



[Comments](#) 1 | [Recommend](#) 0

# Regional economy improving, Dallas Federal Reserve says

12:00 AM CDT on Thursday, June 10, 2010

By **BRENDAN CASE** / The Dallas Morning News  
[bcase@dallasnews.com](mailto:bcase@dallasnews.com)

The regional economy continued to improve in April and May, but significant weaknesses remained and worries arose about the effects of the European debt crisis and stock market volatility, according to a [Federal Reserve](#) report Wednesday.

"Business conditions continued to improve," said the Beige Book report for the Fed's Dallas district, which includes Texas and parts of Louisiana and New Mexico.

"Activity in manufacturing, staffing services, transportation services, housing and energy grew modestly," the report said.

"Retail sales were flat to slightly down, but in line with retailers' expectations during the reporting period. While outlooks remained positive, contacts from some industries noted concerns about how the European debt crisis and recent stock market volatility would affect future business," the report said.

The Beige Book report was based on anecdotal information collected on or before May 28 from business contacts and others.

The U.S. economy as a whole also showed signs of gradual improvement since the previous Beige Book in the first half of April.

"Economic activity continued to improve since the last report across all 12 Federal Reserve districts, although many districts described the pace of growth as 'modest,' " the national report said.

Other highlights in the Dallas district report included:

**Labor market:** "Employment levels held steady at several respondent firms, and there were a few reports of hiring activity. ... Some contacts in transportation services, automotive sales, transportation and construction-related manufacturing said they had either added a few employees or planned on hiring additional workers."

**Financial services:** "Overall loan demand softened during the reporting period. There is more commercial and industrial loan activity in the pipeline, but consumer loan demand outside of credit cards remains sluggish."

**Construction and real estate:** "Realtors reported positive gains in home sales as the homebuyer tax credit contributed greatly to a wave of buying. ... Still, outlooks reflect uncertainty about the remainder of the year, and many contacts expect flat demand in the second half. ... Commercial real estate contacts said that although conditions remain weak, there are signs that the sector is firming."

-