



Technical Note
Gross Domestic Product
Third Quarter of 2009 (Third Estimate)
December 22, 2009

This technical note provides background information about the source data and estimating methods used to produce the estimates presented in the GDP news release. The complete set of estimates for the third quarter is available on BEA's Web site at www.bea.gov; a brief summary of "highlights" is also posted on the Web site. In a few weeks, the estimates will be published in BEA's monthly journal, the *Survey of Current Business*, along with a more detailed analysis of the estimates ("GDP and the Economy").

Sources of Revision to Real GDP

Real GDP growth in the third quarter was 2.2 percent (annual rate), which was 0.6 percentage point less than last month's estimate.

- Nonresidential fixed investment was revised down, reflecting downward revisions to nonresidential structures and to equipment and software (mainly software). The revision to structures reflected revised Census construction spending data for August and September. The revision to software reflected newly available Census quarterly services survey (QSS) data for the third quarter.
- Private inventory investment was revised down. The revision was mainly to manufacturing inventories and reflected revised Census inventory data for September.
- Personal consumption expenditures (PCE) were revised down. The revision was mainly to services and reflected the newly available third-quarter Census QSS data.

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services, wherever produced—increased 1.3 percent in the third quarter, 0.1 percentage point less than last month's estimate. The revision was mainly to PCE prices and was accounted for by a downward revision to the price of "financial services and insurance" based on the incorporation of newly available *Call Report* data for the third quarter from the Federal Reserve Board.

Corporate Profits

Profits from current production increased \$132.4 billion, or 10.8 percent (quarterly rate), in the third quarter. Domestic profits of financial corporations increased \$82.8 billion, domestic profits of nonfinancial corporations increased

\$27.6 billion, and rest-of-the-world profits increased \$22.0 billion in the third quarter.

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