Growth uneven across U.S.

Slow economic activity in Atlanta region, Fed survey shows

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WASHINGTON — The U.S. economy grew unevenly in early fall, with more than half the regions of the country expanding modestly while others are struggling to grow.

A new survey by the Federal Reserve, released on Wednesday, found that seven of the Fed's 12 regions reported moderate improvements in business activity. Three regions — Philadelphia, Richmond and Cleveland — described economic activity as mixed or steady. Only two regions — Atlanta and Dallas — suggested economic growth was slow.

The new survey indicated that the economy isn't weakening but is growing too sluggishly to drive down high unemployment, now at 9.6 percent. The jobless rate has been at or above 9.5 percent for more than a year.

"Hiring remains limited, with many firms reluctant to add to permanent payrolls given economic softness," the Fed survey concluded.

High unemployment is one of the Fed's biggest concerns. That's why Fed Chairman Ben Bernanke and his colleagues are widely expected to launch a new program at their Nov. 2-3 meeting to bolster the economy. The Fed is expected to buy Treasury bonds in a bid to drive down interest rates on mortgages, corporate loans and other debt. The hope is that cheaper credit will persuade Americans to increase spending, which would help the economy grow and lead companies to hire more workers.

The Fed's survey, known as the Beige Book, will figure into Fed policymakers' discussions at the November meeting about how the economy is faring.

The region-by-region survey is based on information collected from the Fed's 12 regional banks on or before Oct. 8. It provides a more intimate look at the overall economy than broad statistics.