



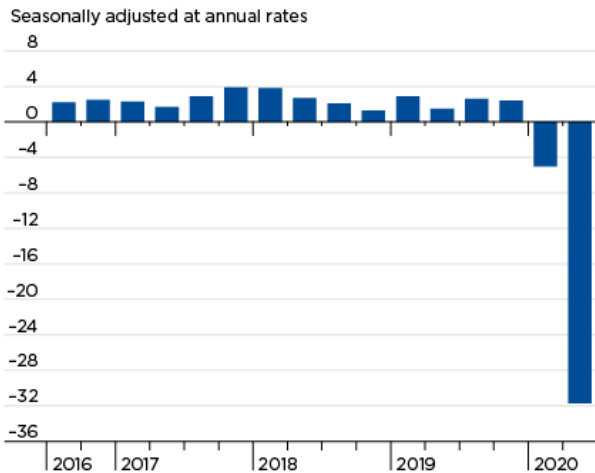
## GDP and the Economy

### Second Estimates for the Second Quarter of 2020

Real gross domestic product (GDP) decreased at an annual rate of 31.7 percent in the second quarter of 2020, according to the second estimates of the National Income and Product Accounts (NIPAs) (chart 1 and table 1).<sup>1</sup> With the second estimate, real GDP growth for the second quarter was revised up by 1.2 percentage points. In the first quarter of 2020, real GDP decreased 5.0 percent.

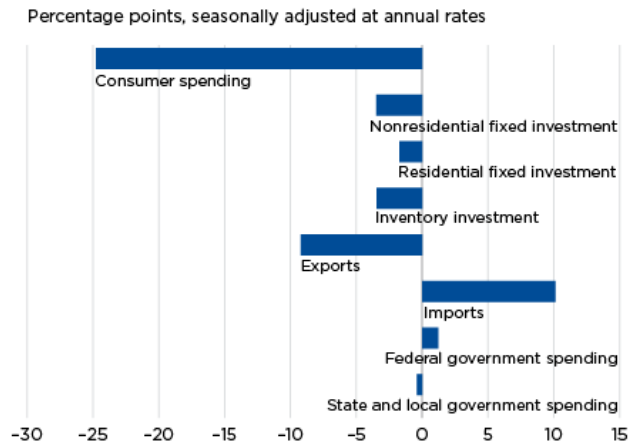
The decrease in real GDP in the second quarter reflected negative contributions from consumer spending, exports, nonresidential fixed investment, inventory investment, residential fixed investment, and state and local government spending that were partly offset by a positive contribution from federal government spending.<sup>2</sup> Imports, which are a subtraction in the calculation of GDP, decreased (chart 2 and table 1).

**Chart 1. Real GDP: Percent Change From Preceding Quarter**



U.S. Bureau of Economic Analysis

**Chart 2. Real GDP: Contributions to the Percent Change in 2020:II**



U.S. Bureau of Economic Analysis

## Impact of the Coronavirus (COVID-19) Pandemic on the Second-Quarter 2020 GDP Estimate

The decline in second-quarter GDP reflected the response to COVID-19, as “stay-at-home” orders issued in March and April were partially lifted in some areas of the country in May and June, and government pandemic assistance payments were distributed to households and businesses. This led to rapid shifts in activity, as businesses and schools continued remote work and consumers and businesses canceled, restricted, or redirected their spending. The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the second quarter of 2020, because the impacts are generally embedded in source data and cannot be separately identified. More information can be found in the [“Technical Note”](#) for the advance estimate of second-quarter 2020 GDP.

## GDP Component Detail

With the exception of federal government spending, all GDP components contributed to the larger decrease in real GDP in the second quarter. Imports decreased more in the second quarter than in the first quarter.

- Consumer spending was the main contributor to the larger decrease in real GDP. Consumer spending decreased more in the second quarter than in the first quarter, reflecting a larger decrease in spending on services and a downturn in spending on goods.
  - The main contributors to the larger decrease in services were health care (mainly hospitals and outpatient services), food services and accommodations (led by spending on purchased meals and beverages), recreation services (led by spending on membership clubs, sports centers, parks, theaters, and museums), and “other” services (mainly personal care services, which includes hairdressing salons and personal grooming establishments), as stay-at-home orders to protect against COVID-19 affected both the availability of and demand for services in these categories (see [“Impact of the Coronavirus \(COVID-19\) Pandemic on the Second-Quarter 2020 GDP Estimate”](#)).
  - The main contributors to the downturn in goods were a downturn in food and beverages purchased for off-premises consumption, a slowdown in other nondurable goods (more than accounted for by pharmaceutical products), and a larger decrease in gasoline and other energy goods. Notable offsets to the downturn in goods included an upturn in motor vehicles and parts and an acceleration in spending on recreational goods and vehicles.
- Exports decreased more in the second quarter than in the first quarter, reflecting larger decreases in exports of both goods and services.
  - The larger decrease in goods exports primarily reflected larger decreases in nonautomotive capital goods and in automotive vehicles, engines, and parts and a downturn in industrial supplies and materials (primarily petroleum and related products).
  - Larger decreases in travel services and transport services led the larger decrease in exports of services.
- Nonresidential fixed investment decreased more in the second quarter than in the first quarter; all subcomponents contributed to the slowdown.

- The larger decrease in equipment primarily reflected larger decreases in transportation equipment, other equipment (mainly mining and oilfield machinery, furniture and fixtures, and construction machinery excluding tractors), and industrial equipment. A notable offset to these decreases was an upturn for investment in information processing equipment (mainly computers and peripheral equipment), as many businesses shifted to virtual and remote operations in response to the COVID-19 pandemic.
- The larger decrease in structures investment was led by a large downturn in mining exploration, shafts, and wells.
- Investment in intellectual property products turned down, with all subcomponents contributing.
- The larger decrease in inventory investment primarily reflected a downturn in retail trade (led by motor vehicle and parts dealers) that was partly offset by an upturn in nondurable goods manufacturing (mainly reflecting an upturn in petroleum and coal product manufacturing).
- The downturn in residential investment primarily reflected a downturn in single-family structures and a downturn in brokers' commissions and other ownership transfer costs.
- State and local government spending turned down in the second quarter, reflecting a downturn in gross investment and a larger decrease in consumption expenditures.
- The larger increase in federal government spending was led by a larger increase in federal nondefense consumption expenditures, primarily for intermediate services purchased by government, which in turn reflected payments to lending institutions for administering loans provided through the Paycheck Protection Program. For additional details, see [“How does the Paycheck Protection Program of 2020 impact the national income and product accounts \(NIPAs\)?”](#)
- Imports decreased more in the second quarter than in the first quarter, reflecting larger decreases in imports of both goods and services.
  - The larger decrease in imports of goods primarily reflected a larger decrease in imports of automotive vehicles, engines, and parts.
  - The larger decrease in imports of services was led by larger decreases in both travel and transport services.

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

[Seasonally adjusted at annual rates]

Line		Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2020	2019		2020		2019		2020	
		II	III	IV	I	II	III	IV	I	II
1	<b>Gross domestic product<sup>1</sup></b>	<b>100.0</b>	<b>2.6</b>	<b>2.4</b>	<b>-5.0</b>	<b>-31.7</b>	<b>2.6</b>	<b>2.4</b>	<b>-5.0</b>	<b>-31.7</b>
2	<b>Personal consumption expenditures</b>	<b>67.0</b>	<b>2.7</b>	<b>1.6</b>	<b>-6.9</b>	<b>-34.1</b>	<b>1.83</b>	<b>1.07</b>	<b>-4.75</b>	<b>-24.76</b>
3	Goods	22.4	4.2	0.6	0.1	-10.6	0.87	0.12	0.03	-2.00
4	Durable goods	7.6	6.3	3.1	-12.5	-1.3	0.44	0.22	-0.93	0.03
5	Nondurable goods	14.8	3.1	-0.7	7.1	-14.9	0.43	-0.10	0.97	-2.02
6	Services	44.6	2.0	2.0	-9.8	-43.1	0.96	0.96	-4.78	-22.77
7	<b>Gross private domestic investment</b>	<b>16.1</b>	<b>1.8</b>	<b>-3.7</b>	<b>-9.0</b>	<b>-46.2</b>	<b>0.34</b>	<b>-0.64</b>	<b>-1.56</b>	<b>-8.66</b>
8	Fixed investment	17.6	2.4	1.0	-1.4	-28.9	0.42	0.17	-0.23	-5.20
9	Nonresidential	13.6	1.9	-0.3	-6.7	-26.0	0.25	-0.04	-0.91	-3.48
10	Structures	3.0	3.6	-5.3	-3.7	-33.4	0.11	-0.16	-0.11	-1.10
11	Equipment	5.4	-1.7	-1.7	-15.2	-35.9	-0.10	-0.10	-0.91	-2.02
12	Intellectual property products	5.2	5.3	4.6	2.4	-7.7	0.24	0.21	0.11	-0.35
13	Residential	4.0	4.6	5.8	19.0	-37.9	0.17	0.22	0.68	-1.72
14	Change in private inventories	-1.5	.....	.....	.....	.....	-0.09	-0.82	-1.34	-3.46
15	<b>Net exports of goods and services</b>	<b>-2.8</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>0.04</b>	<b>1.52</b>	<b>1.13</b>	<b>0.90</b>
16	Exports	9.2	0.8	3.4	-9.5	-63.2	0.10	0.39	-1.12	-9.22
17	Goods	5.8	3.1	2.5	-2.7	-66.3	0.23	0.19	-0.20	-6.47
18	Services	3.4	-3.2	5.1	-20.8	-56.9	-0.13	0.20	-0.92	-2.76
19	Imports	12.0	0.5	-7.5	-15.0	-54.0	-0.06	1.13	2.25	10.12
20	Goods	9.9	0.7	-9.4	-11.4	-49.5	-0.08	1.15	1.36	7.33
21	Services	2.1	-0.7	0.9	-28.5	-69.7	0.02	-0.03	0.90	2.79
22	<b>Government consumption expenditures and gross investment</b>	<b>19.7</b>	<b>2.1</b>	<b>2.4</b>	<b>1.3</b>	<b>2.8</b>	<b>0.37</b>	<b>0.42</b>	<b>0.22</b>	<b>0.82</b>
23	Federal	7.7	4.8	4.0	1.6	17.6	0.31	0.26	0.10	1.23
24	National defense	4.5	5.6	6.6	-0.3	4.2	0.22	0.26	-0.01	0.20
25	Nondefense	3.2	3.5	0.1	4.4	40.1	0.09	0.00	0.11	1.03
26	State and local	12.0	0.6	1.5	1.1	-5.5	0.06	0.16	0.12	-0.41
<b>Addenda:</b>										
27	Gross domestic income (GDI) <sup>2</sup>	.....	0.8	3.3	-2.5	-33.1	.....	.....	.....	.....
28	Average of GDP and GDI	.....	1.7	2.8	-3.7	-32.4	.....	.....	.....	.....
29	Final sales of domestic product	101.5	2.7	3.2	-3.6	-28.5	2.66	3.18	-3.62	-28.25
30	Goods	29.6	4.2	3.2	-3.5	-27.8	1.23	0.94	-0.98	-6.93
31	Services	61.5	1.8	2.1	-7.6	-33.8	1.12	1.29	-4.82	-21.97
32	Structures	8.9	2.6	1.5	10.3	-29.7	0.22	0.13	0.85	-2.80
33	Motor vehicle output	1.6	21.5	-14.6	-24.7	-87.1	0.54	-0.43	-0.73	-4.01
34	GDP excluding motor vehicle output	98.4	2.1	2.9	-4.4	-29.3	2.03	2.80	-4.23	-27.70

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

2. GDI is deflated by the implicit price deflator for GDP. The third-quarter 2019 change in GDI reflects the incorporation of new data on private wages and salaries.

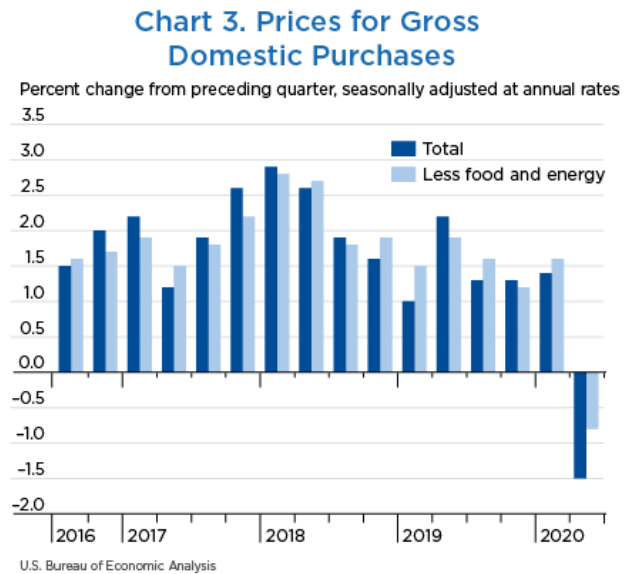
Note. Percent changes are from NIPA tables 1.1.1 and 1.2.1, contributions are from NIPA tables 1.1.2 and 1.2.2, and shares are from NIPA table 1.1.10 or are calculated from NIPA table 1.2.5.

## Prices

Prices for gross domestic purchases, goods and services purchased by U.S. residents, decreased 1.5 percent in the second quarter after increasing 1.4 percent in the first quarter (table 2 and chart 3). Downturns in the prices paid for consumer spending and for state and local government spending were partly offset by an acceleration in the prices paid for investment in intellectual property products.

Food prices increased 15.7 percent in the second quarter after increasing 3.2 percent in the first quarter. Prices for energy goods and services decreased 45.7 percent after decreasing 7.0 percent. Gross domestic purchases prices excluding food and energy turned down, decreasing 0.8 percent after increasing 1.6 percent.

Consumer prices excluding food and energy, a measure of the “core” rate of inflation, turned down, decreasing 1.0 percent in the second quarter after increasing 1.6 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		Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2019		2020		2019		2020	
		III	IV	I	II	III	IV	I	II
1	<b>Gross domestic purchases<sup>1</sup></b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>-1.5</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>-1.5</b>
2	<b>Personal consumption expenditures</b>	<b>1.4</b>	<b>1.5</b>	<b>1.3</b>	<b>-1.8</b>	<b>0.92</b>	<b>1.02</b>	<b>0.85</b>	<b>-1.17</b>
3	Goods	-0.9	0.2	-0.9	-5.6	-0.19	0.05	-0.19	-1.21
4	Durable goods	-1.8	-2.7	-1.7	-3.1	-0.12	-0.19	-0.12	-0.22
5	Nondurable goods	-0.5	1.8	-0.5	-6.8	-0.06	0.24	-0.07	-0.99
6	Services	2.5	2.1	2.3	0.1	1.11	0.97	1.04	0.04
7	<b>Gross private domestic investment</b>	<b>1.0</b>	<b>0.2</b>	<b>1.8</b>	<b>0.1</b>	<b>0.16</b>	<b>0.03</b>	<b>0.29</b>	<b>0.03</b>
8	Fixed investment	1.0	0.2	1.3	1.0	0.17	0.03	0.21	0.17
9	Nonresidential	0.4	-0.4	1.0	0.9	0.06	-0.06	0.12	0.12
10	Structures	2.1	1.5	1.5	-0.8	0.06	0.04	0.04	-0.02
11	Equipment	-1.0	-0.1	0.7	0.0	-0.05	-0.01	0.04	0.00
12	Intellectual property products	1.1	-2.0	0.9	2.9	0.05	-0.09	0.04	0.14
13	Residential	3.2	2.4	2.3	1.5	0.11	0.09	0.09	0.06
14	Change in private inventories	.....	.....	.....	.....	-0.01	0.00	0.08	-0.14
15	<b>Government consumption expenditures and gross investment</b>	<b>1.0</b>	<b>1.7</b>	<b>1.8</b>	<b>-1.9</b>	<b>0.18</b>	<b>0.29</b>	<b>0.31</b>	<b>-0.34</b>
16	Federal	0.6	1.3	-0.3	-0.9	0.04	0.08	-0.02	-0.06
17	National defense	0.8	1.5	-0.1	-2.4	0.03	0.06	-0.01	-0.10
18	Nondefense	0.2	1.1	-0.5	1.3	0.01	0.03	-0.01	0.04
19	State and local	1.3	1.9	3.1	-2.5	0.14	0.20	0.32	-0.28
<b>Addenda:</b>									
Gross domestic purchases:									
20	Food	-0.4	0.9	3.2	15.7	-0.02	0.04	0.15	0.77
21	Energy goods and services	-6.2	7.4	-7.0	-45.7	-0.17	0.19	-0.19	-1.48
22	Excluding food and energy	1.6	1.2	1.6	-0.8	1.45	1.11	1.49	-0.77
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	-0.2	0.8	3.1	15.4	.....	.....	.....	.....
24	Energy goods and services	-6.5	7.4	-9.8	-45.0	.....	.....	.....	.....
25	Excluding food and energy	1.9	1.3	1.6	-1.0	.....	.....	.....	.....
26	Gross domestic product	1.5	1.4	1.4	-2.0	.....	.....	.....	.....
27	Exports of goods and services	-2.3	-1.7	-2.5	-19.6	.....	.....	.....	.....
28	Imports of goods and services	-3.2	-1.4	-1.4	-12.7	.....	.....	.....	.....

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 increased \$1.45 trillion in the second quarter, compared with an increase of \$190.2 billion (revised) in the first quarter (table 3). The increase in personal income was more than accounted for by an increase in government social benefits that was partly offset by decreases in employee compensation and proprietors' income. The addenda to table 3 include details on the effects of selected federal pandemic response programs on personal income.

- Government social benefits increased \$2.45 trillion in the second quarter after increasing \$80.9 billion in the first quarter, as several provisions of federal recovery legislation took effect. Most notably, unemployment insurance and other government social benefits to persons increased to historic levels.
  - Within unemployment insurance, the increase was primarily attributable to new and expanded [unemployment insurance program benefits totaling \\$816.0 billion](#).
  - Within other social benefits, the increase primarily reflected one-time [economic impact payments](#) to individuals totaling \$1.08 trillion.
- Within compensation, the leading contributor to the decrease was private wages and salaries; government wages and salaries also decreased. For more information, see "[How does BEA adjust wages and salaries to account for the effects of COVID-19?](#)"
- The decrease in proprietors' income reflected declines in both farm and nonfarm proprietors' income that were partly offset by provisions of the [Paycheck Protection Program](#), which took effect in the second quarter and provided small businesses with forgivable loans totaling \$215.6 billion.

Personal current taxes decreased \$157.1 billion in the second quarter after increasing \$31.2 billion in the first quarter.

Disposable personal income (DPI) increased \$1.61 trillion in the second quarter after increasing \$159.0 billion in the first quarter. Personal outlays decreased \$1.55 trillion in the second quarter after decreasing \$232.5 billion in the first quarter.

The personal saving rate (chart 4)—personal saving as a percentage of DPI—was 26.0 percent in the second quarter; in the first quarter, the personal saving rate was 9.6 percent.

Real DPI (chart 5) increased 47.0 percent in the second quarter after increasing 2.6 percent in the first quarter. Current-dollar DPI increased 44.4 percent after increasing 3.9 percent.

**Table 3. Personal Income and Its Disposition**  
[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

Line		Level		Change from preceding period			
		2020	2020	2019		2020	
		I	II	III	IV	I	II
<b>1</b>	<b>Personal income</b>	<b>18,951.0</b>	<b>20,401.5</b>	<b>116.7</b>	<b>163.1</b>	<b>190.2</b>	<b>1,450.5</b>
2	Compensation of employees	11,674.4	10,883.9	46.3	126.9	109.6	-790.5
3	Wages and salaries	9,526.1	8,847.4	36.4	111.2	103.6	-678.7
4	Private industries	8,044.5	7,424.7	19.7	100.7	91.5	-619.7
5	Goods-producing industries	1,543.1	1,406.3	-4.1	16.4	1.8	-136.8
6	Manufacturing	913.8	825.8	-7.0	13.5	-3.6	-88.0
7	Services-producing industries	6,501.4	6,018.5	23.9	84.3	89.8	-482.9
8	Trade, transportation, and utilities	1,444.2	1,347.8	5.4	10.7	17.0	-96.4
9	Other services-producing industries	5,057.2	4,670.7	18.5	73.6	72.8	-386.6
10	Government	1,481.6	1,422.6	16.7	10.5	12.1	-58.9
11	Supplements to wages and salaries	2,148.3	2,036.5	9.9	15.7	6.0	-111.8
12	Proprietors' income with IVA and CCAAdj	1,706.0	1,507.6	48.5	20.7	8.3	-198.4
13	Farm	56.4	34.9	22.0	-0.2	-2.3	-21.5
14	Nonfarm	1,649.6	1,472.6	26.5	20.9	10.6	-177.0
15	Rental income of persons with CCAAdj	802.3	797.8	3.0	5.9	6.8	-4.5
16	Personal income receipts on assets	2,984.3	2,904.8	-0.1	10.4	3.9	-79.5
17	Personal interest income	1,679.7	1,631.6	-0.8	11.7	-13.7	-48.1
18	Personal dividend income	1,304.6	1,273.2	0.7	-1.3	17.6	-31.4
19	Personal current transfer receipts	3,235.5	5,687.8	23.3	13.3	80.3	2,452.3
20	Government social benefits to persons	3,189.6	5,637.2	23.8	13.9	80.9	2,447.5
21	Social security	1,068.5	1,075.4	7.6	8.8	25.4	6.9
22	Medicare	804.7	824.1	10.2	8.0	6.7	19.4
23	Medicaid	624.1	657.7	7.3	-2.9	4.7	33.6
24	Unemployment insurance	43.4	1,112.6	0.1	0.3	15.5	1,069.1
25	Veterans' benefits	138.6	142.1	2.1	2.6	4.1	3.5
26	Other	510.4	1,825.4	-3.5	-2.9	24.4	1,315.0
27	Other current transfer receipts, from business (net)	45.9	50.6	-0.4	-0.6	-0.6	4.7
28	Less: Contributions for government social insurance	1,451.5	1,380.3	4.2	13.9	18.7	-71.2
29	Less: Personal current taxes	2,252.4	2,095.3	-25.3	24.1	31.2	-157.1
30	<i>Equals:</i> Disposable personal income (DPI)	16,698.6	18,306.2	142.1	139.1	159.0	1,607.6
31	Less: Personal outlays	15,103.3	13,550.4	147.6	115.9	-232.5	-1,552.9
32	Personal consumption expenditures	14,545.5	13,046.7	148.0	113.9	-213.7	-1,498.7
33	Personal interest payments <sup>1</sup>	352.9	298.2	0.2	-0.3	-11.7	-54.8
34	Personal current transfer payments	204.9	205.5	-0.6	2.3	-7.1	0.6
35	<i>Equals:</i> Personal saving	1,595.3	4,755.8	-5.5	23.2	391.5	3,160.4
36	Personal saving as a percentage of DPI	9.6	26.0	.....	.....	.....	.....
<b>Addenda:</b>							
<b>Percent change at annual rate</b>							
37	Current-dollar DPI	.....	.....	3.5	3.4	3.9	44.4



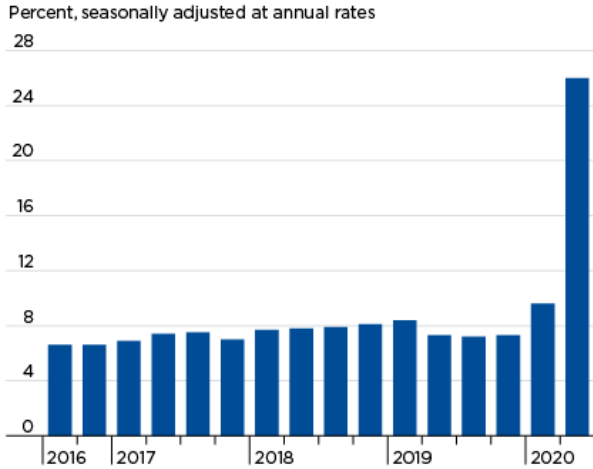
Line		Level		Change from preceding period			
		2020	2020	2019		2020	
		I	II	III	IV	I	II
38	Real DPI, chained (2012) dollars	.....	.....	2.1	1.9	2.6	47.0
	<b>The effects of selected federal pandemic response programs on personal income (billions of dollars)</b>						
	In farm proprietors' income with IVA and CCAdj:						
39	Coronavirus Food Assistance Program <sup>2</sup>	.....	16.9	.....	.....	.....	16.9
40	Paycheck Protection Program loans to businesses <sup>3</sup>	.....	6.5	.....	.....	.....	6.5
	In nonfarm proprietors' income with IVA and CCAdj:						
41	Paycheck Protection Program loans to businesses <sup>3</sup>	.....	209.1	.....	.....	.....	209.1
	In government social benefits to persons, Medicare:						
42	Increase in Medicare reimbursement rates <sup>4</sup>	.....	9.7	.....	.....	.....	9.7
	In government social benefits to persons, Unemployment insurance: <sup>5</sup>						
43	Pandemic Emergency Unemployment Compensation	.....	7.1	.....	.....	.....	7.1
44	Pandemic Unemployment Assistance	.....	122.8	.....	.....	.....	122.8
45	Pandemic Unemployment Compensation Payments	.....	686.1	.....	.....	.....	686.1
	In government social benefits to persons, Other:						
46	Economic impact payments <sup>6</sup>	.....	1,078.1	.....	.....	.....	1,078.1
47	Paycheck Protection Program loans to NPISH <sup>3</sup>	.....	19.1	.....	.....	.....	19.1
48	Provider Relief Fund to NPISH <sup>7</sup>	.....	160.9	.....	.....	.....	160.9
	In personal outlays, personal interest payments:						
49	Student loan forbearance <sup>8</sup>	-7.1	-36.0	.....	.....	-7.1	-28.9

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 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 coronavirus pandemic.
3. The Coronavirus Aid, Relief, and Economic Security Act (CARES) 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 of 2020 impact the national income and product accounts \(NIPAs\)?](#)".
4. The Coronavirus Aid, Relief, and Economic Security Act (CARES) temporarily suspends a two percent reduction in reimbursements paid to Medicare service providers that went into effect in 2013. Increased reimbursement rates will be in effect from May 1, 2020 through December 31, 2020.
5. The Coronavirus Aid, Relief, and Economic Security Act (CARES) expanded unemployment insurance benefits provided through three programs. The Federal Pandemic Unemployment Compensation (PUC) program provides a temporary weekly supplemental payment of \$600 for people receiving unemployment benefits. The Pandemic Unemployment Assistance (PUA) program provides temporary unemployment benefits to people who are not usually eligible for unemployment insurance benefits. The Pandemic Emergency Unemployment Compensation (PEUC) program provides a temporary extension of unemployment benefits for 13 weeks to people who exhausted all available regular and extended unemployment benefits. For more information, see "[How will the expansion of unemployment benefits in response to the COVID-19 pandemic be recorded in the NIPAs?](#)".
6. The Coronavirus Aid, Relief, and Economic Security Act (CARES) provides \$300 billion in direct support economic impact payments to individuals. For more information, see "[How are the economic impact payments for individuals authorized by the CARES Act of 2020 recorded in the NIPAs?](#)".
7. The Coronavirus Aid, Relief, and Economic Security Act (CARES) provides funds, distributed by the Department of Health and Human Services, for 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.
8. The Coronavirus Aid, Relief, and Economic Security Act (CARES) provides for the temporary suspension of interest payments due on certain categories of federally held student loans. For more information, see "[How does the 2020 CARES Act affect BEA's estimate of personal interest payments?](#)".

**CCAdj** Capital consumption adjustment  
**IVA** Inventory valuation adjustment  
**NPISH** Nonprofit institutions serving households

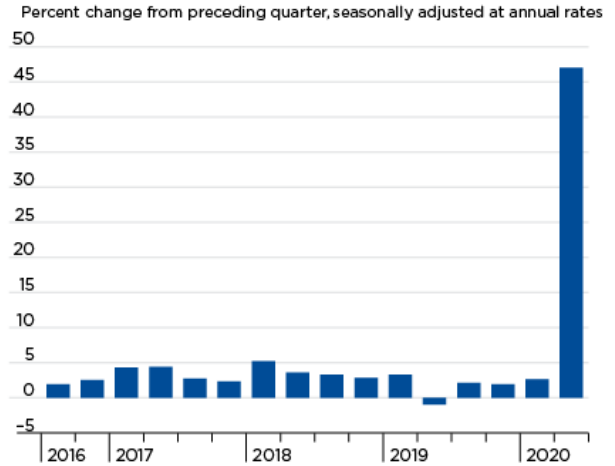
Note. Dollar levels and percent changes are from NIPA tables 2.1 and 2.2B.

**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

### 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.

## Updates

Real GDP decreased 31.7 percent in the second quarter of 2020, an upward revision of 1.2 percentage points from the advance estimate (table 4). The revision primarily reflected upward revisions to inventory investment, consumer spending, exports, and nonresidential fixed investment.

- Within inventory investment, nonfarm inventories was revised up. The largest contributors to the upward revision were wholesale trade and nondurable goods manufacturing (led by petroleum products).
- Consumer spending for both goods and services was revised up.
  - Within goods, the leading contributor to the upward revision was other nondurable goods.
  - Within services, the largest contributor to the upward revision was spending on health care, by both nonprofit institutions and households. Spending on air transportation was also revised up.
- Industrial supplies and materials led the upward revision to exports.
- The upward revision to nonresidential fixed investment reflected upward revisions to equipment and structures. Information processing equipment, notably computers and communication equipment, led the upward revision to equipment. Within structures, the leading contributors to the upward revision were commercial and health care structures as well as power structures.

**Table 4. Advance and Second Estimates for the Second Quarter of 2020**

[Seasonally adjusted at annual rates]

Line		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	<b>Gross domestic product (GDP)<sup>1</sup></b>	<b>-32.9</b>	<b>-31.7</b>	<b>1.2</b>	<b>-32.9</b>	<b>-31.7</b>	<b>1.2</b>
2	<b>Personal consumption expenditures</b>	<b>-34.6</b>	<b>-34.1</b>	<b>0.5</b>	<b>-25.05</b>	<b>-24.76</b>	<b>0.29</b>
3	Goods	-11.3	-10.6	0.7	-2.12	-2.00	0.12
4	Durable goods	-1.4	-1.3	0.1	0.04	0.03	-0.01
5	Nondurable goods	-15.9	-14.9	1.0	-2.16	-2.02	0.14
6	Services	-43.5	-43.1	0.4	-22.93	-22.77	0.16
7	<b>Gross private domestic investment</b>	<b>-49.0</b>	<b>-46.2</b>	<b>2.8</b>	<b>-9.36</b>	<b>-8.66</b>	<b>0.70</b>
8	Fixed investment	-29.9	-28.9	1.0	-5.38	-5.20	0.18
9	Nonresidential	-27.0	-26.0	1.0	-3.62	-3.48	0.14
10	Structures	-34.9	-33.4	1.5	-1.16	-1.10	0.06
11	Equipment	-37.7	-35.9	1.8	-2.13	-2.02	0.11
12	Intellectual property products	-7.2	-7.7	-0.5	-0.33	-0.35	-0.02
13	Residential	-38.7	-37.9	0.8	-1.76	-1.72	0.04
14	Change in private inventories	.....	.....	.....	-3.98	-3.46	0.52
15	<b>Net exports of goods and services</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>0.68</b>	<b>0.90</b>	<b>0.22</b>
16	Exports	-64.1	-63.2	0.9	-9.38	-9.22	0.16
17	Goods	-67.6	-66.3	1.3	-6.65	-6.47	0.18
18	Services	-56.7	-56.9	-0.2	-2.73	-2.76	-0.03
19	Imports	-53.4	-54.0	-0.6	10.06	10.12	0.06
20	Goods	-48.8	-49.5	-0.7	7.25	7.33	0.08
21	Services	-69.7	-69.7	0.0	2.81	2.79	-0.02
22	<b>Government consumption expenditures and gross investment</b>	<b>2.7</b>	<b>2.8</b>	<b>0.1</b>	<b>0.82</b>	<b>0.82</b>	<b>0.00</b>
23	Federal	17.4	17.6	0.2	1.23	1.23	0.00
24	National defense	4.1	4.2	0.1	0.20	0.20	0.00
25	Nondefense	39.7	40.1	0.4	1.03	1.03	0.00
26	State and local	-5.6	-5.5	0.1	-0.40	-0.41	-0.01
<b>Addenda:</b>							
27	Final sales of domestic product	-29.3	-28.5	0.8	-28.93	-28.25	0.68
28	Gross domestic purchases price index	-1.5	-1.5	0.0	.....	.....	.....
29	GDP price index	-1.8	-2.0	-0.2	.....	.....	.....

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

## Corporate Profits

Measured in current dollars, profit from current production (corporate profits with the inventory valuation adjustment (IVA) and the capital consumption adjustment (CCAdj)) decreased \$226.9 billion, or 11.1 percent at a quarterly rate, in the second quarter after decreasing \$276.2 billion in the first quarter of 2020 (table 5). Profits of domestic financial corporations increased \$39.5 billion, profits of domestic nonfinancial corporations decreased \$170.1 billion, and rest of the world profits decreased \$96.2 billion.

Profits after tax (without the IVA and CCAdj) decreased \$203.8 billion.

**Table 5. Corporate Profits**  
[Seasonally adjusted]

Line		Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)			
		Level	Change from preceding quarter				2019		2020	
		2020	2019		2020		2019		2020	
		II	III	IV	I	II	III	IV	I	II
<b>1</b>	<b>Current production measures:</b>									
2	Corporate profits with IVA and CCAdj	1,808.2	-16.7	64.8	-276.2	-226.9	-0.7	2.9	-12.0	-11.1
3	Domestic industries	1,431.3	-25.0	62.7	-232.7	-130.6	-1.4	3.6	-13.0	-8.4
4	Financial	470.7	-7.0	16.7	-42.2	39.5	-1.5	3.6	-8.9	9.2
5	Nonfinancial	960.6	-18.0	46.0	-190.5	-170.1	-1.4	3.6	-14.4	-15.0
6	Rest of the world	376.9	8.3	2.1	-43.5	-96.2	1.6	0.4	-8.4	-20.3
7	Receipts from the rest of the world	650.9	-2.2	3.5	-90.3	-139.7	-0.2	0.4	-10.3	-17.7
8	Less: Payments to the rest of the world	274.0	-10.5	1.4	-46.8	-43.4	-2.8	0.4	-12.8	-13.7
9	Less: Taxes on corporate income	238.9	-21.9	29.3	-56.8	-16.6	-7.2	10.3	-18.2	-6.5
10	Equals: Profits after tax	1,569.2	5.2	35.5	-219.5	-210.2	0.3	1.8	-11.0	-11.8
11	Net dividends	1,371.2	-20.9	7.8	23.2	-8.3	-1.5	0.6	1.7	-0.6
12	Undistributed profits from current production	198.0	26.0	27.7	-242.7	-201.9	4.4	4.5	-37.8	-50.5
13	Net cash flow	2,075.8	47.7	45.5	-221.6	-245.5	1.9	1.8	-8.7	-10.6
	<b>Industry profits:</b>									
14	Profits with IVA	1,826.9	-14.7	63.2	-241.4	-226.6	-0.7	2.8	-10.5	-11.0
15	Domestic industries	1,450.0	-23.0	61.1	-197.9	-130.3	-1.3	3.6	-11.1	-8.2
16	Financial	484.1	-5.7	16.2	-38.2	39.3	-1.2	3.5	-7.9	8.8
17	Nonfinancial	966.0	-17.3	44.9	-159.7	-169.7	-1.4	3.6	-12.3	-14.9
18	Rest of the world	376.9	8.3	2.1	-43.5	-96.2	1.6	0.4	-8.4	-20.3
	<b>Addenda:</b>									
19	Profits before tax (without IVA and CCAdj)	1,774.2	-40.4	109.7	-318.4	-220.4	-1.8	5.0	-13.8	-11.1
20	Profits after tax (without IVA and CCAdj)	1,535.3	-18.6	80.4	-261.6	-203.8	-1.0	4.2	-13.1	-11.7
21	IVA	52.7	25.8	-46.5	77.0	-6.2	.....	.....	.....	.....
22	CCAdj	-18.8	-2.0	1.6	-34.8	-0.3	.....	.....	.....	.....

**CCAdj** 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 2018 *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."