

## ECONOMY DECLINES IN THIRD QUARTER

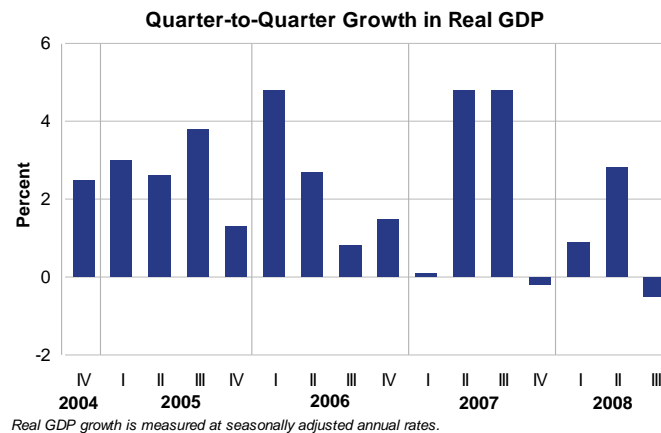
*“Final” Estimates of GDP*

Real gross domestic product (GDP) fell 0.5 percent (unrevised), after increasing 2.8 percent in the second quarter, according to the “final” estimates from the Bureau of Economic Analysis.

### Gross Domestic Product

The downturn in real GDP growth reflected a broad contraction in consumer spending and slower growth in exports.

In contrast, businesses drew down inventories but not as much as in the second quarter, and defense spending accelerated.



### Corporate Profits

Third-quarter corporate profits fell 1.2 percent, the fifth consecutive quarter of decline. Nonfinancial corporate profits increased 6.7 percent, but financial corporate profits fell 20.0 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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The “advance” estimate of GDP for the fourth quarter of 2008 will be released on January 30, 2009.