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Survey: Industry, housing driving recovery

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WASHINGTON — Improvements in housing and manufacturing are driving the early stages of the economic recovery, according to a Federal Reserve survey released Wednesday.

The Fed's latest snapshot of business conditions nationwide found "many sectors" of the economy either stabilized or logged modest improvements over the last six weeks. The pickups, though, often were from "depressed" levels of activity.

Still, the new report adds to evidence that a recovery has started from the worst recession since the 1930s.

An $8,000 credit for first-time homebuyers boosted the housing sector. There's been concern among private economists and some lawmakers that recent gains in housing will fizzle out when the credit ends. It is slated to expired Nov. 30, although some in Congress are mulling an extension.

Meanwhile, factories increased production as businesses restocked inventories. Part of that restocking was due to the now-defunct Cash for Clunkers program, which caused a brief sales burst.

Both housing and manufacturing continued a "pattern of improvement that emerged over the summer," the Fed observed.

By contrast, the Fed said weakest link in the recovery was commercial real estate. Conditions were described as "either weak or deteriorating" across all 12 regions surveyed.

Consumer spending also remained weak, the Fed said.