



Technical Note
Gross Domestic Product
Third Quarter of 2010 (Third Estimate)
December 22, 2010

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 is available on BEA's Web site at www.bea.gov; a brief summary of "highlights" is also posted on the Web site. In a few weeks, the estimates will be published in BEA's monthly journal, the *Survey of Current Business*, along with a more detailed analysis of the estimates ("GDP and the Economy").

Sources of Revision to Real GDP

Real GDP increased 2.6 percent (annual rate) in the third quarter, which was 0.1 percentage point more than last month's estimate. The upward revision to GDP reflected an upward revision to inventory investment that was partly offset by a downward revision to consumer spending.

- The upward revision to inventory investment reflected revised Census Bureau inventory data for September.
- The downward revision to consumer spending reflected downward revisions to health care services and to financial services. The revision to health care services reflected the incorporation of newly available Census quarterly services survey data for the third quarter, and the revision to financial services reflected the incorporation of newly available *Call Report* data from the FDIC and newly available *FOCUS Report* data from the Securities and Exchange Commission for the third quarter.

The price index for gross domestic purchases—the prices paid by U.S. residents for goods and services wherever produced—increased 0.7 percent in the third quarter, 0.1 percentage point less than last month's estimate. The downward revision to prices was primarily to personal consumption expenditures and reflected a downward revision to the price for banking services based on *Call Report* data.

Corporate Profits

Profits from current production increased \$26.0 billion, or 1.6 percent (quarterly rate), in the third quarter. Domestic profits of financial corporations increased \$34.6 billion, domestic profits of nonfinancial corporations increased \$0.3 billion, and rest-of-the-world profits decreased \$8.9 billion.

Effective with today's release, the estimates of real gross value added of nonfinancial corporate business were revised beginning with 1929, reflecting the use of a revised deflator for nonfinancial industries from the annual revision of BEA's industry accounts that was released this month.

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