

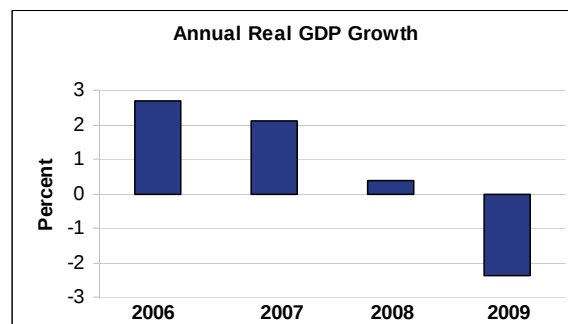
## GDP RISES IN FOURTH QUARTER

*"Advance" Estimate of GDP*

Real gross domestic product (GDP) increased 5.7 percent in the fourth quarter of 2009 after increasing 2.2 percent in the third quarter, according to estimates released today by the Bureau of Economic Analysis.



Real GDP growth is measured at seasonally adjusted annual rates.



### Fourth-quarter GDP highlights

The pick up in real GDP growth reflected a slowdown in the rate at which businesses drew down inventories; while inventories were drawn down for the seventh straight quarter, the drawdown was much less than in the third quarter.

The pick up also reflected a upturn in business investment, mainly due to a pick up in equipment and software. In addition, imports (a subtraction in the calculation of GDP) rose less than in the third quarter.

These contributions to real GDP growth were partially offset by slowdowns in federal spending, consumer spending, and residential housing.

### Prices

Prices of goods and services purchased by U.S. residents rose 2.1 percent after rising 1.3 percent in the third quarter. Although energy prices slowed, food prices turned up. Excluding food and energy, prices rose 1.2 percent in the fourth quarter after rising 0.3 percent in the third quarter.

### Personal income and personal saving

Real disposable personal income, income adjusted for inflation and taxes, rose 2.1 percent in the fourth quarter after falling 1.4 percent in the third quarter. The personal saving rate, saving as a percent of disposable personal income, rose to 4.6 percent from 4.5 percent.

### 2009 GDP highlights

Real GDP in 2009 declined 2.4 percent. In 2008, growth was 0.4 percent. The downturn in 2009 reflected downturns in business investment and exports and larger declines in inventory investment and consumer spending.

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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The "second" estimates of GDP for the fourth quarter of 2009 will be released on February 26, 2010.