

## GDP INCREASES IN SECOND QUARTER

*“Advance” estimate of GDP*

Real gross domestic product (GDP) increased 4.1 percent in the second quarter of 2018, according to the “advance” estimate released by the Bureau of Economic Analysis. In the first quarter, real GDP increased 2.2 percent (revised).

### GDP highlights

The second-quarter increase in real GDP reflected increases in consumer spending, exports, business investment, and government spending, while inventory investment and housing investment decreased. Imports, which is a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in services and in both durable and nondurable goods. The increase in exports reflected increases in exports of goods.

The increase in business investment reflected increases in structures, intellectual property products, and equipment. The increase in government spending reflected increases in federal national defense, and state and local government spending.

### Personal income and saving

Real disposable personal income—personal income adjusted for taxes and inflation—increased 2.6 percent in the second quarter after increasing 4.4 percent in the first quarter. Personal savings as a percent of disposable personal income was 6.8 percent in the second quarter, compared with 7.2 percent in the first quarter.

### Second-quarter prices

Prices of goods and services purchased by U.S. residents increased 2.3 percent in the second quarter of 2018, after increasing 2.5 percent in the first quarter.

Food and energy prices both increased in the second quarter.

Excluding food and energy, prices increased 2.4 percent in the second quarter, the same as in the first quarter.

### Comprehensive update

BEA also released its 2018 comprehensive update of the national income and product accounts, which incorporated newly available and revised source data for 2013 – 2017. From the fourth quarter of 2012 to the fourth quarter of 2017, real GDP increased at an annual average rate of 2.3 percent, a downward revision of 0.1 percentage point.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at [www.bea.gov](http://www.bea.gov). [E-mail](#) alerts are also available. The “second” estimate of GDP and an estimate of corporate profits for the second quarter of 2018 will be released on August 29, 2018.

