

GDP INCREASES IN FIRST QUARTER

“Second” estimate of GDP

Real gross domestic product (GDP) increased 0.8 percent in the first quarter of 2016, according to the “second” estimate released today by the Bureau of Economic Analysis. The growth rate was 0.3 percentage point higher than the “advance” estimate released last month. In the fourth quarter of 2015, real GDP increased 1.4 percent.

GDP highlights

The first-quarter increase in real GDP was more than accounted for by an increase in consumer spending on services. Spending on household services increased, notably on housing and utilities and on health care.

Consumer spending on nondurable goods also increased, notably on food and beverage grocery items and on gas and other energy goods. However, consumer spending on durable goods declined, notably on motor vehicles and parts.

Residential investment and state and local government spending also rose in the first quarter.

These positive contributions to GDP growth were partially offset by the following:

- Business investment decreased, mainly in equipment and in structures.
- Goods exports declined, notably in nonautomotive capital goods.
- Farm and nonfarm private inventory investment declined.
- Federal government spending declined, notably on national defense spending.

Revisions

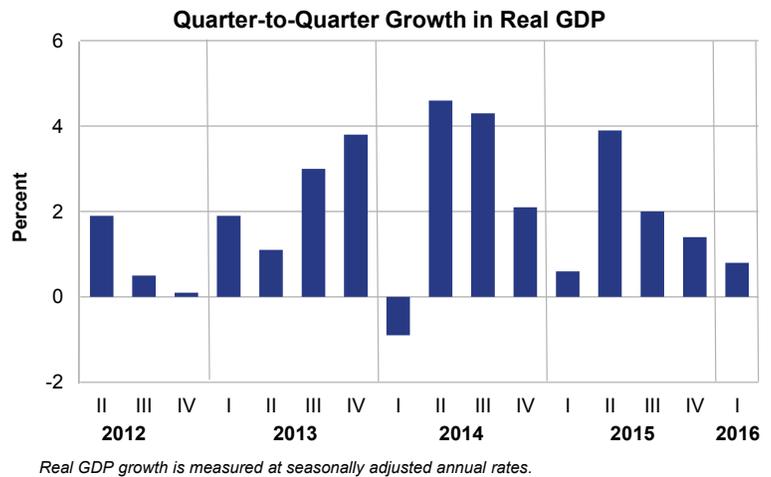
The upward revision to real GDP growth was mainly accounted for by upward revisions to private inventory investment and to exports and a downward revision to imports.

Corporate profits

Corporate profits increased 0.3 percent at a quarterly rate in the first quarter of 2016 after decreasing 7.8 percent in the fourth quarter of 2015.

- Profits of domestic nonfinancial corporations increased 4.0 percent after decreasing 10.2 percent.
- Profits of domestic financial corporations decreased 0.5 percent after decreasing 6.0 percent.
- Profits from the rest of the world decreased 9.9 percent after decreasing 1.7 percent.

Over the last 4 quarters, corporate profits decreased 5.7 percent.



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 first quarter of 2016 will be released on June 28, 2016.