

GDP GROWTH PICKS UP IN THIRD QUARTER

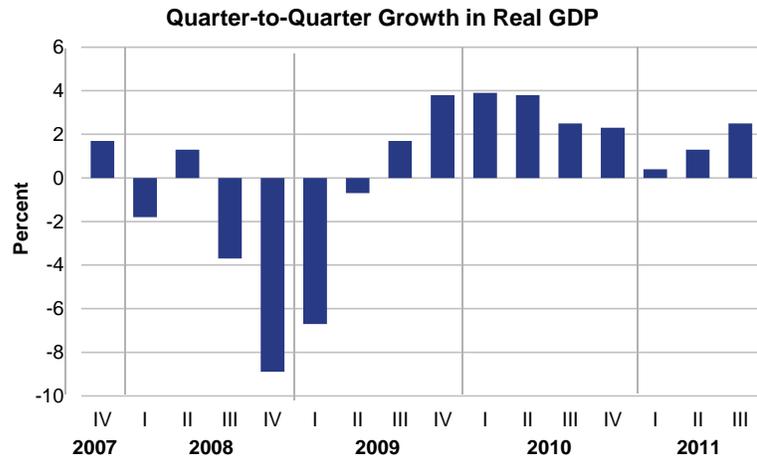
Advance Estimate of GDP

Real gross domestic product (GDP) increased 2.5 percent in the third quarter of 2011 after increasing 1.3 percent in the second quarter, according to estimates released today by the Bureau of Economic Analysis.

Third-quarter highlights

Behind the pickup in real GDP growth:

- Consumer spending accelerated. An upturn in durable goods mainly reflected a smaller decline in motor vehicles and parts, and a pickup in services mainly reflected spending for housing and utilities and for health care.
- Investment in equipment and software accelerated, reflecting positive contributions from construction machinery and agricultural machinery (both included in “other” equipment) as well as industrial equipment and transportation equipment.



Real GDP growth is measured at seasonally adjusted annual rates.

A larger decrease in inventory investment in the third quarter partly offset these contributions to real GDP growth.

Gross domestic purchases prices

Prices of goods and services purchased by U.S. residents slowed in the third quarter, rising 2.0 percent following a 3.3 percent rise in the second quarter.

Both food and energy prices slowed. Excluding food and energy, prices rose 1.8 percent after rising 2.7 percent.



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Personal income

Real disposable personal income—income adjusted for inflation and taxes—decreased 1.7 percent in the third quarter following an increase of 0.6 percent in the second quarter.

Personal saving

The personal saving rate—saving as a percent of disposable personal income—was 4.1 percent in the third quarter, compared with 5.1 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. [E-mail](#) alerts are also available.

NOTE: The second estimate of GDP and an estimate of corporate profits for the third quarter of 2011 will be released on November 22, 2011.