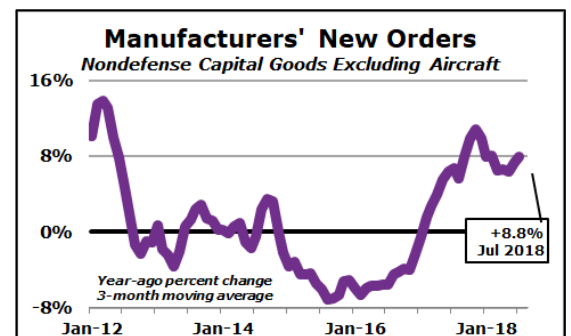
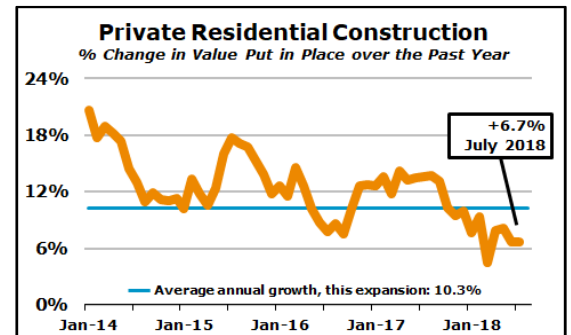


# Keeping Current

- The economy grew at a 4.2% annual rate during the second quarter, an acceleration from the first quarter's 2.2% pace and the strongest performance in almost four years. The average annual growth rate so far during the current nine-year expansion is 2.3%.<sup>1</sup>
- Personal consumption expenditures rose at a 3.8% annual rate in the second quarter, up from the first quarter's 0.5% gain. Over the past year, consumption is up 2.6%. Its average annual rate over the past five years is 2.9%.<sup>1</sup>
- Growth in corporate profits over the past year accelerated from 5.9% in the first quarter to 7.7% in the second quarter. During the current expansion, corporate profits have grown at a 6.4% average annual rate.<sup>1</sup>
- Private residential construction gained 0.6% in July, generating a 6.7% increase over the past year. The average annual gain in residential construction spending on private projects over the five years ending in July was 11.7%.<sup>2</sup>
- Factory orders for core capital goods rose 1.6% in July, its fourth consecutive monthly increase. This put orders 8.8% higher than in July 2017 – meaning that they've grown ten times faster in the past year than over the previous four years. This measure, which excludes orders for defense and aircraft, increased at an average annual rate of 0.9% over the past four years.<sup>3</sup>
- Personal income, after accounting for inflation and taxes, rose 2.9% over the year ending in July. So far through this expansion, real disposable personal income has grown at an average annual rate of 2.4%. Per capita real disposable personal income increased 2.2% over the past year, up from its expansion annual average of 1.6%.<sup>4</sup>
- The change in the personal consumption price index, a popular measure of inflation, was 2.3% over the past year. That's the fastest growth over a 12-month span in the past five years. During the expansion, the price index has increased at a 1.6% average annual rate.<sup>4</sup>
- The average rate on 30-year fixed-rate mortgages in Freddie Mac's survey was 4.54% during the week ending September 6, two basis points above its level the previous week. The rate averaged 4.55% in August, practically at the 4.56% average attained over May, June, and July. All rates quoted have fees and points averaging 0.4% to 0.5% of the loan amount.<sup>5</sup>



1. "Gross Domestic Product: Second Quarter 2018 (Second Estimate); Corporate Profits: Second Quarter 2018 (Preliminary Estimate)," Bureau of Economic Analysis, Department of Commerce, August 29, 2018. All data reported are seasonally adjusted. [www.bea.gov/index.php/system/files/2018-08/gdp2q18\\_2nd.pdf](http://www.bea.gov/index.php/system/files/2018-08/gdp2q18_2nd.pdf).
2. "Monthly Construction Spending, July 2018," U.S. Census Bureau, September 4, 2018. [www.census.gov/construction/c30/pdf/release.pdf](http://www.census.gov/construction/c30/pdf/release.pdf).
3. "Monthly Full Report on Manufacturers' S-I-O, July 2018," Census Bureau, September 6, 2018. [www.census.gov/manufacturing/m3/prel/pdf/s-i-o.pdf](http://www.census.gov/manufacturing/m3/prel/pdf/s-i-o.pdf).
4. "Personal Income and Outlays: July 2018," Bureau of Economic Analysis, Department of Commerce, August 30, 2018. [www.bea.gov/system/files/2018-08/pi0718.pdf](http://www.bea.gov/system/files/2018-08/pi0718.pdf).
5. Freddie Mac Primary Mortgage Market Survey, Sept 6, 2018. [www.freddiemac.com/pmms/](http://www.freddiemac.com/pmms/)  
*The FRB of St Louis Economic Data system (FRED) was used to collect data on GDP, corporate profits, construction spending, durable orders, and personal income.*

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