



Chronicling 100 Years of the U.S. Economy

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GDP and the Economy

Second Estimates for the Second Quarter of 2021

Real gross domestic product (GDP) increased at an annual rate of 6.6 percent in the second quarter of 2021, according to the second estimates of the National Income and Product Accounts (NIPAs) (chart 1 and table 1).¹ With the second estimate, real GDP growth for the second quarter was revised up by 0.1 percentage point. In the first quarter, real GDP increased 6.3 percent.

The increase in real GDP in the second quarter reflected increases in consumer spending, nonresidential fixed investment, exports, and state and local government spending that were partly offset by decreases in inventory investment, residential fixed investment, and federal government spending.² Imports, which are a subtraction in the calculation of GDP, increased (chart 2 and table 1).

The increase in consumer spending reflected increases in services (led by food services and accommodations) and goods (led by “other” nondurable goods, notably pharmaceutical products, as well as clothing and footwear). The increase in nonresidential fixed investment reflected increases in intellectual property products (led by research and development as well as software) and equipment (led by transportation equipment). The increase in exports reflected an increase in goods (led by nonautomotive capital goods) and services (led by travel). The decrease in private inventory investment was led by a decrease in retail trade inventories. The decrease in federal government spending primarily reflected a decrease in nondefense spending on intermediate goods and services. In the second quarter, nondefense services decreased as the processing and administration of [Paycheck Protection Program \(PPP\)](#) loan applications by banks on behalf of the federal government declined.

Chart 1. Real GDP: Percent Change from Preceding Quarter

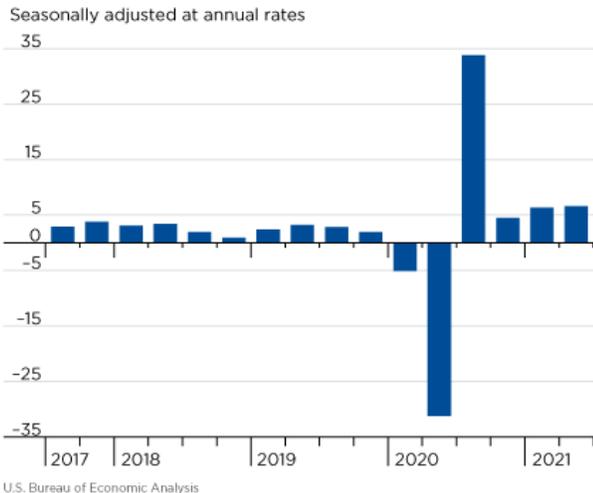
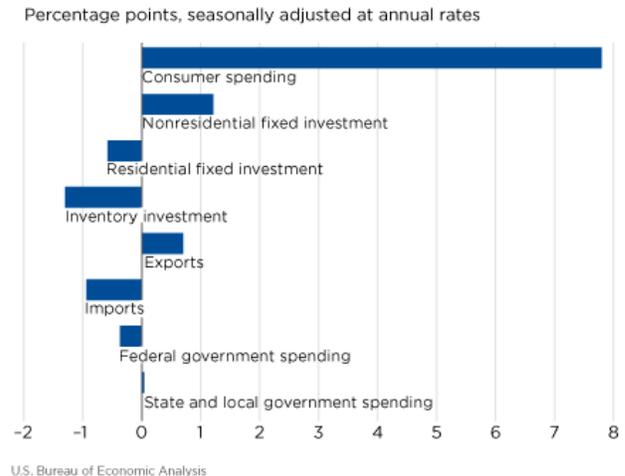


Chart 2. Real GDP: Contributions to the Percent Change in 2021:Q2



COVID-19 Impact on the Second-Quarter 2021 GDP Estimate

The increase in second-quarter GDP reflected the continued economic recovery, reopening of establishments, and continued government response related to the COVID-19 pandemic. In the second quarter, government assistance payments in the form of loans to businesses and grants to state and local governments increased, while social benefits to households, such as the direct economic impact payments, declined. The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the second quarter, because the impacts are generally embedded in source data and cannot be separately identified. For more information, see the [“Technical Note”](#) posted with the news release and [“Federal Recovery Programs and BEA Statistics,”](#) a webpage where BEA consolidates information about the federal stimulus programs in response to the COVID-19 pandemic and how they relate to BEA’s economic data.

GDP by Expenditure

Real GDP accelerated slightly in the second quarter of 2021 as the economic recovery from the COVID-19 pandemic continued. A smaller decrease in inventory investment, an upturn in exports, an acceleration in consumer spending, and an upturn in state and local government spending were mostly offset by downturns in residential fixed investment and federal government spending and a slowdown in nonresidential fixed investment. Imports slowed.

- The smaller decrease in inventory investment primarily reflected a smaller decrease in manufacturing, an upturn in “other” industries (mainly from a smaller decrease in transportation and warehousing and a pickup in information industries), and a smaller decrease in retail trade (led by motor vehicle dealers).
- The upturn in exports reflected upturns in both goods and services exports.
 - The leading contributors to the upturn in exports of goods were consumer goods and capital goods (nonautomotive).
 - The upturn in exports of services was led by an upturn in charges for the use of intellectual property.
- The acceleration in consumer spending reflected an acceleration in spending on services that was partly offset by a deceleration in spending on goods.

- Within services, the leading contributors to the acceleration were an upturn in health care and a pickup in food services and accommodations.
- Within goods, all categories of durable goods contributed to the deceleration (led by a slowdown in motor vehicles and parts and a downturn in furnishings and durable household equipment). A slowdown in spending on nondurable goods also contributed and was more than accounted for by a slowdown in food and beverages purchased for off-premises consumption (groceries).
- The upturn in state and local government spending reflected an acceleration in consumption expenditures (led by compensation of employees) that was partly offset by a larger decrease in gross investment.
- All categories contributed to the downturn in residential fixed investment. The leading contributors were a slowdown in single-family construction, a downturn in improvements and a larger decrease in brokers' commissions.
- The downturn in federal government spending primarily reflected a downturn in spending on nondefense consumption expenditures, led by intermediate goods and services purchased. In the second quarter, the fees associated with processing and administration of PPP loan applications by banks on behalf of the federal government slowed.
- The slowdown in nonresidential fixed investment reflected a downturn in structures (with all categories contributing) and slowdowns in equipment (more than accounted for by a downturn in information processing equipment) and intellectual property products (more than accounted for by a slowdown in software investment).
- The slowdown in imports reflected a deceleration in goods imports that was partly offset by an acceleration in services imports.
 - The leading contributor to the deceleration in goods imports was a downturn in imports of consumer goods (led by pharmaceuticals).
 - The acceleration in services imports primarily reflected a larger increase in travel.

Real gross domestic income, which is the sum of incomes earned and costs incurred in the production of GDP, increased 1.6 percent in the second quarter after increasing 6.3 percent in the first quarter.

Table 1. Real Gross Domestic Product (GDP) and Related Measures

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2021	2020		2021		2020		2021	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Gross domestic product¹	100.0	33.8	4.5	6.3	6.6	33.8	4.5	6.3	6.6
2	Personal consumption expenditures	69.0	41.4	3.4	11.4	11.9	25.51	2.26	7.44	7.80
3	Goods	24.3	49.5	-0.3	27.4	12.8	9.92	-0.07	5.69	2.95
4	Durable goods	9.2	89.0	1.1	50.0	11.3	5.49	0.10	3.50	0.99
5	Nondurable goods	15.1	31.8	-1.1	15.9	13.7	4.43	-0.17	2.19	1.96
6	Services	44.6	37.5	5.3	3.9	11.3	15.59	2.34	1.75	4.85
7	Gross private domestic investment	17.3	82.1	24.7	-2.3	-4.0	11.71	4.01	-0.37	-0.67
8	Fixed investment	18.0	27.5	17.7	13.0	3.4	4.88	2.92	2.25	0.63
9	Nonresidential	13.3	18.7	12.5	12.9	9.3	2.72	1.57	1.65	1.21
10	Structures	2.5	-15.3	-8.2	5.4	-5.4	-0.46	-0.22	0.14	-0.14
11	Equipment	5.6	55.9	26.4	14.1	11.6	2.73	1.29	0.75	0.63
12	Intellectual property products	5.2	8.1	10.2	15.6	14.6	0.45	0.50	0.76	0.72
13	Residential	4.7	59.9	34.4	13.3	-11.5	2.16	1.34	0.60	-0.58
14	Change in private inventories	-0.8	.....	.....	.....	.....	6.84	1.10	-2.62	-1.30
15	Net exports of goods and services	-3.9	.....	.....	.....	.....	-3.25	-1.65	-1.56	-0.24
16	Exports	10.8	54.5	22.5	-2.9	6.6	4.64	2.07	-0.30	0.70
17	Goods	7.6	99.0	25.6	-1.4	6.2	4.75	1.59	-0.10	0.46
18	Services	3.2	-4.9	16.0	-6.0	7.5	-0.11	0.49	-0.20	0.24
19	Imports	14.7	89.2	31.3	9.3	6.7	-7.89	-3.73	-1.26	-0.94
20	Goods	12.4	103.7	30.1	10.6	4.1	-7.37	-3.04	-1.21	-0.48
21	Services	2.3	29.7	37.5	2.2	22.4	-0.52	-0.69	-0.05	-0.46
22	Government consumption expenditures and gross investment	17.7	-2.1	-0.5	4.2	-1.9	-0.19	-0.09	0.77	-0.33
23	Federal	6.9	-5.4	-3.1	11.3	-5.2	-0.32	-0.22	0.78	-0.37
24	National defense	4.0	1.7	5.3	-5.8	-0.9	0.11	0.22	-0.25	-0.04
25	Nondefense	2.9	-14.3	-14.1	40.8	-10.6	-0.43	-0.44	1.02	-0.33
26	State and local	10.8	0.1	1.2	-0.1	0.3	0.13	0.14	-0.01	0.04
Addenda:										
27	Gross domestic income (GDI) ²	.....	24.4	19.6	6.3	1.6	.....	.....	.....	.....
28	Average of GDP and GDI	.....	29.0	11.9	6.3	4.0	.....	.....	.....	.....
29	Final sales of domestic product	100.8	25.9	3.4	9.1	7.9	26.95	3.44	8.90	7.86
30	Goods	31.5	62.9	4.6	10.8	9.8	17.63	1.46	3.31	3.05
31	Services	59.7	23.8	3.1	4.2	7.7	14.68	1.86	2.52	4.49
32	Structures	8.7	15.6	14.7	5.0	-10.5	1.47	1.22	0.45	-0.98
33	Motor vehicle output	2.7	1,236.8	-12.8	1.1	-15.6	5.97	-0.40	0.03	-0.47
34	GDP excluding motor vehicle output	97.3	27.0	5.1	6.4	7.3	27.81	4.94	6.25	7.02

1. The GDP estimates under the contribution columns are also percent changes.

2. GDI is deflated by the implicit price deflator for GDP. The fourth-quarter 2020 change in GDI reflects the incorporation of new data on private wages and salaries.

Note. Percent changes are from NIPA tables 1.1.1 and 1.2.1, contributions are from NIPA tables 1.1.2 and 1.2.2, and shares are from NIPA table 1.1.10 or are calculated from NIPA table 1.2.5.

Prices

Prices for gross domestic purchases—goods and services purchased by U.S. residents—increased 5.8 percent in the second quarter after increasing 3.9 percent in the first quarter (table 2 and chart 3). Increases were widespread across most expenditure components and led by prices paid by consumers, most notably for motor vehicles (primarily “net purchases of used motor vehicles,” which reflects dealer margins and net transactions between persons and other sectors of the economy). Other notable contributors include increases in the prices paid for state and local government spending and residential fixed investment. A notable offset was a decrease in the prices paid for investment in transportation equipment.

Food prices increased 2.1 percent in the second quarter after decreasing 0.1 percent in the first quarter. Prices for energy goods and services increased 20.9 percent after increasing 47.8 percent. Gross domestic purchases prices excluding food and energy increased 5.6 percent after increasing 3.2 percent.

Consumer prices excluding food and energy, a measure of the “core” rate of inflation, increased 6.1 percent in the second quarter after increasing 2.7 percent in the first quarter.

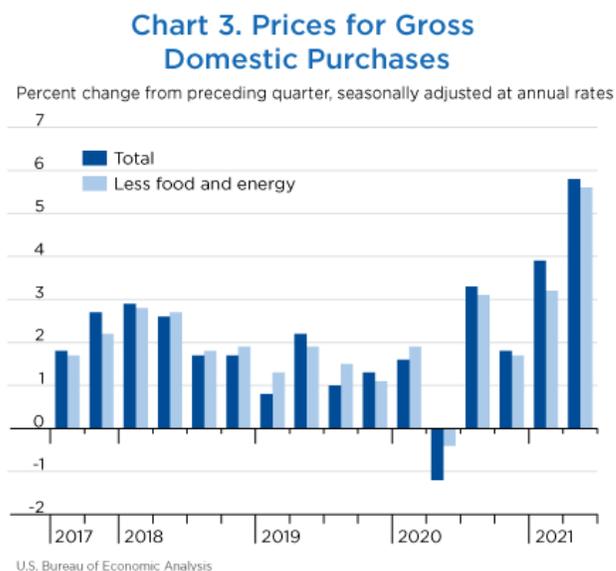


Table 2. Prices for Gross Domestic Purchases

[Percent change at annual rates; based on seasonally adjusted index numbers (2012=100)]

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2020		2021		2020		2021	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Gross domestic purchases¹	3.3	1.8	3.9	5.8	3.3	1.8	3.9	5.8
2	Personal consumption expenditures	3.7	1.5	3.8	6.5	2.39	1.00	2.51	4.24
3	Goods	4.9	0.3	5.9	9.3	1.07	0.08	1.29	2.11
4	Durable goods	7.6	0.2	2.3	16.8	0.56	0.02	0.19	1.38
5	Nondurable goods	3.5	0.4	8.0	5.0	0.51	0.06	1.10	0.73
6	Services	3.1	2.1	2.8	5.0	1.32	0.92	1.21	2.13
7	Gross private domestic investment	2.8	1.9	2.8	3.0	0.45	0.32	0.50	0.53
8	Fixed investment	2.2	1.9	3.7	4.5	0.39	0.33	0.64	0.79
9	Nonresidential	0.1	0.4	0.8	0.9	0.02	0.06	0.10	0.13
10	Structures	1.0	0.5	3.9	8.9	0.03	0.01	0.10	0.21
11	Equipment	-1.7	-2.2	2.2	-3.2	-0.09	-0.11	0.12	-0.16
12	Intellectual property products	1.6	3.2	-2.3	1.6	0.08	0.16	-0.12	0.08
13	Residential	9.3	6.5	12.4	15.2	0.36	0.27	0.54	0.66
14	Change in private inventories	.....	.....	.....	.....	0.07	-0.01	-0.14	-0.26
15	Government consumption expenditures and gross investment	2.4	3.0	5.4	5.9	0.44	0.52	0.93	1.02
16	Federal	3.0	2.5	4.0	4.0	0.22	0.17	0.27	0.27
17	National defense	3.6	2.5	4.4	4.1	0.15	0.10	0.18	0.16
18	Nondefense	2.2	2.5	3.3	3.8	0.07	0.07	0.09	0.11
19	State and local	2.0	3.3	6.3	7.2	0.22	0.35	0.66	0.74
Addenda:									
Gross domestic purchases:									
20	Food	-1.2	0.4	-0.1	2.1	-0.07	0.02	0.00	0.11
21	Energy goods and services	25.4	12.4	47.8	20.9	0.55	0.26	0.91	0.49
22	Excluding food and energy	3.1	1.7	3.2	5.6	2.80	1.56	3.02	5.19
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	-1.3	0.0	0.7	4.1	.....	.....	.....	.....
24	Energy goods and services	22.1	13.3	47.7	20.4	.....	.....	.....	.....
25	Excluding food and energy	3.5	1.2	2.7	6.1	.....	.....	.....	.....
26	Gross domestic product	3.6	2.2	4.3	6.1	.....	.....	.....	.....
27	Exports of goods and services	13.4	6.2	21.0	19.4	.....	.....	.....	.....
28	Imports of goods and services	8.0	2.2	13.3	13.4	.....	.....	.....	.....

1. The estimates for gross domestic purchases under the contribution columns are also percent changes.

Note. Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are from NIPA table 2.3.7. Contributions are from NIPA table 1.6.8. GDP, export, and import prices are from NIPA table 1.1.7.

Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services, regardless of whether those goods and services were produced domestically or imported. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

The GDP price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export. The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the FAQ "[How do the effects of dollar depreciation show up in the GDP accounts?](#)" on BEA's website.

BEA also produces price indexes for all the components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, for energy goods and services, and for all items except food and energy are also estimated and reported.

Because prices for food and for energy can be volatile, the price measure that excludes food and energy is often used as a measure of underlying, or "core," inflation. The core PCE price index includes purchased meals and beverages, such as restaurant meals and pet food. (See "[What is the core PCE price index?](#)" on BEA's website.)

BEA also prepares a supplemental PCE price index, the "market-based" PCE price index, that is based on market transactions for which there are corresponding price measures. This index excludes many imputed expenditures, such as financial services furnished without payment, that are included in PCE and in the PCE price index. BEA also prepares a market-based measure that excludes food and energy.

Personal Income

Measured in current dollars, personal income decreased \$1.30 trillion in the second quarter, in contrast to an increase of \$2.33 trillion in the first quarter (table 3). The decrease in personal income primarily reflected a decrease in personal current transfer receipts (notably, government social benefits) that was partly offset by increases in compensation and proprietors' income. The addenda lines in table 3 include detail on the effects of selected federal pandemic response programs on personal income.

- Within government social benefits, other social benefits and unemployment insurance decreased, primarily reflecting decreases in direct economic impact payments to households established by the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act and a decrease in pandemic unemployment compensation payments.
- Within compensation, both private and government wages and salaries increased.
- The increase in proprietors' income reflected increases in both farm and nonfarm industries and an increase in Paycheck Protection Program loans to businesses impacted by the COVID-19 pandemic.

Personal current taxes increased \$138.3 billion in the second quarter. In addition to presenting updated estimates for the second quarter, the second estimate of the NIPAs included revised estimates of first-quarter personal current taxes based on updated data from the Treasury Department's Office of Tax Analysis. Personal current taxes are now estimated to have increased \$152.3 billion in the first quarter.

Disposable personal income (DPI) decreased \$1.44 trillion in the second quarter after increasing \$2.17 trillion in the first quarter (revised). Personal outlays increased \$684.9 billion after increasing \$538.8 billion in the first quarter.

The personal saving rate (chart 4)—personal saving as a percentage of DPI—was 10.3 percent in the second quarter, compared with 20.5 percent in the first (revised).

Real DPI (chart 5) decreased 31.0 percent in the second quarter after increasing 54.7 percent in the first quarter (revised). Current-dollar DPI decreased 26.5 percent after increasing 60.6 percent.

Table 3. Personal Income and Its Disposition

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

Line	Series	Level		Change from preceding period			
		2021		2020		2021	
		Q1	Q2	Q3	Q4	Q1	Q2
1	Personal income	21,867.3	20,564.9	-571.2	-235.4	2,325.3	-1,302.5
2	Compensation of employees	12,088.9	12,301.2	510.5	424.5	124.7	212.3
3	Wages and salaries	9,879.2	10,072.1	431.4	372.7	96.2	192.9
4	Private industries	8,376.5	8,552.7	400.2	375.1	89.9	176.2
5	Goods-producing industries	1,585.9	1,604.3	74.4	57.7	19.2	18.3
6	Manufacturing	949.3	955.9	29.5	40.5	13.0	6.6
7	Services-producing industries	6,790.6	6,948.4	325.8	317.4	70.7	157.9
8	Trade, transportation, and utilities	1,525.3	1,558.7	80.9	59.0	17.7	33.4
9	Other services-producing industries	5,265.3	5,389.7	244.9	258.4	53.0	124.4
10	Government	1,502.7	1,519.4	31.2	-2.4	6.3	16.7
11	Supplements to wages and salaries	2,209.7	2,229.2	79.2	51.8	28.6	19.4
12	Proprietors' income with IVA and CCAAdj	1,714.0	1,838.2	289.7	-30.7	-16.1	124.2
13	Farm	73.0	108.5	24.4	39.3	-35.5	35.5
14	Nonfarm	1,640.9	1,729.7	265.3	-70.0	19.4	88.7
15	Rental income of persons with CCAAdj	716.9	716.8	5.0	-4.5	6.9	-0.1
16	Personal income receipts on assets	2,898.8	2,938.1	-59.1	57.9	-10.7	39.3
17	Personal interest income	1,630.2	1,645.9	-13.7	12.8	19.8	15.8
18	Personal dividend income	1,268.7	1,292.2	-45.4	45.1	-30.6	23.5
19	Personal current transfer receipts	5,982.5	4,329.1	-1,264.5	-639.9	2,253.1	-1,653.4
20	Government social benefits to persons	5,920.6	4,257.9	-1,260.1	-640.2	2,250.3	-1,662.7
21	Social security	1,106.3	1,109.7	5.4	8.6	17.5	3.4
22	Medicare	814.1	815.3	4.2	-4.8	-6.8	1.1
23	Medicaid	695.9	735.5	36.1	-12.0	17.6	39.6
24	Unemployment insurance	565.8	480.5	-271.6	-467.9	265.9	-85.3
25	Veterans' benefits	152.4	156.5	3.0	2.2	2.9	4.1
26	Other	2,586.0	960.4	-1,037.2	-166.2	1,953.3	-1,625.6
27	Other current transfer receipts, from business (net)	62.0	71.2	-4.4	0.3	2.8	9.3
28	Less: Contributions for government social insurance	1,533.8	1,558.6	52.8	42.7	32.5	24.7
29	Less: Personal current taxes	2,412.1	2,550.4	82.7	78.0	152.3	138.3
30	<i>Equals:</i> Disposable personal income (DPI)	19,455.3	18,014.5	-654.0	-313.5	2,173.0	-1,440.8
31	Less: Personal outlays	15,475.6	16,160.5	1,296.7	162.4	538.8	684.9
32	Personal consumption expenditures	15,005.4	15,675.9	1,304.1	173.8	537.8	670.4
33	Personal interest payments ¹	255.3	268.2	0.9	-18.5	-0.6	12.9
34	Personal current transfer payments	214.8	216.4	-8.3	7.1	1.6	1.6
35	<i>Equals:</i> Personal saving	3,979.7	1,854.0	-1,950.6	-475.9	1,634.2	-2,125.7
36	Personal saving as a percentage of DPI	20.5	10.3	.....	.....	.....	.....
Addenda:							
Percent change at annual rate							
37	Current-dollar DPI	.....	.....	-13.6	-6.9	60.6	-26.5
38	Real DPI, chained (2012) dollars	.....	.....	-16.6	-8.3	54.7	-31.0
The effects of selected federal pandemic response programs on personal income (billions of dollars)							
In farm proprietors' income with IVA and CCAAdj:							
39	Coronavirus Food Assistance Program ²	0.9	1.8	1.6	27.8	-45.3	0.9
40	Paycheck Protection Program loans to businesses ³	4.9	11.3	2.6	-6.1	2.3	6.4
In nonfarm proprietors' income with IVA and CCAAdj:							

Line	Series	Level		Change from preceding period			
		2021		2020		2021	
		Q1	Q2	Q3	Q4	Q1	Q2
41	Paycheck Protection Program loans to businesses ³	76.8	177.6	83.3	-196.7	-7.8	100.9
	In government social benefits to persons, Medicare:						
42	Increase in Medicare reimbursement rates ⁴	14.2	14.1	4.8	-0.1	-0.2	0.0
	In government social benefits to persons, Unemployment insurance ⁵ :						
43	Extended Unemployment Benefits	25.0	5.8	3.6	9.3	12.0	-19.2
44	Pandemic Emergency Unemployment Compensation	97.8	105.1	20.4	55.4	15.7	6.8
45	Pandemic Unemployment Assistance	95.3	82.4	63.9	-31.4	-11.6	-13.2
46	Pandemic Unemployment Compensation Payments	286.9	238.0	-285.1	-399.1	272.2	-49.7
47	Veterans' Benefits	152.4	156.5	3.0	2.2	2.9	4.1
	In government social benefits to persons, other:						
48	Economic impact payments ⁶	1,933.7	290.1	-1,062.5	-10.5	1,928.6	-1,625.6
49	Lost wages supplemental payments ⁷	1.6	0.6	106.2	-70.4	-34.2	-1.0
50	Paycheck Protection Program loans to NPISH ³	10.8	24.7	24.0	-56.8	-13.6	13.9
51	Provider Relief Fund to NPISH ⁸	42.8	26.6	-102.5	-24.0	8.3	-16.2
	In personal outlays, personal interest payments:						
52	Student loan forbearance ⁹	-37.8	-37.8	0.0	0.0	0.0	0.0

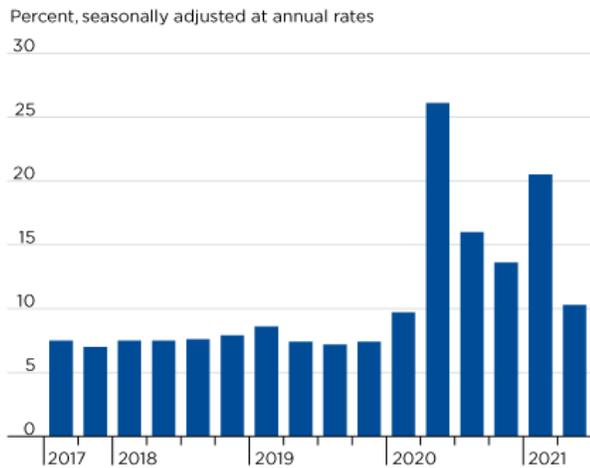
CCAdj Capital consumption adjustment

IVA Inventory valuation adjustment

1. Consists of nonmortgage interest paid by households. Note that mortgage interest paid by households is an expense item in the calculation of rental income of persons.
2. The Coronavirus Food Assistance Program, initially established by the Coronavirus Aid, Relief and Economic Security Act (CARES), provides direct support to farmers and ranchers where prices and market supply chains have been impacted by the COVID-19 pandemic.
3. The Paycheck Protection Program, initially established by the CARES Act, provides forgivable loans to help small businesses and nonprofit institutions make payroll and cover other expenses. It also provides funding to reimburse private lending institutions for the costs of administering these loans. For more information, see "[How does the Paycheck Protection Program impact the national income and product accounts \(NIPAs\)?](#)".
4. A 2 percent reduction in reimbursements paid to Medicare service providers that went into effect in 2013 was initially suspended by the CARES Act. The resulting increased reimbursement rates went into effect beginning on May 1, 2020
5. Unemployment insurance benefits were expanded through several programs that were initially established through the CARES Act. For more information, see "[How will the expansion of unemployment benefits in response to the COVID-19 pandemic be recorded in the NIPAs?](#)".
6. Economic impact payments, initially established by the CARES Act, provide direct payments to individuals. For more information, see "[How are the economic impact payments to support individuals during the COVID-19 pandemic recorded in the NIPAs?](#)".
7. The Federal Emergency Management Agency (FEMA) was authorized to make payments from the Disaster Relief Fund to supplement wages lost as a result of the COVID-19 pandemic.
8. The Department of Health and Human Services distributes money from the Provider Relief Fund to hospitals and health care providers on the front lines of the coronavirus response. This funding supports health care-related expenses or lost revenue attributable to COVID-19 and ensures uninsured Americans can get treatment for COVID-19. In the NIPAs, funds provided to nonprofit hospitals are recorded as social benefits.
9. Interest payments due on certain categories of federally-held student loans were initially suspended by the CARES Act. For more information, see "[How does the federal response to the COVID-19 affect BEA's estimate of personal interest payments?](#)".

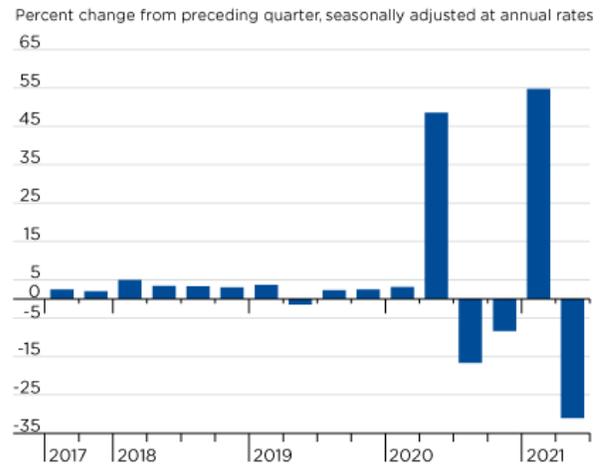
Note. Dollar levels and percent changes are from NIPA tables 2.1 and 2.2B.

Chart 4. Personal Saving Rate



Note. The personal saving rate is personal saving as a percentage of disposable personal income.
U.S. Bureau of Economic Analysis

Chart 5. Real Disposable Personal Income



U.S. Bureau of Economic Analysis

Updates

In the second estimate for the second quarter, real GDP increased 6.6 percent, an upward revision of 0.1 percentage point from the advance estimate. The updated estimates primarily reflected upward revisions to nonresidential fixed investment, exports, and consumer spending that were partly offset by downward revisions to inventory investment, residential fixed investment, and state and local government spending. Imports were revised down.

- Within nonresidential fixed investment, an upward revision to intellectual property products was partly offset by a downward revision to equipment.
 - For intellectual property products, the leading contributors to the upward revision were software and research and development.
 - For equipment, the leading contributor to the downward revision was computers and peripherals.
- Within exports, both goods and services were revised up.
 - The leading contributor to the upward revision to goods exports was nondurable industrial supplies and materials.
 - The leading contributor to the upward revision to services exports was travel.
- Within consumer spending, an upward revision to goods was mostly offset by a downward revision to services.
 - Within goods, the leading contributors to the upward revision were recreational goods and vehicles (notably, computer software and accessories) and clothing and footwear.
 - The leading contributors to the downward revision to services were “other” services (notably, legal services) as well as housing and utilities (notably, electricity and gas).
- The revision to inventory investment was more than accounted for by a downward revision to retail inventories, notably motor vehicle dealers.
- Within residential fixed investment, the leading contributor to the downward revision was spending on improvements.

- The revision to state and local government spending primarily reflected a downward revision to structures investment (notably, highway and street construction).
- Within imports, the leading contributors to the downward revision were durable industrial supplies and materials as well as “other” goods.

Table 4. Advance and Second Estimates for the Second Quarter of 2021

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Advance estimate	Second estimate	Second estimate minus advance estimate	Advance estimate	Second estimate	Second estimate minus advance estimate
1	Gross domestic product (GDP)¹	6.5	6.6	0.1	6.5	6.6	0.1
2	Personal consumption expenditures	11.8	11.9	0.1	7.78	7.80	0.02
3	Goods	11.6	12.8	1.2	2.68	2.95	0.27
4	Durable goods	9.9	11.3	1.4	0.87	0.99	0.12
5	Nondurable goods	12.6	13.7	1.1	1.81	1.96	0.15
6	Services	12.0	11.3	-0.7	5.10	4.85	-0.25
7	Gross private domestic investment	-3.5	-4.0	-0.5	-0.57	-0.67	-0.10
8	Fixed investment	3.0	3.4	0.4	0.57	0.63	0.06
9	Nonresidential	8.0	9.3	1.3	1.06	1.21	0.15
10	Structures	-7.0	-5.4	1.6	-0.18	-0.14	0.04
11	Equipment	13.0	11.6	-1.4	0.70	0.63	-0.07
12	Intellectual property products	10.7	14.6	3.9	0.54	0.72	0.18
13	Residential	-9.8	-11.5	-1.7	-0.49	-0.58	-0.09
14	Change in private inventories	.....	.....	.....	-1.13	-1.30	-0.17
15	Net exports of goods and services	.....	.....	.....	-0.44	-0.24	0.20
16	Exports	6.0	6.6	0.6	0.64	0.70	0.06
17	Goods	5.7	6.2	0.5	0.43	0.46	0.03
18	Services	6.7	7.5	0.8	0.21	0.24	0.03
19	Imports	7.8	6.7	-1.1	-1.09	-0.94	0.15
20	Goods	5.8	4.1	-1.7	-0.69	-0.48	0.21
21	Services	19.3	22.4	3.1	-0.40	-0.46	-0.06
22	Government consumption expenditures and gross investment	-1.5	-1.9	-0.4	-0.27	-0.33	-0.06
23	Federal	-5.0	-5.2	-0.2	-0.36	-0.37	-0.01
24	National defense	-0.8	-0.9	-0.1	-0.03	-0.04	-0.01
25	Nondefense	-10.4	-10.6	-0.2	-0.33	-0.33	0.00
26	State and local	0.8	0.3	-0.5	0.09	0.04	-0.05
Addenda:							
27	Final sales of domestic product	7.7	7.9	0.2	7.64	7.86	0.22
28	Gross domestic purchases price index	5.7	5.8	0.1	.....	.....	.....
29	GDP price index	6.0	6.1	0.1	.....	.....	.....

1. The GDP estimates under the contribution columns are also percent changes.

Information on Key Source Data, Assumptions, and Methodologies

A comprehensive table that presents the “[Key Source Data and Assumptions](#)” that are used to prepare each vintage of the estimate of GDP for the current quarter is available on BEA's website. For the advance estimates that are released near the end of the month after the close of the quarter, the table shows the months of source data for the quarter that are available; for most components of GDP, 3 months of data are available. For the components for which only 2 months of source data are available, BEA's assumptions for the third month are shown. Second estimates are released near the end of the second month after the close of the quarter, and third estimates are released near the end of the third month after the close of the quarter. With each vintage, the table is updated to add newly available and revised source data that have been incorporated into the estimates.

For additional details about the source data and the methodologies that are used to prepare the estimates, see “[Concepts and Methods of the U.S. National Income and Product Accounts](#)” on BEA's website.

Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment (IVA) and the capital consumption adjustment (CCAdj)) increased \$234.5 billion, or 9.2 percent at a quarterly rate, in the second quarter after increasing \$123.9 billion in the first quarter (table 5). Profits of domestic financial corporations increased \$53.7 billion, profits of domestic nonfinancial corporations increased \$169.8 billion, and rest-of-the-world profits increased \$11.0 billion.

Subsidies, which are a subtraction in the calculation of GDI, increased in the second quarter. Corporate profits and proprietors' income were in part bolstered by provisions from federal government pandemic response programs such as the [PPP](#) and tax credits for paid sick leave. More information on federal subsidy programs and their impacts on income measures is presented in the table “[Effects of Selected Federal Pandemic Response Programs on Federal Government Receipts, Expenditures, and Saving](#)” on BEA's website.

Estimates of corporate profits were also affected by legal settlements in the second quarter. The NIPAs record these settlements on an accrual basis in the quarter when the settlement is finalized, regardless of when they are recorded on a company's financial statement. A legal settlement paid by Johnson & Johnson reduced nonfinancial corporate profits in the second quarter by \$2.1 billion (\$8.5 billion at an annual rate). The estimate of GDI was not impacted, because the settlement was recorded in the NIPAs as a business current transfer payment to persons, which offset the reduction in corporate profits.

Profits after tax (without IVA and CCAdj), BEA's profits measure that is conceptually most similar to the profits for companies in the Standard & Poor's 500 Index, increased \$303.7 billion in the second quarter.

Table 5. Corporate Profits

[Seasonally adjusted]

Line		Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)			
		Level	Change from preceding quarter				2020		2021	
		2021	2020		2021		2020		2021	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	Current production measures:									
2	Corporate profits with IVA and CCAAdj	2,785.9	492.8	-7.9	123.9	234.5	25.4	-0.3	5.1	9.2
3	Domestic industries	2,308.4	446.7	-30.5	134.5	223.4	29.1	-1.5	6.9	10.7
4	Financial	538.7	1.1	17.0	1.3	53.7	0.2	3.6	0.3	11.1
5	Nonfinancial	1,769.8	445.6	-47.5	133.2	169.8	41.7	-3.1	9.1	10.6
6	Rest of the world	477.4	46.2	22.6	-10.6	11.0	11.3	5.0	-2.2	2.4
7	Receipts from the rest of the world	896.6	115.7	47.8	34.2	31.3	17.3	6.1	4.1	3.6
8	Less: Payments to the rest of the world	419.2	69.6	25.3	44.8	20.3	26.8	7.7	12.7	5.1
9	Less: Taxes on corporate income	364.9	59.1	15.3	28.1	21.2	24.5	5.1	8.9	6.2
10	Equals: Profits after tax	2,420.9	433.7	-23.3	95.8	213.2	25.5	-1.1	4.5	9.7
11	Net dividends	1,410.5	-27.1	28.9	-37.8	50.8	-1.9	2.1	-2.7	3.7
12	Undistributed profits from current production	1,010.5	460.7	-52.2	133.6	162.4	150.7	-6.8	18.7	19.2
13	Net cash flow	3,059.2	531.9	-30.2	154.5	205.3	24.2	-1.1	5.7	7.2
	Industry profits:									
14	Profits with IVA	2,714.1	496.5	-3.3	104.7	252.3	26.6	-0.1	4.4	10.2
15	Domestic industries	2,236.7	450.3	-25.9	115.3	241.2	30.9	-1.4	6.1	12.1
16	Financial	577.8	1.9	18.5	-1.1	58.0	0.4	3.7	-0.2	11.1
17	Nonfinancial	1,658.9	448.4	-44.4	116.4	183.3	46.9	-3.2	8.6	12.4
18	Rest of the world	477.4	46.2	22.6	-10.6	11.0	11.3	5.0	-2.2	2.4
	Addenda:									
19	Profits before tax (without IVA and CCAAdj)	3,036.2	629.6	31.6	231.2	324.9	34.6	1.3	9.3	12.0
20	Profits after tax (without IVA and CCAAdj)	2,671.2	570.4	16.3	203.1	303.7	36.2	0.8	9.4	12.8
21	IVA	-322.1	-133.1	-35.0	-126.5	-72.6	.....	.....	.....	.....
22	CCAAdj	71.8	-3.7	-4.6	19.2	-17.8	.....	.....	.....	.....

CCAAdj Capital consumption adjustment

IVA Inventory valuation adjustment

Note. Levels of these and other profits series are shown in NIPA tables [1.12](#), [1.14](#), [1.15](#), and [6.16D](#).

Note on Measuring Corporate Profits

Corporate profits is a widely followed economic indicator used to gauge corporate health, assess investment conditions, and analyze the effect on corporations of economic policies and conditions. In addition, corporate profits is an important component in key measures of income.

BEA's measure of corporate profits aims to capture the income earned by corporations from current production in a manner that is fully consistent with the National Income and Product Accounts (NIPAs). The measure is defined as receipts arising from current production less associated expenses. Receipts exclude income in the form of dividends and capital gains, and expenses exclude bad debts, natural resource depletion, and capital losses.

Because direct estimates of NIPA-consistent corporate profits are unavailable, BEA derives these estimates in three steps.

First, BEA measures profits before taxes to reflect corporate income regardless of any redistributions of income through taxes. Estimates for the current quarter are based on corporate earnings reports from sources including the Census Bureau Quarterly Financial Report, Federal Deposit Insurance Corporation call reports, other regulatory reports, and tabulations from corporate financial reports. The estimates are benchmarked to Internal Revenue Service (IRS) data when these data are available for two reasons: the IRS data are based on well-specified accounting definitions, and they are comprehensive, covering all incorporated businesses—publicly traded and privately held—in all industries.

Second, to remove the effects of price changes on inventories valued at historical cost and of tax accounting for inventory withdrawals, BEA adds an inventory valuation adjustment that values inventories at current cost.

Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging).

1. “Real” estimates are in chained (2012) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data; for more information, see [“The Revisions to GDP, GDI, and Their Major Components”](#) in the January 2021 *Survey of Current Business*. Quarterly estimates are expressed at seasonally adjusted annual rates, which reflect a rate of activity for a quarter as if it were maintained for a year.
2. In this article, “consumer spending” refers to “personal consumption expenditures,” “inventory investment” refers to “change in private inventories,” and “government spending” refers to “government consumption expenditures and gross investment.”