WHAT IS THE BEIGE BOOK?

October 1, 2025

Regional Economics

FEDERAL RESERVE BANK
OF MINNEAPOLIS

AGENDA

- History
- Structure and content
- Process—Information gathering
- Process—Compilation
- How accurate is the Beige Book?
- Fun stuff!

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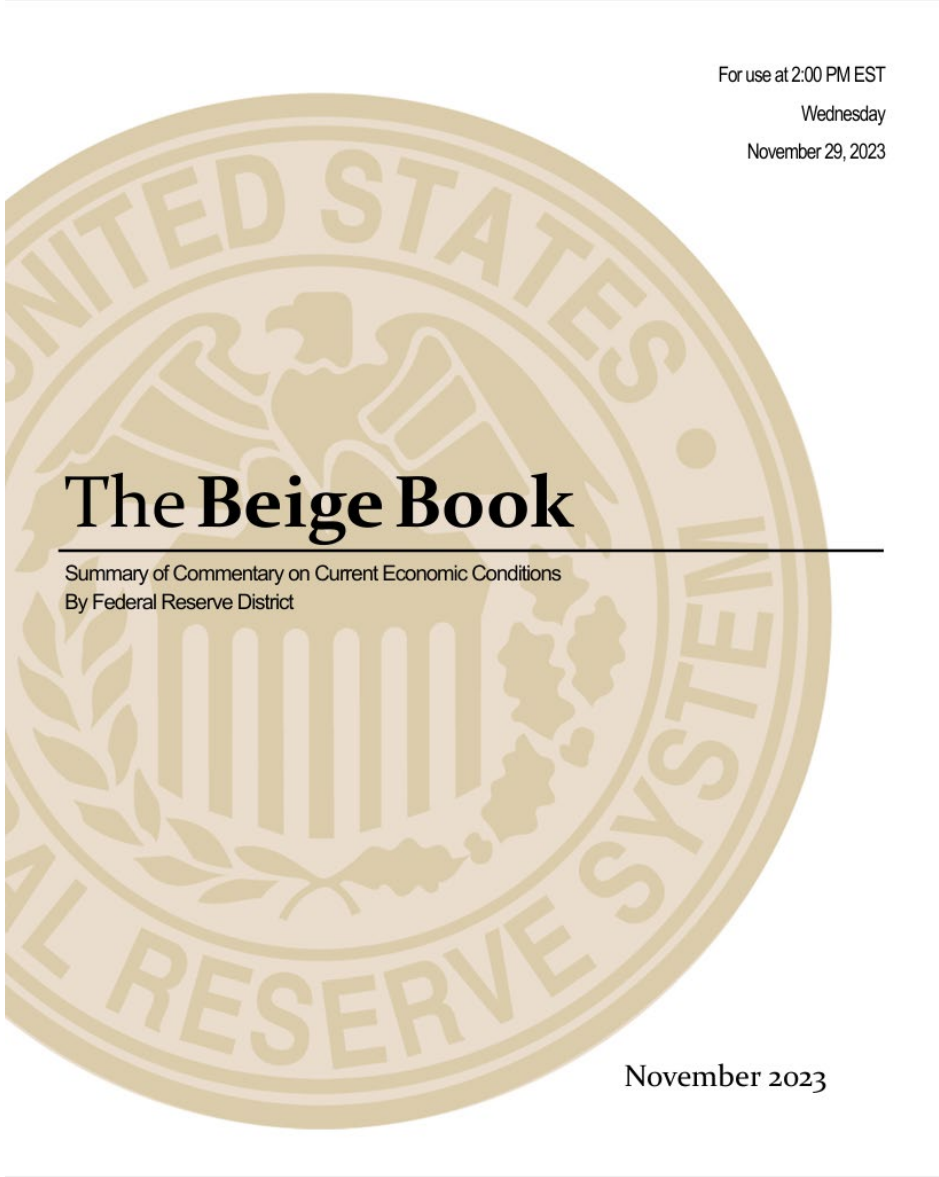
HISTORY



- First created in 1970 (as the "Red Book")
- Not published publicly until 1983, (with now-eponymous beige cover)
- But no one paid attention until 1987

BLACK MONDAY, OCTOBER 19, 1987

"All the News That's Fit to Print"

The New York Times

Late Edition

New York: Today, increasing clouds. High 62-67. Tonight, cloudy, breezy, showers likely. Low 51-57. Tomorrow, showers ending. High 58-63. Yesterday: High 68, low 48. Details on page B6.

VOL.CXXXVII . . . No. 47,298 — NEW YORK, TUESDAY, OCTOBER 20, 1987 — 30 CENTS

STOCKS PLUNGE 508 POINTS, A DROP OF 22.6%; 604 MILLION VOLUME NEARLY DOUBLES RECORD

U.S. Ships Shell Iran Installation In Gulf Reprisal

Offshore Target Termed a Base for Gunboats

By STEVEN V. ROBERTS

Special to The New York Times

WASHINGTON, Oct. 19 — United States naval forces struck back at Iran today for attacks on American-registered vessels and other Persian Gulf shipping by shelling two connected offshore platforms that American officials said were a base for Iranian gunboats.

A few hours later, a naval commando detachment boarded a third platform five miles away and destroyed radar and communications equipment, Pentagon officials said.

No American casualties were reported in the actions, which occurred 120 miles east of Bahrain at about 2 P.M. (7 A.M., Eastern daylight time).

A 20-Minute Warning

American officials said the attacking force took pains to avoid killing Iranians, giving the crew on the first two platforms a 20-minute warning before four destroyers, stationed about three miles away, began the shelling.

At the United Nations, an Iranian delegate said "several innocent people" had been killed in the attack, but the assertion could not be confirmed.

With the bombardment, the Administration intended to send a message to Iran: The United States had shown re-

Does 1987 Equal 1929?

By ERIC GELMAN

News Analysis

As stock prices soared this year, a chorus of pessimists warned that 1987 was looking more like 1929, when a stock market crash helped to usher in the Great Depression. Yesterday, after a plunge reminiscent of the worst days of 1929, one pressing question was whether the aftershocks would be as devastating to individuals and the nation.

The quick answer, many economists say, is no. The huge losses on Wall Street constitute a substantial blow to the economy at large. But there are many safeguards in place today — Moore, director of the Center for International Business Cycle Research at Columbia University.

To be sure, there are some unsettling similarities between the current era and the pre-Depression years. Like the Roaring Twenties, the 1980's have seen an astonishing boom Wall Street. Now as then, individual and corporate debt are high, and some sectors of the economy are extremely weak. Trade relations are strained, with protectionist sentiment growing.

But today's economy is better equipped to handle financial shocks. "I don't see this decline in the stock mar-

WORLDWIDE IMPACT

Frenzied Trading Raises Fears of Recession — Tape 2 Hours Late

By LAWRENCE J. De MARIA

Stock market prices plunged in a tumultuous wave of selling yesterday, giving Wall Street its worst day in history and raising fears of a recession.

The Dow Jones industrial average, considered a benchmark of the market's health, plummeted a record 508 points, to 1,738.74, based on preliminary calculations. That 22.6 percent decline was the worst since World War I and far greater than the 12.82 percent drop on Oct. 28, 1929, that along with the next day's 11.7 percent decline preceded the Great Depression.

Since hitting a record 2,722.42 on Aug. 25, the Dow has fallen almost 1,000 points, or 36 percent, putting the blue-chip indicator 157.5 points below the level at which it started the year. With Friday's plunge of 108.35 points, the Dow has fallen more than 30 percent in the last two sessions.

Unprecedented Trading

Yesterday's frenzied trading on the nation's stock exchanges lifted volume to unheard of levels. On the New York Stock Exchange, an estimated 604.3 million shares changed hands, almost double the previous record of 338.5 million shares set just last Friday.

With the tremendous volume, reports of brokers' trades on the New York

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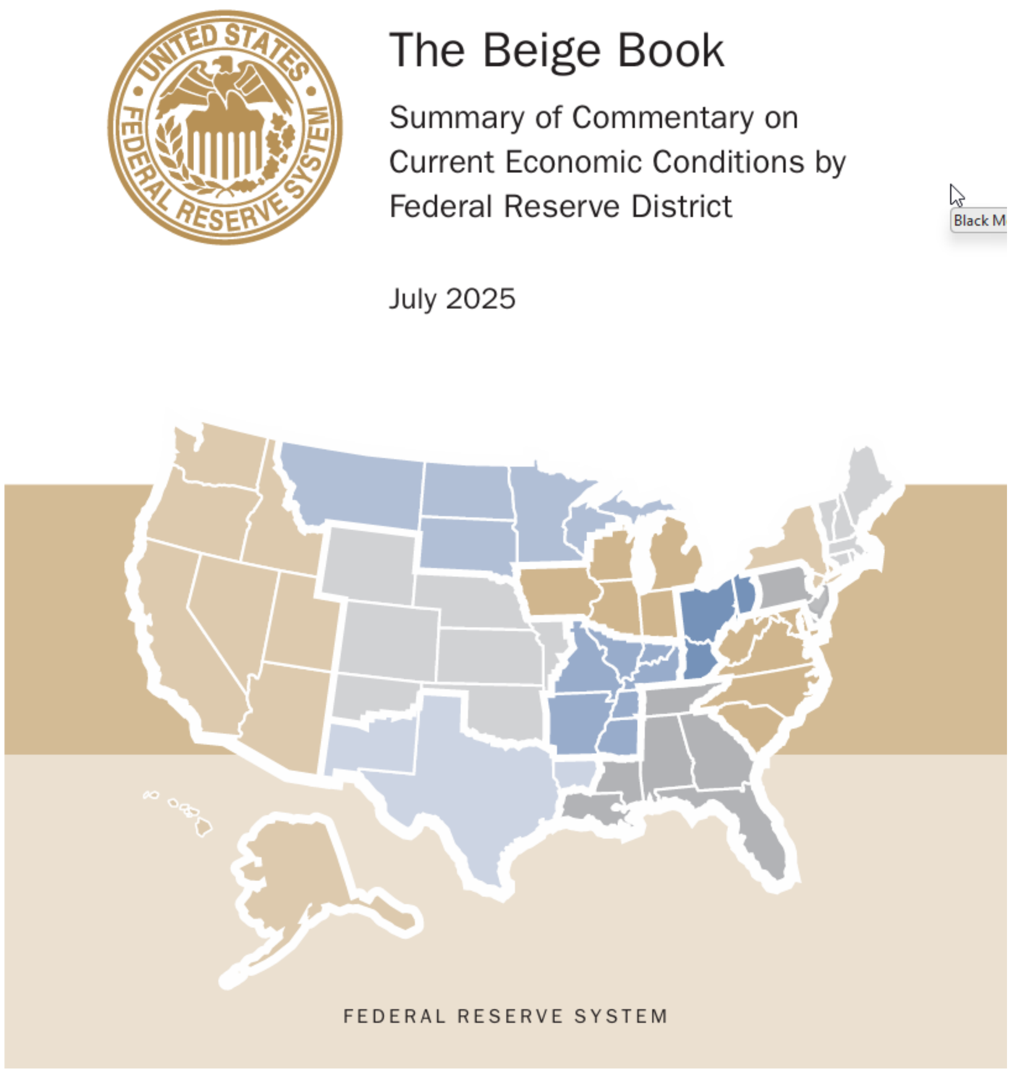
STRUCTURE & CONTENT

- Officially know as the "Summary of Commentary on Current Economic Conditions by Federal Reserve District"
- Published 8x/year by FRS in conjunction with FOMC meetings
- Each District Bank gathers a variety of (mostly) qualitative information on current economic conditions in their District <u>compared with the previous FOMC cycle</u>



BEIGE BOOK

- Emphasize change since last report (6-8 weeks)
- Use qualitative characterizations for each section:
  - Direction: Up, flat, or, down
  - Magnitude: Slight, modest, moderate, or strong

Federal Reserve Bank of Minneapolis

Summary of Economic Activity

Ninth District economic activity was flat since the previous report. Employment rose slightly and wages grew moderately. Prices increased modestly overall, with greater pressure among manufacturers. Tourism activity increased and residential real estate was mixed. Manufacturing, vehicle sales, and commercial real estate were flat. Nonauto consumer spending, construction, and energy activity decreased. Agricultural conditions remained flat at weak levels. Activity among minority- and women-owned business enterprises was mixed.

WHY IS THE BEIGE BOOK IMPORTANT?

Offers picture of the current economy
- IDs emerging trends not seen in macro data
- Allows comparison of conditions across regions

As a media source on the economy
- One of the few FOMC-related documents publicly available prior to the FOMC meeting

As a meaningful symbol
- Beige Book publicly demonstrates the System's efforts to listen to businesses and other stakeholder groups in the economy
- And having to write it forces us to do so!

WHAT IS THE BEIGE BOOK?

The Beige Book is ***not***:

A summary of the U.S. economy

- It tells us what's happening in each region, but we don't add up all the regions to get a national picture

Comprehensive

- It's only two pages!

An economic forecast

- Focus is on the very recent past and current
- Sometimes we have info about contacts' expectations, but this is just sentiment

A prediction or guide for the FOMC

- As much as the financial press wants it to be!

"You can get your information about the economy from admittedly fallible statistical relationships, or you can ask your uncle."

—Alan Blinder, former Vice-Chair, Board of Governors

BEIGE BOOK STRUCTURE

- **Each District Bank gets a few pages to describe current business conditions in their region**
- **Mandatory sections (= dual mandate)**
  - Overall activity (think GDP)
  - Labor markets (historically called “Employment and Wages,” but changed in 2022)
  - Prices (think CPI)
- **Other sections vary by District, reflecting regional economies:**
  - Consumer spending, including tourism and vehicle sales
  - Manufacturing, transportation
  - Services—non-financial and banking
  - Construction and Real Estate
  - Agriculture, Energy
  - Worker Experience
  - Minority- and Woman-owned Business Enterprise
- **National summary**
  - Consolidating bank summarizes the regional characterizations for each of the mandatory sections
  - Each District submits a short paragraph with highlights from its own report

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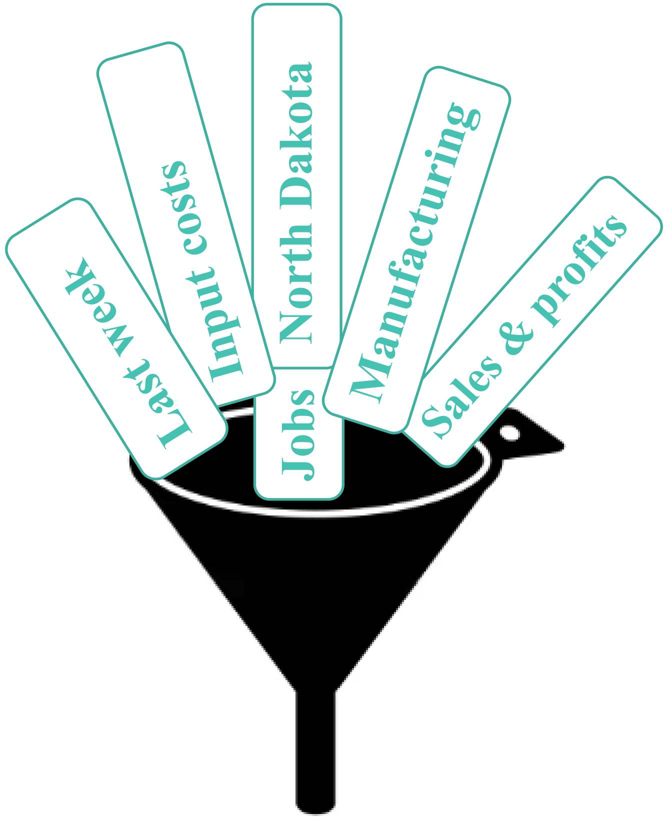
WHERE DOES BEIGE BOOK INFO COME FROM?

- YOU! Businesses and workers across the Ninth District
- Variety of forums & methods
- Different types of information, with varying levels of depth and detail

TYPES OF INFORMATION:

- Different metrics – sales/revenue/profit, jobs, prices, wages, challenges, outlook
- Diversity of insights by sector, geography, firm size, ownership and other traits
- Different time references
  - Are you hiring? (*single point in time*)
  - How does it compare to one month ago? (*change over time*)
- Macro & micro insights ("macro-dotal")



FEDERAL RESERVE BANK OF MINNEAPOLIS

TOOLS FOR INFORMATION GATHERING

Surveys – *invaluable* for macro & micro insights

Roundtables – General business, industry-specific (ag, high-tech), labor unions, workforce

1:1 with industry contacts

Public data: Weekly UI claims, local building permit data, airline boardings, vehicle title registrations, others

Private data: Monthly data on credit card transactions, construction starts, staffing, payroll, vehicle sales

BUSINESSES SHARE. WE PROTECT THEIR PRIVACY

- We need businesses to be open and honest about how things are going
- We emphasize *confidentiality* with all contacts and their communication
- Beige Book (and Federal Reserve) policy requires that no information be publicly divulged that might somehow allow a source to be identified

SURVEYS ARE INSTRUMENTAL TO INTELLIGENCE

Monthly: Business Pulse Survey

2-4x a year

- General Business (Jan/July)
- Construction (April/Nov)
- Hospitality-Tourism (Jan/May/Sept)
- Ag Credit (Jan/April/July/Oct)

Annual

- Manufacturing (December)
- Professional Services (June)
- MN Child Care Providers (April)

Ad hoc surveys: Nonprofits in ND-SD-MT in 2025

Total: Expect 5,000+ business responses this year!

WORKER EXPERIENCE: LABOR SURVEYS

- 2021 initiative to get more insights from *supply* side of labor markets and now part of Beige Book reporting
- Started with ad hoc surveys w/ nonprofit & govt. workforce agencies
- New this year: Survey partnership with YouGov to get better benchmark data on workers' experience in the labor market

LIVE AUDIENCE POLLING: ENGAGING AND INFORMATIVE

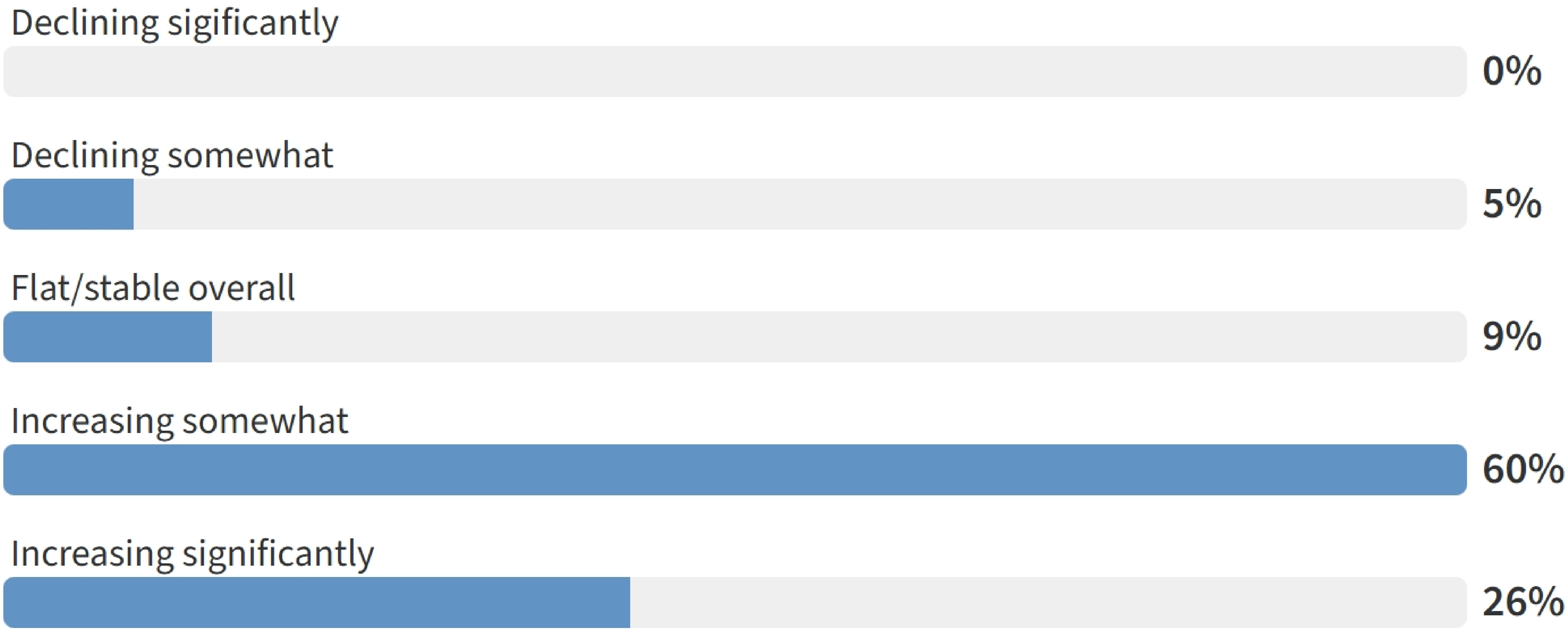
Never miss an opportunity to engage and listen!

- Great opportunity to check the "crowd pulse"
- In-person speeches, webinars, roundtables, President Kashkari's Town Halls

Let's try it here! First, login to a PollEverywhere survey!

- Get your phone!
- Send text to 22333
- Text the word minneapolis
- Hit 'send'; watch for message
- Respond to Q via text

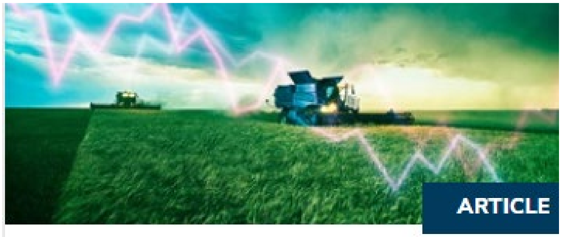
Inflation: What's your sense of the pace and direction of inflation? Prices are...



BEIGE BOOK PROCESS—INFORMATION GATHERING

WHY SURVEYS?
THE MINNEAPOLIS MODEL

- Surveys offer breadth and depth; *we want to know your story!*
- *Two-way* information sharing; surveys inform Minneapolis Fed, business community and general public
- Bonus: Public visibility & familiarity = trust



Farm finances weakened further during the growing season

Joe Mahon | Director, Regional Outreach

August 25, 2025

Regional Economic Conditions: General Business

Ron Wirtz | Director, Regional Outreach

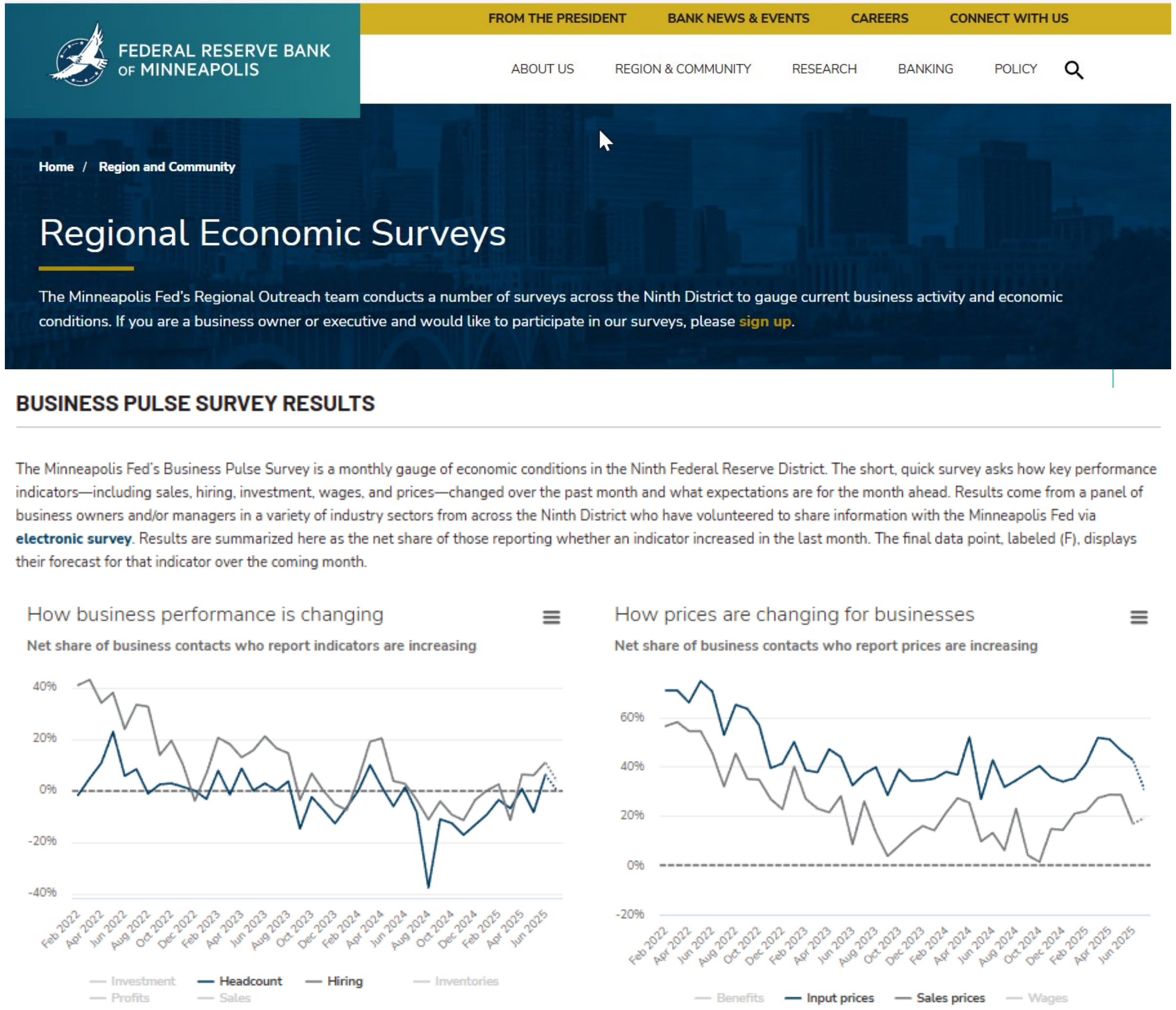
Haley Chinander | Writer/Analyst

Event on August 12, 2025

BUSINESSES:

THE MINNEAPOLIS FED NEEDS YOUR INPUT!

MINNEAPOLIS FED'S **BUSINESS PULSE SURVEY**



Tell us your company's story!

Be a regular contact!

2-min. commitment 4x/year

Sign-up using the QR code

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ONCE YOU HAVE THE INFO, THEN WHAT? COMPILATION

- Beige book comes out (roughly) every 6 weeks (8x/year)
- Each District Bank writes their own report
- Aggregating data, synthesizing information, and drafting report typically begins 2+ weeks before report release
- First drafts are submitted by all Banks to reviewers @ Board of Governors
- Edits/revisions are suggested for clarity, consistency, style, and grammar
- National report compiled by a single District Bank on a rotating basis
- Final report released on Wednesdays at 2pm, often to increasing media and public attention

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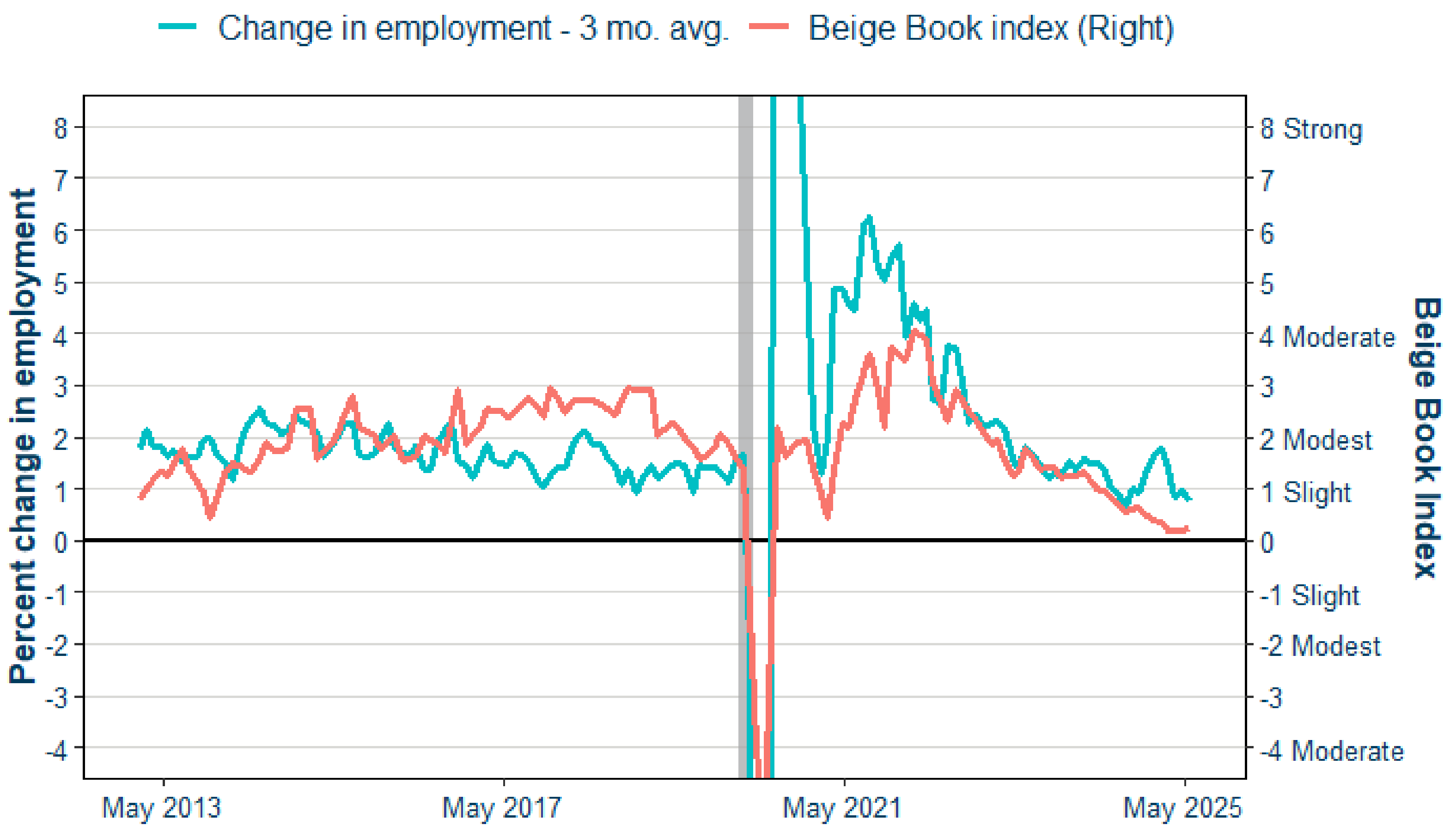
HOW CLOSE DOES THE BEIGE BOOK FOLLOW PUBLIC DATA?

BEIGE BOOK VS. PAYROLL EMPLOYMENT



Note: Y-axis was truncated for readability, gray vertical bar denotes recession

Sources: BLS, Federal Reserve System (Beige Book), calculations by Minneapolis Fed Regional Economics

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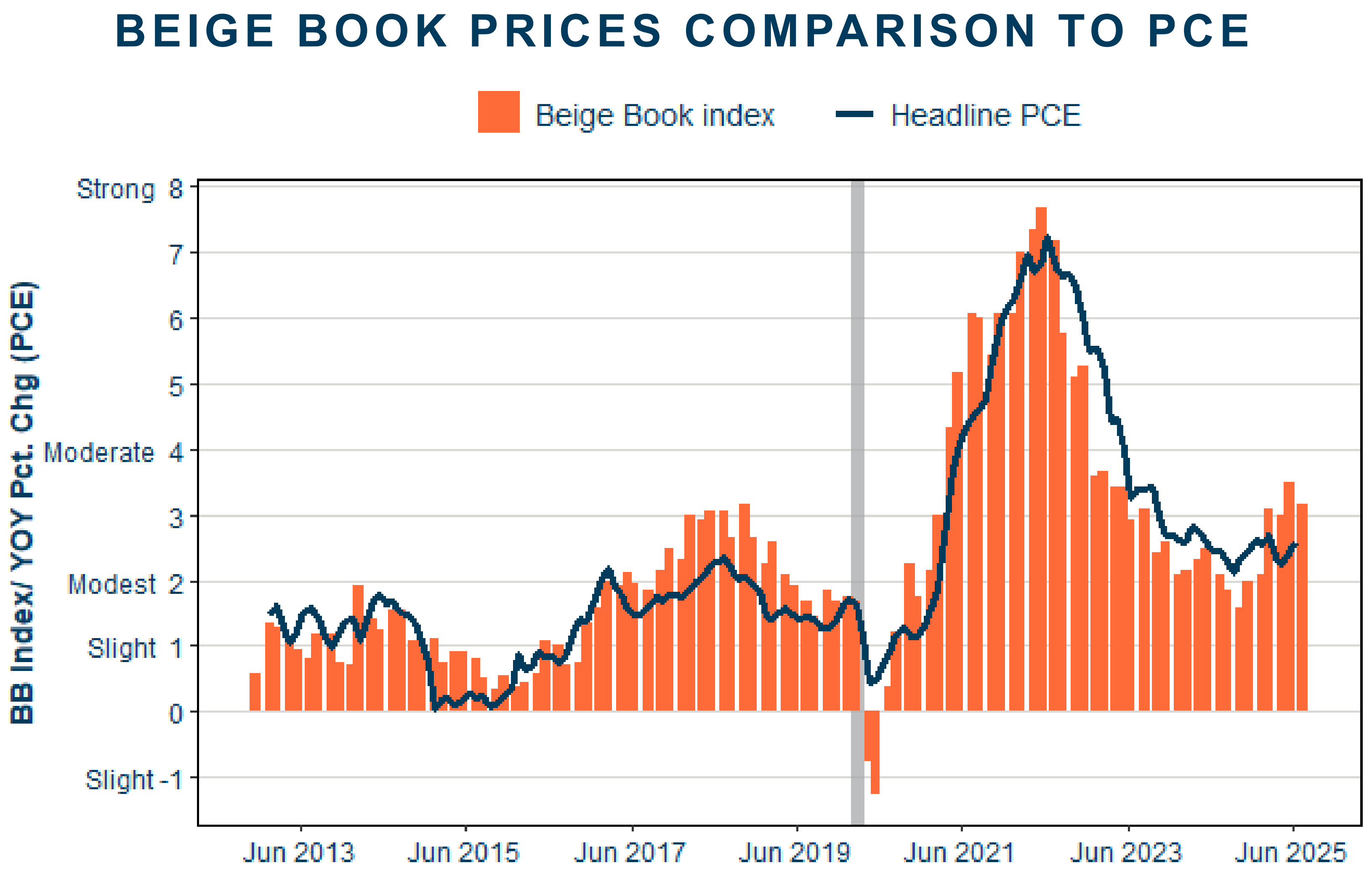
INFLATION SENTIMENT VS. PCE INFLATION



Sources: BEA, Federal Reserve System (Beige Book)

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THE BEIGIES

A Beige Revolution - Shaking up the Beige Book

APRIL 16, 2021 · 4:37 PM ET

By Stacey Vanek Smith, Sarah Gonzalez

Where inflation hits hardest

DECEMBER 8, 2022 · 6:35 PM ET

By Robert Smith, Wailin Wong, Brittany Cronin, Kate Concannon

Need workers? Why not charter a private jet?

MARCH 16, 2023 · 5:11 PM ET

By Robert Smith, Wailin Wong, Corey Bridges, Kate Concannon

THANK YOU!

QUESTIONS?