

## GDP GROWTH MODERATES IN THIRD QUARTER

*Advance Estimate of GDP*

Real gross domestic product (GDP) increased 3.5 percent in the third quarter of 2014, according to the “advance” estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 4.6 percent.

### Third-quarter highlights

The deceleration in GDP growth was more than accounted for by inventory investment, which detracted from growth in the third quarter after adding to it in the second quarter.

In addition:

- Consumer spending decelerated, increasing 1.8 percent after increasing 2.5 percent. Spending on nondurable and durable goods both slowed, while services picked up.
- Business investment rose but not as much as in the second quarter. Investment in structures, equipment, and intellectual property products slowed.
- Exports of goods and services decelerated.

In contrast, imports declined in the third quarter after increasing significantly in the second quarter, reflecting downturns in nonautomotive consumer goods and in industrial supplies and materials.

### Personal income and personal saving

Real disposable personal income (DPI), which adjusts for taxes and inflation, rose 2.7 percent in the third quarter after increasing 4.4 percent in the second quarter.

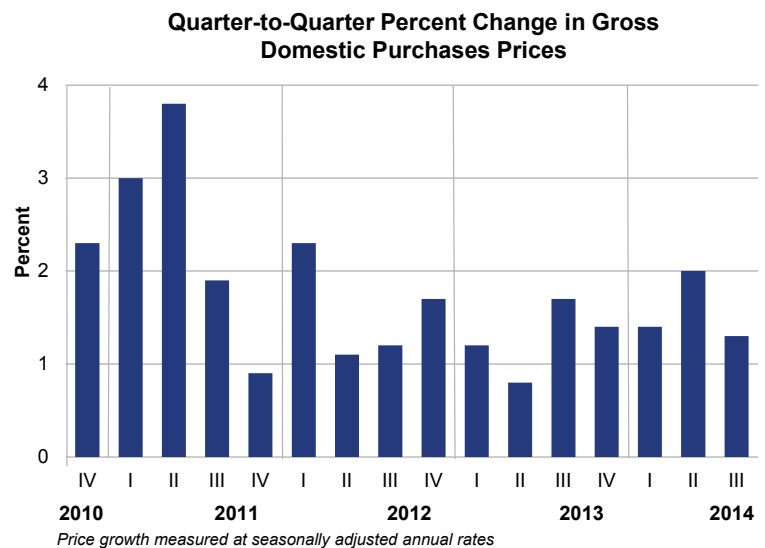
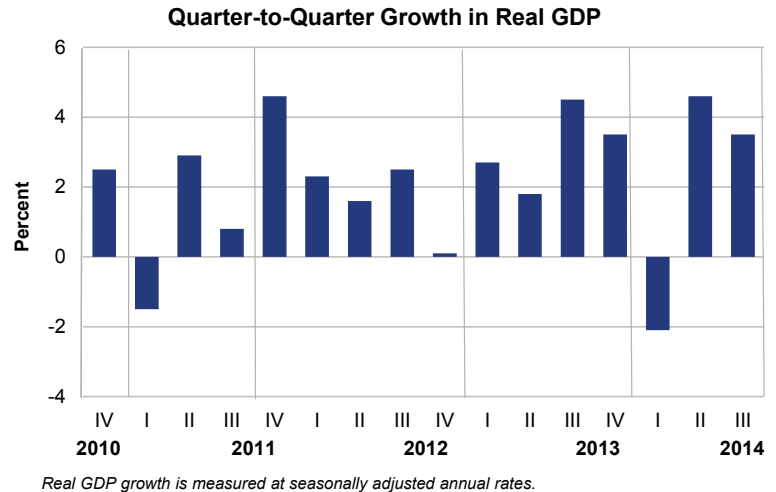
Personal saving as a percentage of DPI increased to 5.5 percent in the third quarter from 5.4 percent in the second quarter.

### Prices

Prices of goods and services purchased by U.S. residents increased 1.3 percent in the third quarter after increasing 2.0 percent in the second quarter.

Prices of energy goods and services turned down in the third quarter, and food prices slowed.

Excluding food and energy, gross domestic purchase prices increased 1.5 percent in the third quarter after increasing 1.7 percent in the second 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](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The “second” estimate of GDP and a preliminary estimate of corporate profits for the third quarter of 2014 will be released on November 25, 2014.