Everything is getting better.

No, no, I know. It seems as if everything is getting worse again. Moody's Analytics Chief Economist Mark Zandi says there is a 40 percent chance of a double-dip. The Economic Cycle Research Institute, which has forecast the last three recessions, says another recession is a sure thing—and imminent, to boot.

And it certainly doesn't feel as if things are getting better. Real median income has fallen about 10 percent since the recession started: It predictably declined through the crisis and, surprisingly, has kept on plummeting through the recovery, too. As David Cay Johnston notes, examining Social Security Administration data, about half of American wage-earners made less than $26,000 last year. The unemployment rate is 9.1 percent, the rate of underemployment far higher. Housing sales are dragging along at their slowest pace in 13 years. Even so, a spate of new data suggest that the trends, at the least, might be looking up for now, and the possibility of a double-dip recession might be fading.

First off, housing. Yes, Americans are buying far fewer homes than they used to. Today, the National Association of Realtors announced that existing home sales fell from August to September, dropping 3 percent to a 4.91 million annual rate. That's about 10 percent better than last year. But it is about 20 percent less than economists would expect, given a healthy economy.

The good news comes in construction. This month, housing starts smashed expectations, jumping 15 percent. The biggest boost comes from the building of multifamily units, like apartment buildings. The pace of single-family home building is improving, too, increasing year-on-year and reversing a downward trend this month. The jump in construction means both an increased willingness to invest on business' part and a probable uptick in hiring for construction workers.

Second, consumers. They aren't confident, to be sure. A Thomson Reuters and University of Michigan poll of consumer sentiment released last week found that consumers' "expectations of the future" are at the lowest point in three decades—lower than during the depths of the financial crisis and the period after Sept. 11.

Still, all that gloom has not stopped people from hitting the mall. Retail sales climbed strongly from August to September, with an upward revision for the summer months, too. Americans spent 7.9 percent more this September than last September. What are we buying? More of everything. But we are really picking up cars. Auto sales hit an annual sales pace of 13.1 million vehicles last month, up a whopping 10 percent.

Next, jobs. The overall picture is bleak, of course: Any of America's 20 million un- or underemployed workers would be happy to tell you that. But fewer people are applying for initial jobless benefits, implying that the overall unemployment rate might drop soon. Industrial production also seems to be firming up. The Federal Reserve Bank of Philadelphia, for instance, reported that its business activity index climbed from negative 17.5 in September (recession!) to positive 8.7 in October (expansion!).

All of these individual data points indicate that the economy is doing better, if not particularly well. It could, of course, be nothing more than noise. A slew of bad numbers in November and December could erase the gains of August, September, and October. But at the very least, the data indicate we are backing away from a double-dip, not crashing headlong into it.

The most important numbers show signs of life as well. Gross domestic product, measured monthly, has started picking up after stalling in the spring. Macroeconomic Advisers calculates that overall production climbed 0.4 percent in August and 0.9 percent in July. “The two-month increase more than reversed a 1.0 [percent] decline over the prior two months,” it notes. That means a healthier pace of GDP growth, too: a not-good but non-recessionary 2.7 percent per year in the third quarter.

Unfortunately, the United States cannot stay on this better-if-not-great course alone. If European leaders don’t do something to figure out how to deal with the sovereign-debt euro crisis, this return to recovery could end quickly. And even if Europe does heal itself and we manage to slog through, the economy will not really feel better for awhile. We need years of strong growth to reduce unemployment, cure the cyclical and structural unemployment crises, and reduce households’ crushing levels of debt.

And almost as important: we need consumer confidence to improve dramatically. More on that in my next email.