



## GDP and the Economy

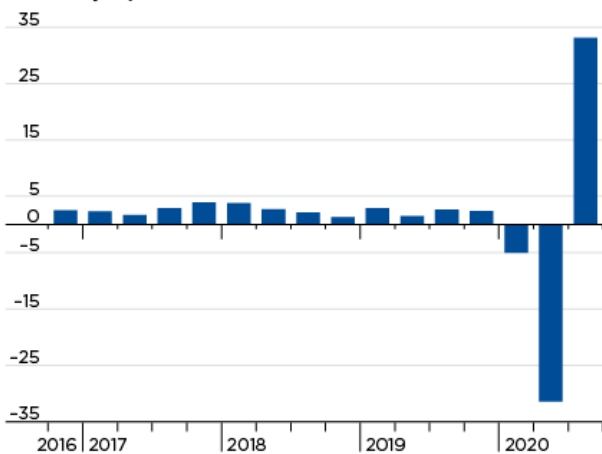
### Second Estimates for the Third Quarter of 2020

Real gross domestic product (GDP) increased at an annual rate of 33.1 percent in the third quarter of 2020, according to the second estimates of the National Income and Product Accounts (NIPAs) (chart 1 and table 1).<sup>1</sup> With the second estimate, real GDP growth was unrevised from the advance estimate issued last month. In the second quarter of 2020, real GDP decreased 31.4 percent.

The increase in real GDP in the third quarter reflected increases in consumer spending, inventory investment, exports, nonresidential fixed investment, and residential fixed investment that were partly offset by decreases in federal government spending and state and local government spending.<sup>2</sup> Imports, which are a subtraction in the calculation of GDP, increased (chart 2 and table 1).

**Chart 1. Real GDP: Percent Change From Preceding Quarter**

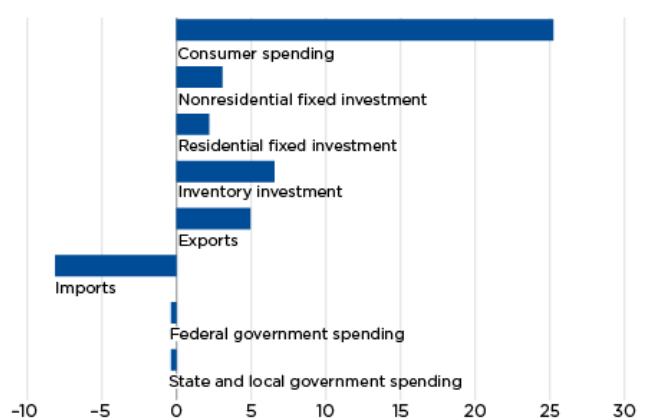
Seasonally adjusted at annual rates



U.S. Bureau of Economic Analysis

**Chart 2. Real GDP: Contributions to the Percent Change in 2020:Q3**

Percentage points, seasonally adjusted at annual rates



U.S. Bureau of Economic Analysis

## Impact of the Coronavirus (COVID-19) Pandemic on the Third-Quarter 2020 GDP Estimate

The increase in third-quarter GDP reflected continued efforts to reopen businesses and resume activities that were postponed or restricted due to COVID-19. Government pandemic assistance payments that were distributed to households and businesses in the second quarter slowed or expired. The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the third quarter of 2020, because the impacts are generally embedded in source data and cannot be separately identified. More information can be found in the [“Technical Note”](#) for the second estimate of third-quarter 2020 GDP.

## GDP by Expenditure

Except for federal government spending, all GDP components contributed to the upturn in real GDP in the third quarter. Imports turned up strongly.

- Consumer spending was the main contributor to the upturn in real GDP, reflecting strong upturns in spending on both services and goods.
  - The upturns in spending on services were widespread, as “stay-at-home” orders to protect against the spread of COVID-19 eased in many parts of the United States (see [“Impact of the Coronavirus \(COVID-19\) Pandemic on the Third-Quarter 2020 GDP Estimate”](#)). The largest contributors to the upturn were health care (mainly hospitals and outpatient services), food services and accommodations (led by spending on purchased meals and beverages), and recreation services (led by spending on membership clubs, sports centers, parks, theaters, and museums).
  - The largest contributors to the upturn in spending on goods were upturns in clothing and footwear, in gasoline and other energy goods, and in “other” durable goods (mainly jewelry and watches as well as therapeutic appliances and equipment). Spending on motor vehicles and parts (mainly new light trucks) and “other” nondurable goods accelerated.
- Exports turned up, reflecting upturns in exports of both goods and services.
  - The upturn in goods exports primarily reflected upturns in automotive vehicles, engines, and parts and in nonautomotive capital goods.
  - A smaller decrease in travel and an upturn in transport services were the leading contributors to the upturn in exports of services.
- Inventory investment turned up, primarily reflecting an upturn in retail trade (led by motor vehicle and parts dealers) that was partly offset by downturns in nondurable goods manufacturing (mainly petroleum and coal product manufacturing and chemical manufacturing).
- Nonresidential fixed investment turned up in the third quarter, primarily reflecting an upturn in spending on equipment. Investment in structures and intellectual property products decreased less in the third quarter than in the second quarter.
  - The upturn in equipment primarily reflected an upturn in transportation equipment (mainly light trucks).
  - The upturn in intellectual property products reflected upturns in research and development and in software investment, and a smaller decrease in entertainment, literary, and artistic originals.
  - The smaller decrease in structures investment was led by a smaller decrease in mining exploration, shafts, and wells.
- Residential investment turned up, primarily reflecting upturns in “other” structures (mainly brokers’ commissions and other ownership transfer costs) and in new single-family structures.

- State and local government spending decreased less in the third quarter than in the second quarter, primarily reflecting a smaller decrease in consumption expenditures that was more than accounted for by an upturn in employee compensation.
- Federal government spending turned down in the third quarter, reflecting a downturn in nondefense intermediate services purchased, as the costs associated with the processing and administration of Paycheck Protection Program loan applications by banks on behalf of the federal government decreased.
- The upturn in imports reflected upturns in both goods and services, as international trade rebounded in the third quarter after being severely curtailed in the second quarter due to the COVID-19 pandemic.
  - The upturn in imports of goods was led by an upturn in imports of automotive vehicles, engines, and parts.
  - The upturn in imports of services was led by upturns in both travel and transport services.

Real gross domestic income, which is the sum of incomes earned and costs incurred in the production of GDP, increased 25.5 percent in the third quarter after decreasing 32.6 percent in the second quarter (revised).

**Table 1. Real Gross Domestic Product (GDP) and Related Measures**

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2020	2019	2020			2019	2020		
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	<b>Gross domestic product<sup>1</sup></b>	<b>100.0</b>	<b>2.4</b>	<b>-5.0</b>	<b>-31.4</b>	<b>33.1</b>	<b>2.4</b>	<b>-5.0</b>	<b>-31.4</b>	<b>33.1</b>
2	<b>Personal consumption expenditures</b>	<b>68.0</b>	<b>1.6</b>	<b>-6.9</b>	<b>-33.2</b>	<b>40.6</b>	<b>1.07</b>	<b>-4.75</b>	<b>-24.01</b>	<b>25.22</b>
3	Goods	23.0	0.6	0.1	-10.8	46.9	0.12	0.03	-2.06	9.49
4	Durable goods	8.3	3.1	-12.5	-1.7	82.9	0.22	-0.93	0.00	5.20
5	Nondurable goods	14.7	-0.7	7.1	-15.0	30.6	-0.10	0.97	-2.05	4.29
6	Services	45.0	2.0	-9.8	-41.8	37.6	0.96	-4.78	-21.95	15.73
7	<b>Gross private domestic investment</b>	<b>17.4</b>	<b>-3.7</b>	<b>-9.0</b>	<b>-46.6</b>	<b>84.9</b>	<b>-0.64</b>	<b>-1.56</b>	<b>-8.77</b>	<b>11.78</b>
8	Fixed investment	17.4	1.0	-1.4	-29.2	30.4	0.17	-0.23	-5.27	5.23
9	Nonresidential	13.1	-0.3	-6.7	-27.2	21.8	-0.04	-0.91	-3.67	3.06
10	Structures	2.6	-5.3	-3.7	-33.6	-15.8	-0.16	-0.11	-1.11	-0.47
11	Equipment	5.7	-1.7	-15.2	-35.9	66.6	-0.10	-0.91	-2.03	3.19
12	Intellectual property products	4.8	4.6	2.4	-11.4	6.0	0.21	0.11	-0.53	0.34
13	Residential	4.3	5.8	19.0	-35.6	62.3	0.22	0.68	-1.60	2.17
14	Change in private inventories	0.0	.....	.....	.....	.....	-0.82	-1.34	-3.50	6.55
15	<b>Net exports of goods and services</b>	<b>-3.5</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>1.52</b>	<b>1.13</b>	<b>0.62</b>	<b>-3.18</b>
16	Exports	9.8	3.4	-9.5	-64.4	60.5	0.39	-1.12	-9.51	4.95
17	Goods	6.7	2.5	-2.7	-66.8	104.6	0.19	-0.20	-6.56	4.88
18	Services	3.2	5.1	-20.8	-59.6	0.8	0.20	-0.92	-2.95	0.07
19	Imports	13.3	-7.5	-15.0	-54.1	93.1	1.13	2.25	10.13	-8.12
20	Goods	11.2	-9.4	-11.4	-49.6	110.0	1.15	1.36	7.32	-7.67
21	Services	2.0	0.9	-28.5	-69.9	25.9	-0.03	0.90	2.80	-0.46
22	<b>Government consumption expenditures and gross investment</b>	<b>18.0</b>	<b>2.4</b>	<b>1.3</b>	<b>2.5</b>	<b>-4.9</b>	<b>0.42</b>	<b>0.22</b>	<b>0.77</b>	<b>-0.76</b>
23	Federal	7.0	4.0	1.6	16.4	-6.2	0.26	0.10	1.17	-0.38
24	National defense	4.2	6.6	-0.3	3.8	3.1	0.26	-0.01	0.18	0.17
25	Nondefense	2.8	0.1	4.4	37.6	-18.1	0.00	0.11	0.98	-0.55
26	State and local	11.0	1.5	1.1	-5.4	-4.0	0.16	0.12	-0.40	-0.38
<b>Addenda:</b>										
27	Gross domestic income (GDI); <sup>2</sup>	.....	3.3	-2.5	-32.6	25.5	.....	.....	.....	.....
28	Average of GDP and GDI	.....	2.8	-3.7	-32.0	29.2	.....	.....	.....	.....
29	Final sales of domestic product	100.0	3.2	-3.6	-28.1	25.6	3.18	-3.62	-27.88	26.51
30	Goods	30.9	3.2	-3.5	-29.0	61.0	0.94	-0.98	-7.40	17.09
31	Services	60.4	2.1	-7.6	-32.9	23.6	1.29	-4.82	-21.32	14.54
32	Structures	8.6	1.5	10.3	-28.4	15.2	0.13	0.85	-2.66	1.44
33	Motor vehicle output	3.0	-14.6	-24.7	-86.9	1,131.2	-0.43	-0.73	-3.99	5.91
34	GDP excluding motor vehicle output	97.0	2.9	-4.4	-29.0	26.4	2.80	-4.23	-27.39	27.15

1. The GDP estimates under the contribution columns are also percent changes.

2. GDI is deflated by the implicit price deflator for GDP. The third-quarter 2019 change in GDI reflects the incorporation of new data on private wages and salaries.

Note. Percent changes are from NIPA tables 1.1.1 and 1.2.1, contributions are from NIPA tables 1.1.2 and 1.2.2, and shares are from NIPA table 1.1.10 or are calculated from NIPA table 1.2.5.

## Prices

Prices for gross domestic purchases, goods and services purchased by U.S. residents, increased 3.3 percent in the third quarter after decreasing 1.4 percent in the second quarter (table 2 and chart 3). The leading contributors to the upturn were upturns in the prices paid for consumer spending and for state and local government spending and a larger increase in prices for residential fixed investment.

Food prices decreased 1.7 percent in the third quarter after increasing 15.7 percent in the second quarter. Prices for energy goods and services increased 27.6 percent after decreasing 45.7 percent. Gross domestic purchases prices excluding food and energy turned up, increasing 3.1 percent after decreasing 0.8 percent.

Consumer prices excluding food and energy, a measure of the “core” rate of inflation, turned up, increasing 3.5 percent in the third quarter after decreasing 0.8 percent in the second quarter.



**Table 2. Prices for Gross Domestic Purchases**

[Percent change at annual rates; based on seasonally adjusted index numbers (2012=100)]

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2019	2020			2019	2020		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	<b>Gross domestic purchases<sup>1</sup></b>	<b>1.3</b>	<b>1.4</b>	<b>-1.4</b>	<b>3.3</b>	<b>1.3</b>	<b>1.4</b>	<b>-1.4</b>	<b>3.3</b>
2	<b>Personal consumption expenditures</b>	<b>1.5</b>	<b>1.3</b>	<b>-1.6</b>	<b>3.7</b>	<b>1.02</b>	<b>0.85</b>	<b>-1.06</b>	<b>2.43</b>
3	Goods	0.2	-0.9	-5.6	5.5	0.05	-0.19	-1.21	1.18
4	Durable goods	-2.7	-1.7	-3.1	8.3	-0.19	-0.12	-0.23	0.62
5	Nondurable goods	1.8	-0.5	-6.8	4.0	0.24	-0.07	-0.98	0.56
6	Services	2.1	2.3	0.3	2.9	0.97	1.04	0.15	1.25
7	<b>Gross private domestic investment</b>	<b>0.2</b>	<b>1.8</b>	<b>-0.1</b>	<b>2.7</b>	<b>0.03</b>	<b>0.29</b>	<b>0.00</b>	<b>0.42</b>
8	Fixed investment	0.2	1.3	0.8	2.2	0.03	0.21	0.14	0.38
9	Nonresidential	-0.4	1.0	0.8	0.1	-0.06	0.12	0.11	0.02
10	Structures	1.5	1.5	-1.1	0.6	0.04	0.04	-0.03	0.02
11	Equipment	-0.1	0.7	0.0	-0.6	-0.01	0.04	0.00	-0.03
12	Intellectual property products	-2.0	0.9	2.9	0.7	-0.09	0.04	0.14	0.04
13	Residential	2.4	2.3	1.0	9.4	0.09	0.09	0.04	0.36
14	Change in private inventories	.....	.....	.....	.....	0.00	0.08	-0.14	0.04
15	<b>Government consumption expenditures and gross investment</b>	<b>1.7</b>	<b>1.8</b>	<b>-1.9</b>	<b>2.6</b>	<b>0.29</b>	<b>0.31</b>	<b>-0.35</b>	<b>0.49</b>
16	Federal	1.3	-0.3	-1.1	1.6	0.08	-0.02	-0.08	0.12
17	National defense	1.5	-0.1	-2.5	1.9	0.06	-0.01	-0.10	0.08
18	Nondefense	1.1	-0.5	1.0	1.1	0.03	-0.01	0.03	0.03
19	State and local	1.9	3.1	-2.4	3.3	0.20	0.32	-0.28	0.37
<b>Addenda:</b>									
Gross domestic purchases:									
20	Food	0.9	3.2	15.7	-1.7	0.04	0.15	0.77	-0.09
21	Energy goods and services	7.4	-7.0	-45.7	27.6	0.19	-0.19	-1.47	0.59
22	Excluding food and energy	1.2	1.6	-0.8	3.1	1.11	1.49	-0.71	2.85
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	0.8	3.1	15.4	-1.9	.....	.....	.....	.....
24	Energy goods and services	7.4	-9.8	-44.9	24.8	.....	.....	.....	.....
25	Excluding food and energy	1.3	1.6	-0.8	3.5	.....	.....	.....	.....
26	Gross domestic product	1.4	1.4	-1.8	3.6	.....	.....	.....	.....
27	Exports of goods and services	-1.7	-2.5	-18.8	12.8	.....	.....	.....	.....
28	Imports of goods and services	-1.4	-1.4	-12.8	8.6	.....	.....	.....	.....

1. The estimates for gross domestic purchases under the contribution columns are also percent changes.

Note. Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are from NIPA table 2.3.7. Contributions are from NIPA table 1.6.8. GDP, export, and import prices are from NIPA table 1.1.7.

## Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services, regardless of whether those goods and services were produced domestically or imported. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

The GDP price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export. The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the FAQ "[How do the effects of dollar depreciation show up in the GDP accounts?](#)" on BEA's website.

BEA also produces price indexes for all the components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, for energy goods and services, and for all items except food and energy are also estimated and reported.

Because prices for food and for energy can be volatile, the price measure that excludes food and energy is often used as a measure of underlying, or "core," inflation. The core PCE price index includes purchased meals and beverages, such as restaurant meals and pet food. (See "[What is the core PCE price index?](#)" on BEA's website.)

BEA also prepares a supplemental PCE price index, the "market-based" PCE price index, that is based on market transactions for which there are corresponding price measures. This index excludes many imputed expenditures, such as financial services furnished without payment, that are included in PCE and in the PCE price index. BEA also prepares a market-based measure that excludes food and energy.

## Personal Income

Measured in current dollars, personal income decreased \$530.9 billion in the third quarter, in contrast to an increase of \$1.51 trillion (revised) in the second quarter (table 3). The decrease in personal income was more than accounted for by a decrease in government social benefits that was partly offset by increases in employee compensation and proprietors' income. The addenda in table 3 include detail on the effects of selected federal pandemic response programs on personal income.

- Within government social benefits, "other" social benefits and unemployment insurance decreased, primarily reflecting the expiration of one-time economic impact payments to individuals authorized by federal recovery legislation, including the Coronavirus Aid, Relief, and Economic Security Act, and supplemental pandemic unemployment compensation payments. These decreases were partly offset by lost wage supplemental payments from the Federal Emergency Management Administration program that provided wage assistance to individuals impacted by the pandemic.
- Within compensation, the leading contributor to the increase was private wages and salaries, mainly in services-producing industries. Government wages and salaries also increased.
- Within proprietors' income, the increase was largely in nonfarm. Payments from the Paycheck Protection Program, which provided small nonfarm businesses with forgivable loans, were \$297.1 billion in the third quarter, which followed initial payments of \$209.1 billion that took effect in the second quarter.

Personal current taxes increased \$90.1 billion in the third quarter after decreasing \$155.9 (revised) billion in the second quarter.

Disposable personal income (DPI) decreased \$621.0 billion in the third quarter after increasing \$1.66 trillion (revised) in the second quarter. Personal outlays increased \$1.29 trillion after decreasing \$1.51 trillion in the second quarter.

The personal saving rate (chart 4)—personal saving as a percentage of DPI—was 16.1 percent in the third quarter; in the second quarter, the personal saving rate was 26.0 percent (revised).

Real DPI (chart 5) decreased 16.0 percent in the third quarter after increasing 48.6 percent (revised) in the second quarter. Current-dollar DPI decreased 12.9 percent after increasing 46.2 percent (revised).

With the release of the second estimate of GDP, the Bureau of Economic Analysis (BEA) also released revised estimates of second-quarter 2020 wages and salaries, personal taxes, contributions for social insurance, and gross domestic income (GDI). These estimates reflect new data for second-quarter private wages and salaries from the Bureau of Labor Statistics Quarterly Census of Employment and Wages. As a result:

- Wages and salaries is now estimated to have decreased \$617.3 billion in the second quarter, an upward revision of \$64.8 billion.
- Personal income is now estimated to have increased \$1.51 trillion, an upward revision of \$60.7 billion.
- Real DPI is now estimated to have increased 48.6 percent; in the previously published estimate, real DPI increased 46.6 percent.
- The personal saving rate is now estimated at 26.0 percent; in the previously published estimate, the personal saving rate was 25.7 percent.
- Real GDI is now estimated to have decreased 32.6 percent in the second quarter (table 1); in the previously published estimate, real GDI decreased 33.5 percent.

**Table 3. Personal Income and Its Disposition**

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

Line	Series	Level		Change from preceding period			
		2020	2020	2019	2020		
		Q2	Q3	Q4	Q1	Q2	Q3
<b>1</b>	<b>Personal income</b>	<b>20,457.3</b>	<b>19,926.4</b>	<b>163.1</b>	<b>190.2</b>	<b>1,506.3</b>	<b>-530.9</b>
2	Compensation of employees	10,949.5	11,533.0	126.9	109.6	-724.9	583.5
3	Wages and salaries	8,908.8	9,405.9	111.2	103.6	-617.3	497.2
4	Private industries	7,487.2	7,964.0	100.7	91.5	-557.3	476.8
5	Goods-producing industries	1,431.0	1,537.3	16.4	1.8	-112.1	106.3
6	Manufacturing	857.8	937.4	13.5	-3.6	-56.0	79.6
7	Services-producing industries	6,056.2	6,426.7	84.3	89.8	-445.2	370.5
8	Trade, transportation, and utilities	1,362.1	1,469.7	10.7	17.0	-82.0	107.5
9	Other services-producing industries	4,694.1	4,957.1	73.6	72.8	-363.2	263.0
10	Government	1,421.6	1,441.9	10.5	12.1	-60.0	20.3
11	Supplements to wages and salaries	2,040.7	2,127.1	15.7	6.0	-107.7	86.4
12	Proprietors' income with IVA and CCAAdj	1,511.9	1,804.5	20.7	8.3	-194.1	292.6
13	Farm	38.9	62.9	-0.2	-2.3	-17.5	24.0
14	Nonfarm	1,473.0	1,741.6	20.9	10.6	-176.6	268.6
15	Rental income of persons with CCAAdj	796.1	806.0	5.9	6.8	-6.3	9.9
16	Personal income receipts on assets	2,910.2	2,862.8	10.4	3.9	-74.1	-47.4
17	Personal interest income	1,637.0	1,629.0	11.7	-13.7	-42.7	-8.0
18	Personal dividend income	1,273.2	1,233.8	-1.3	17.6	-31.4	-39.4
19	Personal current transfer receipts	5,678.0	4,370.0	13.3	80.3	2,442.5	-1,308.0
20	Government social benefits to persons	5,627.4	4,324.1	13.9	80.9	2,437.8	-1,303.3
21	Social security	1,075.4	1,080.6	8.8	25.4	6.9	5.2
22	Medicare	824.1	842.7	8.0	6.7	19.4	18.7
23	Medicaid	668.8	691.3	-2.9	4.7	44.7	22.4
24	Unemployment insurance	1,084.6	768.7	0.3	15.5	1,041.1	-315.9
25	Veterans' benefits	142.1	145.3	2.6	4.1	3.5	3.3
26	Other	1,832.5	795.5	-2.9	24.4	1,322.1	-1,037.0
27	Other current transfer receipts, from business (net)	50.6	45.9	-0.6	-0.6	4.7	-4.7
28	Less: Contributions for government social insurance	1,388.4	1,449.8	13.9	18.7	-63.2	61.5
29	Less: Personal current taxes	2,096.5	2,186.6	24.1	31.2	-155.9	90.1
30	Equals: Disposable personal income (DPI)	18,360.8	17,739.8	139.1	159.0	1,662.2	-621.0
31	Less: Personal outlays	13,590.0	14,880.5	115.9	-232.5	-1,513.3	1,290.5



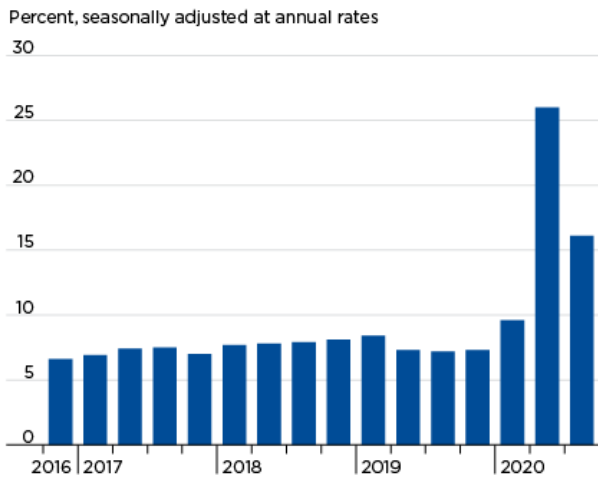
Line	Series	Level		Change from preceding period			
		2020	2020	2019	2020		
		Q2	Q3	Q4	Q1	Q2	Q3
32	Personal consumption expenditures	13,097.3	14,394.2	113.9	-213.7	-1,448.1	1,296.8
33	Personal interest payments <sup>1</sup>	286.0	287.6	-0.3	-11.7	-66.9	1.6
34	Personal current transfer payments	206.6	198.7	2.3	-7.1	1.7	-7.9
35	<i>Equals:</i> Personal saving	4,770.8	2,859.3	23.2	391.5	3,175.5	-1,911.5
36	Personal saving as a percentage of DPI	26.0	16.1	.....	.....	.....	.....
<b>Addenda:</b>							
<b>Percent change at annual rate</b>							
37	Current-dollar DPI	.....	.....	3.4	3.9	46.2	-12.9
38	Real DPI, chained (2012) dollars	.....	.....	1.9	2.6	48.6	-16.0
<b>The effects of selected federal pandemic response programs on personal income (billions of dollars)</b>							
In farm proprietors' income with IVA and CCAdj:							
39	Coronavirus Food Assistance Program <sup>2</sup>	16.9	18.4	.....	.....	16.9	1.6
40	Paycheck Protecton Program loans to businesses <sup>3</sup>	6.5	9.2	.....	.....	6.5	2.7
In nonfarm proprietors' income with IVA and CCAdj:							
41	Paycheck Protecton Program loans to businesses <sup>3</sup>	209.1	297.1	.....	.....	209.1	88.0
In government social benefits to persons, Medicare:							
42	Increase in Medicare reimbursement rates <sup>4</sup>	9.7	14.8	.....	.....	9.7	5.1
In government social benefits to persons, Unemployment insurance: <sup>5</sup>							
43	Pandemic Emergency Unemployment Compensation	7.2	23.6	.....	.....	7.2	16.4
44	Pandemic Unemployment Assistance	101.5	152.7	.....	.....	101.5	51.2
45	Pandemic Unemployment Compensation Payments	679.2	369.9	.....	.....	679.2	-309.4
In government social benefits to persons, Other:							
46	Economic impact payments <sup>6</sup>	1,078.1	15.6	.....	.....	1,078.1	-1,062.5
47	Lost wages supplemental payments <sup>7</sup>	.....	106.2	.....	.....	.....	106.2
48	Paycheck Protecton Program loans to NPISH <sup>3</sup>	19.1	27.0	.....	.....	19.1	7.9
49	Provider Relief Fund to NPISH <sup>8</sup>	160.9	58.4	.....	.....	160.9	-102.5
In personal outlays, personal interest payments:							
50	Student loan forbearance <sup>9</sup>	-36.0	-36.0	.....	-7.1	-28.9	0.0

1. Consists of nonmortgage interest paid by households. Note that mortgage interest paid by households is an expense item in the calculation of rental income of persons.
2. The Coronavirus Aid, Relief and Economic Security Act (CARES) provides direct support to farmers and ranchers where prices and market supply chains have been impacted by the coronavirus pandemic.
3. The CARES Act provides forgivable loans to help small businesses and nonprofit institutions make payroll and cover other expenses. For more information, see "[How does the Paycheck Protection Program of 2020 impact the national income and product accounts \(NIPAs\)?](#)".
4. The CARES Act temporarily suspends a two percent reduction in reimbursements paid to Medicare service providers that went into effect in 2013. Increased reimbursement rates will be in effect from May 1, 2020 through December 31, 2020.
5. The CARES Act expanded unemployment insurance benefits provided through three programs. The Federal Pandemic Unemployment Compensation (PUC) program provides a temporary weekly supplemental payment of \$600 for people receiving unemployment benefits. The Pandemic Unemployment Assistance (PUA) program provides temporary unemployment benefits to people who are not usually eligible for unemployment insurance benefits. The Pandemic Emergency Unemployment Compensation (PEUC) program provides a temporary extension of unemployment benefits for 13 weeks to people who exhausted all available regular and extended unemployment benefits. For more information, see "[How will the expansion of unemployment benefits in response to the COVID-19 pandemic be recorded in the NIPAs?](#)".
6. The CARES Act provides \$300 billion in direct support economic impact payments to individuals. For more information, see "[How are the economic impact payments for individuals authorized by the CARES Act of 2020 recorded in the NIPAs?](#)".
7. The Federal Emergency Mangement Agency (FEMA) has been authorized to make payments from the disaster relief fund to supplement wages lost as a result of the COVID-19 pandemic.
8. The CARES Act provides funds, distributed by the Department of Health and Human Services, for hospitals and health care providers on the front lines of the coronavirus response. This funding supports health care-related expenses or lost revenue attributable to COVID-19 and ensures uninsured Americans can get treatment for COVID-19. In the NIPAs, funds provided to nonprofit hospitals are recorded as social benefits.
9. The CARES Act provides for the temporary suspension of interest payments due on certain categories of federally held student loans. For more information, see "[How does the 2020 CARES Act affect BEA's estimate of personal interest payments?](#)".

**CCAdj** Capital consumption adjustment  
**IVA** Inventory valuation adjustment  
**NPISH** Nonprofit institutions serving households

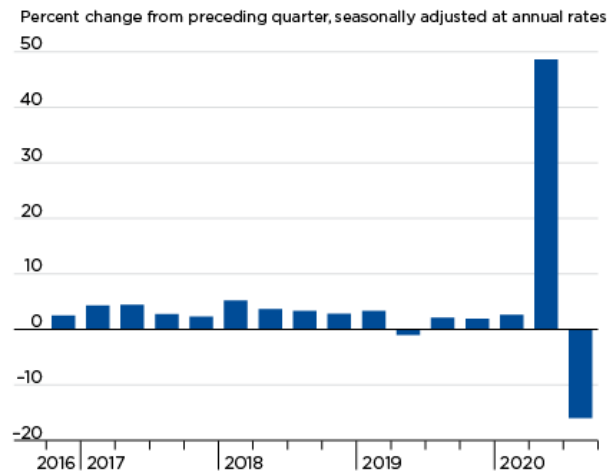
Note. Dollar levels and percent changes are from NIPA tables 2.1 and 2.2B.

Chart 4. Personal Saving Rate



Note. The personal saving rate is personal saving as a percentage of disposable personal income.  
U.S. Bureau of Economic Analysis

Chart 5. Real Disposable Personal Income



U.S. Bureau of Economic Analysis

## Updates

Real GDP increased 33.1 percent in the third quarter of 2020, the same increase as previously reported in the advance estimate (table 4). Upward revisions to nonresidential fixed investment, residential fixed investment, and exports were offset by downward revisions to state and local government spending, private inventory investment, and consumer spending. Imports were revised up.

- Within nonresidential fixed investment, an upward revision to intellectual property products was partly offset by a downward revision to equipment.
  - The upward revision to intellectual property products primarily reflected upward revisions to research and development and to software.
  - For equipment, the largest contributors to the downward revision were information processing equipment (notably, communication equipment).
- The upward revision to residential investment was led by single-family structures.
- Within exports, the upward revision was to services, notably other business services.
- Within state and local government spending, the revision reflected a downward revision to investment in structures.
- Within private inventory investment, a downward revision to manufacturing was partly offset by an upward revision to retail trade.
- Within consumer spending, a downward revision to services was mostly offset by an upward revision to goods.
  - The downward revision to services primarily reflected downward revisions to “other” services (led by legal services and childcare), transportation services (notably, air), and housing and utilities (notably, electricity and gas). These downward revisions were partly offset by an upward revision to health care (notably, home health care and medical laboratories).
  - Within goods, upward revisions to clothing and footwear as well as furnishings and household equipment were partly offset by a downward revision to motor vehicles, mainly used motor vehicles.
- Within imports, the upward revision was primarily attributable to industrial supplies and materials, notably durable goods.

**Table 4. Advance and Second Estimates for the Third Quarter of 2020**

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Advance estimate	Second estimate	Second estimate minus advance estimate	Advance estimate	Second estimate	Second estimate minus advance estimate
1	<b>Gross domestic product (GDP)<sup>1</sup></b>	<b>33.1</b>	<b>33.1</b>	<b>0.0</b>	<b>33.1</b>	<b>33.1</b>	<b>0.0</b>
2	<b>Personal consumption expenditures</b>	<b>40.7</b>	<b>40.6</b>	<b>-0.1</b>	<b>25.27</b>	<b>25.22</b>	<b>-0.05</b>
3	Goods	45.4	46.9	1.5	9.24	9.49	0.25
4	Durable goods	82.2	82.9	0.7	5.18	5.20	0.02
5	Nondurable goods	28.8	30.6	1.8	4.06	4.29	0.23
6	Services	38.4	37.6	-0.8	16.04	15.73	-0.31
7	<b>Gross private domestic investment</b>	<b>83.0</b>	<b>84.9</b>	<b>1.9</b>	<b>11.58</b>	<b>11.78</b>	<b>0.20</b>
8	Fixed investment	28.5	30.4	1.9	4.96	5.23	0.27
9	Nonresidential	20.3	21.8	1.5	2.88	3.06	0.18
10	Structures	-14.6	-15.8	-1.2	-0.43	-0.47	-0.04
11	Equipment	70.1	66.6	-3.5	3.34	3.19	-0.15
12	Intellectual property products	-1.0	6.0	7.0	-0.03	0.34	0.37
13	Residential	59.3	62.3	3.0	2.09	2.17	0.08
14	Change in private inventories	.....	.....	.....	6.62	6.55	-0.07
15	<b>Net exports of goods and services</b>	<b>.....</b>	<b>.....</b>	<b>.....</b>	<b>-3.09</b>	<b>-3.18</b>	<b>-0.09</b>
16	Exports	59.7	60.5	0.8	4.90	4.95	0.05
17	Goods	104.5	104.6	0.1	4.88	4.88	0.00
18	Services	-0.6	0.8	1.4	0.02	0.07	0.05
19	Imports	91.1	93.1	2.0	-7.99	-8.12	-0.13
20	Goods	107.9	110.0	2.1	-7.55	-7.67	-0.12
21	Services	24.2	25.9	1.7	-0.43	-0.46	-0.03
22	<b>Government consumption expenditures and gross investment</b>	<b>-4.5</b>	<b>-4.9</b>	<b>-0.4</b>	<b>-0.68</b>	<b>-0.76</b>	<b>-0.08</b>
23	Federal	-6.2	-6.2	0.0	-0.39	-0.38	0.01
24	National defense	3.0	3.1	0.1	0.17	0.17	0.00
25	Nondefense	-18.1	-18.1	0.0	-0.55	-0.55	0.00
26	State and local	-3.3	-4.0	-0.7	-0.30	-0.38	-0.08
<b>Addenda:</b>							
27	Final sales of domestic product	25.5	25.6	0.1	26.46	26.51	0.05
28	Gross domestic purchases price index	3.4	3.3	-0.1	.....	.....	.....
29	GDP price index	3.6	3.6	0.0	.....	.....	.....

1. The GDP estimates under the contribution columns are also percent changes.

## Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment (IVA) and the capital consumption adjustment (CCAdj)) increased \$495.3 billion, or 27.1 percent at a quarterly rate, in the third quarter after decreasing \$208.9 billion, or 10.3 percent, in the second quarter (table 5). Profits of domestic financial corporations increased \$24.5 billion, profits of domestic nonfinancial corporations increased \$431.2 billion, and rest-of-the-world profits increased \$39.6 billion.

Profits after tax (without the IVA and the CCAdj), BEA's profits measure that is conceptually most like Standard and Poor's 500 profits, increased \$569.6 billion in the third quarter.

**Table 5. Corporate Profits**  
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)				
		Level	Change from preceding quarter					2019		2020	
		2020	2019	2020			2019	2020			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<b>1</b>	<b>Current production measures:</b>										
2	Corporate profits with IVA and CCAdj	2,321.4	64.8	-276.2	-208.9	495.3	2.9	-12.0	-10.3	27.1	
3	Domestic industries	1,898.2	62.7	-232.7	-119.4	455.7	3.6	-13.0	-7.6	31.6	
4	Financial	482.2	16.7	-42.2	26.5	24.5	3.6	-8.9	6.1	5.4	
5	Nonfinancial	1,416.0	46.0	-190.5	-145.9	431.2	3.6	-14.4	-12.9	43.8	
6	Rest of the world	423.2	2.1	-43.5	-89.5	39.6	0.4	-8.4	-18.9	10.3	
7	Receipts from the rest of the world	753.5	3.5	-90.3	-134.5	97.5	0.4	-10.3	-17.0	14.9	
8	Less: Payments to the rest of the world	330.3	1.4	-46.8	-45.0	57.9	0.4	-12.8	-14.2	21.3	
9	Less: Taxes on corporate income	294.3	29.3	-56.8	-18.8	57.6	10.3	-18.2	-7.3	24.3	
10	Equals: Profits after tax	2,027.1	35.5	-219.5	-190.1	437.7	1.8	-11.0	-10.7	27.5	
11	Net dividends	1,348.3	7.8	23.2	-15.0	-16.2	0.6	1.7	-1.1	-1.2	
12	Undistributed profits from current production	678.8	27.7	-242.7	-175.1	453.9	4.5	-37.8	-43.8	201.9	
13	Net cash flow	2,625.7	45.5	-221.6	-219.4	523.8	1.8	-8.7	-9.5	24.9	
	<b>Industry profits:</b>										
14	Profits with IVA	2,337.9	63.2	-241.4	-209.2	493.7	2.8	-10.5	-10.2	26.8	
15	Domestic industries	1,914.8	61.1	-197.9	-119.7	454.1	3.6	-11.1	-7.6	31.1	
16	Financial	495.8	16.2	-38.2	26.3	24.7	3.5	-7.9	5.9	5.2	
17	Nonfinancial	1,419.0	44.9	-159.7	-146.1	429.4	3.6	-12.3	-12.9	43.4	
18	Rest of the world	423.2	2.1	-43.5	-89.5	39.6	0.4	-8.4	-18.9	10.3	
	<b>Addenda:</b>										
19	Profits before tax (without IVA and CCAdj)	2,421.0	109.7	-318.4	-200.8	627.1	5.0	-13.8	-10.1	35.0	
20	Profits after tax (without IVA and CCAdj)	2,126.7	80.4	-261.6	-182.0	569.6	4.2	-13.1	-10.5	36.6	
21	IVA	-83.0	-46.5	77.0	-8.4	-133.5	.....	.....	.....	.....	
22	CCAdj	-16.5	1.6	-34.8	0.3	1.6	.....	.....	.....	.....	

**CCAdj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

Note. Levels of these and other profits series are shown in NIPA tables [1.12](#), [1.14](#), [1.15](#), and [6.16D](#).

## Note on Measuring Corporate Profits

Corporate profits is a widely followed economic indicator used to gauge corporate health, assess investment conditions, and analyze the effect on corporations of economic policies and conditions. In addition, corporate profits is an important component in key measures of income.

BEA's measure of corporate profits aims to capture the income earned by corporations from current production in a manner that is fully consistent with the National Income and Product Accounts (NIPAs). The measure is defined as receipts arising from current production less associated expenses. Receipts exclude income in the form of dividends and capital gains, and expenses exclude bad debts, natural resource depletion, and capital losses.

Because direct estimates of NIPA-consistent corporate profits are unavailable, BEA derives these estimates in three steps.

First, BEA measures profits before taxes to reflect corporate income regardless of any redistributions of income through taxes. Estimates for the current quarter are based on corporate earnings reports from sources including the Census Bureau Quarterly Financial Report, Federal Deposit Insurance Corporation call reports, other regulatory reports, and tabulations from corporate financial reports. The estimates are benchmarked to Internal Revenue Service (IRS) data when these data are available for two reasons: the IRS data are based on well-specified accounting definitions, and they are comprehensive, covering all incorporated businesses—publicly traded and privately held—in all industries.

Second, to remove the effects of price changes on inventories valued at historical cost and of tax accounting for inventory withdrawals, BEA adds an inventory valuation adjustment that values inventories at current cost.

Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging).

## Information on Key Source Data, Assumptions, and Methodologies

A comprehensive table that presents the “[Key Source Data and Assumptions](#)” that are used to prepare each vintage of the estimate of GDP for the current quarter is available on BEA's website. For the advance estimates that are released near the end of the month after the close of the quarter, the table shows the months of source data for the quarter that are available; for most components of GDP, 3 months of data are available. For the components for which only 2 months of source data are available, BEA's assumptions for the third month are shown. Second estimates are released near the end of the second month after the close of the quarter, and third estimates are released near the end of the third month after the close of the quarter. With each vintage, the table is updated to add newly available and revised source data that have been incorporated into the estimates.

For additional details about the source data and the methodologies that are used to prepare the estimates, see “[Concepts and Methods of the U.S. National Income and Product Accounts](#)” on BEA's website.

1. “Real” estimates are in chained (2012) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data; for more information, see “[The Revisions to GDP, GDI, and Their Major Components](#)” in the January 2018 *Survey of Current Business*. Quarterly estimates are expressed at seasonally adjusted annual rates, which reflect a rate of activity for a quarter as if it were maintained for a year.
2. In this article, “consumer spending” refers to “personal consumption expenditures,” “inventory investment” refers to “change in private inventories,” and “government spending” refers to “government consumption expenditures and gross investment.”