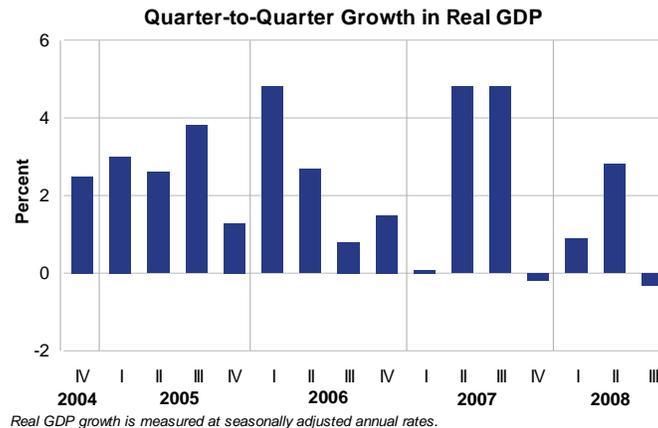


GDP DECLINES 0.3 PERCENT IN THIRD QUARTER

“Advance” Estimate of GDP

Real gross domestic product (GDP) decreased 0.3 percent in the third quarter of 2008 after increasing 2.8 percent in the second quarter of 2008, according to estimates released today by the Bureau of Economic Analysis.



Real GDP declined in the third quarter mainly because of weak consumer spending, which fell 3.1 percent after modest growth over the previous 3 quarters. Spending on food, clothing, and shoes turned down.

Also:

- Net exports continued to contribute to growth but at a reduced rate.
- Business investment turned down.
- Housing continued to act as a drag on growth.

In contrast, inventories and federal government spending added more to growth this quarter than last.

Prices

Prices of goods and services purchased by U.S. residents rose 4.8 percent after rising 4.2 percent in the second quarter. Food prices picked up, while energy prices decelerated. Excluding food and energy, prices rose 3.1 percent after rising 2.2 percent.

Personal Income

Real disposable personal income (DPI)—income adjusted for inflation and taxes—decreased 8.7 percent, in contrast to an 11.9 percent increase in the second quarter. In the second quarter, it was boosted by the tax rebates from the Economic Stimulus Act of 2008. Excluding these payments, real DPI rose 0.3 percent after decreasing 0.4 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 “preliminary” estimates of GDP and corporate profits for the third quarter of 2008 will be released on November 25, 2008.