U.S. Economic Update

Patrick M. Barkey
Bureau of Business Research
Ball State University
Data Highlights

• U.S. GDP grew at 3.8 percent in Q3
• Federal Reserve continues to nudge up interest rates
• Hurricanes take a bite out of job growth
• Productivity growth strong in third quarter
• Trade, budget deficits swell
• A disappointing quarter for Indiana tax collections
GDP Growth Remains Very Healthy
Job Growth Hit Not as Bad as Feared

U.S. Employment Growth, thousands
Indiana Income Tax Growth Stops Abruptly
Percent Change over Year-Ago Revenues

![Bar Chart]

2004
3rd Qtr: 8%
4th Qtr: 7%
1st Qtr: 10%
2nd Qtr: 15%
3rd Qtr: -2%

2005
3rd Qtr: 1%

Legend:
- Sales
- Income