

Beige Book: Some Employers Pickier, Others Less So

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As the labor market in the Southeast tightens, some employers are having trouble filling positions across the skills spectrum. But they are taking different tacks to meet those challenges, according to the Atlanta Fed's latest survey of southeastern business contacts, [the Beige Book](#).

Employers and staffing agencies reported difficulties finding people to fill certain professional jobs, craft labor jobs, and low-skill jobs. For professional positions in particular, employers noted that they were being more selective than they were before the recession that began in December 2007. At the same time, some employers report going in the opposite direction to fill vacancies for low-skill positions, as a number of firms and staffing agencies reported reducing job qualification requirements.

Businesses continued to report investing in technology to automate certain positions as a way to address the challenges of finding workers. Firms also continued to work with community colleges and workforce development organizations to develop customized training programs, apprenticeship programs, and internships. Most contacts reported relatively stable wage growth, despite upward pressure for select high-skill or high-demand positions.

Meanwhile, business contacts in the Southeast reported little change in input costs and prices. However, purchasing managers did note continued increases in commodity prices, downward pressure on trucking and maritime shipping prices because of excess capacity, and lower gasoline and diesel fuel prices because of surplus supplies.

Stable prices and maximum employment comprise the Federal Reserve's dual mandate from Congress.

Those findings were part of a report that found economic activity expanding at a modest pace over the past eight weeks. Meanwhile, most contacts said their outlook is optimistic for the first half of 2017.

Southeast merchants and automobile dealers cited an increase in sales. Tourism reports were mixed. Residential real estate contacts indicated that December new home sales were flat to slightly up from a year earlier and that existing home sales were mixed as home prices increased modestly since the last report. Commercial real estate contacts continued to indicate improving demand. Manufacturers noted an increase in new orders and production.

The new Beige Book includes some design changes. In the interest of readability, each regional section has been compressed. The

book also features a more pleasing look and feel.



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