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Federal Reserve's 'Beige Book' shows regional growth

Eight times a year, the Federal Reserve publishes a summary of how the nation's economy is faring. The Beige Book is the most current information about the state of the nation's 12 economic regions, as divided by the Fed. Its timeliness makes it a helpful tool for regional economic analysis.

The information contained in the Beige Book is comprised of the results of surveys of regional businesses. Each of the 12 Fed offices is responsible for collecting information for its regions. The Dallas region covers all of Texas including the Beaumont-Port Arthur area plus parts of southern New Mexico and northern Louisiana.

The Dallas Federal Reserve office contacts three businesses for each industry covered in the book, including retail, sales, agriculture, finance, telecommunications, manufacturing and others. Economists in each of the regional offices write the regional economic summary.

In summarizing the report contained in the Beige Book released in early March 2011, Tim O'Halloran of Aegis Capital said he considers the news mostly positive.

"The Dallas region - which includes Beaumont - is showing some growth in most areas," he said. "While the slow retail and housing markets may be blamed on the weather, the report is showing an increase in commercial real estate demands, loan activity and the high tech market."

A key economic indicator is employment, and according to O'Halloran, that is increasing. "It seems that companies are getting the maximum out of their current employees and are not scared of hiring new workers."

The Beaumont-based O'Halloran, vice president for investments with Aegis, pointed out that the Beige Book is a lagging indicator, meaning that it shows what the recent trends have been.

"It is not a crystal ball telling us what the future economic conditions will be," he said. "The stock market is a leading indicator because it is based on investor's beliefs in what the future economic growth will be."



Tim O'Halloran