

## GDP INCREASES IN FIRST QUARTER

*“Second” estimate of GDP*

Real gross domestic product (GDP) increased 3.1 percent in the first quarter of 2019, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.1 percentage point lower than the “advance” estimate released in April. In the fourth quarter of 2018, real GDP rose 2.2 percent.

### GDP highlights

The increase in real GDP reflected increases in consumer spending, inventory investment, exports, state and local government spending, and business investment. Imports, which are a subtraction in the calculation of GDP, decreased.

The increase in consumer spending reflected an increase in services (led by health care) that was partly offset by a decrease in goods, specifically motor vehicles and parts. The increase in inventory investment reflected an increase in manufacturing inventories, notably in the nondurable goods industries.



### Updates to GDP

The revision to GDP growth reflected downward revisions to business investment and inventory investment and an upward revision to imports, which are a subtraction in the calculation of GDP. These revisions were partly offset by upward revisions to exports and consumer spending.

### Corporate Profits

Corporate profits decreased 2.8 percent at a quarterly rate in the first quarter of 2019 after decreasing 0.4 percent in the fourth quarter of 2018.

- Profits of **domestic nonfinancial corporations** decreased 4.4 percent after increasing 1.0 percent.
- Profits of **domestic financial corporations** increased 1.8 percent after decreasing 5.6 percent.
- Profits from the **rest of the world** decreased 2.2 percent after increasing 0.4 percent.



Over the last 4 quarters, corporate profits increased 3.1 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](http://www.bea.gov). [E-mail](mailto:bea@bea.gov) alerts are also available. The “third” estimate of GDP for the first quarter of 2019 will be released on June 27, 2019.