The Chicago Fed Survey of Business Conditions (CFSBC) Activity Index increased to −4 from −11, suggesting that growth in economic activity remained at a modest pace in October and early November. The CFSBC Manufacturing Activity Index moved down to a neutral reading from +7, while the CFSBC Nonmanufacturing Activity Index moved up to −7 from −19.

- Respondents’ outlooks for the U.S. economy for the next six to 12 months deteriorated a bit, but remained optimistic on balance. Respondents with optimistic outlooks highlighted good economic data, growing demand for their firms’ products, and the federal tax reform. Respondents with pessimistic outlooks highlighted elevated policy uncertainty under the current U.S. presidential administration, particularly in regard to trade policy; rising interest rates; and slowing demand for their firms’ products.
- The pace of current hiring slowed, and respondents expected the pace of hiring to decline over the next six to 12 months. Both hiring indexes remained negative.
- The pace of current capital spending edged up, but respondents expected the pace of capital spending to edge down over the next six to 12 months. Both capital spending indexes remained in negative territory.
- The wage cost pressures index rose, but the nonwage cost pressures index was unchanged. Both cost pressures indexes remained positive.

The next CFSBC will be released:
January 16, 2019
3:00 pm Eastern Time
2:00 pm Central Time

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Notes: Positive readings of the current activity, hiring, capital spending, and wage and nonwage cost pressures indexes indicate that more respondents reported above-average growth at their respective firms than below-average growth in current activity, hiring, capital spending, and wage and nonwage cost pressures. Positive readings of the planned hiring and capital spending indexes indicate similar outcomes for questions pertaining to expectations for hiring and capital spending in the next six to 12 months. Positive readings of the outlook index indicate more respondents reported above-average outlooks for the U.S. economy over the next six to 12 months than below-average ones. The bar charts report the percentage of responses for types of occupations currently in demand; reasons for capital spending and its allocation; and sources of increasing wage and nonwage cost pressures. The numbers may add up to more than 100 percent because more than one option can be chosen.

CFSBC release dates, historical data, and background information are available at chicagofed.org/cfsbc.