

GDP GROWTH ACCELERATES IN SECOND QUARTER

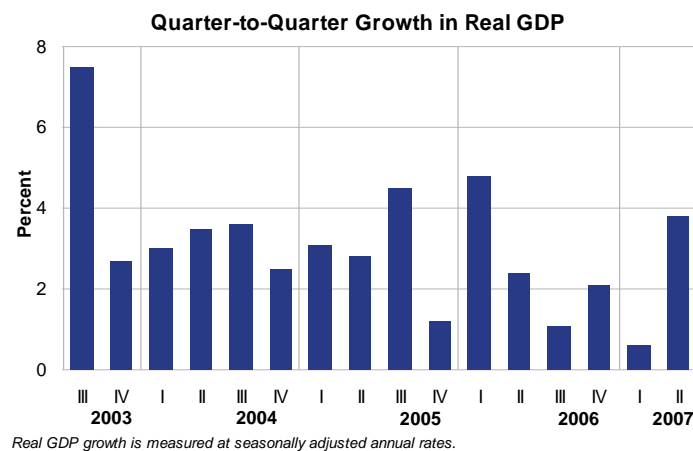
“Final” Estimate of GDP

The economy grew at an annual rate of 3.8 percent in the second quarter, following 0.6-percent growth in the first quarter, according to the “final” estimates released by the Bureau of Economic Analysis. The second-quarter growth rate was revised down from the “preliminary” estimate of 4.0 percent.

Gross Domestic Product (GDP)

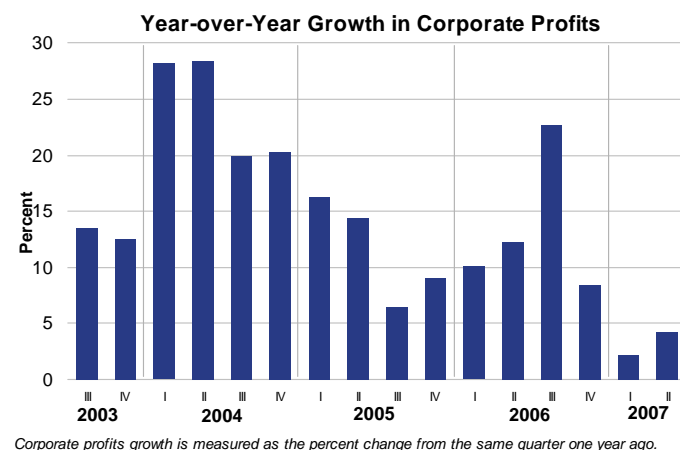
The acceleration in real GDP growth reflected upturns in net exports, Federal government spending, and inventory investment; an acceleration in business investment; and a smaller decrease in residential home investment. In contrast, consumer spending decelerated sharply.

The downward revision to GDP growth reflected updated estimates of net exports and business spending for structures; both were smaller than previously estimated. In contrast, business investment in equipment and software was higher than previously estimated.



Corporate Profits

Second-quarter corporate profits increased 4.2 percent from the same quarter a year ago. Net corporate profits earned abroad increased 21.3 percent over the same period. Profits of domestic financial corporations grew 4.6 percent, but profits of domestic nonfinancial corporations fell 1.4 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 “advance” estimate of GDP for the third quarter of 2007 will be released on October 31, 2007.