



CONGRESS OF THE UNITED STATES

JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

For Immediate Release
May 6, 2005

STATEMENT OF CHAIRMAN JIM SAXTON

Press Release #109-17
Contact: Christopher Frenze
Executive Director
(202) 225-3923

April Employment Situation

WASHINGTON, D.C. – It is a pleasure to welcome Commissioner Utgoff and her colleagues before the Committee this morning to discuss the latest employment data.

The April employment data are good news for American workers. According to the payroll survey, employment increased by 274,000 jobs in April. Over the last 23 months, 3.5 million jobs have been created.

According to the household survey, employment also advanced, while the unemployment rate was 5.2 percent. Over the last year, most of the net increase in employment has been in occupations that pay in the middle range and higher.

The employment data are consistent with other data showing that the economy continues to grow. In 2004, real GDP increased about 4 percent, followed by a more sustainable 3.1 percent pace in the first quarter of 2005. Consumption and investment both continue to rise. The strength of investment over the last two years has been an important factor explaining the vitality of the economy.

The economy seems to have weathered the recent rise in oil prices quite well, although oil prices have probably had some negative impact on growth. Another factor that bears watching is the potential impact of the recent expiration of tax provisions permitting expensing, which may affect the robust performance of business investment. Traces of inflation have surfaced in recent months, but inflation appears to be contained over the long term, as the Fed has recently noted.

Looking ahead, the consensus of economic forecasters is that the U.S. economy will continue to grow at a rate in excess of 3 percent through the end of 2006. This is consistent with the long-term growth path of the U.S. economy over the last several decades.

###