

Beige Book: Labor Market Tightness Reaching Entry-Level Jobs

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Tightness in the labor market is starting to work its way to entry-level jobs, especially in hospitality and food services, according to the latest Beige Book, released May 31, from the Federal Reserve Bank of Atlanta.

Overall, business contacts in the Southeast reported that activity grew modestly during the spring. The feedback was positive on most fronts: the outlook was optimistic for the next three to six months, wage growth remained steady, home sales were up, commercial real estate demand continued to tick up, and manufacturing purchasing managers cited increases in new orders and production.

On the other hand, tourism contacts reported some slackening, and merchants said sales were flat since the [previous Beige Book](#). Each regional Federal Reserve Bank publishes the report on economic activity in its District before the policymaking Federal Open Market Committee meets every eight weeks.

On the jobs front, the story continued to center around challenges created by a shallow pool of available workers. "While some contacts noted that demand for mid- to high-skilled professional and business service positions had moderated, many continued to describe a tightening labor market among information technology, skilled craft and technical, and increasingly in entry-level positions, particularly in hospitality and food services," according to the May 2017 Beige Book.

Energy industry contacts said a shortage of skilled craft labor was delaying petrochemical industry construction.

Alongside maximum employment, the other half of the Fed's dual mandate is stable prices. Here, Beige Book contacts continued to say they saw limited power to raise prices. However, respondents to the Atlanta Fed's Business Inflation Expectations survey indicated they expect their unit costs to climb 2 percent over the next year, exactly in line with the central bank's inflation target.

Read the entire Beige Book [here](#).



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