

## GDP GROWTH SLOWS IN SECOND QUARTER

*"Advance" Estimate of GDP*

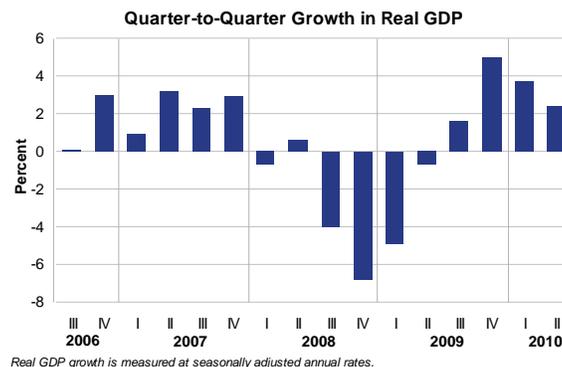
Real gross domestic product (GDP) increased 2.4 percent in the second quarter of 2010 after increasing 3.7 percent (revised) in the first quarter, according to statistics released by the Bureau of Economic Analysis (BEA).

### GDP highlights

The moderation in real GDP growth primarily reflected a larger net trade deficit compared with the previous quarter and a slowdown in inventory investment.

These contributions to the moderation in growth were partly offset by the following:

- An upturn in residential investment.
- A pick-up in business investment, mainly an upturn in structures. (Investment in nonresidential structures rose for the first time since the second quarter of 2008.)
- An upturn in state and local government spending.
- An acceleration in federal government spending.



### Prices

Prices of goods and services purchased by U.S. residents increased 0.1 percent after increasing 2.1 percent. Food prices rose slightly, and energy prices fell sharply. Excluding food and energy, prices rose 0.9 percent after rising 1.6 percent.

### Personal income

Real disposable personal income (DPI)—income adjusted for inflation and taxes—rose 4.4 percent in the second quarter after rising 1.7 percent in the first quarter. Personal saving as a percent of real DPI rose to 6.2 percent from 5.5 percent.

### Annual revision of the NIPAs

Today, BEA released revised estimates for the first quarter of 2007 through the first quarter of 2010. The general economic picture remains unchanged. For 2007 through 2009, average annual real GDP growth declined 0.2 percent; before the revision, average growth was 0.0 percent.

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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 “second” estimate of GDP and the preliminary estimate of corporate profits for the second quarter of 2010 will be released on August 27, 2010.