

## GDP INCREASES IN THIRD QUARTER

*“Second” estimate of GDP*

Real gross domestic product (GDP) increased 2.1 percent in the third quarter of 2019, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.2 percentage point higher than the “advance” estimate released in October. In the second quarter, real GDP rose 2.0 percent.

### GDP highlights

The third-quarter increase in real GDP reflected increases in consumer spending, government spending, housing investment, inventory investment, and exports, while business investment decreased. Imports, which are a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in both goods (notably recreational goods and vehicles as well as food and beverages) and in services (led by housing and utilities as well as food services). The increase in government spending reflected increases in both federal and state and local government spending.

The decrease in business investment reflected decreases in structures (led by mining exploration, shafts, and wells) and in equipment (notably aircraft as well as computers and peripheral equipment).

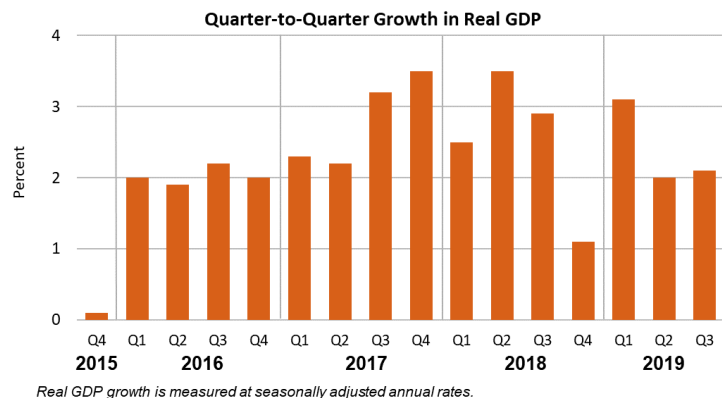
### Updates to GDP

The revision to GDP reflected upward revisions to inventory investment, business investment, and consumer spending. These revisions were partly offset by a downward revision to state and local government spending.

### Corporate profits from current production

Profits increased 0.2 percent at a quarterly rate in the third quarter after increasing 3.8 percent in the second quarter.

- Profits of **domestic nonfinancial corporations** increased 0.7 percent after increasing 3.2 percent.
- Profits of **domestic financial corporations** decreased 2.4 percent after increasing 0.6 percent.
- Profits from the **rest of the world** increased 1.2 percent after increasing 7.7 percent.



Corporate profits decreased 0.8 percent in the third quarter from one year ago.