Federal Reserve Beige Book Summary – November 2026

The following summary restates and highlights the Federal Reserve's Beige Book released November 25, 2026, based on information collected from business and community contacts on or before November 16, 2026.

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https://www.federalreserve.gov/monetarypolicy/beigebook202611.htm

- **Highlights**
  - **Growth -** Eight of the twelve Federal Reserve Districts reported slight to moderate growth; four reported no change. Most Districts expected slight to moderate growth ahead.
  - **Consumers -** Consumer spending was little changed as households remained price sensitive and more selective in discretionary purchases.
  - **Two-track economy -** Manufacturing grew, led by data center buildouts, power generation, and defense, while consumer-facing and housing-related activity weakened.
  - **Margins -** Input costs generally rose faster than selling prices, as customer price sensitivity limited firms' ability to pass through higher costs.
  - **Labor -** Employment rose slightly, with most firms hiring to replace attrition. Wages rose moderately, an uptick from the prior report.
  - **Households -** High costs for housing and other essentials strained household budgets and increased demand for social services.

- **Overall Economic Activity**
  Consumer spending was little changed. Tourism and travel were solid, while entertainment and hospitality spending was mixed. Auto sales softened, which contacts attributed to elevated fuel prices and higher interest rates. Residential real estate weakened as affordability challenges suppressed demand, and construction declined amid higher borrowing and construction costs. Manufacturing grew modestly, as robust demand in several industrial segments offset weakness in consumer-facing and housing-related goods. Data center–related imports rose. Energy activity grew modestly, though investment remained restrained by uncertainty. Loan demand remained subdued.

- **Labor Markets**
  Employment rose slightly on balance. Many firms kept head counts stable and hired mainly to replace attrition; only a minority reported meaningful increases. Many contacts were hesitant to hire amid uncertainty and weaker consumer spending. Workers were generally easy to find, except for skilled and technical roles. Wages and benefits rose moderately, driven by hard-to-fill positions, cost-of-living adjustments, and higher benefit costs.

- **Prices**
  Prices increased moderately, as in the prior report. Contacts cited sustained cost pressure from energy, transportation, health care, insurance, and tariffs, along with raw materials, metals, freight, and specialized imports. Input costs generally outpaced selling prices. Contacts expected both costs and prices to keep rising in the coming months.

- **In the Words of the Districts**
  - **Margins -** "Margin compression was mentioned often." (Richmond) "Nonlabor input prices continued to climb and put pressure on profit margins as businesses kept prices steady to maintain market share." (Minneapolis)
  - **Energy -** One firm reported that freight costs "rose almost 40 percent due to higher diesel and gasoline prices." (Richmond)
  - **Households -** Contacts reported "rising numbers of food bank clients and more households seeking aid with rising energy bills and health-care costs." (Philadelphia) A retailer said, "customer count is outpacing the dollars, which tells me people are trading down." (Minneapolis)
  - **Data centers -** "Other than data center construction, contacts reported that nonresidential construction activity is declining." (Philadelphia) "Strong data center demand strained the supply of microchips and electrical components, lengthening lead times." (Cleveland) Contacts reported data center construction "pushing up labor costs and pulling workers away from other industries." (Dallas)
  - **AI and hiring -** "Contacts described a range of impacts of AI on employment, including limited effects, retraining employees to work alongside AI tools, and hiring less because of AI." (Boston) "Some firms across sectors reported using AI to limit hiring." (Cleveland)

- **District Highlights**
  - **Boston -** Activity roughly unchanged; restaurant and auto sales eased; home sales declined somewhat; prices rose modestly amid fuel and energy costs.
  - **New York -** Activity increased slightly with continued manufacturing growth; input prices continued to rise strongly; consumers more price-conscious.
  - **Philadelphia -** Activity grew slightly; wage inflation accelerated to a moderate pace; growth expectations diminished.
  - **Cleveland -** Activity increased moderately; manufacturing demand grew robustly; consumer spending flat amid persistent inflation.
  - **Richmond -** Economy expanded moderately; business travel lifted hotel spending; most other sectors flat to slightly contracting.
  - **Atlanta -** Activity grew modestly; residential real estate declined moderately; energy activity grew moderately.
  - **Chicago -** Activity unchanged; construction, real estate, and business spending declined modestly; financial conditions tightened modestly.
  - **St. Louis -** Activity increased modestly; prices rose at a robust pace and increases were widespread.
  - **Minneapolis -** Activity grew slightly; consumer spending flat with falling vehicle sales; pressure on transportation and materials costs.
  - **Kansas City -** Activity little changed; consumer-facing firms saw lower revenue as price increases strained affordability.
  - **Dallas -** Expansion slowed to a modest pace; wage growth accelerated and price growth remained elevated.
  - **San Francisco -** Activity changed little; retail sales edged down; residential real estate slowed somewhat.