

GDP GROWS 0.6 PERCENT IN FIRST QUARTER

“Advance” Estimate of GDP

Real gross domestic product (GDP) increased 0.6 percent in the first quarter of 2008, the same rate of growth as in the fourth quarter of 2007, according to estimates released today by the Bureau of Economic Analysis.



The sources of economic growth in the first quarter were slightly different than in the fourth quarter with continued weakening of consumer spending and a further decline in construction spending—offset by a rise in inventory investment.

Prices

Prices of goods and services purchased by U.S. residents increased 3.5 percent, following a 3.7 percent increase in the fourth quarter; 0.3 percentage point of the first-quarter increase was due to government pay increases. Food and energy prices continued to push up overall inflation.

Personal Income

Real disposable personal income—personal income adjusted for inflation and taxes—rose 1.4 percent, compared with an increase of 0.1 percent in the fourth quarter.

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 2008 will be released on May 29, 2008.