

## GDP GROWS 2.8 PERCENT IN SECOND QUARTER

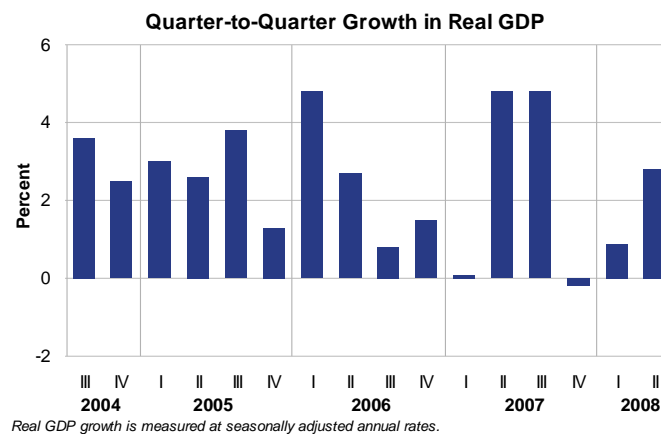
*“Final” Estimate of GDP*

The economy grew at an annual rate of 2.8 percent in the second quarter, compared with 0.9 percent in the first quarter, according to the “final” estimate released by the Bureau of Economic Analysis. The second-quarter estimate was revised down from a “preliminary” estimate of 3.3 percent.

### Gross Domestic Product

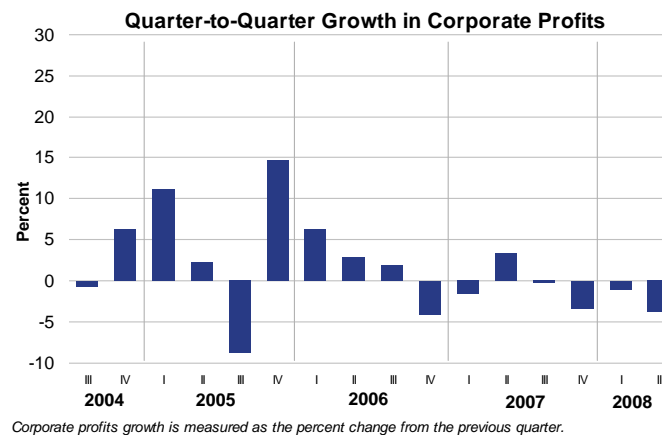
GDP growth in the second quarter reflected a surge in exports. Consumer spending remained weak. In addition, housing continued to act as a drag on GDP growth.

The downward revision to second-quarter growth stemmed from updated information on consumer spending for services, net exports, and investment in equipment and software.



### Corporate Profits

Second-quarter corporate profits fell 3.8 percent at a quarterly rate, after falling 1.1 percent in first quarter. Profits of domestic financial companies and net profits of U.S. companies earned abroad accounted for nearly all of the decline.



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 2008 will be released on October 30, 2008.