Census shows economy has bottomed out

HOPE YEN
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WASHINGTON (AP) — Five years after the housing bust, the U.S. economy is showing signs of finally bottoming out.

More young adults are leaving their parents' homes to take a chance with college or the job market, while once-sharp declines in births are leveling off and poverty is slowing.

Even the stagnant housing market, still weak, is showing improvement as sales and construction begin to climb.

New 2011 census figures offer hope in an economic recovery. The annual survey, covers a year in which unemployment fell modestly from 9.6 percent to 8.9 percent.

Not all is well. The jobless rate remains high at 8.1 percent. While housing sales have more recently gained, home ownership last year dropped for a fifth straight year to 64.6 percent, the lowest in more than a decade, due to stringent financing rules and a shift to renting. More Americans than ever are turning to food stamps, while residents in housing that is considered "crowded" held steady at 1 percent, tied for the highest since 2003.

A set of data released recently also remained mixed. The Conference Board's index of leading indicators, designed to forecast future economic activity, dipped 0.1 percent in August after rising 0.5 percent in July and dropping 0.5 percent in June. The number of Americans seeking unemployment benefits fell only slightly last week.

"Richard Freeman, an economist at Harvard University, said the data point to a "fragile recovery," with the economy still at risk of falling back into recession, depending in part on who is president and whether Congress averts a "fiscal cliff" of deep government spending cuts and higher taxes in January.



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A job seeker talks to a recruiter at a job fair expo in Anaheim, Calif. Americans are on the move again after record numbers had stayed put, more young adults are leaving their parents' homes to take a chance with college or the job market, once-sharp declines in births are leveling off and poverty is slowing. Not all is well. The jobless rate remains high at 8.1 percent.