



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
May 7, 2004

STATEMENT OF VICE CHAIRMAN JIM SAXTON “APRIL EMPLOYMENT SITUATION”

Press Release #108-123
Contact: Christopher Frenze
Chief Economist to the V.C.
(202) 225-3923
Stephen Thompson
Radio & T.V.
(202) 225-4765

WASHINGTON, D.C. – I am pleased to welcome Commissioner Utgoff once again to testify on the monthly employment statistics.

According to the payroll survey, employment increased by 288,000 in April, following a revised gain of 337,000 in March. The April payroll employment gains were broad based, as reflected in the diffusion index remaining well over 50 in April. The one-month diffusion index has been above 50 for the last four months. Manufacturing employment increased for the third consecutive month. Overall, 1.1 million payroll jobs have been created since last August.

Separately, the household survey showed a similar monthly increase in employment, and the unemployment rate went from 5.7 percent in March to 5.6 percent in April. The employment-population ratio edged up to 62.2 percent in April.

The employment data reported today follow the release of many other economic figures that reflect a healthy pace of economic expansion. Investment has been strong in recent quarters, providing a faster and more balanced pattern of economic growth. Overall, the economy has grown at a rate of about 5 percent in the last year.

The rebound in business investment is reflected in the manufacturing sector, where capital goods are produced. The ISM index of manufacturing activity has trended upward for many months, and remains at historically high levels. Meanwhile, consumption remains strong, as reflected in retail sales and other measures. Housing and construction activity is robust. Independent economists note the important contributions of tax relief and low interest rates in improving economic conditions.

The consensus of Blue Chip economic forecasters projects that economic growth will be nearly 5 percent in 2004. This sustained period of economic growth will continue to improve the opportunities of both workers and businesses. The outlook for the U.S. economy remains very positive for the foreseeable future.

###