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BUSH JOBS DEFICIT PERSISTS DESPITE ECONOMIC GROWTH

Washington, D.C. – U.S. economic growth was reasonably strong again in the fourth quarter – but weaker than analysts were expecting, according to today's report from the Commerce Department's Bureau of Economic Analysis. Real (inflation-adjusted) gross domestic product (GDP) grew at an annual rate of 4.0 percent in the October-November-December period, after spiking up at an annual rate of 8.2 percent in the July-August-September period. But even after six months of solid growth in output, growth in jobs and earnings has continued to be anemic.

"Growth like this should be accompanied by rapid growth in jobs and wages, but neither has materialized this far into the recovery," said **Rep. Pete Stark** (D-CA), Senior Democrat on the **Joint Economic Committee.** "There's little to celebrate when growth doesn't benefit workers. People looking for work are saying 'Show me the jobs' and those lucky enough to have a job are saying 'Show me the money,'" added Stark.

Real GDP grew at an annual rate of 6.1 percent in the second half of 2003. But payroll employment inched up at only a 0.2 percent annual rate during that period, and the average worker's weekly paycheck grew at just a 1.1 percent annual rate, after adjusting for inflation.

Since bottoming out in July 2003, payroll employment has grown by just 278,000, and there are still 2.3 million fewer jobs than when President Bush took office in January 2001. Average weekly earnings of ordinary workers (production and non-supervisory employees) have been barely keeping up with inflation since the end of the recession in November 2001. Even with the small recent increases, real average weekly earnings are just $10.58 (2.1 percent) higher than they were when President Bush took office.

"President Bush has been quick to take credit for the economic growth," said Rep. Stark, "but he has yet to take responsibility for the nation's 8.4 million unemployed. Indeed, despite a huge jobs deficit, the Administration has opposed extending relief for the 2 million jobless workers who will be cut off from the federal Temporary Extended Unemployment Compensation program in the next six months."

Today's estimate of GDP growth is based on preliminary data and will be revised in coming months as more data become available. Leading forecasters expect growth to average just over 4 percent in the first half of this year, probably not enough to lower the unemployment rate significantly.

The Joint Economic Committee, established under the Employment Act of 1946, was created by Congress to review economic conditions and to analyze the effectiveness of economic policy.

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