Chicago Fed Survey of Business Conditions

Survey shows steady growth in late February and March

The Chicago Fed Survey of Business Conditions (CFSBC) Activity Index edged down to –20 from –17, suggesting that growth in economic activity remained at a modest pace in late February and March. The CFSBC Manufacturing Activity Index fell to –20 from –3, while the CFSBC Nonmanufacturing Activity Index increased to –20 from –25.

- Respondents’ outlooks for the U.S. economy for the next six to 12 months improved, turning optimistic on balance. Respondents with optimistic outlooks highlighted growing demand for their firms’ products, good economic data, and strong labor markets. Respondents with pessimistic outlooks highlighted elevated policy uncertainty under the current U.S. presidential administration, particularly in regard to trade policy; bad economic data; and slower demand for their firms’ products.
- The pace of current hiring increased, while respondents’ expectations for the pace of hiring over the next six to 12 months decreased slightly. Both hiring indexes remained negative.
- The pace of current capital spending increased, as did respondents’ expectations for the pace of capital spending over the next six to 12 months. Both capital spending indexes remained negative.
- The wage cost pressures index ticked up, but the nonwage cost pressures index was unchanged. Both cost pressures indexes remained negative.
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.