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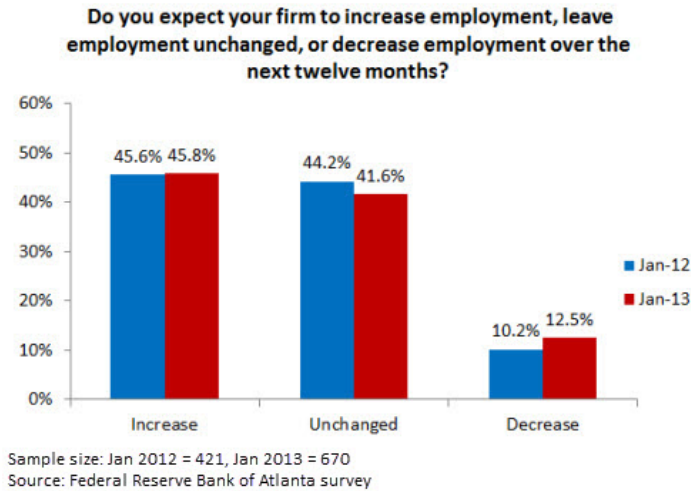
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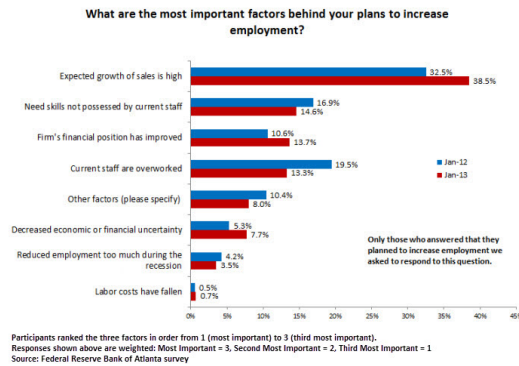
Survey Highlights Regional Employment Trends

In our efforts to better understand future employment trends, the Atlanta Fed periodically surveys our business contacts in the Southeast regarding their hiring plans for the coming year. We conducted this survey earlier this month by tapping into our [Regional Economic Information Network](#). The survey took place over the course of a week and resulted in a total of 670 responses. The sample consisted of a good mix of industries as well as firm sizes. The questions that were asked were the same questions that had been posed last January, and we compare those results.

The first question simply asked: Do you expect your firm to increase, decrease, or keep employment levels the same in 2013. Among respondents, nearly 46 percent said they planned to increase employment levels; the same level as reported last year (see the chart). Another 42 percent said they planned to leave employment levels unchanged, a slight decrease from a year ago. Thirteen percent of respondents planned to decrease payrolls, up from 10 percent in January 2012.

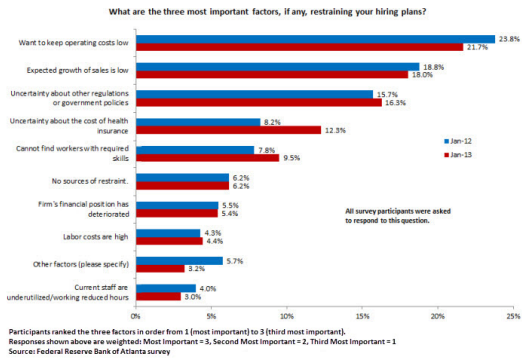


The next question went a step further: We asked the 46 percent of firms that indicated plans to increase employment about the factors driving their decision (see the chart). The most important reason cited was businesses' expectations of high sales growth. The second most important factor was that firms needed skills not currently possessed by existing staff, and the third reason was that the firm's financial position had improved. However, in looking at totals across rankings, another frequently cited issue was that current staff was overworked. In comparison to a year ago, however, this reason seemed to be less of an issue this time.



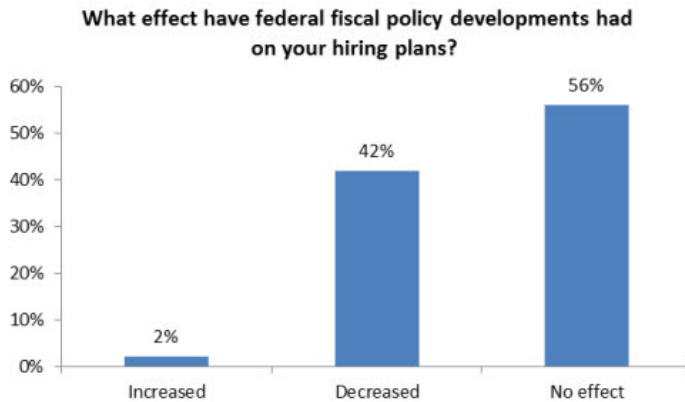
[\(enlarge\)](#)

We then asked all participants to describe the factors they felt were restraining hiring activity (see the chart). They indicated that the most important factor was firms' expectations of low sales growth, followed by a desire to keep operating costs low. However, in looking at totals across rankings, regulatory and government uncertainty also seemed to be an issue affecting hiring plans. These results also mirror our findings from the previous survey.



(enlarge)

Finally, given the timing of the survey, we thought it would be appropriate to ask a question about what effect fiscal policy developments are having on businesses' hiring plans (see the chart). Slightly more than half of respondents reported that they were experiencing no effect; however, 42 percent of respondents said they had decreased hiring plans as a result. When we asked contacts who were feeling an impact to explain further, most cited uncertainty and increased costs associated with health care, higher taxes, and increasing regulation.



Source: Federal Reserve Bank of Atlanta survey

So based on these results, we can conclude that hiring activity in our region appears to be improving slowly. These results also match up nicely with recent trends in regional labor market data. In the last quarter of 2012, Sixth District states added a net total of 111,500 jobs, which is the strongest quarterly gain since the recession began in 2007, apart from gains induced by Census-related hiring in early 2010. In addition, unemployment rates continue to fall for most Sixth District states.



By Shalini Patel, senior economic analyst in the Atlanta Fed's research department

January 30, 2013 in [Employment, Jobs](#) | [Permalink](#)

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