...ght," Darvish said.

Factories fuel modest economic recovery

Housing, construction, needed to sustain growth, economists say

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Activity in the manufacturing sector expanded in January for the sixth consecutive month, a private research group said Monday, raising hopes that the economic recovery is gaining traction.

The Institute for Supply Management said manufacturing activity grew to its strongest point since August 2004. Other data, though, offered a reminder that the recovery remains fragile. Construction spending sank in December to its lowest level in more than six years. And analysts said gains in personal income and spending were too modest in December to suggest that consumers can fuel a strong rebound.

"Right now we're getting a recovery," said Michael Gregory of BMO Capital Markets. "But you have to be skeptical. This kind of performance cannot be sustained unless we get those other areas that are still weak in the economy to contribute to growth — housing, construction, real consumer spending."

The ISM said its manufacturing index read 58.4 in January, compared with 54.9 in December. A reading above 50 indicates growth.

In a separate report, the Associated General Contractors of America said workers who build houses and offices and plants in South Carolina are losing their jobs.

Statewide, construction employment dropped by 12,300 jobs in 2009, a decline of 11 percent. Each of the state's major metropolitan areas also experienced an annual decline in construction employment.

The Commerce Department report on construction said spending on new homes, office buildings and highways fell 1.2 percent.

A separate Commerce report said personal incomes rose in December, and consumer spending increased for the third straight month.

Commerce officials said private wage and salary disbursements increased $6.3 billion in December, compared with an increase of $25.1 billion in November.