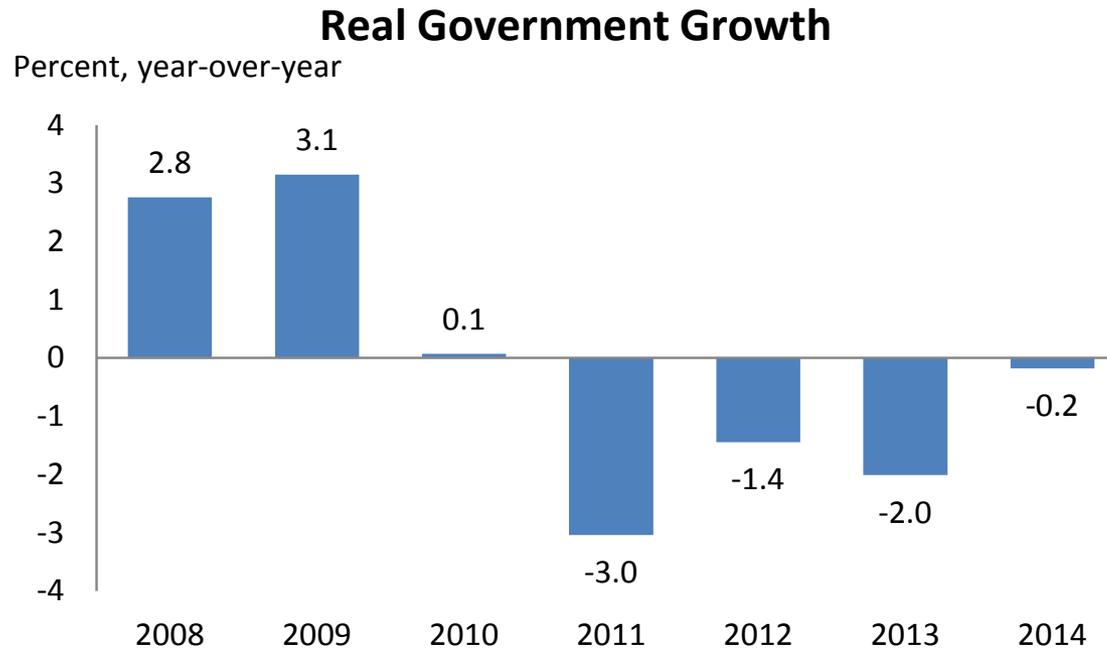




Source: BEA

- Domestic fixed investment has also recovered since the recession, with 2014 growth driven by increases in nonresidential structures and equipment.
- Investment grew in most categories.

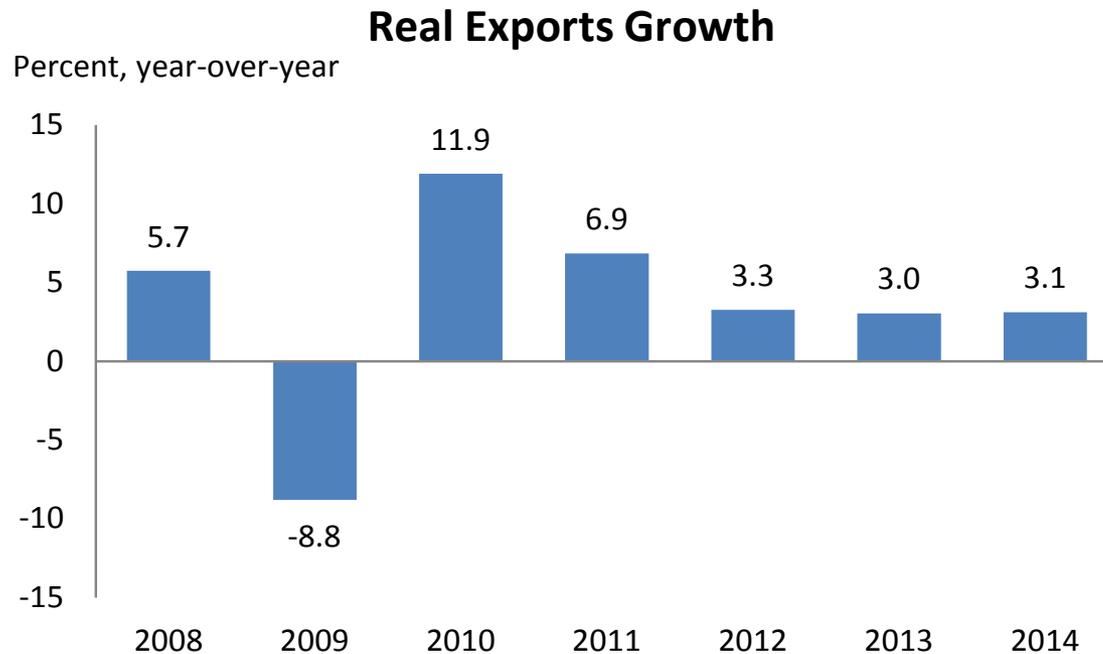
Government Expenditures



Source: BEA

- Another reason the U.S. economy is improving is that government spending has become less of a drag.
- Reductions in government expenditures reduced real GDP growth between -0.3 p.p. and -0.7 p.p. between 2011 and 2013. In 2014, government expenditures had an almost negligible effect on GDP growth.
- Real government expenditures have been bolstered by state and local governments, which have experienced 7 consecutive quarters of growth compared to the same quarter in the previous year. The federal government, conversely, has experienced negative growth in 14 of the last 16 quarters when compared to the same quarter previous year.





Source: BEA

- Despite a slowdown in the global economy outside of the U.S. and an appreciating dollar, exports continue to boost U.S. economic growth. In 2014, real exports increased 3.1 percent. Nominal exports (not adjusted for price changes) increased 3.2 percent.