

## Gross Domestic Product, Third Quarter 2020 (Second Estimate) Corporate Profits, Third Quarter 2020 (Preliminary Estimate)

Real gross domestic product (GDP) increased at an annual rate of 33.1 percent in the third quarter of 2020, as efforts continued to reopen businesses and resume activities that were postponed or restricted due to COVID-19. The increase is the same as in the “advance” estimate released in October. In the second quarter of 2020, real GDP decreased 31.4 percent. For more details, including source data, see the [Technical Note](#).

### GDP highlights

The third-quarter increase in real GDP reflected increases in consumer spending, inventory investment, exports, business investment, and housing investment that were partially offset by a decrease in government spending. Imports, a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in services (led by health care) and goods (led by clothing and footwear as well as motor vehicles and parts). The increase in inventory investment reflected an increase in retail trade inventories (led by motor vehicle dealers). The decrease in government spending was in federal as well as state and local government.

### Updates to GDP

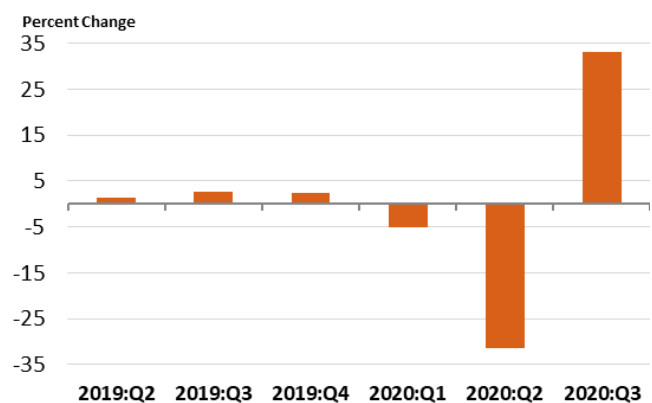
While the overall change in GDP was unrevised from the advance estimate, upward revisions to business investment, housing investment, and exports were offset by downward revisions to state and local government spending, inventory investment, and consumer spending. Imports were revised up.

### Corporate profits from current production

Profits increased 27.1 percent at a quarterly rate in the third quarter after decreasing 10.3 percent in the second quarter. Corporate profits increased 3.3 percent in the third quarter from one year ago. Profits were impacted by provisions from the Paycheck Protection Program.

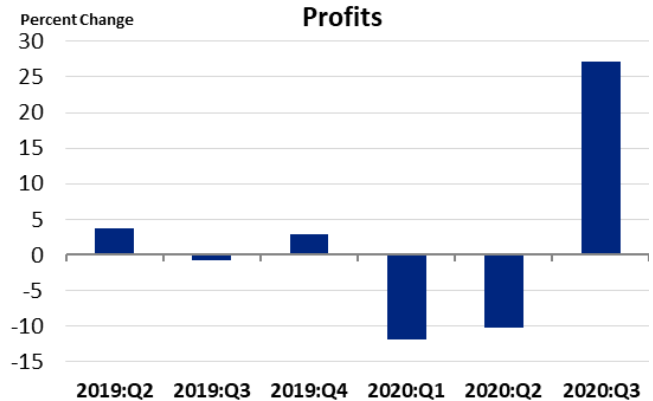
- Profits of **domestic nonfinancial corporations** increased 43.8 percent after decreasing 12.9 percent.
- Profits of **domestic financial corporations** increased 5.4 percent after increasing 6.1 percent.
- Profits from the **rest of the world** increased 10.3 percent after decreasing 18.9 percent.

Quarter-to-Quarter Change in Real GDP



U.S. Bureau of Economic Analysis Seasonally adjusted annual rates

Quarter-to-Quarter Change in Corporate Profits



U.S. Bureau of Economic Analysis Seasonally adjusted annual rates