U.S. Economic Update

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U.S. Economic Update

• GDP expansion remains healthy at 4.0% in fourth quarter
• Sources of strength: business spending and exports
• Manufacturing recovery now seven months old
• Data revisions recast the story of the 2001 recession
GDP Growth is “Just Right”
Business Investment is Off the Sickbed
The Weak Dollar is Showing Up in Exports
Manufacturing Output Almost Back to 2000 Levels
Revisions to NIPA Data
Gross Domestic Product Growth
Revisions to NIPA Data
Change in Business Inventories
Two Different Sources, Two Different Employment Stories
U.S. Compensation and Output Per Hour, 1970-2003
U.S. Hours Worked in Recessions

Quarters Since Start of Recession

Percent of Pre-Recession Peak

Average Recession

2001 Recession
U.S. Output Per Hour in Recessions

Quarters Since Start of Recession vs. Percent of Pre-Recession Peak

- 2001 Recession
- Average Recession