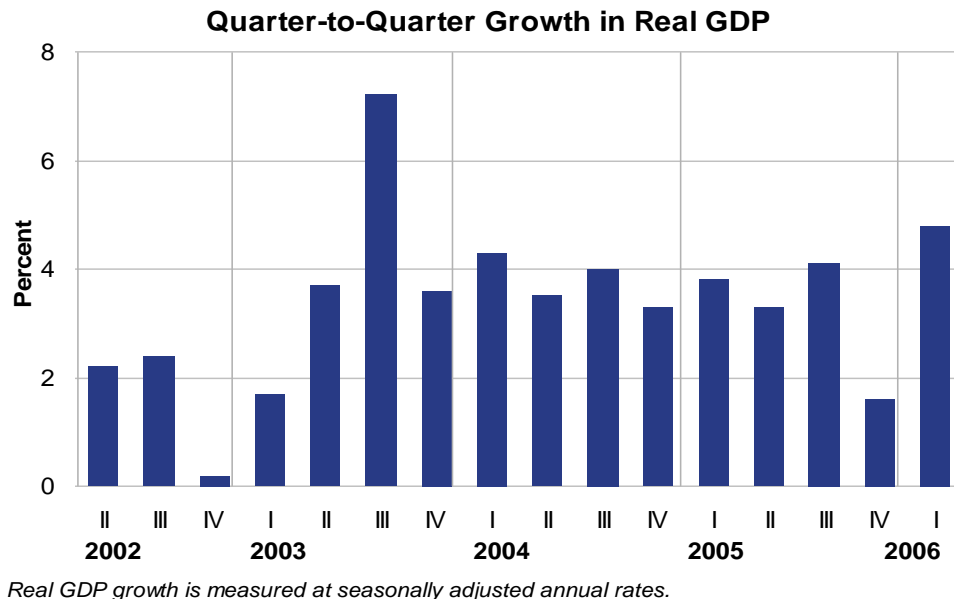


## GROWTH ACCELERATES IN THE FIRST QUARTER

*“Advance” Estimates of GDP*

Real gross domestic product (GDP), the most comprehensive measure of economic activity, increased 4.8 percent in the first quarter of 2006 after increasing 1.7 percent in the fourth quarter of 2005, according to estimates released today by the Bureau of Economic Analysis.



Several GDP components that weakened in the fourth quarter picked up in the first quarter:

- Consumer spending accelerated, increasing 5.5 percent after increasing 0.9 percent. Spending on motor vehicles turned up.
- Business investment in equipment and software increased 16.4 percent after increasing 5.0 percent.
- Federal government spending turned up, increasing 10.8 percent after decreasing 2.6 percent.
- Exports increased 12.1 percent after increasing 5.1 percent in the fourth quarter and 2.5 percent in the third quarter.

### Prices

Inflation, as measured by prices for domestic purchases, increased 2.7 percent, following an increase of 3.7 percent. Excluding food and energy, prices increased 3.1 percent, following a 3.2-percent increase.

### Disposable Income

Real disposable personal income, the amount available for personal spending or saving, increased 3.2 percent after increasing 6.7 percent in the fourth quarter. The fourth-quarter increase reflected a rebound from a hurricane-related decline in the third quarter.

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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: Additional information that becomes available in the coming weeks will be incorporated in a revised estimate of first-quarter GDP—and a preliminary estimate of corporate profits—on May 25, 2006.