

US economy grew a solid 2.2% in the second quarter, government says, upgrading previous estimate

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WASHINGTON (AP) — The U.S. economy grew at a solid 2.2% pace from April through June as [consumer spending](#) and business investment came in strong.

Growth in gross domestic product — the nation's output of a goods and services — decelerated from a 2.5% pace from January through March, the Commerce Department reported Wednesday. The second-quarter growth was an improvement on the department's previous estimate of 1.5% — a surprise to economists who had expected little or no change in the GDP number.

Consumer spending — which accounts for about 70% of U.S. economic activity — increased at a healthy 3.8% annual pace, up from 0.7% in the January-March period. Spending has been helped by a strong stock market, which reflects enthusiasm over the prospects for [artificial intelligence](#) and which enriches wealthy investors and gives them more money to buy things with.

The overall growth number was dragged down by imports. They are subtracted from growth because GDP is only supposed to count domestic production. Imports rose at a 12.6% annual pace from April through June, partly due to a surge in shipments of computer chips and other products that support artificial intelligence investment, and slashed nearly 1.7 percentage points off second-quarter growth.

The U.S. economy has proven surprisingly resilient in the face of fighting with Iran and the energy price spike it caused.

Business investment, excluding housing, rose at a 9% clip in the second quarter, reflecting the AI investment boom. And a measure of the economy's underlying strength — which strips out volatile government spending and trade numbers — grew at a strong 4.6% rate, up from 1.8% in the first quarter.

"The economy is increasingly reliant on AI gains and the corresponding wealth effects boosting higher-income households' spending power to fuel recent growth," said Michael Pearce, chief U.S. economist at Oxford Economics. "The economy remains sensitive to a sudden reversal of optimism on AI."

Investment in housing rose 2.8% ticking up for the first time since the end of 2024. The housing market has been depressed by [high mortgage rates](#).

Wednesday's report was the last of three Commerce Department estimates of second-quarter GDP growth. The first look at third-quarter growth is due Oct. 29.