

GDP GROWTH SLOWS IN SECOND QUARTER

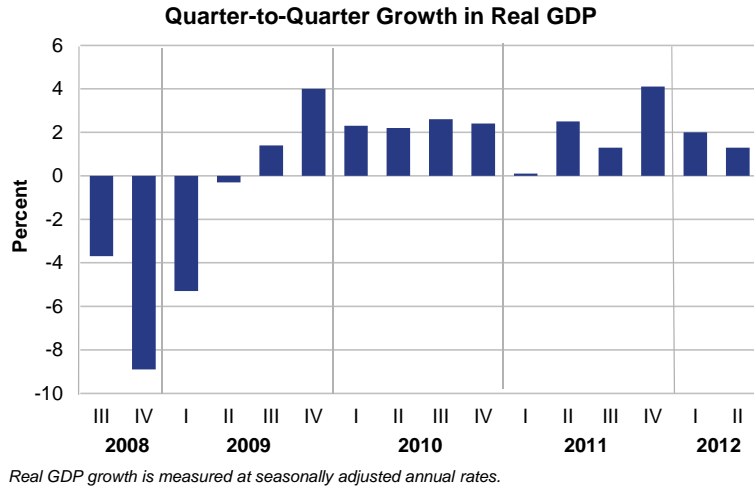
Third Estimate of GDP

Real gross domestic product (GDP) rose 1.3 percent in the second quarter of 2012 after rising 2.0 percent in the first quarter, according to the third estimate released today by the Bureau of Economic Analysis. The second-quarter growth rate was revised down from the second estimate released in August.

Second-quarter highlights

- Consumer spending decelerated, reflecting a downturn in durable goods, mainly in autos.
- Business investment slowed, led by a downturn in spending for power and communication structures.
- Residential housing also slowed in the second quarter.

Offsetting these reductions in real GDP growth were smaller decreases in federal government spending and in state and local government spending as well as a step-up in exports.



Revisions to GDP

The downward revision to second-quarter real GDP growth reflected a downward revision to inventories, mainly to farm inventories, which were revised down due to this summer's severe heat and drought. In addition, consumer spending for services was revised down, reflecting a downward revision to finance and insurance. Exports was revised down as well.

Personal income and saving

Real disposable personal income (DPI), which adjusts personal income for taxes and inflation, rose 3.1 percent in the second quarter, compared with 3.7 percent in the first quarter. The personal saving rate—personal saving as a percentage of DPI—rose to 4.0 percent from 3.6 percent.

Corporate profits

Second-quarter corporate profits turned up, rising 1.1 percent at a quarterly rate, following a 2.7 percent decline in the first quarter.

Second-quarter nonfinancial profits rose 2.6 percent, and financial profits fell 9.3 percent. Profits from the rest of the world rose 8.3 percent in the second quarter, reflecting a 1.6 percent increase in receipts and a 10.3 percent decline in payments.



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 2012 will be released on October 26, 2012.