

GDP GREW 1.7 PERCENT IN THE FOURTH QUARTER

Corporate Profits Rose

The economy grew at an annual rate of 1.7 percent in the fourth quarter, according to the “final” estimates released by the U.S. Bureau of Economic Analysis. The growth rate was 0.1 percentage point more than in the “preliminary” estimates released in February. In the third quarter, real gross domestic product (GDP) increased 4.1 percent. Annual growth in 2005 was 3.5 percent, unchanged from the February estimate.

Gross Domestic Product

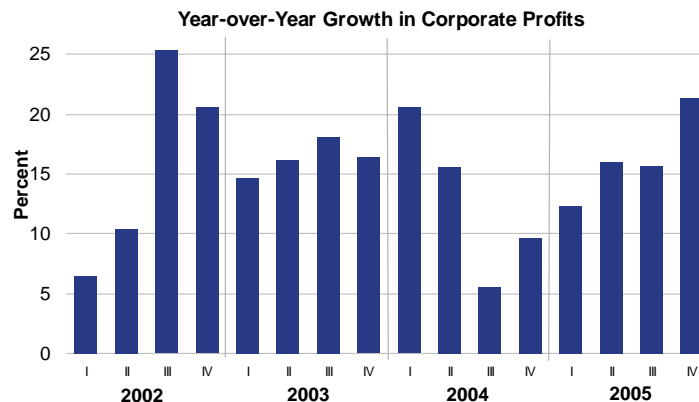
The slowdown in fourth-quarter GDP growth primarily reflected a deceleration in consumer spending, an acceleration in imports, a downturn in Federal government spending, and decelerations in equipment-and-software and residential investment. In contrast, inventory investment turned up, and exports accelerated.



Real GDP growth is measured at seasonally adjusted annual rates.

Corporate Profits

Corporate profits in the fourth-quarter, available for the first time, rose 21.3 percent from the same quarter a year ago. Profits of financial corporations increased 12.3 percent, and profits of nonfinancial corporations increased 26.8 percent.



Corporate profits growth is measured as the percent change from the same quarter one year ago.

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 2006 will be released on April 28, 2006.