

GDP RISES 2.2 PERCENT IN THE THIRD QUARTER

Third Estimate of GDP

Real gross domestic product (GDP) increased 2.2 percent in the third quarter of 2009, following a 0.7-percent decrease in the second quarter, according to estimates released today by the Bureau of Economic Analysis. The third-quarter growth rate was revised down 0.6 percentage point from the second estimate released in November. The largest downward revisions were to nonresidential fixed investment, to inventory investment, and to consumer spending for services.

Gross Domestic Product (GDP)

The upturn in real GDP reflected the following:

- Consumer spending turned up sharply. Spending for new cars and trucks was particularly strong, reflecting the federal “cash for clunkers” program that was in effect during July and August.
- Exports and inventory investment also contributed to the upturn.
- Residential housing rebounded, rising for the first time in 15 quarters.



Corporate Profits

Third-quarter corporate profits rose 10.8 percent at a quarterly rate. Nonfinancial corporate profits increased 4.2 percent, and financial corporate profits rose 31.1 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. [E-mail](#) alerts are also available.

NOTE: The “advance” estimate of GDP for the fourth quarter of 2009 will be released on January 29, 2010.