

GDP PICKS UP IN THE SECOND QUARTER

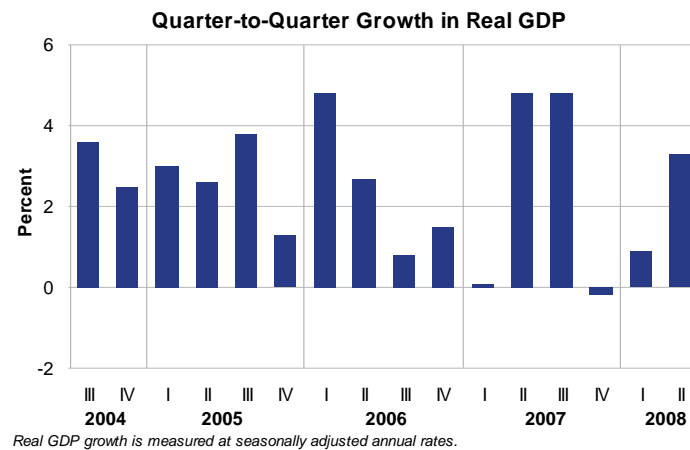
Corporate Profits Decline

The economy grew at an annual rate of 3.3 percent in the second quarter, compared with 0.9 percent in the first quarter, according to the “preliminary” estimates released by the Bureau of Economic Analysis. The second-quarter growth rate was revised up 1.4 percentage points from the “advance” estimate of 1.9 percent.

Gross Domestic Product (GDP)

The pickup in GDP growth reflected accelerations in net exports and consumer spending and a smaller decrease in housing investment. In contrast, inventory investment declined more than in the first quarter.

The larger-than-average revision to second-quarter growth stemmed from upward revisions to net exports and inventory investment, which reflected newly available Census Bureau trade-in-goods and inventories data for June.



Corporate Profits

Second-quarter profits fell 2.4 percent, the fourth straight quarterly decline. Profits were 7.0 percent below year-ago levels.

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: Additional information that becomes available in the coming weeks will be incorporated in a “final” estimate of second-quarter GDP on September 26, 2008. A revised estimate of corporate profits will also be released.