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recovery - the housing market - comes back to life nationwide and employers start to look past government budget battles and add to their thinned ranks.

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WASHINGTON – The pace of job growth has begun gathering steam as the last missing piece in the recovery – the housing market – comes back to life nationwide and employers start to look past government budget battles and add to their thinned ranks.

The Labor Department said the economy generated 236,000 net jobs in February, much more than analysts had expected.

The improvement was enough to help drive the nation's unemployment rate down to 7.7 percent, the lowest point in President Barack Obama's tenure. Employees put in more hours of work last month, and their average hourly earnings edged higher.

Although the employment situation remains far from robust – people continued to drop out of the labor force, and millions of workers are stuck in part-time jobs – Friday's report adds to evidence that the recovery is picking up momentum. Job growth has averaged 205,000 monthly since October, up from 152,000 a month in the third quarter last year and 108,000 last spring.

The report eased analysts' concerns about the federal government's new spending cuts, which started taking effect this month, and it lifted the spirits of investors, who pushed the Dow Jones industrial average up to a fourth straight day of record highs.

"The labor market has hit a turning point and is finally healing more rapidly," said Diane Swonk, chief economist at Mesirow Financial in Chicago, though she cautioned in a research note that "we still have a long way to go."

Obama's chief economic adviser, Alan Krueger, who typically has been guarded in

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home building nearing 1 million units a year after falling to a low of almost half that. The widely watched Case-Shiller home-price index, which calculates price changes for 20 cities, jumped 6.8 percent in December compared with a year earlier.

A burst of hiring in the construction sector that reflected stronger home-building was among the biggest gains in February, adding 48,000 jobs.

Real estate and office leasing added 9,000 positions, and hiring at furniture and wood makers helped the American manufacturing industry surpass the half-million new-jobs count since the recovery. There also were payroll gains at architectural and engineering firms as well as other building services.

"People are going to start loosening up a little," said James R. Blake, an executive committee member at the American Institute of Certified Public Accountants. "They almost have to because they're bare-bones."

One major reason many employers held back, Blake said, was the uncertainty related to the political situation in Washington. Although the fighting over taxes and spending is not over – another debt ceiling deadline looms this summer – Blake and others believe that the worst may be over.

"Businesses will be moving forward and making decisions," he said.

Friday's jobs report was based on the government's survey of employers and workers in mid-February, two weeks before \$85 billion in across-the-board cuts to federal agencies' budgets started to take effect.

The nonpartisan Congressional Budget Office has estimated that the cuts, known as a sequester, could cost 700,000 jobs over time and slow the economy. The pain probably would be felt particularly in places with a large military or government presence.

“If it weren’t for the sequester, I think the strength of the home-building recovery

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