



U.S. ECONOMIC STRENGTH

TREASURY ECONOMIC UPDATE – 10.6.06

“We continue to see solid productivity growth and job growth, and we continue to make progress in bringing down our fiscal deficit.”

U.S. Treasury Secretary Henry M. Paulson, September 16, 2006

Indicators of a Strong & Sustainable U.S. Economy:

Economic Growth: 3.5% year-to-year annual economic growth (real GDP) rate.

Business Investment: 13 straight quarters of positive capital investment.

Job Growth: 362,000 new net jobs created in the past 3 months – 37 straight months of job growth – More than 6.6 million since the President’s tax relief took effect in mid-2003.

Low Unemployment: 4.6% unemployment rate – 12 months at or below 5%.

Tax Revenues: Year-to-date tax receipts up 11.7% over last year’s 14.6% increase.

Deficit Reduction: Increased tax revenues make it possible to meet the President’s deficit reduction goal early.

Steady Productivity: Labor Productivity grew at an annual rate of 2.9% in the first half of 2006, and has averaged 2.5% over the last year.

Long-Term U.S. Economic Strength Depends on Enacting pro-Growth Policies:

Permanent Tax Relief: Without permanent tax relief, millions of Americans will see their taxes go up by billions of dollars in 2011.

Energy Security: Increase U.S. energy supply, while focusing on energy conservation; invest in new technologies to further develop energy alternatives; encourage market-based solutions.

American Worker Competitiveness: Retain our competitive advantage in a global economy; increase investment in innovation; focus on helping people of all ages pursue first-rate education and retraining opportunities.

Open Global Markets: Advocate free trade and encourage other countries to open their markets to American goods, services and capital.

www.treas.gov/economic-plan

