

GDP INCREASES IN THIRD QUARTER

“Second” estimate of GDP

Real gross domestic product (GDP) increased 3.9 percent in the third quarter of 2014, according to the “second” estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 4.6 percent.

Third-quarter highlights

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

- Consumer spending increased 2.2 percent. Spending on goods and services both increased.
- Business investment rose, notably equipment and intellectual property products.
- Federal government spending increased, mainly national defense spending.
- Exports of goods increased, notably industrial supplies and materials.

In contrast, inventory investment declined in the third quarter.

Revisions

The 0.4 percentage point upward revision to the GDP growth rate was more than accounted for by an upward revision to nonfarm inventory investment, notably in the wholesale trade and retail trade industries. Consumer spending on goods and business investment in equipment also were revised up. Partly offsetting these upward revisions, exports were revised down, and imports were revised up.

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

Corporate profits

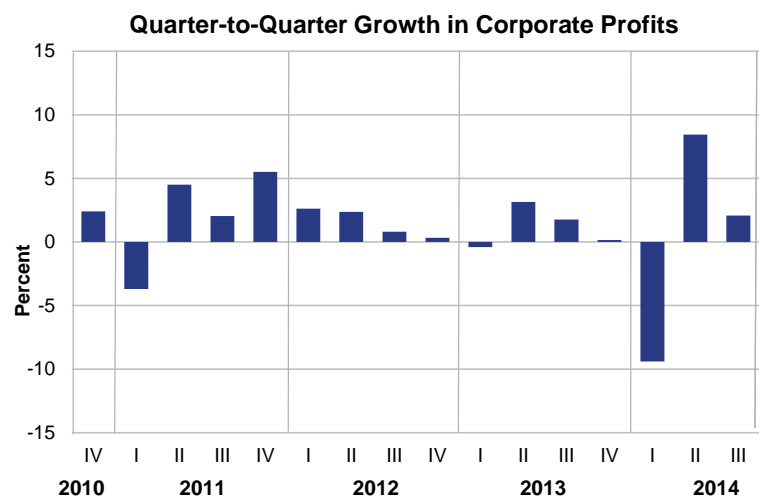
Corporate profits increased 2.1 percent at a quarterly rate in the third quarter after increasing 8.4 percent in the second quarter.

- Profits of domestic nonfinancial corporations increased 1.8 percent after increasing 11.9 percent.
- Profits of domestic financial corporations increased 4.5 percent after increasing 8.0 percent.
- Profits from the rest of the world increased 0.3 percent after decreasing 0.9 percent.

Over the last 12 months, corporate profits rose 0.4 percent.



Real GDP growth is measured at seasonally adjusted annual rates.



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

NOTE: The “third” estimate of GDP and an updated estimate of corporate profits for the third quarter of 2014 will be released on December 23, 2014.