



**Technical Note**  
Gross Domestic Product  
Third Quarter of 2007 (Final)  
December 20, 2007

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](http://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 Components of Real GDP**

Real GDP growth in the third quarter was 4.9 percent (annual rate), the same growth rate as in the preliminary estimate. A small upward revision to consumer spending was offset by a small downward revision to inventory investment:

- The upward revision to consumer spending primarily reflected revised Census Bureau retail sales data for September.
- The downward revision to inventory investment primarily reflected revised BEA motor vehicle estimates for September and revised Census inventory data for September.

The price index for gross domestic purchases increased 1.8 percent in the third quarter, which was 0.2 percentage point more than the preliminary estimate. The revision primarily reflected an upward revision to the implicit price for banking services that was based on newly available Federal Reserve Board tabulations of *Call Report* data for the third quarter.

### **Corporate Profits**

Profits from current production decreased \$20.5 billion, or 1.2 percent (quarterly rate), in the third quarter, which compares with a decrease of \$19.3 billion in the preliminary estimate. In the third quarter, real gross value added of nonfinancial corporate business increased, prices per unit of real value added decreased, unit labor costs increased, unit nonlabor costs decreased, and unit profits decreased.

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