

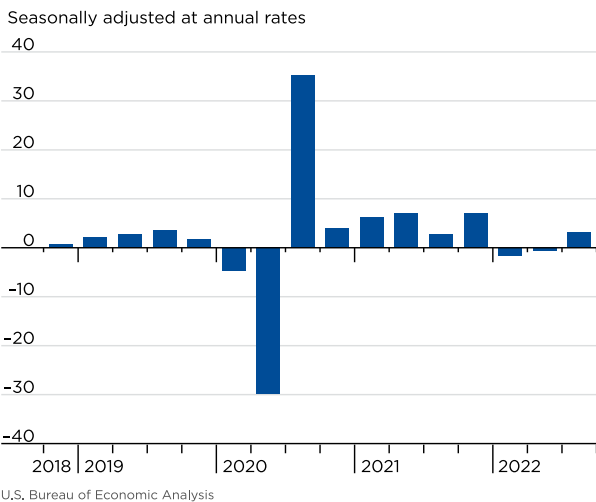
# GDP and the Economy

## Third Estimates for the Third Quarter of 2022

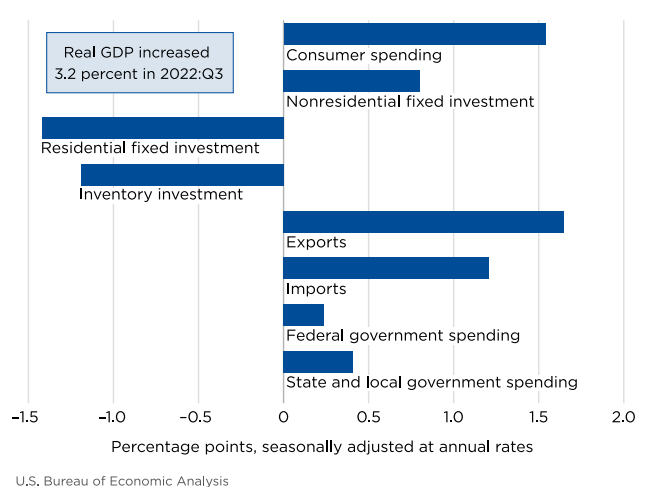
January 13, 2023

Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the third quarter of 2022, according to the “third” estimates of the National Income and Product Accounts (NIPAs) (chart 1 and table 1).<sup>1</sup> In the second quarter, real GDP decreased 0.6 percent. With the third estimate, real GDP growth was revised up 0.3 percentage point from the second 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 accelerations in nonresidential fixed investment and consumer spending, a smaller decrease in private inventory investment, and upturns in state and local government as well as federal government spending that were partly offset by a larger decrease in residential fixed investment. Imports turned down. For more details, including source data, refer to the “[Technical Note](#).”

## GDP by Expenditure

The 3.2 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).<sup>2</sup>

- 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 “other” business services and travel.
- 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 investment in structures and in compensation of state and local government employees.
- 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 other general merchandise stores).
- Within imports, the decrease primarily reflected a decrease in imports of goods (notably, consumer goods).

Real gross domestic income (GDI), the sum of incomes earned and costs incurred in the production of GDP, increased 0.8 percent in the third quarter, compared with a decrease of 0.8 percent in the second quarter. The average of real GDP and real GDI, a supplemental measure of U.S. economic activity that equally weights GDP and GDI, increased 2.0 percent in the third quarter, compared with a decrease of 0.7 percent in the second quarter.

**Table 1. Real Gross Domestic Product (GDP) by Expenditure 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	<b>Gross domestic product (GDP)<sup>1</sup></b>	<b>100.0</b>	<b>7.0</b>	<b>-1.6</b>	<b>-0.6</b>	<b>3.2</b>	<b>7.0</b>	<b>-1.6</b>	<b>-0.6</b>	<b>3.2</b>
2	<b>Personal consumption expenditures</b>	<b>68.2</b>	<b>3.1</b>	<b>1.3</b>	<b>2.0</b>	<b>2.3</b>	<b>2.14</b>	<b>0.91</b>	<b>1.38</b>	<b>1.54</b>
3	Goods	23.3	2.3	-0.1	-2.6	-0.4	0.55	-0.02	-0.61	-0.08
4	Durable goods	8.5	5.1	7.6	-2.8	-0.8	0.44	0.64	-0.24	-0.07
5	Nondurable goods	14.7	0.7	-4.4	-2.5	-0.1	0.12	-0.66	-0.37	-0.01
6	Services	44.9	3.5	2.1	4.6	3.7	1.58	0.93	1.99	1.63
7	<b>Gross private domestic investment</b>	<b>17.8</b>	<b>32.0</b>	<b>5.4</b>	<b>-14.1</b>	<b>-9.6</b>	<b>5.14</b>	<b>0.98</b>	<b>-2.83</b>	<b>-1.80</b>
8	Fixed investment	17.5	0.6	4.8	-5.0	-3.5	0.12	0.83	-0.92	-0.62
9	Nonresidential	13.2	1.1	7.9	0.1	6.2	0.17	0.98	0.01	0.80
10	Structures	2.5	-12.7	-4.3	-12.7	-3.6	-0.35	-0.11	-0.34	-0.09
11	Equipment	5.3	1.6	11.4	-2.0	10.6	0.10	0.55	-0.11	0.53
12	Intellectual property products	5.4	8.1	10.8	8.9	6.8	0.42	0.54	0.46	0.36
13	Residential	4.3	-1.1	-3.1	-17.8	-27.1	-0.05	-0.15	-0.93	-1.42
14	Change in private inventories	0.3	---	---	---	---	5.01	0.15	-1.91	-1.19
15	<b>Net exports of goods and services</b>	<b>-3.5</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-0.16</b>	<b>-3.13</b>	<b>1.16</b>	<b>2.86</b>
16	Exports	11.9	23.5	-4.6	13.8	14.6	2.37	-0.53	1.51	1.65
17	Goods	8.3	23.4	-7.2	15.5	17.8	1.62	-0.58	1.18	1.38
18	Services	3.6	23.6	1.6	9.9	7.5	0.74	0.06	0.33	0.26
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	-8.6	-2.20	-2.38	0.05	1.19
21	Services	2.7	14.0	9.1	16.6	-0.8	-0.33	-0.22	-0.41	0.02
22	<b>Government consumption expenditures and gross investment</b>	<b>17.5</b>	<b>-1.0</b>	<b>-2.3</b>	<b>-1.6</b>	<b>3.7</b>	<b>-0.16</b>	<b>-0.40</b>	<b>-0.29</b>	<b>0.65</b>
23	Federal	6.4	0.0	-5.3	-3.4	3.7	0.01	-0.36	-0.22	0.24
24	National defense	3.6	-5.3	-8.5	1.4	4.7	-0.20	-0.33	0.05	0.17
25	Nondefense	2.8	7.4	-1.1	-9.2	2.5	0.21	-0.03	-0.28	0.07
26	State and local	11.0	-1.6	-0.4	-0.6	3.7	-0.17	-0.04	-0.06	0.41
<b>Addenda:</b>										
27	Gross domestic income (GDI) <sup>2</sup>	---	6.7	0.8	-0.8	0.8	---	---	---	---
28	Average of GDP and GDI	---	6.8	-0.4	-0.7	2.0	---	---	---	---
29	Final sales of domestic product	---	1.9	-1.8	1.3	4.5	---	---	---	---
30	Goods	31.7	18.6	-5.4	-3.0	7.3	5.52	-1.76	-0.96	2.28
31	Services	59.9	3.2	1.0	3.1	3.9	1.91	0.57	1.83	2.30
32	Structures	8.4	-5.2	-4.9	-15.3	-14.6	-0.47	-0.44	-1.44	-1.34

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 National Income and Product Account (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 are not separately identified, in the source data that the U.S. 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).

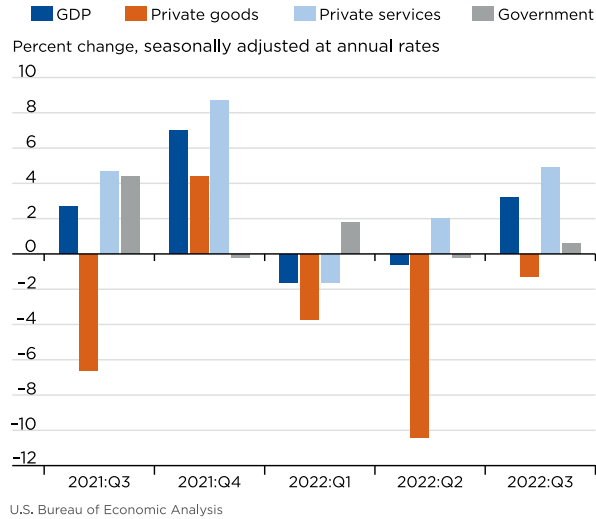
For additional information, refer to “[How are the measures of production and income in the national accounts affected by a disaster?](#)” and “[How are the fixed assets accounts \(FAAs\) and consumption of fixed capital \(CFC\) impacted by disasters?](#)”.

## GDP by Industry

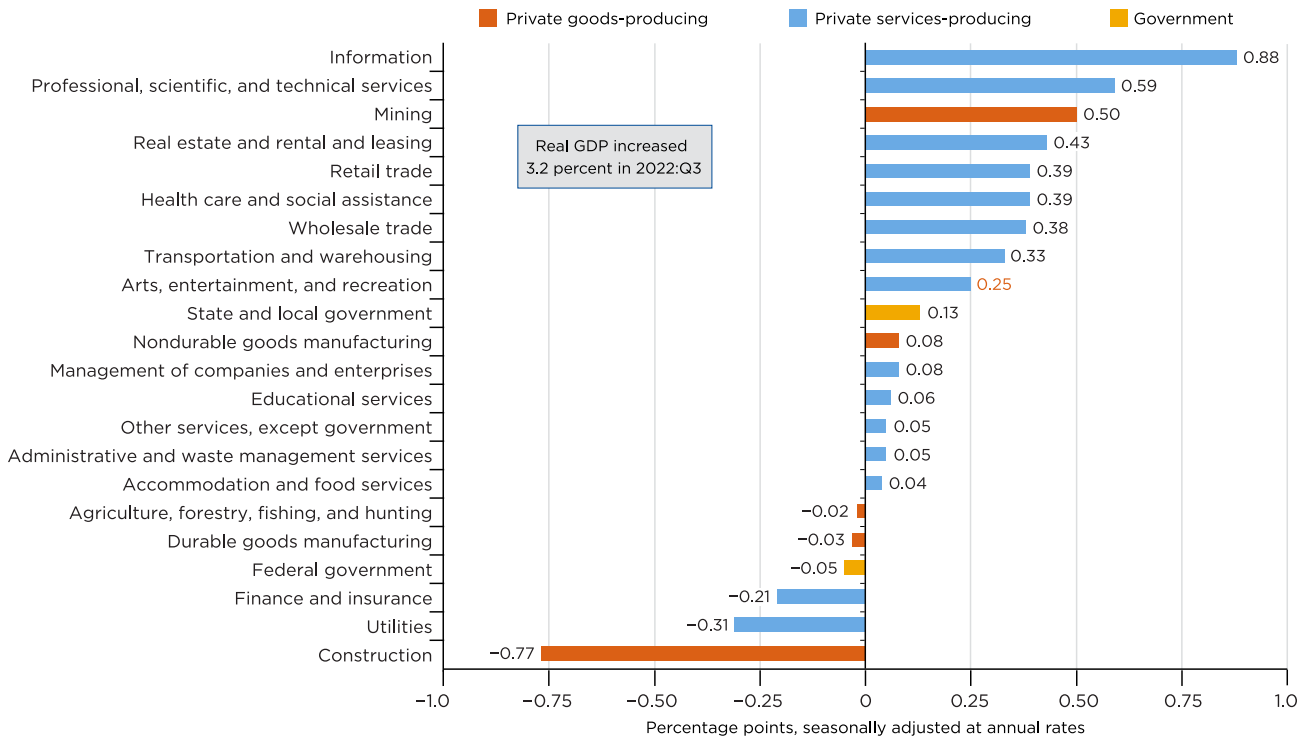
The third estimate of GDP includes estimates of GDP by industry, or value added—a measure of an industry’s contribution to GDP. In the third quarter, private services-producing industries increased 4.9 percent, government increased 0.6 percent, and private goods-producing industries decreased 1.3 percent (chart 3 and table 2). Overall, 16 of 22 industry groups contributed to the third-quarter increase in real GDP (chart 4).

- Within private services-producing industries, the leading contributors to the increase were information; professional, scientific, and technical services; and real estate and rental and leasing. Notable offsets include decreases in utilities and in finance and insurance.
- The increase in government reflected an increase in state and local government that was partly offset by a decrease in federal government.
- Within private goods-producing industries, the decrease was led by construction, which was partly offset by an increase in mining.

**Chart 3. Real GDP by Sector: Percent Change from Preceding Period**



**Chart 4. Contributions to Percent Change in Real GDP by Industry Group, 2022:Q3**



**Table 2. Real Gross Domestic Product by Industry Group**  
[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	<b>Gross domestic product (GDP)<sup>1</sup></b>	<b>100.0</b>	<b>7.0</b>	<b>-1.6</b>	<b>-0.6</b>	<b>3.2</b>	<b>7.0</b>	<b>-1.6</b>	<b>-0.6</b>	<b>3.2</b>	
2	<b>Private industries</b>	<b>88.4</b>	<b>7.9</b>	<b>-2.0</b>	<b>-0.6</b>	<b>3.6</b>	<b>6.90</b>	<b>-1.80</b>	<b>-0.57</b>	<b>3.17</b>	
3	Agriculture, forestry, fishing, and hunting	1.2	4.4	0.1	-12.8	-1.7	0.03	0.00	-0.15	-0.02	
4	Mining	2.0	-13.4	-13.7	-0.2	27.0	-0.03	-0.25	0.00	0.50	
5	Utilities	1.8	-7.9	8.2	1.0	-16.0	-0.12	0.13	0.02	-0.31	
6	Construction	3.9	-13.2	-1.6	-19.2	-17.8	-0.57	-0.06	-0.84	-0.77	
7	Manufacturing	10.9	14.2	-3.1	-8.5	0.5	1.47	-0.34	-0.97	0.06	
8	Durable goods	6.0	15.8	1.2	-4.1	-0.5	0.86	0.07	-0.25	-0.03	
9	Nondurable Goods	4.9	12.3	-8.0	-13.4	1.6	0.61	-0.41	-0.72	0.08	
10	Wholesale trade	6.3	6.6	0.2	-6.8	6.1	0.40	0.01	-0.45	0.38	
11	Retail trade	5.7	7.0	-14.8	1.4	6.8	0.43	-0.93	0.08	0.39	
12	Transportation and warehousing	3.2	8.0	-10.7	2.4	10.9	0.23	-0.35	0.07	0.33	
13	Information	5.5	16.3	-2.3	1.5	17.3	0.86	-0.13	0.08	0.88	
14	Finance, insurance, real estate, rental, and leasing	20.1	8.1	-1.1	1.9	1.1	1.62	-0.23	0.39	0.22	
15	Finance and insurance	7.8	9.2	-5.7	2.1	-2.7	0.73	-0.48	0.17	-0.21	
16	Real estate and rental and leasing	12.3	7.5	2.0	1.8	3.5	0.89	0.25	0.22	0.43	
17	Professional and business services	13.1	13.6	3.3	4.2	5.7	1.68	0.43	0.54	0.72	
18	Professional, scientific, and technical services	7.9	10.3	0.4	3.3	7.8	0.78	0.03	0.26	0.59	
19	Management of companies and enterprises	1.8	20.7	0.9	8.1	4.6	0.36	0.02	0.15	0.08	
20	Administrative and waste management services	3.3	17.5	12.0	4.1	1.4	0.54	0.38	0.14	0.05	
21	Educational services, health care, and social assistance	8.4	5.5	3.1	2.7	5.5	0.47	0.26	0.23	0.45	
22	Educational services	1.1	5.3	5.1	-4.1	5.6	0.06	0.06	-0.05	0.06	
23	Health care and social assistance	7.2	5.6	2.8	3.8	5.4	0.41	0.20	0.27	0.39	
24	Arts, entertainment, recreation, accommodation, and food services	4.2	9.5	-8.8	10.6	7.3	0.38	-0.38	0.41	0.29	
25	Arts, entertainment, and recreation	1.1	33.7	-0.8	19.2	26.1	0.30	-0.01	0.18	0.25	
26	Accommodation and food services	3.1	2.6	-11.4	7.9	1.4	0.08	-0.37	0.23	0.04	
27	Other services, except government	2.0	3.2	2.0	1.2	2.5	0.06	0.04	0.03	0.05	
28	<b>Government</b>	<b>11.6</b>	<b>-0.2</b>	<b>1.8</b>	<b>-0.2</b>	<b>0.6</b>	<b>-0.02</b>	<b>0.21</b>	<b>-0.03</b>	<b>0.08</b>	
29	Federal	3.6	-1.2	0.4	-0.5	-1.5	-0.04	0.01	-0.02	-0.05	
30	State and local	8.0	0.3	2.5	-0.1	1.6	0.02	0.20	-0.01	0.13	
	<b>Addenda:</b>										
31	Private goods-producing industries <sup>2</sup>	18.0	4.4	-3.7	-10.4	-1.3	0.90	-0.65	-1.96	-0.23	
32	Private services-producing industries <sup>3</sup>	70.4	8.7	-1.6	2.0	4.9	6.01	-1.15	1.40	3.40	

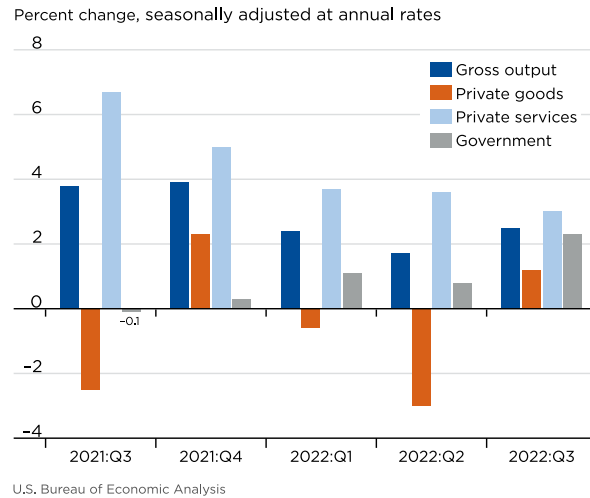
- The GDP estimates under the contribution columns are also percent changes.
- Consists of agriculture, forestry, fishing and hunting; mining; construction; and manufacturing.
- Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from these GDP by industry tables: “Value Added by Industry as a Percentage of Gross Domestic Product,” “Percent Changes in Chain-Type Quantity Indexes for Value Added by Industry,” and “Contributions to Percent Change in Real Gross Domestic Product by Industry.”

## Gross Output by Industry

Real gross output—principally a measure of an industry's sales or receipts, which includes sales to final users in the economy (GDP) and sales to other industries (intermediate inputs)—increased 2.5 percent in the third quarter (chart 5 and table 3). Private services-producing industries increased 3.0 percent, private goods-producing industries increased 1.2 percent, and government increased 2.3 percent. Overall, 18 of 22 industry groups contributed to the increase in real gross output.

**Chart 5. Real Gross Output by Sector: Percent Change from Preceding Period**



**Table 3. Real Gross Output by Industry Group**  
[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			
		2021	2022		
		Q4	Q1	Q2	Q3
<b>1</b>	<b>All industries</b>	<b>3.9</b>	<b>2.4</b>	<b>1.7</b>	<b>2.5</b>
<b>2</b>	<b>Private industries</b>	<b>4.3</b>	<b>2.5</b>	<b>1.8</b>	<b>2.6</b>
3	Agriculture, forestry, fishing, and hunting	-1.9	-1.6	-3.7	1.1
4	Mining	6.9	6.3	6.2	9.4
5	Utilities	-2.9	10.9	7.1	-5.3
6	Construction	-7.7	-6.3	-13.6	-10.8
7	Manufacturing	5.3	0.5	-0.8	3.9
8	Durable goods	7.3	2.9	5.9	7.2
9	Nondurable goods	3.3	-2.0	-7.1	0.6
10	Wholesale trade	5.4	13.8	-2.2	-1.5
11	Retail trade	1.9	0.8	2.8	1.9
12	Transportation and warehousing	14.5	0.2	10.1	5.4
13	Information	8.1	10.8	5.8	2.8
14	Finance, insurance, real estate, rental, and leasing	2.8	0.6	0.1	3.7
15	Finance and insurance	-1.5	-4.1	3.1	8.8
16	Real estate and rental and leasing	6.3	4.2	-2.0	0.0
17	Professional and business services	9.6	5.5	6.2	3.4
18	Professional, scientific, and technical services	7.4	5.7	5.4	7.7
19	Management of companies and enterprises	17.8	1.2	3.5	2.5
20	Administrative and waste management services	9.9	7.3	9.1	-4.3
21	Educational services, health care, and social assistance	3.1	1.4	1.5	3.4
22	Educational services	4.7	6.7	2.5	6.4
23	Health care and social assistance	2.8	0.7	1.4	3.0
24	Arts, entertainment, recreation, accommodation, and food services	3.0	-1.2	19.1	6.5
25	Arts, entertainment, and recreation	16.4	5.3	22.7	26.3
26	Accommodation and food services	-0.3	-2.9	18.2	1.6
27	Other services, except government	0.1	2.1	-3.1	8.7
<b>28</b>	<b>Government</b>	<b>0.3</b>	<b>1.1</b>	<b>0.8</b>	<b>2.3</b>
29	Federal	1.4	-3.1	2.4	3.6
30	State and local	-0.2	2.9	0.2	1.8
<b>Addenda:</b>					
31	Private goods-producing industries <sup>1</sup>	2.3	-0.6	-3.0	1.2
32	Private services-producing industries <sup>2</sup>	5.0	3.7	3.6	3.0

1. Consists of agriculture, forestry, fishing and hunting; mining; construction; and manufacturing.
2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from the table [Percent Changes in Chain-Type Quantity Indexes for Gross Output by Industry](#) which is available through BEA's Interactive Data Application.



## Prices

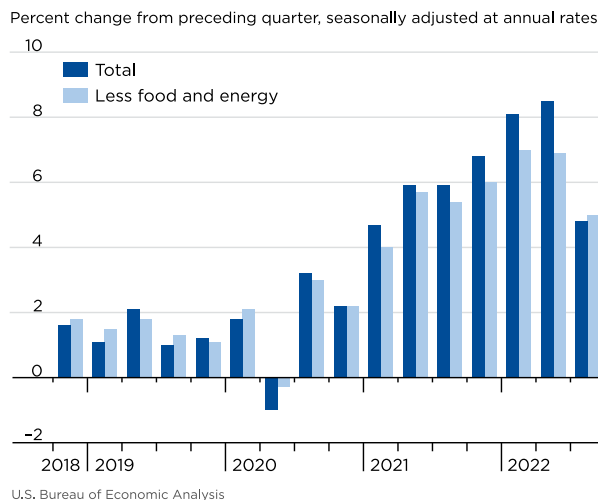
BEA's featured measure of inflation in the U.S. economy, the price index for gross domestic purchases (goods and services purchased by U.S. residents), increased 4.8 percent in the third quarter after increasing 8.5 percent in the second quarter (table 4 and chart 6). Price increases were widespread 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 4.7 percent in the third quarter, the same increase as in the second quarter.

**Chart 6. Prices for Gross Domestic Purchases**



**Table 4. 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	<b>Gross domestic purchases<sup>1</sup></b>	<b>6.8</b>	<b>8.1</b>	<b>8.5</b>	<b>4.8</b>	<b>6.8</b>	<b>8.1</b>	<b>8.5</b>	<b>4.8</b>
2	<b>Personal consumption expenditures</b>	<b>6.2</b>	<b>7.5</b>	<b>7.3</b>	<b>4.3</b>	<b>4.10</b>	<b>4.90</b>	<b>4.81</b>	<b>2.85</b>
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	5.2	2.04	2.13	2.44	2.22
7	<b>Gross private domestic investment</b>	<b>8.8</b>	<b>9.9</b>	<b>9.9</b>	<b>7.6</b>	<b>1.49</b>	<b>1.77</b>	<b>1.76</b>	<b>1.30</b>
8	Fixed investment	8.8	10.0	10.3	7.7	1.48	1.68	1.72	1.28
9	Nonresidential	7.7	6.9	8.5	7.6	0.94	0.87	1.06	0.94
10	Structures	22.8	16.7	17.5	20.1	0.52	0.39	0.40	0.45
11	Equipment	6.5	7.6	9.2	5.9	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	<b>Government consumption expenditures and gross investment</b>	<b>7.2</b>	<b>8.7</b>	<b>11.6</b>	<b>3.6</b>	<b>1.22</b>	<b>1.45</b>	<b>1.90</b>	<b>0.62</b>
16	Federal	4.3	5.7	6.0	4.8	0.28	0.36	0.38	0.30
17	National defense	4.5	6.6	7.5	2.7	0.16	0.23	0.26	0.10
18	Nondefense	4.2	4.5	4.1	7.6	0.12	0.13	0.12	0.20
19	State and local	9.0	10.6	15.0	2.9	0.94	1.09	1.52	0.32
<b>Addenda:</b>									
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	4.59
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	-13.3	---	---	---	---
25	Excluding food and energy	4.8	5.6	4.7	4.7	---	---	---	---
26	Gross domestic product	6.8	8.3	9.0	4.4	---	---	---	---
27	Exports of goods and services	6.2	17.3	20.0	-9.7	---	---	---	---
28	Imports of goods and services	6.3	13.5	13.2	-4.1	---	---	---	---

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. Gross domestic product, 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.

## Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment (IVA) and the capital consumption adjustment (CCAdj)) decreased \$1.3 billion, less than one-tenth of one 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 \$1.8 billion, profits of domestic nonfinancial corporations increased \$16.1 billion, and rest-of-the-world profits decreased \$15.5 billion.

Estimates of corporate profits were affected by several settlements that were finalized in the third quarter. Settlements are recorded in the NIPAs on an accrual basis in the quarter when the settlement is finalized, regardless of when they are recorded on a company's financial statement. In the third quarter, the following settlements reduced corporate profits by approximately \$2.3 billion (\$9.2 billion at an annual rate):

- Several broker-dealers and an affiliated investment adviser agreed to pay penalties and fines totaling approximately \$1.3 billion (\$5.2 billion at an annual rate) for violations of U.S. Securities and Exchange Commission regulatory requirements to maintain and preserve electronic communications.
- Credit Suisse agreed to pay \$495 million (\$2.0 billion at an annual rate) to settle a case with the New Jersey Attorney General's office related to residential mortgage-backed securities business.
- Google agreed to pay \$407 million (\$1.6 billion at an annual rate) in fines and penalties levied by the Russian and Australian governments.
- Navient (formerly Sallie Mae) agreed to pay \$95 million (\$0.4 billion at an annual rate) in restitution for borrowers who were steered into costly repayment plans and predatory loans.

The estimate of GDI was not impacted, because the settlements were recorded in the NIPAs as business current transfer payments to government and to persons, which offset the reductions to corporate profits.

**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								
		2022	2021	2022			2021	2022			
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
	<b>Current production measures:</b>										
1	Corporate profits with IVA and CCAdj	3,000.0	22.4	3.7	131.6	-1.3	0.8	0.1	4.6	0.0	
2	Domestic industries	2,553.2	11.4	-10.4	106.2	14.3	0.5	-0.4	4.4	0.6	
3	Financial	462.5	1.6	-26.8	-46.0	-1.8	0.3	-5.0	-9.0	-0.4	
4	Nonfinancial	2,090.7	9.8	16.4	152.2	16.1	0.5	0.9	7.9	0.8	
5	Rest of the world	446.8	11.0	14.2	25.5	-15.5	2.7	3.3	5.8	-3.4	
6	Receipts from the rest of the world	969.1	7.8	17.1	56.1	1.0	0.9	1.9	6.2	0.1	
7	Less: Payments to the rest of the world	522.3	-3.2	2.9	30.6	16.5	-0.7	0.6	6.4	3.3	
9	Less: Taxes on corporate income	457.0	42.9	65.1	-16.4	-21.6	11.1	15.1	-3.3	-4.5	
10	Equals: Profits after tax	2,543.0	-20.5	-61.4	148.0	20.4	-0.8	-2.5	6.2	0.8	
11	Net dividends	1,683.9	36.4	13.4	-3.1	-56.5	2.1	0.8	-0.2	-3.2	
12	Undistributed profits from current production	859.0	-56.9	-74.8	151.2	76.9	-7.5	-10.6	24.0	9.8	
13	Net cash flow with IVA	3,135.6	54.9	-14.6	116.4	181.6	2.0	-0.5	4.1	6.1	

**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.

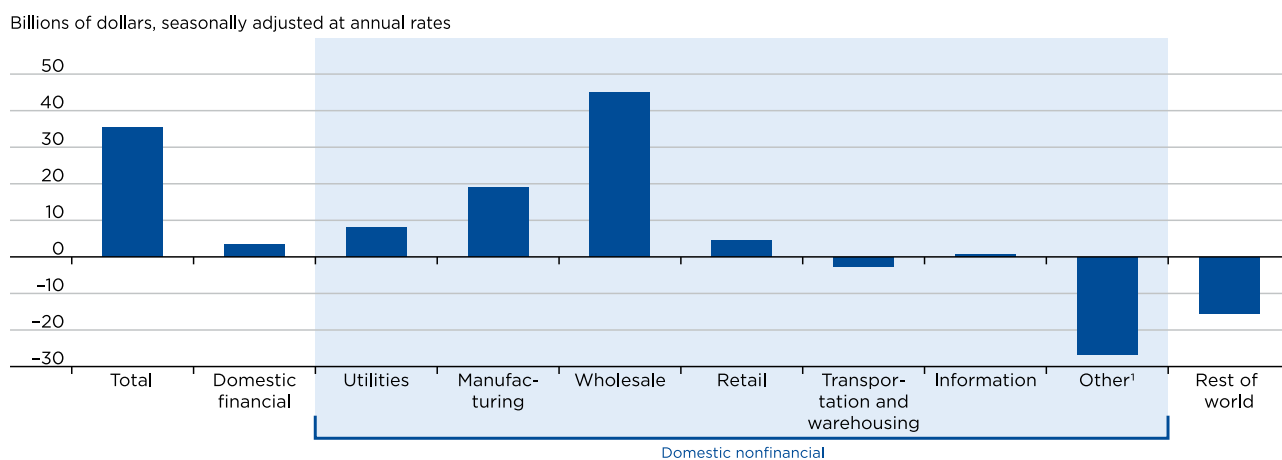
Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due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

## Corporate Profits by Industry

Industry profits (corporate profits by industry with IVA) increased \$35.3 billion, or 1.1 percent at a quarterly rate, in the third quarter after increasing \$171.1 billion, or 5.6 percent, in the second quarter (table 6 and chart 7). Domestic profits increased \$50.8 billion in the third quarter and primarily reflected an increase in wholesale trade that was partly offset by decreases in “other” nonfinancial industries and transportation and warehousing.

Profits after tax (without IVA and CCAdj)—BEA's profits measure that is conceptually most like the profits for companies in the Standard & Poor's 500 Index—decreased \$152.3 billion in the third quarter.

**Chart 7. Corporate Profits with Inventory Valuation Adjustment in 2022:Q3, Change from Preceding Quarter**



1. "Other" nonfinancial corporations includes the agriculture, mining, construction, and services industries.  
U.S. Bureau of Economic Analysis

**Table 6. Corporate Profits by Industry**  
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)				
		Level	Change from preceding quarter								
			2022	2021	2022			2021	2022		
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	<b>Industry profits:</b>										
1	Corporate profits with IVA	3,288.0	49.5	80.2	171.1	35.3	1.7	2.7	5.6	1.1	
2	Domestic industries	2,841.2	38.5	66.1	145.6	50.8	1.5	2.6	5.5	1.8	
3	Financial	555.8	5.3	-20.2	-41.0	3.4	0.9	-3.3	-6.9	0.6	
4	Nonfinancial	2,285.3	33.2	86.3	186.6	47.4	1.7	4.4	9.1	2.1	
5	Utilities	36.0	-1.0	2.6	1.7	8.1	-4.2	11.1	6.5	29.1	
6	Manufacturing	635.7	57.2	33.2	68.7	18.9	12.5	6.5	12.5	3.1	
7	Wholesale trade	229.8	5.7	14.3	-5.4	44.9	3.3	8.1	-2.8	24.3	
8	Retail trade	312.0	-3.1	-1.2	10.2	4.6	-1.0	-0.4	3.4	1.5	
9	Transportation and warehousing	121.6	1.9	-7.4	35.0	-2.7	2.0	-7.7	39.1	-2.2	
10	Information	152.4	0.3	2.2	-9.9	0.6	0.2	1.4	-6.1	0.4	
11	Other nonfinancial	797.8	-27.7	42.5	86.3	-26.8	-3.8	6.1	11.7	-3.3	
12	Rest of the world	446.8	11.0	14.2	25.5	-15.5	2.7	3.3	5.8	-3.4	
	<b>Addenda:</b>										
13	Profits before tax (without IVA and CCAdj)	3,347.8	-23.4	137.7	193.3	-173.9	-0.7	4.3	5.8	-4.9	
14	Profits after tax (without IVA and CCAdj)	2,890.8	-66.3	72.7	209.7	-152.3	-2.3	2.6	7.4	-5.0	
15	IVA	-59.8	73.0	-57.5	-22.2	209.2	---	---	---	---	
16	CCAdj	-288.0	-27.1	-76.5	-39.4	-36.6	---	---	---	---	

**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](#), [1.14](#), [1.15](#), and [6.16D](#).

### Note on Corporate Profits by Industry

Industry profits are corporate profits by industry with inventory valuation adjustment (IVA). The IVA removes the effect of price changes on inventories. The IVA is the difference between the cost of inventory withdrawals at acquisition cost and replacement cost. Ideally, BEA would also add the capital consumption adjustment (CCAdj) for each industry. However, estimates of the CCAdj are only available for two broad categories: total financial industries and total nonfinancial industries. For more information about BEA's methodology, see "Corporate Profits" in [Concepts and Methods of the U.S. National Income and Product Accounts](#) on BEA's website.

## Updates

The increase in third-quarter real GDP was revised up 0.3 percentage point from the second estimate, primarily reflecting upward revisions to consumer spending, nonresidential fixed investment, and state and local government spending that were partly offset by downward revisions to private inventory investment and exports (table 7).

- Within consumer spending, an upward revision to services was partly offset by a downward revision to goods.
  - Within services, the leading contributors to the upward revision were “other” services (notably, social services and religious activities, professional services, and education) and financial services and insurance (specifically, imputed financial services as well as portfolio and investment advice services). The updated estimate primarily reflected new third-quarter U.S. Census Bureau (Census) Quarterly Services Survey (QSS) data as well as Federal Reserve Board tabulations of commercial banks' Call Reports.
  - Within goods, the downward revision was to durable goods (led by furnishings and durable household equipment), based primarily on revised Census Monthly Retail Trade Survey data.
- Within nonresidential fixed investment, structures and intellectual property products were revised up.
  - Within structures, the leading contributors to the upward revision were manufacturing as well as commercial and health care, based primarily on revised August and September Value of Construction Put in Place Survey (VIP) data.
  - Within intellectual property products, the revision reflected upward revisions to research and development and to software, based primarily on new and updated QSS data.
- The upward revision to state and local government spending was led by structures investment (notably, highway and street construction), based on revised VIP data.
- Within private inventory investment, a downward revision to retail trade (notably, general merchandise stores) primarily reflected revised monthly Census inventory data.
- For exports, the revised estimates reflected a downward revision to services (led by transport services) based on updated data from BEA's International Transactions Accounts.



**Table 7. Second and Third 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)		
		Second estimate	Third estimate	Third estimate minus second estimate	Second estimate	Third estimate	Third estimate minus second estimate
1	<b>Gross domestic product (GDP)<sup>1</sup></b>	2.9	3.2	0.3	2.9	3.2	0.3
2	<b>Personal consumption expenditures</b>	1.7	2.3	0.6	1.18	1.54	0.36
3	Goods	-0.2	-0.4	-0.2	-0.04	-0.08	-0.04
4	Durable goods	-0.3	-0.8	-0.5	-0.03	-0.07	-0.04
5	Nondurable goods	-0.1	-0.1	0.0	-0.01	-0.01	0.00
6	Services	2.7	3.7	1.0	1.22	1.63	0.41
7	<b>Gross private domestic investment</b>	-9.1	-9.6	-0.5	-1.71	-1.80	-0.09
8	Fixed investment	-4.1	-3.5	0.6	-0.74	-0.62	0.12
9	Nonresidential	5.1	6.2	1.1	0.66	0.80	0.14
10	Structures	-6.9	-3.6	3.3	-0.18	-0.09	0.09
11	Equipment	10.7	10.6	-0.1	0.53	0.53	0.00
12	Intellectual property products	5.8	6.8	1.0	0.31	0.36	0.05
13	Residential	-26.8	-27.1	-0.3	-1.40	-1.42	-0.02
14	Change in private inventories	---	---	---	-0.97	-1.19	-0.22
15	<b>Net exports of goods and services</b>	---	---	---	2.93	2.86	-0.07
16	Exports	15.3	14.6	-0.7	1.72	1.65	-0.07
17	Goods	17.7	17.8	0.1	1.38	1.38	0.00
18	Services	9.9	7.5	-2.4	0.34	0.26	-0.08
19	Imports	-7.3	-7.3	0.0	1.21	1.21	0.00
20	Goods	-9.1	-8.6	0.5	1.25	1.19	-0.06
21	Services	1.5	-0.8	-2.3	-0.04	0.02	0.06
22	<b>Government consumption expenditures and gross investment</b>	3.0	3.7	0.7	0.53	0.65	0.12
23	Federal	3.4	3.7	0.3	0.22	0.24	0.02
24	National defense	4.4	4.7	0.3	0.16	0.17	0.01
25	Nondefense	2.1	2.5	0.4	0.06	0.07	0.01
26	State and local	2.8	3.7	0.9	0.31	0.41	0.10
<b>Addenda:</b>							
27	Final sales of domestic product	4.0	4.5	0.5	---	---	---
28	Gross domestic income (GDI) <sup>2</sup>	---	0.8	---	---	---	---
29	Average of GDP and GDI	---	2.0	---	---	---	---
30	Gross domestic purchases price index	4.7	4.8	0.1	---	---	---
31	GDP price index	4.3	4.4	0.1	---	---	---

1. The GDP estimates under the contribution columns are also percent changes.
2. GDI is deflated by the implicit price deflator for GDP.

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

A comprehensive table that presents the “[Key Source Data and Assumptions](#)” (under Current Release) 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.”



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