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JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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U.S. ECONOMY EXPANDS AT A 3.7 PERCENT RATE IN THIRD QUARTER

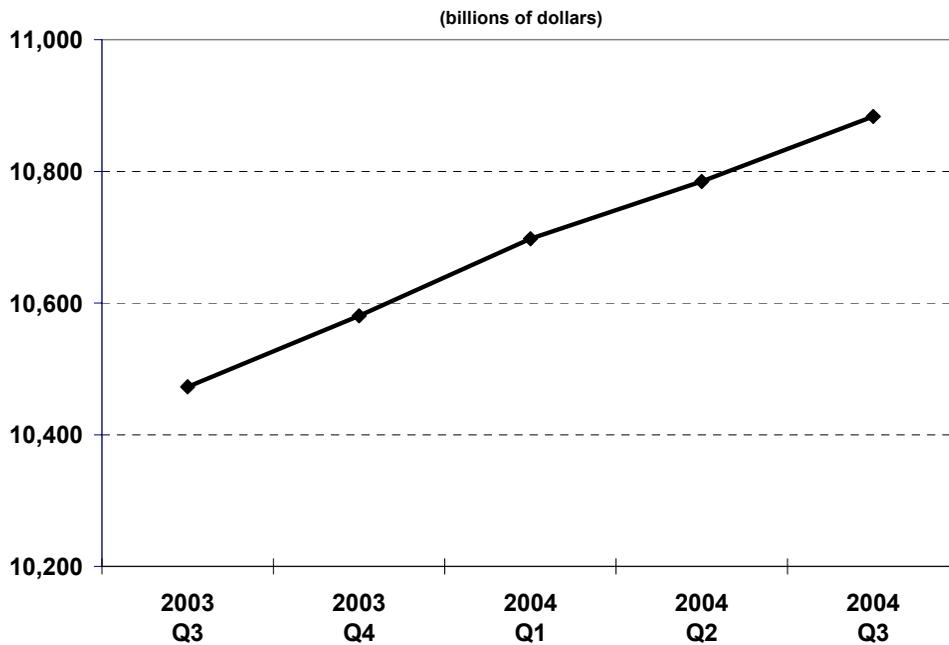
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WASHINGTON, D.C. – The 3.7 percent growth in the U.S. economy in the third quarter of 2004 reflects the continued strength of the expansion, Vice Chairman Jim Saxton said today. According to Bureau of Economic Analysis data released today, both consumption and investment increased at a healthy pace, while core inflation declined to levels not seen since 1962.

Personal consumption expenditures (PCE) rose at a 4.6 percent annual rate in the third quarter, with durable goods spending jumping 16.8 percent. Meanwhile, equipment and software investment increased 14.9 percent. The core PCE deflator – a measure of price changes -- edged up only 0.7 percent in the third quarter.

“The figures reported today show the economy is growing at a healthy rate,” Saxton said. “Over the last year, the economy has advanced about 4 percent, well above the historic trend. Consumer spending is strong, as is equipment and software investment. Continued economic expansion is forecast by the Federal Reserve and private sector economists,” he concluded.

U.S. Economic Expansion Continues Real Gross Domestic Product



Source: Bureau of Economic Analysis / Haver Analytics

For more information on current economic conditions, please visit our website at www.house.gov/jec

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