

GDP INCREASES IN SECOND QUARTER

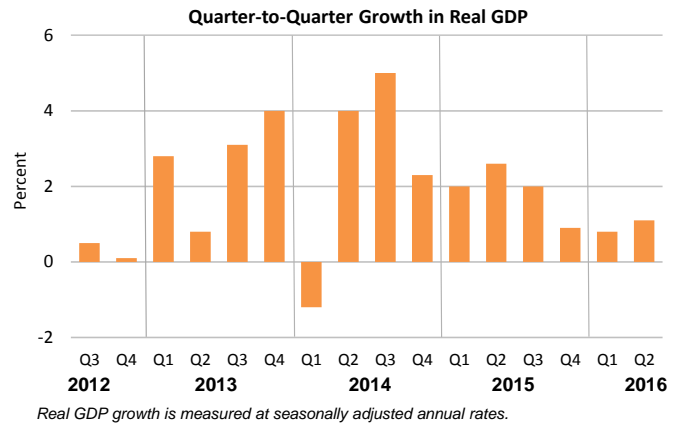
“Second” estimate of GDP

Real gross domestic product (GDP) increased 1.1 percent in the second quarter of 2016, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.1 percentage point less than the “advance” estimate released in July. In the first quarter, real GDP rose 0.8 percent.

Second-quarter GDP highlights

The increase in real GDP was more than accounted for by an increase in consumer spending. Spending on nondurable goods increased, notably on food and beverage grocery items. Spending on durable goods increased, notably on recreational goods and vehicles. And spending on services increased, notably on housing and utilities and on health care.

The increase in consumer spending was partly offset by a decline in inventory investment. In fact, GDP less inventory investment (real final sales of domestic product) increased 2.4 percent in the second quarter. Also partly offsetting contributions to real GDP growth, housing investment, state and local government spending, and business investment declined.



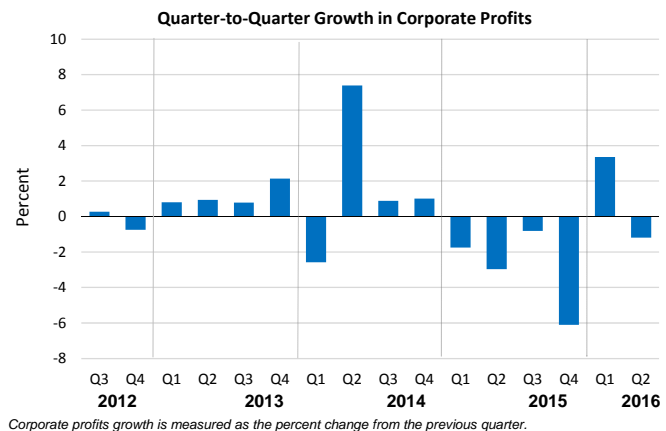
Revisions

The downward revision to the second estimate of GDP growth mainly reflected downward revisions to state and local government spending and to inventory investment as well as an upward revision to imports, which is a subtraction in the calculation of GDP. For more information, see the [technical note](#).

Corporate profits

Corporate profits decreased 1.2 percent at a quarterly rate in the second quarter of 2016 after increasing 3.4 percent in the first quarter.

- Profits of domestic nonfinancial corporations decreased 4.7 percent after increasing 7.4 percent.
- Profits of domestic financial corporations increased 1.6 percent after increasing 1.9 percent.
- Profits from the rest of the world increased 7.3 percent after decreasing 6.8 percent.



Over the last 4 quarters, corporate profits decreased 4.9 percent.

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 and an updated estimate of corporate profits for the second quarter of 2016 will be released on September 29, 2016.