

**The Beige Book: Summary of Commentary on Current Economic Conditions by Federal Reserve District**

NARRATOR. Eight times a year, the Federal Reserve releases The Beige Book, a collection of reports from the Federal Reserve districts that provide a snapshot of the American economy at a particular time. Each report is based on qualitative information gathered directly from business and community leaders from the various industries within that district's region.

CHAIR POWELL. The twelve Reserve Banks have really the best network of anyone that, in all their districts they're talking to, you know, not just the business community, but the educational, medical, you know, nonprofit community. They have arms into all of that. And so when they come back, that's what goes into the Beige Book.

LUIZ. The Beige Book gives an opportunity for ourselves, but also the public, to keep a close eye on the economy from the ground up. You have a quick insight on what it is that business leaders and community leaders are talking about, discussing, facing, what constraints they have, what sort of prospects they see.

EMILY. Each reserve Bank collects their information a little bit differently, but we all hear directly from business leaders and community leaders across our districts, and we do that through phone calls, through electronic surveys. We host roundtables. The numbers don't always tell the full story. And so maybe something really interesting comes up in some of the data, but we don't understand the reasoning behind it. And so, you know, we see wage growth. Well what's going on? Why are companies having trouble finding the workers that they need? Why are workers able to demand those higher wages? These are the types of things that the Beige Book helps us really better understand what's going on and then why why we're seeing some of the data that's coming through.

NARRATOR. In addition to providing insight into the economic health of regional economies by collecting firsthand stories behind the data, the Beige Book offers a timely view of the economy as a whole.

LUIZ. The data releases that we receive on the economy are often backward looking, and they arrive with a delay. So when we reach out to our contacts, we have the opportunity to identify any emerging trends ahead of that data release.

EMILY. It's very timely, and it covers what businesses and community leaders are experiencing in terms of economic activity and shifts and changes and challenges, but really focusing on how things are different from just six or eight weeks ago.

NARRATOR. All the reports are compiled into one publication and are released two weeks before every Federal Open Market Committee meeting. The first several pages include a national summary written by one of the Reserve Bank's.

NORMAN. Each of the Reserve Bank's takes a turn writing the national summary, and each bank writes its own district level summaries. And they do a wonderful job of synthesizing all of those anecdotes into sort of a coherent narrative and a coherent explanation of what's going on in their districts.

JOSEPH. One of the unique sources of value that the Beige Book brings is identifying variation across regions in our country. So really, while the Beige Book is intended to find commonalities across regions, and we like to focus on those commonalities to get a bigger picture of the economy, it's just as important that we highlight that heterogeneity across regions as well, because that's going to give us a richer picture of economic activity in the US.

NORMAN. The members of the FOMC, the bank presidents and governors read the Beige Book and comment on what they've read in the Beige Book. Fed watchers and the members of the press also pay attention to the Beige Book. And, more widely, the Beige Book helps provide anecdotes and color behind the actual economic statistics to help the American people have a better understanding of what's going on in the economy.