

GDP GROWS 1.0 PERCENT IN SECOND QUARTER

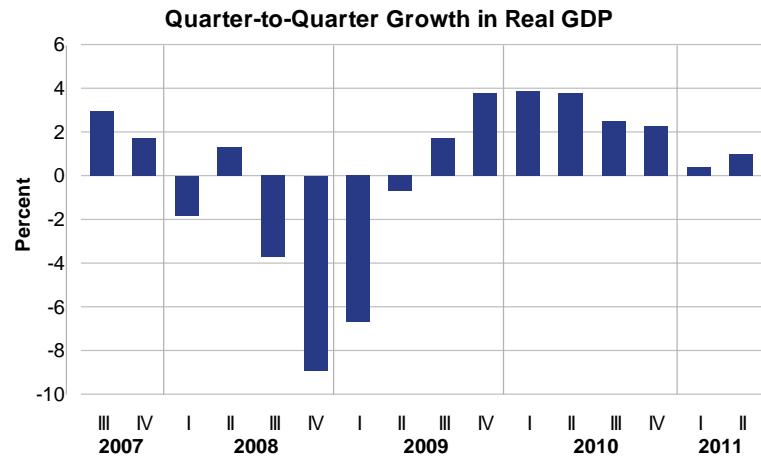
Second Estimate of GDP

Real gross domestic product (GDP) increased 1.0 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 down 0.3 percentage point from the advance estimate released in July.)

Second-quarter highlights

The following contributed to the 1.0 percent growth in real GDP in the second quarter:

- Business fixed investment increased; equipment and software as well as structures increased.
- Exports of both goods and services increased.
- Consumer spending increased, reflecting an increase in household services.
- Federal government spending rose; an increase in defense spending more than offset a decline in nondefense spending.



Real GDP growth is measured at seasonally adjusted annual rates.

Offsetting these contributions to real GDP growth were a decline in state and local government spending, a rise in imports, and a decline in inventory investment.

Revisions to GDP

The 0.3 percentage point downward revision to real GDP growth in the second quarter mainly reflected downward revisions to inventory investment and to exports that were partly offset by upward revisions to business fixed investment and to consumer spending.

Corporate profits

Second-quarter corporate profits rose 3.0 percent at a quarterly rate following a 1.0 percent rise in the first quarter. Second-quarter nonfinancial profits rose 8.5 percent and financial profits fell 11.5 percent from the first quarter. Profits from the rest of the world increased 6.6 percent in the second quarter.



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. [E-mail](#) alerts are also available.

NOTE: The third estimate of GDP and a revised estimate of corporate profits for the second quarter of 2011 will be released on September 29, 2011.