



Table 1. Regional Labor Market Conditions, July 2018

Fed District	Excerpts from <i>The Beige Book</i> , July 2018
First: Boston	"Retail contacts reported that labor supply was tight and one contact said labor costs were up 10 percent over the previous year. All surveyed manufacturers were hiring or maintaining current levels of employment. Manufacturing contacts said the labor market was tight, but the exceptional difficulties were mostly in highly skilled areas like engineering. Labor shortages continued to be an issue in the hospitality industry."
Second: New York	"Businesses reported particular trouble filling senior positions and finding technically skilled workers, especially in IT. One business contact observed that almost all jobseekers are already employed. ... Wage growth has generally remained steady overall but somewhat more brisk than last year."
Third: Philadelphia	"Staffing firms reported ongoing demand for workers, but a scarcity of candidates, plus difficulty hiring and retaining employees. ... On balance, wage growth appears to have accelerated to a moderate pace and was more widespread."
Fourth: Cleveland	"Contacts reported the dearth of qualified workers constrained hiring across an array of occupations. The problem was most often highlighted by manufacturing, construction, and transportation companies. ... Despite tightness in the overall job market, wage pressures remained consistent with recent trends in the District. In general, employers raised wages moderately as part of cost-of-living increases or annual merit raises or to fulfill union contracts."
Fifth: Richmond	"Employers continued to report tight labor markets, while candidates increasingly receive multiple jobs offers. Firms reported difficulty filling positions for mechanics, construction workers, engineers, commercial lenders, treasury and risk managers, accountants, IT personnel, hospitality workers, and skilled trade positions. While wage increases remained modest across sectors, reports suggested that wage pressures increased further."
Sixth: Atlanta	"Broadly, business contacts across the District cited low availability of quality labor as a growing challenge. Contacts noted that this was a problem often not solved by increasing pay but by focusing on developing and training internal staff. ... The intensity of wage adjustments remained mixed across the region. On average, three percent annual increases were the norm; however, a growing number of firms noted that when they were not able to meet demand with existing staff, wage increases were around five to ten percent (or greater) as an effort to attract and retain workers."
Seventh: Chicago	"As they have for some time, contacts indicated that the labor market was tight and reported difficulties filling positions at all skill levels. ... Wage growth remained modest overall, with wage increases most likely to be reported for managerial, professional and technical, and production workers."
Eighth: St. Louis	"To attract and retain employees, firms reported lowering hiring standards, offering more-generous nonwage benefits, and establishing training programs through partnerships with local schools and non-profit organizations. Contacts noted difficulties filling construction and trucking positions in particular. ... Contacts reported that the continued tight labor market has led to increased wages in the services sector, particularly for entry-level positions. Retail and foodservice firms reported having to raise wages of existing employees to match the higher rates for new employees. One trucking company offered the largest one-time pay increase in its history."
Ninth: Minneapolis	"Hiring demand remained robust, but continued to be restrained by tight labor supply. ... Wage pressure was moderate overall, though recent union contracts reflected larger increases."
Tenth: Kansas City	"A high percentage of contacts in the District reported labor shortages for some skillsets, especially within the manufacturing sector. In particular, contacts noted difficulty finding retail sales staff, skilled IT workers, commercial drivers, and restaurant workers. ... Wages increased moderately in most sectors, and firms expected a similar pace of growth in the months ahead."
Eleventh: Dallas	"Labor market tightness continued across a wide array of industries and skill sets, with several contacts saying difficulty finding workers was constraining growth to some extent. ... Wage pressures remained elevated, and firms expected to give employees a larger increase in wages this year compared with 2017. Several firms were employing multiple strategies to recruit and retain employees, such as intensifying recruiting, raising wages, offering on-the-job training and/or increasing variable pay/bonus."
Twelfth: San Francisco	"Tight labor market conditions persisted across all sectors, leading to a pickup in wage growth."

Source: [The Beige Book, July 2018](#), US Federal Reserve.