

GDP INCREASES IN THIRD QUARTER

“Third” estimate of GDP

Real gross domestic product (GDP) increased 5.0 percent in the third quarter of 2014, according to the “third” estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 4.6 percent.

GDP highlights

The increase in GDP in the third quarter reflected the following:

- Consumer spending increased 3.2 percent, compared with 2.5 percent in the second quarter. Spending on both goods and services increased.
- Business investment rose, notably in transportation equipment and industrial equipment as well as in intellectual property products.
- Exports of goods increased; industrial supplies and materials was the largest contributor.
- Federal government spending increased, mainly national defense spending.



Real GDP growth is measured at seasonally adjusted annual rates.

Revisions

The 1.1 percentage points upward revision to the GDP growth rate reflected the following:

- An upward revision to consumer spending, reflecting upward revisions to health care and recreation services.
- An upward reward revision to business investment, mainly to structures and intellectual property products.
- An upward revision to private inventory investment by wholesale trade industries, notably the nondurable goods industry.

For more information, see the [technical note](#).

Corporate profits

Corporate profits increased 3.1 percent at a quarterly rate in the third quarter after increasing 8.4 percent in the second quarter.

- Profits of domestic nonfinancial corporations increased 2.5 percent after increasing 11.9 percent.
- Profits of domestic financial corporations increased 3.6 percent after increasing 8.0 percent.
- Rest of the world profits increased 4.2 percent after decreasing 0.9 percent.



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

Over the last 12 months, corporate profits rose 1.4 percent.

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. [E-mail](#) alerts are also available.

NOTE: The “advance” estimate of GDP for the fourth quarter of 2014 will be released on January 30, 2015.