

Gross Domestic Product (Third Estimate), Corporate Profits (Revised), and GDP by Industry, Second Quarter 2020

Real gross domestic product (GDP) decreased at an annual rate of 31.4 percent in the second quarter of 2020, according to the “third” estimate released by the Bureau of Economic Analysis. The change was 0.3 percentage point higher than the “second” estimate released in August. 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 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.

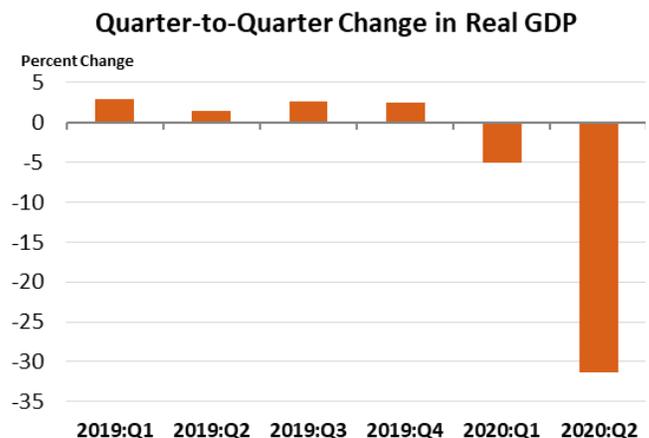
Updates to GDP

The revision to GDP reflected an upward revision to consumer spending on services that was partly offset by downward revisions to exports and to business investment in intellectual property products.

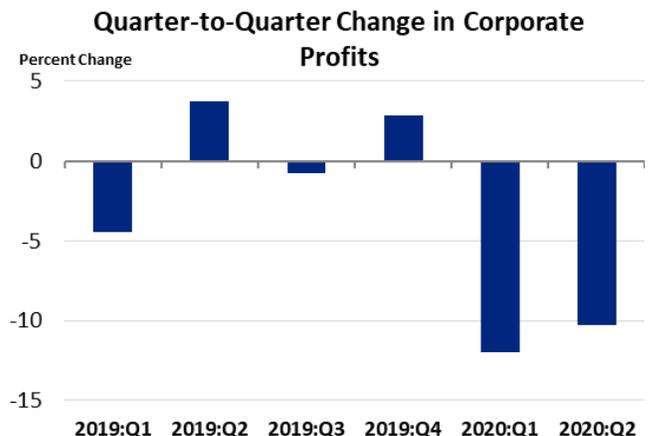
Corporate profits from current production

Profits decreased 10.3 percent at a quarterly rate in the second quarter after decreasing 12.0 percent in the first quarter. Corporate profits decreased 19.3 percent in the second quarter from one year ago.

- Profits of **domestic nonfinancial corporations** decreased 12.9 percent after decreasing 14.4 percent.
- Profits of **domestic financial corporations** increased 6.1 percent after decreasing 8.9 percent.
- Profits from the **rest of the world** decreased 18.9 percent after decreasing 8.4 percent.



U.S. Bureau of Economic Analysis Seasonally adjusted annual rates

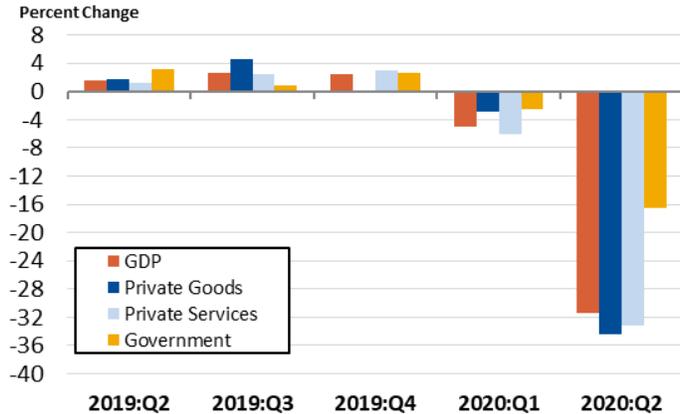


U.S. Bureau of Economic Analysis Seasonally adjusted annual rates

Gross domestic product by industry

Today’s release includes estimates of GDP by industry, or value added—a measure of an industry’s contribution to GDP. Private goods-producing industries decreased 34.4 percent, private services-producing industries decreased 33.1 percent, and government decreased 16.6 percent. Overall, 20 of 22 industry groups contributed to the second-quarter decline in real GDP. Finance and insurance as well as federal government increased in the second quarter.

Real GDP by Industry



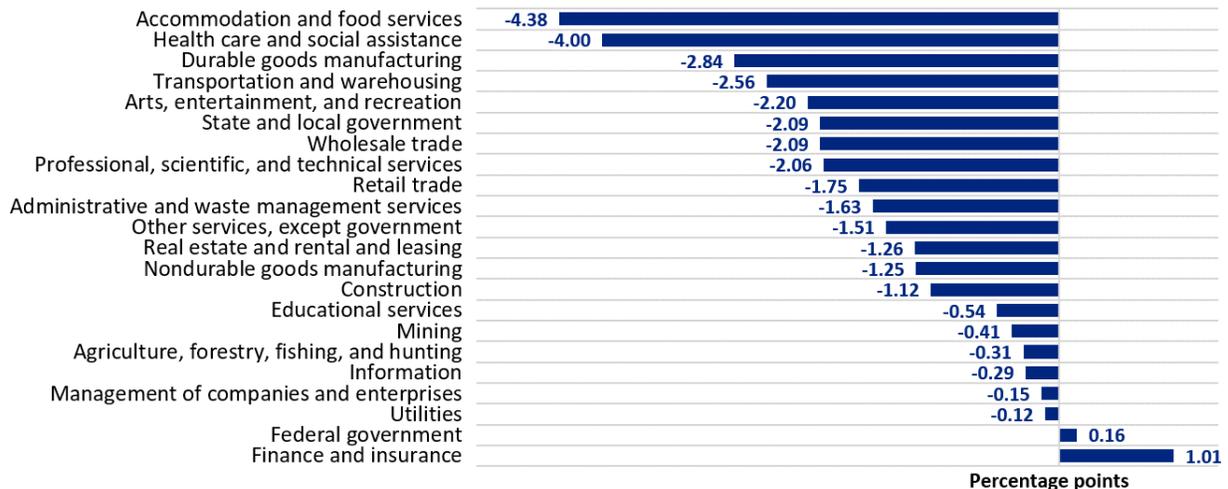
The decline in second-quarter GDP reflected the response to the spread of COVID-19, as “stay-at-home” orders issued in March and April were partially lifted in some areas of the country in May and June. For more information, see

“[Federal Recovery Programs and BEA Statistics: COVID-19 and Recovery](#)” on the BEA website.

U.S. Bureau of Economic Analysis Seasonally adjusted annual rates

Contributions to Percent Change in Real GDP by Industry Group, 2020:Q2

Real GDP decreased 31.4 percent



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

- The decrease in private goods-producing industries largely reflected a decrease in durable goods manufacturing (led by motor vehicles, bodies and trailers, and parts).
- The decrease in private services-producing industries reflected decreases in accommodation and food services (led by food services and drinking places); health care and social assistance (led by ambulatory health care); and transportation and warehousing (led by air transportation).
- The decrease in government reflected a decrease in state and local that was partly offset by an increase in federal.

Many industries received assistance through various provisions of the CARES Act. Estimates for subsidies associated with forgivable Paycheck Protection Program loans are available by industry in “[Paycheck Protection Program Subsidies by Industry in the National Accounts, 2020Q2](#)”.