

Gross Domestic Product, Second Quarter 2020 (Second Estimate) Corporate Profits, Second Quarter 2020 (Preliminary Estimate)

Real gross domestic product (GDP) decreased at an annual rate of 31.7 percent in the second quarter of 2020, according to the “second” estimate released by the Bureau of Economic Analysis. The change was 1.2 percentage points higher than the “advance” estimate released in July. In the first quarter of 2020, real GDP decreased 5.0 percent. For more details, including source data, see the [Technical Note](#).

Second-quarter GDP highlights

The second-quarter decrease in real GDP reflected decreases in consumer spending, exports, business investment, inventory investment, and housing investment that were partially offset by an increase in government spending. Imports, a subtraction in the calculation of GDP, decreased.

The decrease in consumer spending reflected a decrease in services (led by health care) and goods (led by clothing and footwear). The decrease in exports primarily reflected a decrease in goods (led by capital goods). The decrease in business investment primarily reflected a decrease in equipment (led by transportation equipment). The decrease in inventory investment primarily reflected a decrease in retail (led by motor vehicle dealers). The decrease in residential investment primarily reflected a decrease in new single-family housing.

The increase in government spending reflected an increase in federal spending related to payments made to banks for processing and administering the Paycheck Protection Program loan applications.

Updates to GDP

The revision to GDP mainly reflected upward revisions to inventory investment and consumer spending.

Corporate profits from current production

Profits decreased 11.1 percent at a quarterly rate in the second quarter after decreasing 12.0 percent in the first quarter. Corporate profits decreased 20.1 percent in the second quarter from one year ago.

- Profits of **domestic nonfinancial corporations** decreased 15.0 percent after decreasing 14.4 percent.
- Profits of **domestic financial corporations** increased 9.2 percent after decreasing 8.9 percent.
- Profits from the **rest of the world** decreased 20.3 percent after decreasing 8.4 percent.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at www.bea.gov. E-mail alerts are also available. The “third” estimate of GDP for the second quarter of 2020 will be released on September 30, 2020.

