

# Technical Note

## Gross Domestic Product Third Quarter of 2017 (Third Estimate)

December 21, 2017

This technical note provides background information about the source data and estimating methods used to produce the estimates presented in the GDP news release. The complete set of estimates for the third quarter and a brief summary of "highlights" are available on BEA's Web site at [www.bea.gov](http://www.bea.gov). The source data and assumptions for the "third" estimate are shown in a "[Key Source Data and Assumptions](#)" table. In a few weeks, the *Survey of Current Business*, BEA's online monthly journal, will publish a more detailed analysis of the estimates ("GDP and the Economy").

### Sources of Revision to Real GDP

With the third estimate, real GDP increased 3.2 percent (annual rate) in the third quarter of 2017, a downward revision of 0.1 percentage point from the second estimate. The downward revision to the percent change in real GDP primarily reflected a downward revision to consumer spending that was partly offset by an upward revision to state and local government spending.

- The downward revision to consumer spending was more than accounted for by a downward revision to services that was partly offset by an upward revision to goods. The downward revision to services was primarily in recreation services, based on newly available Quarterly Services Survey (QSS) data from the Census Bureau, and in transportation services, based on newly available air passenger revenue from the Department of Transportation as well as newly available QSS data.
- The upward revision to state and local government spending was primarily accounted for by an upward revision to structures, reflecting revised Value of Construction Put in Place data for August and September from the Census Bureau.

### Gross Domestic Income and Corporate Profits

Real gross domestic income (GDI), which measures the output of the economy as the costs incurred and the incomes earned in the production of GDP, increased 2.0 percent in the third quarter, 0.5 percentage point lower than the previous estimate.

Profits from current production increased \$90.2 billion, or 4.3 percent (quarterly rate), in the third quarter. The downward revision of \$1.4 billion reflects revised Quarterly Financial Report data from the Census Bureau and compilations of publicly available corporate financial statements. Domestic profits of financial corporations increased \$47.8 billion, domestic profits of nonfinancial corporations increased \$10.4 billion, and rest-of-the-world profits increased \$32.0 billion.

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