Hiring, spending rise as economy keeps picking up steam

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The economy improved broadly in late October and November, with job growth, consumer spending and business investment picking up and retailers optimistic about the holiday season, the Federal Reserve said Wednesday.

Manufacturing and construction activity also increased, while the housing market remained a mixed bag, depending on the region, according to the Fed's "beige book" report, which provides an anecdotal look at the economy.



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The latest report took a decidedly more positive view of the labor market than previous editions, perhaps signaling continued strong job growth. "Employment gains were widespread across" the 12 Federal Reserve Bank districts, the beige book said.

Wage growth, which has been modest throughout the recovery, remained "subdued," though there were pockets of nascent wage pressures.

Tumbling gasoline prices helped offset workers' largely stagnant earnings, lifting consumer spending in several regions and boding well for the holiday shopping season. The period covered by the report ended Nov. 24, before the start of seasonal sales.

Consumer purchases of durable goods, such as appliances, were solid in the San Francisco and Richmond, Va., areas. Auto sales were especially brisk in the Atlanta, Chicago and San Francisco markets. Lower gasoline prices boosted sales of SUVs and light trucks in Philadelphia, Cleveland and Chicago.

Meanwhile, ski resorts in the Richmond and Minneapolis regions opened early after an early blast of winter, and Broadway theater revenues in New York City were moderately higher than a year ago. But tourism and restaurant sales fell in Kansas City.

Businesses also were in a spending mood, increasing outlays for employees as well as inventory and equipment. Firms in Boston beefed up payrolls in information technology. Employers also ramped up hiring for financial workers in New York, manufacturing and construction employees in Cleveland and hotel and restaurant staffers in Atlanta.

Companies continued struggling to fill high-skill positions in engineering, legal and health care services. There was little change in holiday hiring.