

## GDP GROWTH ACCELERATES IN THIRD QUARTER

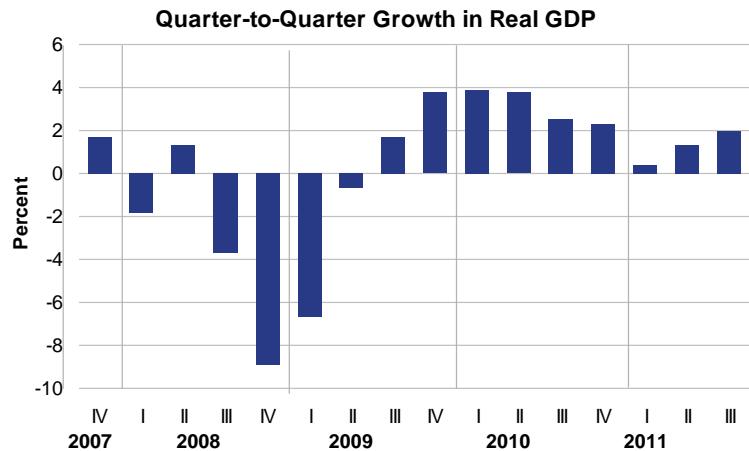
*Second Estimate of GDP*

Real gross domestic product (GDP) increased 2.0 percent in the third quarter of 2011 after increasing 1.3 percent in the second quarter, according to estimates released by the Bureau of Economic Analysis. The third-quarter growth rate was revised down 0.5 percentage point from the advance estimate released in October.

### Third-quarter highlights

The following contributed to the pickup in real GDP growth:

- Consumer spending picked up. Spending for durable goods turned up, reflecting an upturn in motor vehicles and parts. Spending on services also picked up, mainly for housing and utilities as well as health care.
- Business investment accelerated, as equipment and software picked up, reflecting contributions from “other” equipment (mainly construction machinery and agricultural machinery), as well as both industrial and transportation equipment.



Real GDP growth is measured at seasonally adjusted annual rates.

A larger decrease in inventory investment in the third quarter partly offset these contributions to real GDP growth.

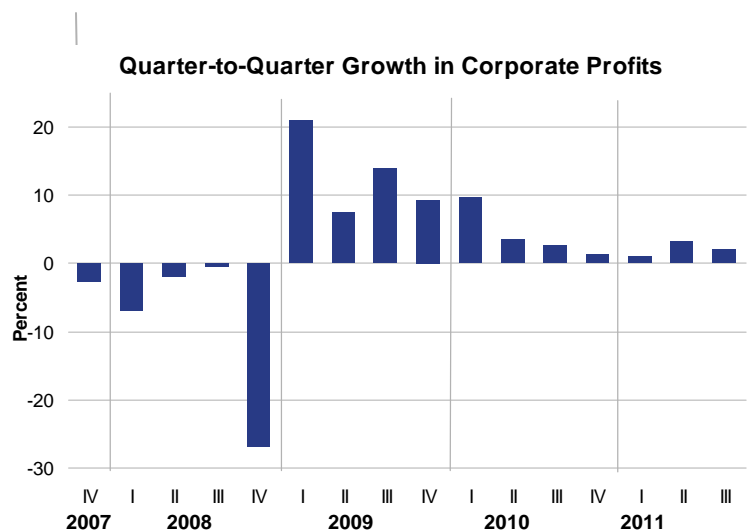
### Revisions to GDP

The 0.5 percentage point downward revision to real GDP growth in the third quarter mainly reflected downward revisions to inventory investment, consumer spending for nondurable goods (mainly gasoline and other energy goods), and business investment in equipment and software. In contrast, imports, a subtraction in the calculation of GDP, were revised down.

### Corporate profits

Third-quarter corporate profits rose 2.1 percent at a quarterly rate, following a 3.3 percent rise in the second quarter.

Nonfinancial profits rose 1.6 percent, and financial profits rose 3.8 percent. Profits from the rest of the world increased 1.4 percent.



Corporate profits growth is measured as the percent change from the previous quarter.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: [www.bea.gov](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The third estimate of GDP and a revised estimate of corporate profits for the third quarter of 2011 will be released on December 22, 2011.