

Essay on federal reserve-beige book

[Business](#), [Customers](#)



As stated in the summary prepared by the Federal Reserve Bank , based on the reports from the 12 Federal Reserve Districts, economic activity continued to improve in all Districts. Most of them experienced an increase in customer spending and automobile sales. Tourism grew in all Districts, except for the Japanese tourism in Hawaii. Manufacturing improved everywhere; however concerns were raised regarding the uncertainty of the U. S. budget, the implications of the Japan tragedy and the geopolitical situation.

The markets for real estate in the commercial as well as the family home segments did not show signs of improvement in all Districts. However, Florida and Cleveland brokers were more optimistic about the residential construction prospects. Improvements were noted also in the niches, such as low-priced housing. Slight progress was observed in the commercial real estate in Cleveland and Richmond Districts. Demand for loans was constant or increased to some extent in most Districts, although commercial, industrial and commercial real estate loans have improved in Philadelphia. Due to intensified loan competition, several Districts slightly raised credit standards.

Labor market situation was reported to improve in most Districts; however in Philadelphia, Cleveland and San Francisco hiring was limited or delayed. Pressure of the wages did not change from the last reporting period, with a minor increase in nonwage cost of employment in Philadelphia. Cost pressure intensified by an increase in raw-material prices. Shifting the additional cost to the customers, was handled more successfully by manufacturers, than retailers and construction companies.

Agricultural prospects varied across the Districts. Persisting draughts impacted Atlanta, Chicago, Kansas City and Dallas Districts, however it did not affect the scheduled planting. Price increase for feed and fuel pushed the margins further down, however prices for farm products and land remained strong. Energy industry has also experienced an improvement with an increased drilling activity in oil, gas, coal and iron ore sectors.