

GDP INCREASES IN FIRST QUARTER

“Second” estimate of GDP

Real gross domestic product (GDP) increased 1.2 percent in the first quarter of 2017, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.5 percentage points higher than the “advance” estimate released in April. In the fourth quarter of 2016, real GDP rose 2.1 percent.

First quarter GDP highlights

The increase in real GDP was accounted for by increases in business investment, housing investment, consumer spending on services, and exports. These increases were partly offset by decreases in inventory investment, and government spending. Imports, which are a subtraction from GDP, increased.



Revisions

The upward revision to the second estimate of GDP growth reflected upward revisions in business investment, consumer spending in services, and state and local government spending. These upward revisions were partly offset by a downward revision to inventory investment. For more information, see the [technical note](#).

Corporate Profits

Corporate profits decreased 1.9 percent at a quarterly rate in the first quarter of 2017 after increasing 0.5 percent in the fourth quarter of 2016.

- Profits of **domestic nonfinancial corporations** decreased 1.4 percent after decreasing 4.9 percent.
- Profits of **domestic financial corporations** decreased 5.5 percent after increasing 5.4 percent.
- Profits from the **rest of the world** increased 1.4 percent after increasing 11.0 percent.



Over the last 4 quarters, corporate profits increased 3.7 percent.