

ECONOMY DECLINES 6.1 PERCENT IN FIRST QUARTER

“Advance” Estimate of GDP

Real gross domestic product (GDP) declined 6.1 percent in the first quarter of 2009 after declining 6.3 percent in the fourth quarter of 2008, according to estimates released today by the Bureau of Economic Analysis.



Gross domestic product

Consumer spending grew 2.2 percent in the first quarter after falling 4.3 percent in the fourth quarter.

The increase in consumer spending was offset by larger declines in:

- Exports
- Business inventory investment
- Business investment in structures and equipment and software
- Housing construction

Prices

Prices of goods and services purchased by U.S. residents (gross domestic purchases) fell 1.0 percent, following a 3.9 percent decrease in the fourth quarter. Energy prices decreased less than in the fourth quarter. Excluding food and energy, prices rose 1.4 percent after rising 1.2 percent.

Personal Income

Real disposable personal income (DPI)—income adjusted for inflation and taxes—rose 6.2 percent in the first quarter after rising 2.7 percent in the fourth quarter. The increase reflected reduced tax payments and an increase in transfer payments, as wages and salaries declined. In addition, lower prices boosted real DPI.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: www.bea.gov. [E-mail](#) alerts are also available.

NOTE: The “preliminary” estimates of GDP and corporate profits for the first quarter of 2009 will be released on May 29, 2009.