ECONOMIC GROWTH IN THE 3RD QUARTER LOWER THAN ESTIMATED

The economy in the U.S. expanded substantially less that had been previously estimated in the third quarter, which reflects a drop in inventories that points to a pickup in growth as 2011 comes to a close. The revised Commerce Department figures showed today in Washington that the gross domestic product climbed to a 2 percent annual rate from July to September, less than projected and down from a 2.5 percent prior estimate. The median forecast of the 81 economists who were surveyed by Bloomberg News called for no revision. Excluding the stockpiles, the so-called final sales climbed 3.6 percent, the most since last year's fourth quarter. All of the gains in retail sales, manufacturing and housing this quarter, combined with lean inventories, raise the odds the world's largest economy will pick up. And at the same time, the unemployment and stagnant wages mean consumer spending has been fueled by reductions in savings that cast doubt on whether increases will be sustained into 2012, just as all the risks from the government cutbacks and the European debt crisis intensify. ''We should see a little bit of bounce in the fourth quarter, then growth will probably grind back down,'' said Nariman Behravesh, who is the chief economist at IHS in Lexington, Massachusetts, and who also correctly forecasted the growth figures and expects GDP to expand by 2.5 percent to 3 percent this quarter. After the report, the stock-index futures fell. At 9:17 a.m. in New York, the contract on the Standard & Poor's 500 Index maturing next month dropped 0.3 percent to 1,186.8. Growth forecasts in the Bloomberg survey ranged somewhere between 2 percent to 2.9 percent. The world's largest economy grew at a steady 1.3 percent rate in the past three months. Corporate profits climbed at a slower pace since last quarter, and the gain in wages and salaries for the period from April through June was cut by more than half, to $38.9 billion from $78.7 billion, the report showed. Consumer spending, which accounts for about 70 percent of the economy, grew at a 2.3 percent annual rate, little had changed from the 2.4 percent initial estimate. Purchases added 1.6 percentage points to the growth. ''There's certainly a lot of crummy data out there, whether its wages or income or net worth, the unemployment rate doesn't seem to be moving, but the consumer has help up surprisingly well,'' said Ron Sargent, who is the chief executive officer of Staples Inc. (SPLS), which is the world's largest office-supply retailer, during a Nov. 15 teleconference. The savings rate from last quarter fell to 3.8 percent, the lowest it's been since the last three months of 2007. That figure was originally calculated as 4.1 percent. After-tax incomes adjusted for inflation decreased at a 2.1 percent annual rate, actually the biggest drop since the third quarter of 2009, and the revisions showed another decrease in the previous three months rather than the previously calculated gain.