



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

CHAIRMAN JIM SAXTON

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## PRESS RELEASE

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For Immediate Release  
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## **ECONOMIC INDICATORS SIGNAL CONTINUED GROWTH**

Press Release #109-60  
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**WASHINGTON, D.C.** – Increases in February manufacturing activity and January personal consumption, along with other positive data, suggest solid economic growth in the first quarter of 2006, Chairman Jim Saxton said today. Today the Institute for Supply Management (ISM) announced an increase in its index of manufacturing activity to a level of 56.7 percent in February, a level reflecting continued expansion in the factory sector. Also today, the Commerce Department reported that personal consumption expenditures increased by 0.9 percent in January.

“Recent data indicate that the economy is starting the year on a strong note,” Saxton said. “In fact, there are some economists who fear that the economy may be too strong in 2006, sparking inflation. While I don’t agree with the notion that the strength of the economy will lead to inflation, it is reasonable to conclude that economic and employment growth will be very healthy this year. As for potential inflation, I don’t think there is any question that it will be contained by the Fed.

“Recently, the Fed, and a consensus of private economists have suggested that economic growth will be about 3.5 percent in 2006. These forecasts are consistent with most of the recent economic data, which also indicate that the first quarter may be especially strong,” Saxton concluded.

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