

GDP INCREASES IN THIRD QUARTER

“Advance” estimate of GDP

Real gross domestic product (GDP) increased 1.9 percent in the third quarter of 2019, according to the “advance” estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 2.0 percent.

GDP highlights

The third-quarter increase in real GDP reflected increases in consumer spending, government spending, housing investment, and exports, while business investment and inventory investment decreased. Imports, which are a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in both goods (notably recreational goods and vehicles as well as food and beverages) and in services (led by health care and housing and utilities). The increase in government spending reflected increases in both federal and state and local government spending.

The decrease in business investment reflected decreases in structures (led by mining exploration, shafts, and wells) and in equipment (notably information processing equipment and transportation equipment).

Personal income and saving

Real disposable personal income—personal income adjusted for taxes and inflation—increased 2.9 percent in the third quarter after increasing 2.4 percent in the second quarter. Personal saving as a percent of disposable personal income was 8.1 percent in the third quarter, compared with 8.0 percent in the second quarter.

Third-quarter prices

Prices of goods and services purchased by U.S. residents increased 1.4 percent in the third quarter of 2019, after increasing 2.2 percent in the second quarter.

Food prices decreased 0.6 percent in the third quarter, while energy prices decreased 8.0 percent.

Excluding food and energy, prices increased 1.8 percent in the third quarter, the same increase as in the second quarter.

