



## **TREASURY ECONOMIC UPDATE 3.09.07**

*"Labor markets are firm; unemployment is low; consumer confidence is rising; inflation is easing; exports are growing and they contributed about one percentage point to the fourth-quarter GDP number; and of particular importance to me, working families are now benefiting from this expansion, with real wages up 2.1% over the last year."*

U.S. Treasury Secretary Henry M. Paulson, March 1, 2007

### **Job Creation Continues:**

**Job Growth:** 97,000 new jobs created in February. In addition, employment estimates for December and January were revised up, adding 55,000 jobs. 2.0 million new jobs have been created over the past 12 months. Since August 2003, nearly 7.6 million jobs have been created – more jobs than all the other major industrialized countries combined. Our economy has added jobs for 42 straight months. Employment has increased in 46 states within the past year. *(Last updated: March 9, 2007)*

**Low Unemployment:** 4.5% unemployment rate – close to a 5-1/2 year low. Unemployment rates have decreased or held steady in 36 states over the past year. *(Last updated: March 9, 2007)*

### **The U.S. Economy Remains Strong and Continues to Grow:**

**Economic Growth:** 2.2% GDP growth in the 4<sup>th</sup> quarter. Our economy has grown a solid 3.1% over the past 4 quarters. *(Last updated: February 28, 2007)*

**Business Investment:** Capital investment increased a strong 6.2% over the 4 quarters of 2006. *(Last updated: February 28, 2007)*

**Tax Revenues:** Tax receipts up 11.8% in fiscal year 2006 (FY06) on top of FY05's 14.6% increase. Receipts have grown another nearly 10% percent so far in FY07. *(Last updated: February 12, 2007)*

**Steady Productivity:** Labor productivity has grown at an annual rate of 2.8% over the past five years. *(Last updated: March 6, 2007)*

### **Americans are Keeping More of Their Hard-Earned Money:**

**Real Wages Increased 2.2% Over the Past 12 Months** (ending in January). This translates into an additional \$725 above inflation for the average full-time production worker.

**Real After-Tax Income Per Person has Risen 10.0%** - an extra \$2,950 per person – since the President took office.

### **Pro-Growth Policies will Enhance Long-Term U.S. Economic Strength:**

The Administration proposed a budget that reaches a small surplus in 2012. Economic growth has generated increased tax receipts and dramatically improved the budget outlook. The budget holds the line on spending. The budget reduces the deficit as a percentage of GDP-the most meaningful measure of its size-every year through 2012. The time has come for both political parties to work together on comprehensive earmark reform that produces greater transparency and accountability to the congressional budget process, including full disclosure for each earmark and cutting the number and cost of all earmarks by half.

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