

Gross Domestic Product, First Quarter 2020 (Second Estimate)

Real gross domestic product (GDP) decreased 5.0 percent in the first quarter of 2020, according to the “second” estimate released by the Bureau of Economic Analysis. The change was 0.2 percentage point lower than the “advance” estimate released in April. In the fourth quarter of 2019, real GDP increased 2.1 percent. For more information, see the [Technical Note](#).

First-quarter GDP highlights

The first-quarter decrease in real GDP reflected decreases in consumer spending, inventory investment, business investment, and exports that were partially offset by increases in housing investment and 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). The decrease in inventory investment primarily reflected a decrease in nondurable goods manufacturing (led by petroleum and coal products). The decrease in business investment primarily reflected a decrease in equipment (led by transportation equipment). The decrease in exports primarily reflected a decrease in services (led by travel).

The increase in housing investment primarily reflected an increase in new single-family housing, while the increase in government spending primarily reflected an increase in federal government spending.

Updates to GDP

The revision to GDP primarily reflected a downward revision to inventory investment that was partly offset by upward revisions to consumer spending and business investment.

Corporate profits from current production

Profits decreased 13.9 percent at a quarterly rate in the first quarter after increasing 2.6 percent in the fourth quarter. Corporate profits decreased 8.5 percent in the first quarter from one year ago.

- Profits of **domestic nonfinancial corporations** decreased 14.3 percent after increasing 4.8 percent.
- Profits of **domestic financial corporations** decreased 16.6 percent after increasing 0.2 percent.
- Profits from the **rest of the world** decreased 10.8 percent after decreasing 0.3 percent.

