

Read a Good Beige Book Lately?



The Federal Reserve has been at the forefront of economic news since the spring of 2022, when the central bank started aggressively raising interest rates to combat inflation. Now that the Fed has begun to lower rates, each move will continue to be analyzed for its potential effect on the economy.

The Fed's monetary policy is set by the Federal Reserve Open Market Committee (FOMC), which meets eight times each year. In making their decisions, the FOMC considers a wide array of "hard" economic data but also looks at a more informal report of economic conditions prepared before each meeting.

Commonly called the Beige Book (for the color of its cover), the report is officially titled *Summary of Commentary on Current Economic Conditions by Federal Reserve District*. Also available to the public, the Beige Book gives committee members a broad overview of the economy based on anecdotal information collected by staff members in each of the 12 Federal Reserve Bank Districts.

Insider impressions

The information is gleaned from bank presidents, business leaders, economists, and other market experts who have first-hand knowledge of local business and economic conditions. A typical report may include input from company executives about how they are managing their inventories, their plans to add or reduce staff, how much money they are devoting to capital spending, whether sales are improving or worsening, what kinds of pricing pressures they are facing, and so on.

Comprehensive snapshot

Following a standardized format, the Beige Book begins with a national summary and very brief district summaries, followed by a series of district reports that each begin with sections on "Labor Markets" and "Prices" — corresponding with the Fed's dual mandate to stimulate maximum employment while controlling inflation. Other sections cover general subjects such as consumer spending, manufacturing, financial services, and real estate, as well as industries of special importance to that district. For example, districts in the South, Midwest, and West provide information on agriculture, the Boston district often reports on information technology, and the Kansas City and Dallas districts keep tabs on oil drilling.

The Beige Book is more current than many other types of economic data and is easy to understand without specialized economic knowledge. If you are interested in knowing more about current trends in your district or elsewhere in the country, you can access the Beige Book at:

[federalreserve.gov/monetarypolicy/publications/
beige-book-default.htm](https://federalreserve.gov/monetarypolicy/publications/beige-book-default.htm).

IMPORTANT DISCLOSURES

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