

GDP RISES IN FOURTH QUARTER

Corporate Profits Increase

Real gross domestic product (GDP) rose 5.6 percent in the fourth quarter of 2009 after rising 2.2 percent in the third quarter, according to the “third” estimate released by the Bureau of Economic Analysis. The fourth-quarter growth rate was revised down 0.3 percentage point from the “second” estimate released in February.

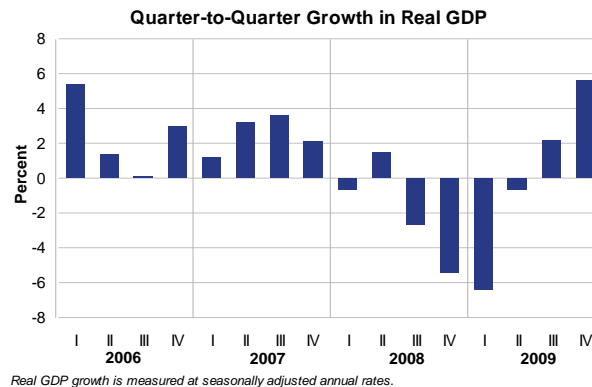
Fourth-quarter GDP highlights

The acceleration in real GDP growth reflected a slowdown in the rate at which business drew down inventories. While inventories were drawn down for the seventh straight quarter, the drawdown was much less than in the third quarter. The pickup in real GDP also reflected rebounds in business investment in equipment and software and in net exports.

These contributions to the pickup in economic growth were partly offset by slowdowns in consumer spending (mainly for motor vehicles and parts), federal government spending, and residential housing.

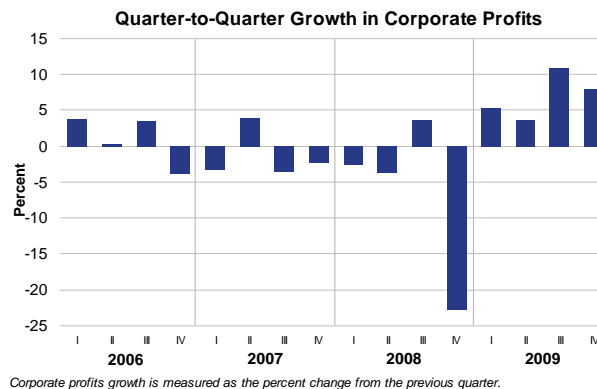
Revisions

The downward revision to GDP growth reflected downward revisions to business investment in structures, inventory investment, and consumer spending on services.



Corporate Profits

Fourth-quarter corporate profits rose 8.0 percent at a quarterly rate. Nonfinancial corporate profits rose 8.7 percent, and financial corporate profits rose 18.6 percent. Profits from the rest of the world fell 5.0 percent.



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 “advance” estimate of GDP for the first quarter of 2010 will be released on April 30, 2010.