

## Gross Domestic Product (Second Estimate) Corporate Profits (Preliminary Estimate) Third Quarter 2021

Real gross domestic product (GDP) increased at an annual rate of 2.1 percent in the third quarter of 2021, following an increase of 6.7 percent in the second quarter. The increase was revised up 0.1 percentage point from the “advance” estimate released in October. The deceleration in real GDP in the third quarter was led by a slowdown in consumer spending. A resurgence of COVID-19 cases resulted in new restrictions and delays in the reopening of establishments in some parts of the country. In the third quarter, government assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased. For more details, including source data, refer to the [Technical Note](#) and [Federal Recovery Programs and BEA Statistics](#).

### GDP highlights

The third quarter increase in real GDP reflected increases in inventory investment, consumer spending, state and local government spending, and business investment that were partly offset by decreases in housing investment, federal government spending, and exports. Imports, which are a subtraction in the calculation of GDP, increased.

- The increase in inventory investment primarily reflected increases in wholesale (led by nondurable goods industries) and retail (led by motor vehicle and parts dealers).
- The increase in consumer spending reflected an increase in services, led by “other” services (mostly international travel), transportation services, and health care. Consumer spending for goods decreased (led by motor vehicles and parts).
- The increase in state and local government spending primarily reflected an increase in compensation of state and local government employees (notably, education).
- The decrease in housing investment primarily reflected declines in housing improvements and new single-family structures.
- The decrease in federal government spending primarily reflected a decrease in nondefense spending on intermediate goods and services. In the third quarter, nondefense services decreased after the

Quarter-to-Quarter Change in Real GDP



U.S. Bureau of Economic Analysis Seasonally adjusted annual rates

processing and administration of [Paycheck Protection Program](#) loan applications by banks on behalf of the federal government ended in the second quarter.

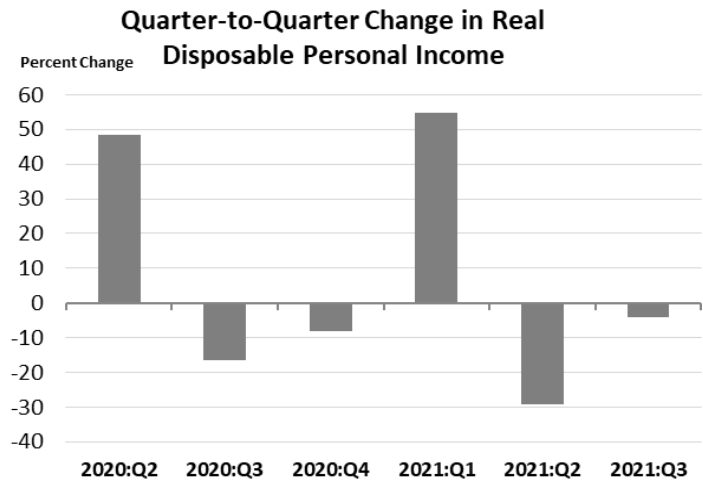
### Updates to GDP

The update reflects upward revisions to consumer spending, inventory investment, and state and local government that were partly offset by downward revisions to exports, business investment, housing investment, and federal government. Imports, which are a subtraction in the calculation of GDP, were revised down.

### Personal income and saving

Real disposable personal income (DPI)—personal income adjusted for taxes and inflation—decreased 4.0 percent in the third quarter after decreasing 29.1 percent (revised) in the second quarter.

Current-dollar DPI increased primarily reflecting an increase in compensation of employees. The increase was partly offset by a decrease in government social benefits related to pandemic relief programs, notably unemployment insurance. Personal saving as a percentage of DPI was 9.6 percent in the third quarter, compared with 10.9 percent (revised) in the second quarter.



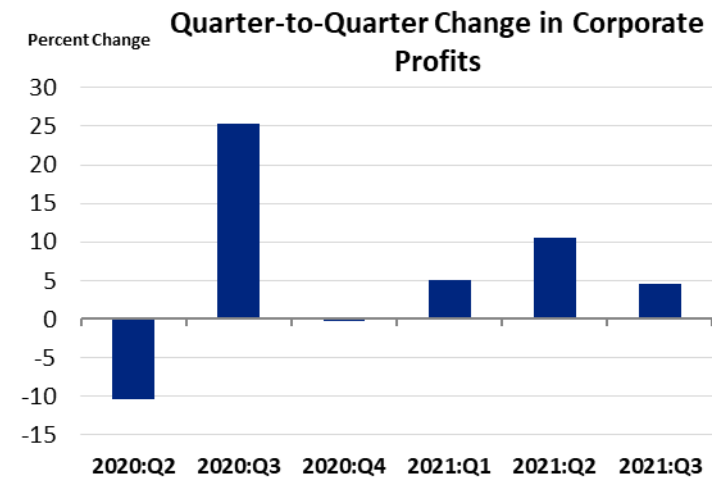
U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

### Corporate profits from current production

Profits increased 4.3 percent at a quarterly rate in the third quarter after increasing 10.5 percent in the second quarter.

- Profits of domestic nonfinancial corporations increased 3.7 percent after increasing 13.8 percent.
- Profits of domestic financial corporations increased 2.5 percent after increasing 10.9 percent.
- Profits from the rest of the world increased 8.7 percent after decreasing 1.3 percent.



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Seasonally adjusted quarterly rates

Corporate profits increased 20.7 percent in the third quarter from one year ago.