



Madison Little makes change for a customer at George's restaurant in Waco, Texas. TONY GUTIERREZ/AP

Economy struggles back

By Christopher S. Rugaber
The Associated Press

WASHINGTON — The U.S. economy has been outrunning everyone's expectations. Factory output has surprisingly surged. Housing, left for dead, is inching back. Most crucially, companies are hiring faster than many envisioned.

Funny thing about expectations, though: Each time you exceed them, it gets harder to do so next time. On Friday, economists expect the government to report a 200,000-plus job gain for a third straight month.

The previous two months, job growth topped expectations, and unemployment sank from 8.7 percent to 8.3 percent. Consumer confidence has since risen. So have President Barack Obama's approval ratings.

This time? Another strong jobs report would be a welcome sign that the economy is further strengthening. But unless it exceeds expectations, it may not ignite a celebration.

"There's a new threshold for what's seen as a good report," said Nariman Behravesh, chief economist at IHS Global Insight. "Our

expectations are higher."

That's why the Obama administration hopes to dispel any assumption that the job market is destined to keep improving at the same pace before the November election. Last month, when a burst of hiring was reported for January — 243,000 net jobs — Obama cheered.

A survey of nearly two dozen economists late last month found many envision **lower** unemployment in the coming months than they **did** a few weeks earlier. A big reason **is** that they **now** expect **stronger** job creation.