



fed LETTER

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

October 2010

FEDERAL RESERVE BANK of KANSAS CITY

FED LETTER READERSHIP SURVEY COMING SOON

In the coming weeks, check your e-mail inbox for a link to a brief online survey about *Fed Letter*. The survey is aimed at better understanding the needs of *Fed Letter* subscribers and making *Fed Letter* more useful and relevant. In addition to the e-mail later this month, November's issue will also include a link to the survey.

MANUFACTURING ACTIVITY REBOUNDS, EXPECTATIONS IMPROVE IN LATEST SURVEY

Tenth District manufacturing activity rebounded in September, and producers' expectations for future activity also improved, according to the latest [Survey of Tenth District Manufacturing](#). Most price indexes in the survey edged higher, but finished goods price indexes remain at fairly low levels.

The monthly survey monitors manufacturing plants selected according to geographic distribution, industry mix and size. Survey results reveal changes in several indicators of manufacturing activity, including production and shipments, and identify changes in prices of raw materials and finished products.

COMMUNITY DEVELOPMENT CONFERENCE PAPERS AND PRESENTATIONS AVAILABLE

The Kansas City Fed's national conference, "Economic Development in Underserved Communities," held Sept. 9-10, brought together the latest research and practice for discussion and collaboration. [Conference proceedings](#), including papers and presentations, are now available.

NEW PUBLICATION FOCUSES ON NEBRASKA'S ECONOMY

A new Kansas City Fed publication, [The Nebraska Economist](#), takes a look at current economic conditions in the state. Omaha Branch Executive Jason Henderson finds conditions have stabilized, and Nebraska's economy is growing, shaking off the national economy's summer lull.

THIRD QUARTER *ECONOMIC*
REVIEW NOW AVAILABLE

The third quarter issue of the Kansas City Fed's *Economic Review* is now available and includes the following articles:

[“The Importance of Community Colleges to the Tenth District Economy,”](#) by Alison Felix and Adam Pope, examines the implications of long-run job projections in District states for the demand for community college graduates and whether the current provision of community college education appears adequate.

[“The Export Potential of Tenth District States,”](#) by Chad R. Wilkerson and Megan D. Williams, suggests that future export growth in the District is likely to be strong, although most states are likely to benefit less from the expected boom than the nation as a whole.

[“Why Have the Dynamics of Labor Productivity Changed?”](#) by Willem Van Zandweghe, finds that the shift in the business cycle behavior of productivity is most likely the result of structural changes in the labor market.

[“Can Banks Provide Liquidity in a Financial Crisis?”](#) by Nada Mora, concludes that the bank-centered nature of the recent crisis made it harder than in the past for banks to attract deposits and provide liquidity to borrowers shut out of securities markets.

THE MAIN STREET ECONOMIST
SUMMARIZES RECENT
AGRICULTURE SYMPOSIUM

In 2008, surging commodity prices triggered promises of a new golden era for agriculture. While prospects dimmed during the recession, the recovery is rekindling hopes.

More than 180 agricultural business and finance leaders recently examined agriculture's potential at the Federal Reserve Bank of Kansas City's symposium, "Farming, Finance and the Global Marketplace." The latest issue of *The Main Street Economist* summarizes the 2010 Regional Symposium. In addition, resources from the symposium, including final papers and remarks, are available on the [symposium website](#).

HOLIDAY REMINDERS

The Kansas City Fed will be closed Monday, Oct. 11, for Columbus Day; Thursday, Nov. 11, for Veterans' Day; and Thursday, Nov. 25, for Thanksgiving. A [full list](#) of Federal Reserve System holidays is available from the FRS Financial Services website.

REGULATORY DEVELOPMENTS
*Latest issue of compliance
publication available*

The latest issue of *Consumer Compliance Outlook*, a Federal Reserve System publication dedicated to consumer compliance issues, is now available. The third quarter issue covers topics including: RESPA changes to the HUD-1 Form, furnisher requirements under the FACT Act, Mortgage Disclosure Improvement Act examples and explanations, and much more.

District banking conditions report released Tenth District bank earnings showed some improvement in the second quarter of 2010, with many banks posting higher profits, according to the latest **banking conditions report**.

Loan loss provisions decreased; however, they remain at historically high levels and continue to be a drag on earnings. Problem assets appear to be leveling, although asset quality continues to be a concern as noncurrent loans remain at elevated levels. Noncurrent loans continue to be driven by problems in construction and land development and one- to four-family residential portfolios.

FED LETTER • OCTOBER 2010

Fed Letter is published by the Federal Reserve Bank of Kansas City,
1 MEMORIAL DRIVE, Kansas City, Missouri, 64198-0001, (800) 333-1010.

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