

GDP and the Economy

Second Estimates for the Third Quarter of 2022

Real gross domestic product (GDP) increased at an annual rate of 2.9 percent in the third quarter of 2022, according to the “second” estimates of the National Income and Product Accounts (NIPAs) (chart 1 and table 1).¹ In the second quarter, real GDP decreased 0.6 percent. With the second estimate, real GDP growth was revised up 0.3 percentage point from the advance estimate issued last month.

Chart 1. Real GDP: Percent Change from Preceding Quarter

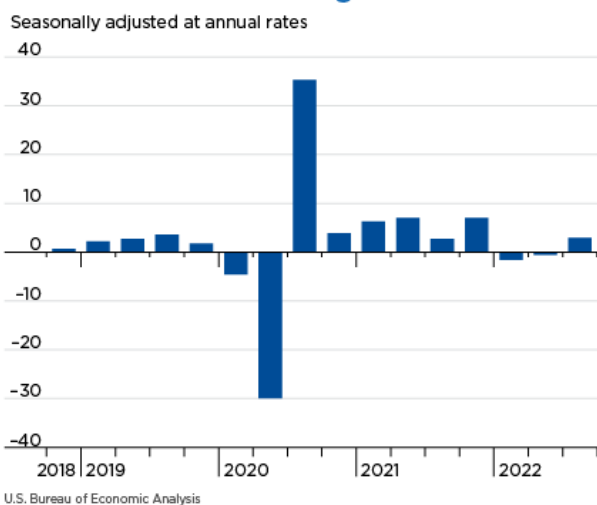
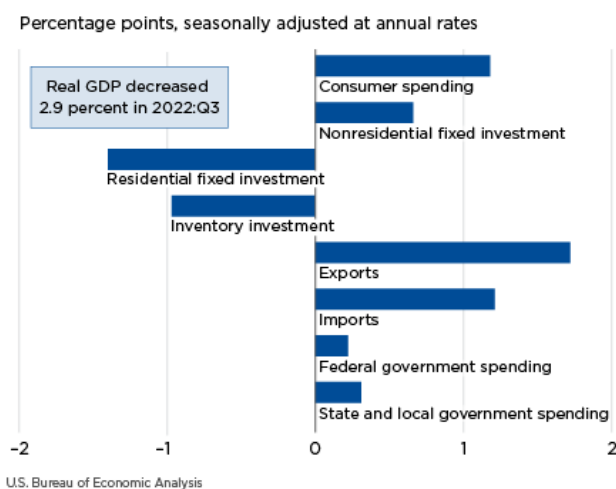


Chart 2. Real GDP: Contributions to the Percent Change in 2022:Q3



The upturn in real GDP in the third quarter, compared to the second quarter, primarily reflected a smaller decrease in private inventory investment, an acceleration in nonresidential fixed investment, and upturns in federal government as well as state and local government spending that were partly offset by a larger decrease in residential fixed investment and a deceleration in consumer spending. Imports turned down. For more details, including source data, refer to the “[Technical Note](#).”

GDP by Expenditure

The 2.9 percent increase in real GDP reflected increases in exports, consumer spending, nonresidential fixed investment, state and local government spending, and federal government spending that were partly offset by decreases in residential fixed investment and private inventory investment. Imports, which are a subtraction in the calculation of GDP, decreased (chart 2 and table 1).²

- The increase in exports reflected increases in both goods and services. Within exports of goods, the leading contributors to the increase were industrial supplies and materials (notably, nondurable goods), “other” exports of goods, and nonautomotive capital goods. Within exports of services, the increase was led by travel and “other” business services (mainly financial services).
- Within consumer spending, an increase in services (led by health care and “other” services) was partly offset by a decrease in goods (led by motor vehicles and parts as well as food and beverages).
- Within nonresidential fixed investment, increases in equipment and intellectual property products were partly offset by a decrease in structures.
- The increase in state and local government spending was led by increases in compensation of state and local government employees and investment in structures.
- The increase in federal government spending was led by defense spending.
- Within residential fixed investment, the leading contributors to the decrease were new single-family construction and brokers' commissions.
- The decrease in private inventory investment was led by retail trade (mainly clothing and accessory stores as well as “other” retailers).
- Within imports, a decrease in imports of goods (notably, consumer goods) was partly offset by an increase in imports of services (mainly travel).

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)		
		2022	2021	2022			2021	2022		
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Gross domestic product (GDP)¹	100.0	7.0	-1.6	-0.6	2.9	7.0	-1.6	-0.6	2.9
2	Personal consumption expenditures	68.2	3.1	1.3	2.0	1.7	2.14	0.91	1.38	1.18
3	Goods	23.3	2.3	-0.1	-2.6	-0.2	0.55	-0.02	-0.61	-0.04
4	Durable goods	8.6	5.1	7.6	-2.8	-0.3	0.44	0.64	-0.24	-0.03
5	Nondurable goods	14.8	0.7	-4.4	-2.5	-0.1	0.12	-0.66	-0.37	-0.01
6	Services	44.8	3.5	2.1	4.6	2.7	1.58	0.93	1.99	1.22
7	Gross private domestic investment	17.8	32.0	5.4	-14.1	-9.1	5.14	0.98	-2.83	-1.71
8	Fixed investment	17.5	0.6	4.8	-5.0	-4.1	0.12	0.83	-0.92	-0.74
9	Nonresidential	13.2	1.1	7.9	0.1	5.1	0.17	0.98	0.01	0.66
10	Structures	2.5	-12.7	-4.3	-12.7	-6.9	-0.35	-0.11	-0.34	-0.18
11	Equipment	5.3	1.6	11.4	-2.0	10.7	0.10	0.55	-0.11	0.53
12	Intellectual property products	5.4	8.1	10.8	8.9	5.8	0.42	0.54	0.46	0.31
13	Residential	4.3	-1.1	-3.1	-17.8	-26.8	-0.05	-0.15	-0.93	-1.40
14	Change in private inventories	0.3	...	...	...	...	5.01	0.15	-1.91	-0.97
15	Net exports of goods and services	-3.5	...	...	...	...	-0.16	-3.13	1.16	2.93
16	Exports	11.9	23.5	-4.6	13.8	15.3	2.37	-0.53	1.51	1.72
17	Goods	8.3	23.4	-7.2	15.5	17.7	1.62	-0.58	1.18	1.38
18	Services	3.6	23.6	1.6	9.9	9.9	0.74	0.06	0.33	0.34
19	Imports	15.4	18.6	18.4	2.2	-7.3	-2.53	-2.60	-0.35	1.21
20	Goods	12.7	19.6	20.4	-0.4	-9.1	-2.20	-2.38	0.05	1.25
21	Services	2.7	14.0	9.1	16.6	1.5	-0.33	-0.22	-0.41	-0.04
22	Government consumption expenditures and gross investment	17.5	-1.0	-2.3	-1.6	3.0	-0.16	-0.40	-0.29	0.53
23	Federal	6.4	0.0	-5.3	-3.4	3.4	0.01	-0.36	-0.22	0.22
24	National defense	3.6	-5.3	-8.5	1.4	4.4	-0.20	-0.33	0.05	0.16
25	Nondefense	2.8	7.4	-1.1	-9.2	2.1	0.21	-0.03	-0.28	0.06
26	State and local	11.0	-1.6	-0.4	-0.6	2.8	-0.17	-0.04	-0.06	0.31
Addenda:										
27	Gross domestic income (GDI) ²	...	6.7	0.8	-0.8	0.3	...	...	...	...
28	Average of GDP and GDI	...	6.8	-0.4	-0.7	1.6	...	...	...	...
29	Final sales of domestic product	...	1.9	-1.8	1.3	4.0	...	...	...	...
30	Goods	31.8	18.6	-5.4	-3.0	8.2	5.52	-1.76	-0.96	2.54
31	Services	59.9	3.2	1.0	3.1	3.2	1.91	0.57	1.83	1.88
32	Structures	8.3	-5.2	-4.9	-15.3	-16.1	-0.47	-0.44	-1.44	-1.49

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

2. GDI is deflated by the implicit price deflator for GDP.

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.

Impact of Hurricane Ian on Third-Quarter 2022 Estimates

Hurricane Ian struck central and southwest Florida on September 28 and South Carolina on September 30, causing extensive wind, flood, and storm surge damage across the southeastern United States. This disaster disrupted usual consumer and business activities and prompted emergency services and remediation activities. These responses to this disaster are included, but not separately identified, in the source data that the Bureau of Economic Analysis (BEA) uses to prepare the estimates of GDP; consequently, it is not possible to estimate the overall impact of Hurricane Ian on third-quarter GDP. The destruction of fixed assets, such as residential and nonresidential structures, does not directly affect GDP or personal income. BEA estimates of disaster losses are presented in [NIPA table 5.1](#), “Saving and Investment by Sector.” BEA’s preliminary estimates show that Hurricane Ian resulted in losses of \$57.0 billion in privately owned fixed assets (\$228.0 billion at an annual rate) and \$3.0 billion in state and local government-owned fixed assets (\$12.0 billion at an annual rate).

BEA also estimates the insurance benefits paid and received because of major disasters. These benefits are recorded on an accrual basis in the quarter in which the disaster occurred and are classified as capital transfers; they do not directly affect the measures of GDP, personal income, or saving. BEA’s preliminary estimates, presented in [NIPA table 5.11U](#), “Capital Transfers Paid and Received, by Sector and by Type,” show domestic insurance companies expect to pay benefits for disaster losses related to Hurricane Ian of \$24.7 billion (\$98.9 billion at an annual rate). The federal government’s National Flood Insurance Program expects to pay an additional \$10.0 billion (\$40.0 billion at an annual rate); Florida Citizens Property Insurance Corporation expects to pay \$2.5 billion (\$10.0 billion at an annual rate); and foreign insurance companies expect to pay \$9.1 billion (\$36.3 billion at an annual rate).

For additional information, refer to [“How are the measures of production and income in the national accounts affected by a disaster?”](#) and [“How are the fixed assets accounts \(FAAs\) and consumption of fixed capital \(CFC\) impacted by disasters?”](#).

Prices

BEA’s featured measure of inflation in the U.S. economy, the price index for gross domestic purchases (goods and services purchased by U.S. residents), increased 4.7 percent in the third quarter after increasing 8.5 percent in the second quarter (table 2 and chart 3). Price increases were widespread across all major expenditure categories and were led by increases in consumer goods and services.

- Within goods, the leading contributors to the price increase were food and beverages for off-premises consumption (groceries), “other” nondurable goods (led by recreational items, pharmaceutical and other medical products, personal care products, and household supplies), and motor vehicles and parts (mainly new light trucks). These increases were partly offset by a decrease in the prices paid for gasoline and other energy goods (mainly motor vehicle fuels).
- Within services, price increases were widespread across most categories. The leading contributor was housing and utilities (mainly the imputed rental of owner-occupied nonfarm housing). Prices for financial services and insurance decreased, primarily reflecting a decrease in prices paid for portfolio management and investment advice services.

Within gross domestic purchases, food prices increased 13.4 percent in the third quarter after increasing 14.7 percent in the second quarter. Prices for energy goods and services decreased 13.1 percent after increasing 53.6 percent. Gross domestic purchases prices excluding food and energy increased 5.0 percent after increasing 6.9 percent.

Consumer prices excluding food and energy, a measure of the “core” rate of inflation, increased 4.6 percent in the third quarter after increasing 4.7 percent in the second quarter.

Chart 3. Prices for Gross Domestic Purchases

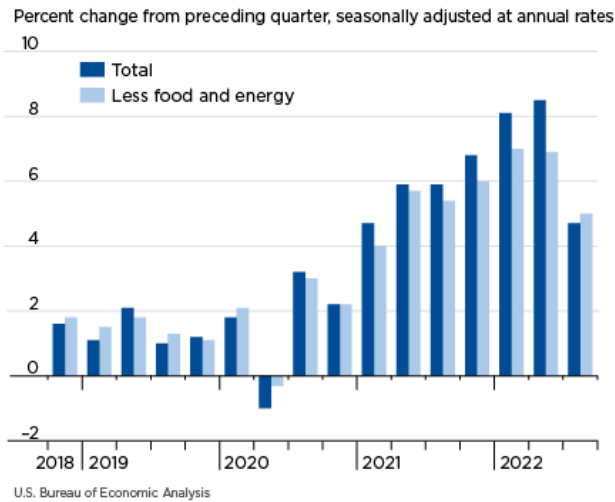


Table 2. Prices for Gross Domestic Purchases

[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)			
		2021	2022			2021	2022		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Gross domestic purchases¹	6.8	8.1	8.5	4.7	6.8	8.1	8.5	4.7
2	Personal consumption expenditures	6.2	7.5	7.3	4.3	4.10	4.90	4.81	2.81
3	Goods	9.3	12.6	10.6	2.7	2.06	2.76	2.37	0.64
4	Durable goods	8.2	8.3	2.4	3.5	0.68	0.70	0.22	0.29
5	Nondurable goods	9.9	15.2	15.7	2.3	1.38	2.07	2.15	0.35
6	Services	4.6	4.9	5.6	5.1	2.04	2.13	2.44	2.18
7	Gross private domestic investment	8.8	9.9	9.9	7.6	1.49	1.77	1.76	1.29
8	Fixed investment	8.8	10.0	10.3	7.6	1.48	1.68	1.72	1.27
9	Nonresidential	7.7	6.9	8.5	7.5	0.94	0.87	1.06	0.93
10	Structures	22.8	16.7	17.5	19.9	0.52	0.39	0.40	0.45
11	Equipment	6.5	7.6	9.2	5.8	0.31	0.38	0.45	0.29
12	Intellectual property products	2.1	1.9	3.9	3.7	0.11	0.10	0.20	0.19
13	Residential	12.0	18.9	15.2	8.1	0.54	0.82	0.66	0.34
14	Change in private inventories	...	...	...	...	0.01	0.09	0.03	0.02
15	Government consumption expenditures and gross investment	7.2	8.7	11.6	3.7	1.22	1.45	1.90	0.63
16	Federal	4.3	5.7	6.0	5.1	0.28	0.36	0.38	0.32
17	National defense	4.5	6.6	7.5	3.0	0.16	0.23	0.26	0.10
18	Nondefense	4.2	4.5	4.1	8.0	0.12	0.13	0.12	0.21
19	State and local	9.0	10.6	15.0	2.9	0.94	1.09	1.52	0.31
Addenda:									
Gross domestic purchases:									
20	Food	8.8	11.2	14.7	13.4	0.42	0.54	0.68	0.60
21	Energy goods and services	33.8	43.6	53.6	-13.1	0.80	1.07	1.37	-0.43
22	Excluding food and energy	6.0	7.0	6.9	5.0	5.59	6.51	6.41	4.56
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	8.7	11.4	15.3	13.0	...	...	...	...
24	Energy goods and services	33.9	43.4	52.7	-13.2	...	...	...	...
25	Excluding food and energy	4.8	5.6	4.7	4.6	...	...	...	...
26	Gross domestic product	6.8	8.3	9.0	4.3	...	...	...	...
27	Exports of goods and services	6.2	17.3	20.0	-10.0	...	...	...	...
28	Imports of goods and services	6.3	13.5	13.2	-4.0	...	...	...	...

1. The estimated prices 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.

One-Time Refundable Tax Credits Issued by States

Beginning in the third quarter of 2022, several state governments provided relief to the residents of their states by way of one-time refundable tax credits that were distributed directly to individuals. [Refundable tax credits](#) typically allow taxpayers who meet certain eligibility criteria to reduce the amount they are required to pay in income taxes, and if the credits exceed the taxpayer's total tax liability, the excess is paid to them as a refund.

Data typically are not available to separately estimate the value of these payments to individuals. The value of tax credits, which reduce the taxes received by governments, is generally embedded in the source data used to measure state and local income tax payments in the NIPAs. However, a combination of media reports and state-level administrative data were available to estimate the value of these one-time refundable tax credits issued in 2022. As a result, BEA recorded them as an increase in government expenditures (specifically as government social benefits to persons), rather than as a reduction in government receipts. Recording these payments as government social benefits provides a clearer picture of the amount of benefits received by qualified individuals and is consistent with the recording of federal refundable tax credits in the NIPAs and with national accounting guidelines.

As a result, within the government receipts and expenditures account, BEA estimates of state and local government social benefit payments ([NIPA table 3.3](#), line 26) and personal current tax receipts ([NIPA table 3.3](#), line 26) were revised up in the third quarter.

Personal Income

Measured in current dollars, personal income increased \$291.3 billion in the third quarter, compared to an increase of \$258.4 billion in the second quarter (table 3). The increase in personal income primarily reflected increases in compensation (led by increases in both private and government wages and salaries) and personal income receipts on assets.

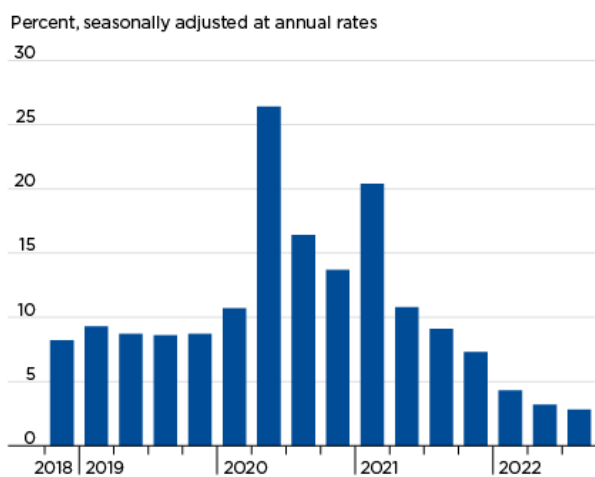
Personal current taxes increased \$55.5 billion in the third quarter after increasing \$43.0 billion in the second quarter.

Disposable personal income (DPI) increased \$235.8 billion, or 5.2 percent, in the third quarter after increasing \$215.4 billion, or 4.8 percent, in the second quarter. Personal outlays increased \$306.3 billion after increasing \$409.2 billion in the second quarter.

The personal saving rate (chart 4)—personal saving as a percentage of DPI—was 2.8 percent in the third quarter, compared with 3.2 percent in the second quarter.

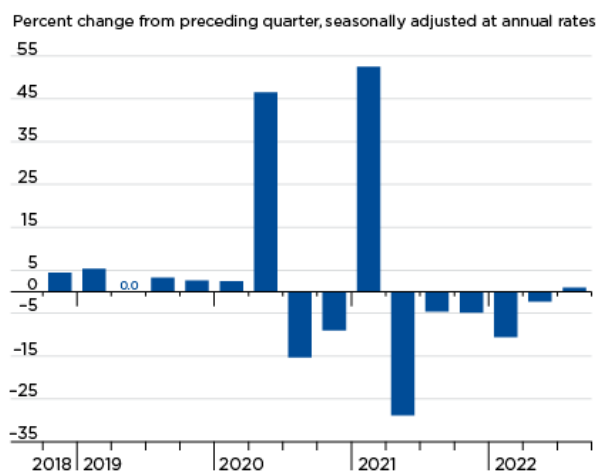
Real DPI (chart 5) increased 0.9 percent in the third quarter after decreasing 2.3 percent in the second quarter.

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

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			
		2022		2021	2022		
		Q2	Q3	Q4	Q1	Q2	Q3
1	Personal income	21,578.3	21,869.6	156.9	157.7	258.4	291.3
2	Compensation of employees	13,415.2	13,632.7	363.1	215.4	155.5	217.5
3	Wages and salaries	11,058.0	11,245.9	326.1	177.1	132.5	187.9
4	Private industries	9,457.7	9,622.8	317.5	162.1	119.9	165.1
5	Goods-producing industries	1,732.8	1,760.5	56.7	39.9	27.4	27.7
6	Manufacturing	1,027.9	1,041.9	34.4	19.9	14.7	14.0
7	Services-producing industries	7,724.9	7,862.4	260.8	122.2	92.5	137.5
8	Trade, transportation, and utilities	1,701.0	1,713.2	54.8	29.0	3.9	12.3
9	Other services-producing industries	6,023.9	6,149.2	206.1	93.2	88.6	125.2
10	Government	1,600.4	1,623.1	8.6	15.0	12.6	22.7
11	Supplements to wages and salaries	2,357.1	2,386.8	37.0	38.3	22.9	29.7
12	Proprietors' income with IVA and CCAAdj	1,835.4	1,859.0	-2.9	21.7	23.9	23.7
13	Farm	95.7	93.0	-19.9	30.5	21.3	-2.7
14	Nonfarm	1,739.7	1,766.1	17.0	-8.9	2.7	26.4
15	Rental income of persons with CCAAdj	775.9	794.9	16.9	5.3	31.0	19.0
16	Personal income receipts on assets	3,323.0	3,366.9	35.5	11.4	53.2	43.9
17	Personal interest income	1,708.6	1,743.4	1.8	13.3	37.8	34.8
18	Personal dividend income	1,614.4	1,623.6	33.7	-1.9	15.4	9.1
19	Personal current transfer receipts	3,883.2	3,898.0	-213.9	-57.0	14.5	14.8
20	Government social benefits to persons	3,809.1	3,828.2	-211.8	-54.9	11.5	19.1
21	Social security	1,206.9	1,214.4	9.7	72.2	8.2	7.5
22	Medicare	911.8	920.3	10.4	8.0	3.8	8.5
23	Medicaid	789.5	790.0	-3.2	18.1	26.4	0.5
24	Unemployment insurance	18.6	18.5	-211.4	-10.2	-5.0	-0.1
25	Veterans' benefits	159.7	161.7	1.3	1.3	2.1	2.0
26	Other	722.7	723.2	-18.8	-144.3	-23.9	0.6
27	Other current transfer receipts, from business (net)	74.1	69.8	-2.0	-2.1	3.0	-4.2
28	<i>Less:</i> Contributions for government social insurance	1,654.4	1,682.0	41.8	38.9	19.7	27.6
29	<i>Less:</i> Personal current taxes	3,188.5	3,244.0	112.8	339.4	43.0	55.5
30	<i>Equals:</i> Disposable personal income (DPI)	18,389.8	18,625.6	44.0	-181.7	215.4	235.8
31	<i>Less:</i> Personal outlays	17,798.7	18,105.0	376.0	370.5	409.2	306.3
32	Personal consumption expenditures	17,261.3	17,517.1	370.7	356.8	386.6	255.8
33	Personal interest payments ¹	313.1	363.0	1.6	10.7	19.6	49.9
34	Personal current transfer payments	224.2	224.8	3.7	3.0	3.0	0.6
35	<i>Equals:</i> Personal saving	591.1	520.6	-332.0	-552.2	-193.8	-70.5
36	Personal saving as a percentage of DPI	3.2	2.8	...	...	...	...
Addenda:							
Percent change at annual rate							
37	Current-dollar DPI	...	...	1.0	-3.9	4.8	5.2
38	Real DPI, chained (2012) dollars	...	...	-4.9	-10.6	-2.3	0.9
The effects of selected federal pandemic response programs on personal income (billions of dollars)							
In farm proprietors' income with IVA and CCAAdj:							
39	Coronavirus Food Assistance Program ²	0.0	0.0	-7.4	-0.6	-0.6	0.0
40	Paycheck Protecton Program loans to businesses ³	0.0	0.0	-6.5	-0.7	0.0	0.0
In nonfarm proprietors' income with IVA and CCAAdj:							
41	Paycheck Protecton Program loans to businesses ³	0.0	0.0	-134.1	-22.8	0.0	0.0
In government social benefits to persons, Medicare:							
42	Increase in Medicare reimbursement rates ⁴	7.9	0.0	0.2	0.1	-7.9	-7.9

Line	Series	Level		Change from preceding period			
		2022		2021	2022		
		Q2	Q3	Q4	Q1	Q2	Q3
	In government social benefits to persons, Unemployment insurance ⁵ :						
43	Extended Unemployment Benefits	0.1	0.0	-1.2	-0.4	-0.1	0.0
44	Pandemic Emergency Unemployment Compensation	0.5	0.3	-48.9	-2.0	-0.3	-0.2
45	Pandemic Unemployment Assistance	0.4	0.2	-41.4	-1.3	-0.4	-0.2
46	Pandemic Unemployment Compensation Payments	0.0	0.0	-110.5	0.0	0.0	0.0
	In government social benefits to persons, other:						
47	Child tax credit ⁶	94.3	94.3	4.2	-129.7	0.0	0.0
48	Economic impact payments ⁷	0.0	0.0	-24.7	-14.2	0.0	0.0
49	Lost wages supplemental payments ⁸	0.0	0.0	-0.1	0.0	0.0	0.0
50	Paycheck Protection Program loans to NPISH ³	0.0	0.0	-17.2	-1.6	0.0	0.0
51	Provider Relief Fund to NPISH ⁹	20.0	8.1	13.5	-5.4	-6.9	-11.9
	In personal outlays, personal interest payments:						
52	Student loan forbearance ¹⁰	-37.8	-37.8	0.0	0.0	0.0	0.0

CCAdj Capital consumption adjustment

IVA Inventory valuation adjustment

NPISH Nonprofit institutions serving households

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 Food Assistance Program, initially established by 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 COVID-19 pandemic.
3. The Paycheck Protection Program, initially established by the CARES Act, provides forgivable loans to help small businesses and nonprofit institutions make payroll and cover other expenses. It also provides funding to reimburse private lending institutions for the costs of administering these loans. For more information, see "[How does the Paycheck Protection Program impact the national income and product accounts \(NIPAs\)?](#)".
4. A 2 percent reduction in reimbursements paid to Medicare service providers that went into effect in 2013 was initially suspended by the CARES Act. The resulting increased reimbursement rates went into effect beginning on May 1, 2020.
5. Unemployment insurance benefits were expanded through several programs that were initially established through the CARES Act. 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 American Rescue Plan increased the Child Tax Credit to \$3,000 per child over the age of six and \$3,600 for children under the age of six, and raised the age limit from 16 to 17. It also authorized that up to half of these credits could be distributed through advance payments during the tax year, while the rest would be claimed when parents file tax returns the following year.
7. Economic impact payments, initially established by the CARES Act, provide direct payments to individuals. For more information, see "[How are the federal economic impact payments to support individuals during the COVID-19 pandemic recorded in the NIPAs?](#)".
8. The Federal Emergency Management Agency (FEMA) was authorized to make payments from the Disaster Relief Fund to supplement wages lost as a result of the COVID-19 pandemic.
9. The Department of Health and Human Services distributes money from the Provider Relief Fund to 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.
10. Interest payments due on certain categories of federally-held student loans were initially suspended by the CARES Act. For more information, see "[How does the federal response to the COVID-19 affect BEA's estimate of personal interest payments?](#)".

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

Updates

The increase in third-quarter real GDP was revised up 0.3 percentage point from the advance estimate, primarily reflecting upward revisions to consumer spending, nonresidential fixed investment, state and local government spending, and exports that were partly offset by downward revisions to private inventory investment. Imports were revised down (table 4).

- Within consumer spending, an upward revision to goods was partly offset by a downward revision to services, based primarily on revised U.S. Census Bureau (Census) Monthly Retail Trade Survey (MRTS) data.
 - Within goods, recreational goods and vehicles, food and beverages, clothing and footwear, as well as “other” nondurable goods were leading contributors. Gasoline and other energy goods was also revised up, based on new U.S. Energy Information Administration (EIA) data.
 - Within services, the leading contributor to the downward revision was housing and utilities (notably, natural gas), based on EIA data. Food services and accommodations (led by food services) was revised up, based on revised MRTS data.
- Within nonresidential fixed investment, the revised estimates reflected an upward revision to structures that was partly offset by a downward revision to intellectual property products.
 - For structures, the upward revision was led by manufacturing structures, based primarily on new September and revised July and August Census Value of Construction Put in Place (VPIP) data.
 - Within intellectual property products, a downward revision to research and development (R&D), based primarily on new third-quarter R&D expense data from financial statements of publicly traded companies, was partly offset by an upward revision to software, based primarily on new Census Quarterly Services Survey data.
- The upward revision to state and local government spending primarily reflected an upward revision to structures investment (notably, highway and street construction), based on Census VPIP data.
- For both exports and imports, the revised estimates primarily reflected updated data from BEA's International Transactions Accounts as well as new and revised Census trade in goods data for September.
 - Within exports, both goods (led by nonpetroleum industrial supplies and materials) and services (led by travel) were revised up.
 - Within imports, both goods (led by computers, peripherals, and parts as well as durable industrial supplies and materials) and services (led by transport) were revised down.
- The revision to private inventory investment was led by downward revisions to “other” industries (notably, information) and wholesale trade, based primarily on new and updated Census inventory data.

Table 4. Advance and Second Estimates for the Third Quarter of 2022

[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	Gross domestic product (GDP)¹	2.6	2.9	0.3	2.6	2.9	0.3
2	Personal consumption expenditures	1.4	1.7	0.3	0.97	1.18	0.21
3	Goods	-1.2	-0.2	1.0	-0.28	-0.04	0.24
4	Durable goods	-0.8	-0.3	0.5	-0.07	-0.03	0.04
5	Nondurable goods	-1.4	-0.1	1.3	-0.20	-0.01	0.19
6	Services	2.8	2.7	-0.1	1.24	1.22	-0.02
7	Gross private domestic investment	-8.5	-9.1	-0.6	-1.59	-1.71	-0.12
8	Fixed investment	-4.9	-4.1	0.8	-0.89	-0.74	0.15
9	Nonresidential	3.7	5.1	1.4	0.49	0.66	0.17
10	Structures	-15.3	-6.9	8.4	-0.41	-0.18	0.23
11	Equipment	10.8	10.7	-0.1	0.54	0.53	-0.01
12	Intellectual property products	6.9	5.8	-1.1	0.36	0.31	-0.05
13	Residential	-26.4	-26.8	-0.4	-1.37	-1.40	-0.03
14	Change in private inventories	---	---	---	-0.70	-0.97	-0.27
15	Net exports of goods and services	---	---	---	2.77	2.93	0.16
16	Exports	14.4	15.3	0.9	1.63	1.72	0.09
17	Goods	17.2	17.7	0.5	1.34	1.38	0.04
18	Services	8.3	9.9	1.6	0.29	0.34	0.05
19	Imports	-6.9	-7.3	-0.4	1.14	1.21	0.07
20	Goods	-8.7	-9.1	-0.4	1.20	1.25	0.05
21	Services	2.3	1.5	-0.8	-0.06	-0.04	0.02
22	Government consumption expenditures and gross investment	2.4	3.0	0.6	0.42	0.53	0.11
23	Federal	3.7	3.4	-0.3	0.23	0.22	-0.01
24	National defense	4.7	4.4	-0.3	0.17	0.16	-0.01
25	Nondefense	2.3	2.1	-0.2	0.06	0.06	0.00
26	State and local	1.7	2.8	1.1	0.19	0.31	0.12
Addenda:							
27	Final sales of domestic product	3.3	4.0	0.7	.....	.....	.....
28	Gross domestic purchases price index	4.6	4.7	0.1	.....	.....	.....
29	GDP price index	4.1	4.3	0.2	.....	.....	.....

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

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.

Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment and the capital consumption adjustment) decreased \$31.6 billion, or 1.1 percent at a quarterly rate, in the third quarter after increasing \$131.6 billion in the second quarter (table 5). Profits of domestic financial corporations decreased \$32.9 billion, profits of domestic nonfinancial corporations increased \$6.1 billion, and rest-of-the-world profits decreased \$4.7 billion.

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				Percent change from preceding quarter (quarterly rate)			
			2022	2021	2022			2021	2022	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Current production measures:									
1	Corporate profits with IVA and CCAdj	2,969.7	22.4	3.7	131.6	-31.6	0.8	0.1	4.6	-1.1
2	Domestic industries	2,512.1	11.4	-10.4	106.2	-26.9	0.5	-0.4	4.4	-1.1
3	Financial	431.4	1.6	-26.8	-46.0	-32.9	0.3	-5.0	-9.0	-7.1
4	Nonfinancial	2,080.6	9.8	16.4	152.2	6.1	0.5	0.9	7.9	0.3
5	Rest of the world	457.6	11.0	14.2	25.5	-4.7	2.7	3.3	5.8	-1.0
6	Receipts from the rest of the world	971.2	7.8	17.1	56.1	3.1	0.9	1.9	6.2	0.3
7	Less: Payments to the rest of the world	513.6	-3.2	2.9	30.6	7.8	-0.7	0.6	6.4	1.5
9	Less: Taxes on corporate income	452.3	42.9	65.1	-16.4	-26.3	11.1	15.1	-3.3	-5.5
10	Equals: Profits after tax	2,517.4	-20.5	-61.4	148.0	-5.2	-0.8	-2.5	6.2	-0.2
11	Net dividends	1,687.0	36.4	13.4	-3.1	-53.4	2.1	0.8	-0.2	-3.1
12	Undistributed profits from current production	830.3	-56.9	-74.8	151.2	48.2	-7.5	-10.6	24.0	6.2
13	Net cash flow with IVA	3,106.5	54.9	-14.6	116.4	152.5	2.0	-0.5	4.1	5.2

CCAdj Capital consumption adjustment

IVA Inventory valuation adjustment

Note. Levels of these and other profits series are shown in National Income and Product Account tables [1.12](#) 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).

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 2021 *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.”