Fed extends program to drive rates lower

WASHINGTON (AP) — The Federal Reserve acted Wednesday to lift an economy that's being held back by a weakened job market. It's extending a program designed to spur borrowing and spending through lower long-term U.S. interest rates.

The Fed also reiterated its plan to keep short-term rates at record lows until at least late 2014. And it said it's prepared to act further if the economy deteriorates.

The central bank noted that Europe's debt crisis threatens the economy. Fed officials will be watching for any breakthrough during a summit of leaders in Brussels next week.

The Fed also sharply lowered its outlook for U.S. growth. It now thinks the economy will grow no more than 2.4 percent this year.