Survey shows growth slowed in January and early February

The Chicago Fed Survey of Business Conditions (CFSBC) Activity Index decreased to −18 from −3, suggesting that growth in economic activity continued at a modest pace in January and early February. The CFSBC Manufacturing Activity Index moved up to −6 from −18, while the CFSBC Nonmanufacturing Activity Index fell to −25 from +5.

- Respondents’ outlooks for the U.S. economy for the next six to 12 months improved, but remained pessimistic on balance. Respondents with pessimistic outlooks highlighted elevated policy uncertainty under the current U.S. presidential administration, particularly in regard to trade policy, and slowing demand for their firms’ products. Respondents with optimistic outlooks highlighted good economic data and growing demand for their firms’ products.
- The pace of current hiring slowed, while respondents’ expectations for the pace of hiring over the next six to 12 months were unchanged. Both hiring indexes remained negative.
- The pace of current capital spending decreased, and respondents’ expectations for the pace of capital spending over the next six to 12 months edged down. Both capital spending indexes remained negative.
- The wage cost pressures index moved down, as did the nonwage cost pressures index. Both cost pressures indexes remained negative.

**Activity Indexes: Overall and by Sector**

The next CFSBC will be released:
April 17, 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.