

## GDP GROWTH SLOWS IN THE SECOND QUARTER

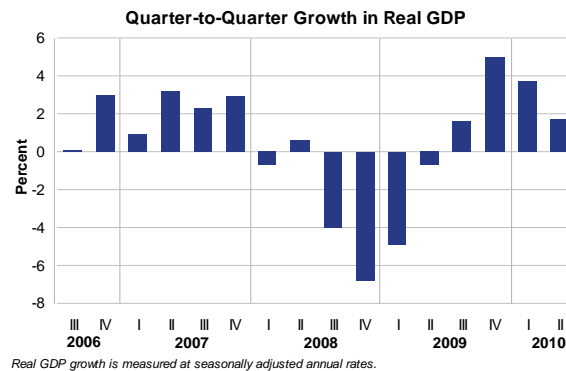
*“Third” Estimate of GDP*

Real gross domestic product (GDP) increased 1.7 percent in the second quarter of 2010 after increasing 3.7 percent in the first quarter, according to the Bureau of Economic Analysis. The second-quarter growth rate was revised up 0.1 percentage point from the “second” estimate released in August.

Real gross domestic purchases—purchases of goods and services produced domestically and abroad—rose 5.1 percent in the second quarter, compared with 3.9 percent in the first quarter.

### GDP highlights

As was the case with the second estimate, the slowdown in real GDP primarily reflected a pick-up in the portion of gross domestic purchases supplied by imports and a slowdown in inventory investment. These contributions to the slowdown in GDP growth were partly offset by an upturn in residential investment, an acceleration in business fixed investment, an acceleration in federal government spending, and an upturn in state and local government spending.

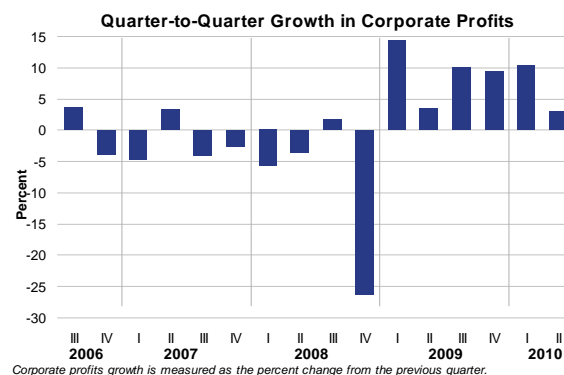


### Revisions

The upward revision to real GDP primarily reflected upward revisions to inventory investment and consumer spending for services. These revisions were partly offset by an upward revision to imports.

### Corporate profits

Second-quarter corporate profits rose 3.0 percent at a quarterly rate. Nonfinancial corporate profits increased 5.7 percent, and financial corporate profits decreased 1.0 percent. Profits from the rest of the world grew 0.7 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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The “advance” estimate of GDP for the third quarter of 2010 will be released on October 29, 2010.