

GDP INCREASES IN SECOND QUARTER

“Second” estimate of GDP

Real gross domestic product (GDP) increased 2.0 percent in the second quarter of 2019, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.1 percentage point lower than the “advance” estimate released in July. In the first quarter, real GDP rose 3.1 percent.

GDP highlights

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

The increase in consumer spending reflected increases in both goods and services that were widespread across major categories. The increase in government spending reflected increases in both federal and state and local government spending.

The decrease in inventory investment reflected decreases in manufacturing, retail trade, and wholesale trade industries. Goods led the decrease in exports.

Updates to GDP

The revision to GDP growth reflected downward revisions to state and local government spending, exports, inventory investment, and housing investment. These revisions were partly offset by an upward revision to consumer spending.

Corporate profits from current production

Profits increased 5.3 percent at a quarterly rate in the second quarter after decreasing 3.8 percent in the first quarter.

- Profits of **domestic nonfinancial corporations** increased 4.0 percent after decreasing 9.0 percent.
- Profits of **domestic financial corporations** increased 1.0 percent after increasing 5.8 percent.
- Profits from the **rest of the world** increased 11.7 percent after increasing 1.5 percent.



Real GDP growth is measured at seasonally adjusted annual rates.



Corporate profits growth is measured as the percent change from the previous quarter.

Corporate profits increased 2.7 percent in the second quarter from one year ago.

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. E-mail alerts are also available. The “third” estimate of GDP for the second quarter of 2019 will be released on September 26, 2019.