

## GDP INCREASES IN SECOND QUARTER

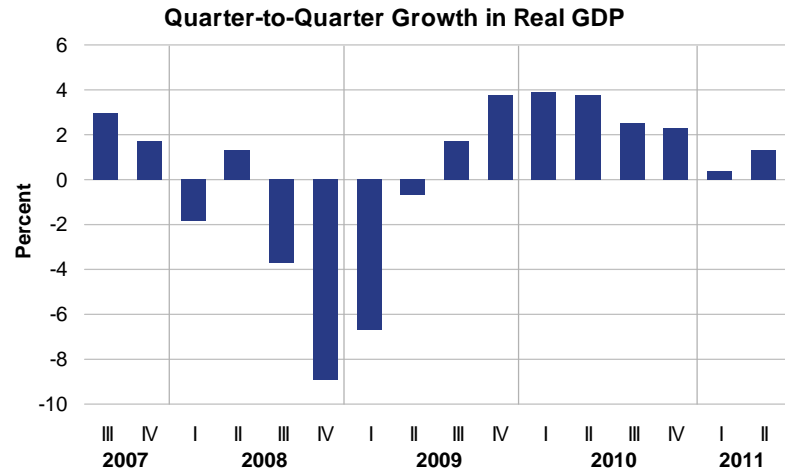
*Third Estimate of GDP*

Real gross domestic product (GDP) increased 1.3 percent in the second quarter of 2011 after increasing 0.4 percent in the first quarter, according to estimates released today by the Bureau of Economic Analysis. The second quarter growth rate was revised up 0.3 percentage point from the second estimate released in August.

### Second-quarter highlights

The following contributed to second-quarter real GDP growth:

- Business fixed investment increased, reflecting growth in structures and in equipment and software.
- Consumer spending for services increased.
- Exports of both goods and services increased.
- Federal government spending rose; a rise in defense spending more than offset a decline in nondefense spending.



Offsetting these contributions to real GDP growth were decreases in consumer spending on durable goods (especially motor vehicles and parts), in state and local government spending, and in inventory investment. In addition, imports rose.

*Real GDP growth is measured at seasonally adjusted annual rates.*

### Revisions to GDP

The 0.3 percentage point upward revision to real GDP growth in the second quarter mainly reflected an upward revision to consumer spending for services, an upward revision to investment in structures, a downward revision to imports, and an upward revision to exports. These revisions were offset by a downward revision to business investment in equipment and software.

### Corporate profits

Second quarter corporate profits rose 3.3 percent at a quarterly rate following a 1.0 percent rise in the first quarter.

Second-quarter nonfinancial profits rose 8.1 percent, while financial profits fell 11.5 percent from the first quarter. Profits from the rest of the world increased 8.4 percent.



*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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The advance estimate of GDP for the third quarter of 2011 will be released on October 27, 2011.