

GDP DECLINES IN SECOND QUARTER

“Third” Estimate of GDP

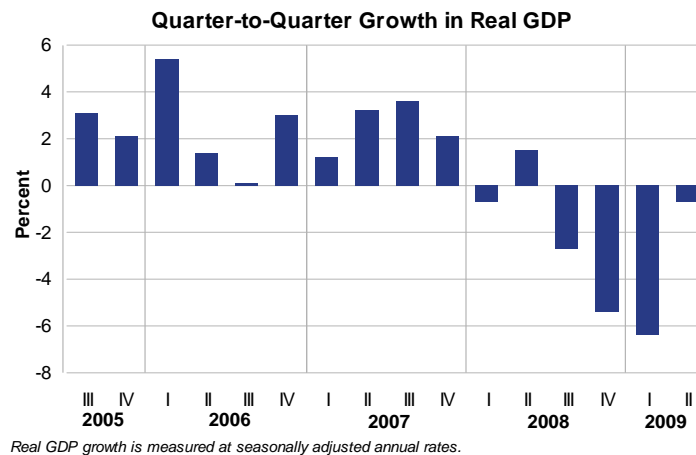
Real gross domestic product (GDP) declined 0.7 percent in the second quarter of 2009, following a 6.4 percent decline in the first quarter, according to estimates from the Bureau of Economic Analysis. The second-quarter growth rate was revised up 0.3 percentage point from the “second” estimate for the quarter, released in August. Investment in equipment and software (mainly software) was revised up based on new Census Bureau data.

Gross Domestic Product

The smaller decrease in real GDP in the second quarter compared to the first quarter reflected:

- A much smaller decrease in business investment
- Smaller decreases in exports, inventory investment, and housing
- An upturn in government spending

However, imports declined less than in the first quarter, and consumer spending turned down.



Corporate Profits

Second-quarter corporate profits rose 3.7 percent at a quarterly rate. Nonfinancial profits rose 4.7 percent, and financial profits rose 12.0 percent. Profits from the rest of the world fell 4.6 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 2009 will be released on October 29, 2009.