Real gross domestic product (GDP) increased 5.0 percent in the third quarter of 2014, according to the “third” estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 4.6 percent.

GDP highlights
The increase in GDP in the third quarter reflected the following:
- Consumer spending increased 3.2 percent, compared with 2.5 percent in the second quarter. Spending on both goods and services increased.
- Business investment rose, notably in transportation equipment and industrial equipment as well as in intellectual property products.
- Exports of goods increased; industrial supplies and materials was the largest contributor.
- Federal government spending increased, mainly national defense spending.

Revisions
The 1.1 percentage points upward revision to the GDP growth rate reflected the following:
- An upward revision to consumer spending, reflecting upward revisions to health care and recreation services.
- An upward reward revision to business investment, mainly to structures and intellectual property products.
- An upward revision to private inventory investment by wholesale trade industries, notably the nondurable goods industry.

For more information, see the technical note.

Corporate profits
Corporate profits increased 3.1 percent at a quarterly rate in the third quarter after increasing 8.4 percent in the second quarter.

- Profits of domestic nonfinancial corporations increased 2.5 percent after increasing 11.9 percent.
- Profits of domestic financial corporations increased 3.6 percent after increasing 8.0 percent.
- Rest of the world profits increased 4.2 percent after decreasing 0.9 percent.

Over the last 12 months, corporate profits rose 1.4 percent.