Economy improving, job growth still weak



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In this Nov 2, 2011, file photo, the Bob Evans restaurant in Solon, Ohio, advertises job openings. The latest evidence that the economy is making steady gains emerges from a gauge of future economic activity, which increased in October at the fastest pace in eight months. A string of better-than-expected reports on the economy have some analysts revising up their forecasts for economic growth.

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WASHINGTON — The U.S. economy is picking up. If only job growth would follow.

A spate of data Thursday showed U.S. factories grew last month at the fastest pace since June, construction spending increased for a third straight month, and both retail sales and auto sales rose in November.

But the number of people applying for unemployment benefits is still too high to signal strong hiring.

The reports offered a mixed picture for the economy one day before the government reports on job growth in November. Economists project that employers added a net 125,000 jobs. That's not enough to lower the unemployment rate, which is projected to stay at 9 percent for the second straight month.

And manufacturers could face strains overseas in key export markets, especially if Europe's debt crisis worsens and leads the continent into another recession.

For now, factories are growing. The Institute for Supply Management, a trade group of purchasing managers, said Thursday that its manufacturing index rose to 52.7 in November, up from 50.8 in October. Any reading above 50 indicates expansion. Factories have grown for 28 straight months.