



# fed LETTER

Colorado ★ Kansas ★ Missouri ★ Nebraska ★ New Mexico ★ Oklahoma ★ Wyoming

February 2008

FEDERAL RESERVE BANK of KANSAS CITY

## TENTH DISTRICT MANUFACTURING GROWS MODERATELY

The monthly manufacturing survey for the Tenth Federal Reserve District was released on Jan. 31. The survey asks plant managers about a variety of manufacturing indicators. The information is compiled into a snapshot of manufacturing activity in the Tenth District.

Growth in Tenth District manufacturing activity remained moderate in January, while firms' expectations for future factory output eased somewhat. Most price indexes in the survey increased over last month, with a large jump in raw materials prices for food, chemical, and machinery producers.

## BEIGE BOOK SHOWS MODEST EXPANSION

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The latest edition of the Beige Book was released Jan. 16. The Beige Book is a summary of current economic conditions in each Federal Reserve District.

Reports from the twelve Federal Reserve Districts suggest that economic activity increased modestly during the survey period of mid-November through December, but at a slower pace compared with the previous survey period.

The Tenth District economy continued to expand modestly from mid-November through year-end, although there was some softening in certain sectors. Manufacturing growth improved slightly, and District manufacturers were relatively upbeat. The energy and agriculture sectors remained robust. Holiday consumer spending was generally solid but slightly weaker than expected. Residential real estate prices and activity continued to decline, while commercial real estate softened slightly but remained relatively healthy.

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## HOLIDAY REMINDER

The Federal Reserve will be closed Monday, Feb. 18, for Presidents Day. The FRB Services Web site features a [complete listing](#) of all holidays observed by the Federal Reserve.

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## LATEST *ECONOMIC REVIEW* RELEASED

The [fourth quarter issue](#) of *Economic Review* is available, featuring the following articles.

“Risks of Identity Theft: Can the Market Protect the Payment System?” examines the recent explosion in identity theft incidents and whether markets are able to limit the risks identity theft poses to the payment system.

“Industrial Loan Companies: A Growing Industry Sparks a Public Policy Debate” looks at this rapidly growing part of the financial industry and the public policy issues that arise from mixing banking and commerce.

“How Useful is Okun’s Law?” examines the connection between economic slowdowns and employment and whether Okun’s law can still be used as a forecasting tool.

“Booms and Busts: The Case of Subprime Mortgages” explores the fallout from the subprime market’s bust following the recent real estate boom.

“Rising Foreclosures in the United States: A Perfect Storm” provides a detailed dissection of the foreclosure surge and makes the case for why the situation is likely to get worse before it gets better.

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## PAYMENTS SYSTEM RESEARCH BRIEFING LOOKS AT ACH

The Payments System Research Briefing “[The Evolution of ACH](#)” summarizes the beginnings of the Automated Clearinghouse, exciting changes underway today and possible further changes in the future.

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## REGULATORY DEVELOPMENTS *Schedule announced for Regulatory Update Seminar Series*

The Supervision and Risk Management Division is again conducting its **Regulatory Update Seminar** this spring at various locations in the Tenth District. This half-day program focuses on current issues and strategies relevant to state member banks and bank holding companies. The seminar includes topics covering the economy and current banking conditions for Midwestern and mountain region banks, executive highlights of important regulatory topics, credit conditions, and compliance issues.

The seminar is designed for directors, chief executive officers, and senior staff of state member banks and bank holding companies throughout the District. Dates and locations of the seminar are listed below. Registration begins at 8:00 a.m., with the program starting at 8:30 a.m. and ending by 12:15 p.m. Although there is no cost to attend the seminar, pre-registration is required.

*(Continued on next page.)*

*Schedule announced for  
Regulatory Update Seminar Series  
(Continued)*

The pre-registration deadline is **March 10, 2008**. For assistance, please contact Lisa Aquino in the Kansas City office at (800) 333-1010, ext. 2491 or (816) 881-2491; or by e-mail at [lisa.aquino@kc.frb.org](mailto:lisa.aquino@kc.frb.org).

**Dates and locations:**

March 25 - Kearney, Neb.

March 26 - Omaha, Neb.

March 27 - Kansas City, Mo.

April 2 - Kansas City, Mo.

April 3 - Wichita, Kan.

April 9 - Albuquerque, N.M.

April 10 - Tulsa, Okla.

April 11 - Oklahoma City, Okla.

April 15 - Montrose, Colo.

April 16 - Denver, Colo.

April 17 - Casper, Wyo.

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*Editor:* BILL MEDLEY

*Graphic Designer:* BETH NORMAN