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## Skills mismatch remains

Consumers do not seem to share economists' dour outlook about the lack of inflation. Two surveys of consumer assessment of the economy found optimism about the economy and a willingness to spend. With inflation still under 2% by the count of the personal consumption expenditure, prices seem just right for shoppers and other purchasers. The Federal Reserve would love to see inflation sneak over 2% to fuel the return to normative economic activity.

The labor market continues to be strong, but also still has a skills mismatch problem, keeping some would-be workers on the sidelines and keeping companies—many optimistic about the future—from reaching full potential.

The London interbank offered rate (Libor) modestly fell across the short end of the yield curve last week, with 1-month slipping 1 basis point to 1.92%, 3-month decreasing 3 basis points to 2.34% and 6-month unchanged at 2.52%.