

GDP INCREASES IN FOURTH QUARTER

Corporate profits decline

Real gross domestic product (GDP) increased 1.4 percent in the fourth quarter of 2015, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was 0.4 percentage point more than the “second” estimate released last month. In the third quarter, real GDP increased 2.0 percent.

GDP highlights

The fourth-quarter increase in real GDP largely reflected a rise in consumer spending. Spending on services increased, notably on recreation services and health care. Spending on durable goods also increased, notably on recreational goods and vehicles. Spending on nondurable goods also increased.

Residential investment and federal government spending also contributed to real GDP growth. In addition, imports, a subtraction in the calculation of GDP, decreased.

Partly offsetting these positive contributions were declines in business investment, exports, inventory investment, and state and local government spending.

Revisions

The upward revision to real GDP growth was mainly accounted for by an upward revision to consumer spending on services, notably on recreation services. Exports of goods and services were also revised up. Partly offsetting these upward revisions, private inventory investment was revised down, notably in manufacturing and retail trade.

Corporate profits

Profits decreased 7.8 percent at a quarterly rate in the fourth quarter after decreasing 1.6 percent in the third quarter.

Profits of nonfinancial corporations decreased 10.2 percent in the fourth quarter, profits of financial corporations decreased 6.0 percent, and profits from the rest of the world decreased 1.7 percent.

Annual corporate profits

For the full year 2015, corporate profits decreased 3.1 percent, after rising 1.7 percent in 2014.

Profits of nonfinancial corporations decreased 2.6 percent, profits of financial corporations fell 0.6 percent, and profits from the rest of the world fell 7.0 percent.



Real GDP growth is measured at seasonally adjusted annual rates.



Corporate profits growth is measured as the percent change from the previous 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 “advance” estimate of GDP for the first quarter of 2016 will be released on April 28, 2016.