



JOINT ECONOMIC COMMITTEE

CHAIRMAN JIM SAXTON

PRESS RELEASE

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FEBRUARY NON-MANUFACTURING BUSINESS ACTIVITY RISES

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WASHINGTON, D.C. – The increase in non-manufacturing business activity reported today by the Institute for Supply Management (ISM) is another sign of economic strength in the first quarter of 2006, Chairman Jim Saxton said today. The ISM index of non-manufacturing business activity increased to a level of 60.1 percent in February; a level above 50 indicates expansion. Last Wednesday the ISM reported that its index of manufacturing activity had increased to 56.7 percent.

"The ISM data released today show a pick-up in business activity outside of the manufacturing sector," Saxton said. "The ISM data released earlier this week reflected continued expansion in the manufacturing sector. Taken together, the two surveys indicate that economic growth is continuing at a healthy pace and support forecasts of a strong first quarter in 2006. The Federal Reserve, among others, also forecasts that economic growth will be about 3.5 percent over the course of this year," Saxton concluded.

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