

# Regional Surveys of Business Activity

## Carolinas Survey of Business Activity

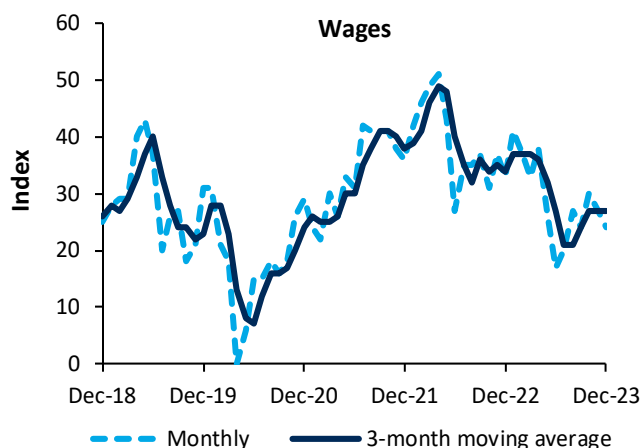
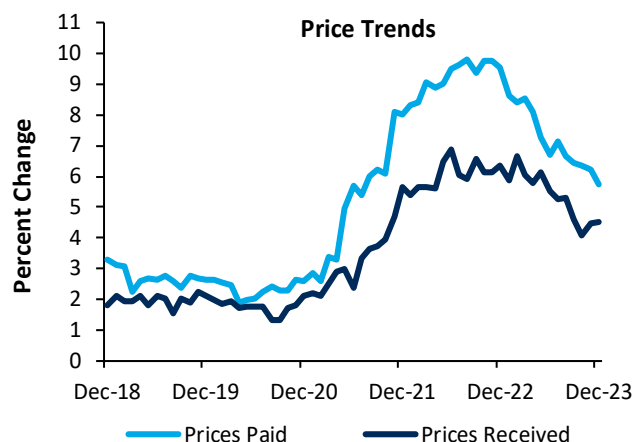
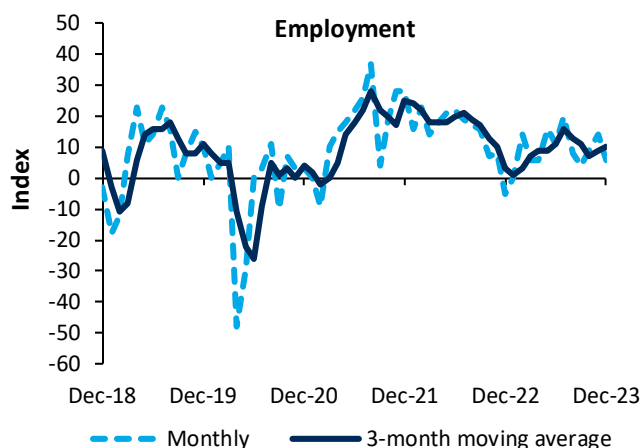
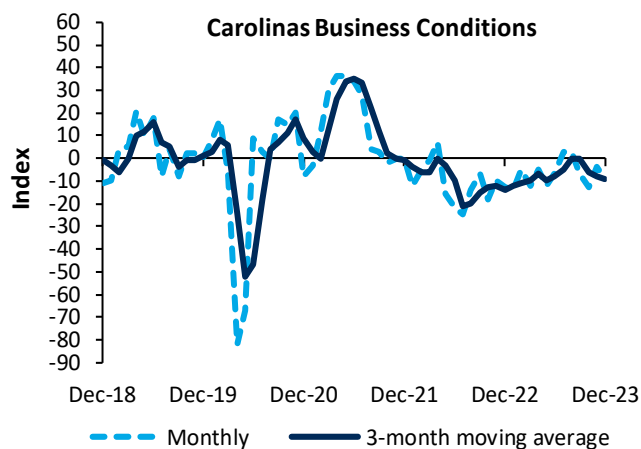
December 29, 2023

### *Business Conditions in the Carolinas Worsened in December*

Business conditions in the Carolinas worsened in December, according to the most recent survey from the Federal Reserve Bank of Richmond. The general business conditions index decreased from -4 in November to -9 in December, while the expectations index rose from -2 to 3. The sales index fell notably from 1 in November to -19 in December, but its corresponding expectations index increased notably from 7 to 22. All three spending indexes fell.

The employment index decreased from 14 in November to 6 in December while the wages index remained elevated, and firms reported little change in their ability to find workers with the necessary skills. Most firms expected wages to continue increasing over the near-term but anticipated little change in their ability to find workers with the desired skills over the next six months.

The average year-over-year growth in prices paid decreased in December, while growth in prices received remained nearly unchanged. Firms expected price growth to moderate over the next year.



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Business Activity Indexes <sup>1, 4</sup>						
Business Conditions in the Carolinas	Current Conditions			Expectations <sup>2</sup>		
	Dec-23	Nov-23	Oct-23	Dec-23	Nov-23	Oct-23
General Business Conditions	-9	-4	-13	3	-2	-22
Sales	-19	1	-2	22	7	7
Employment						
Number of Employees	6	14	9	19	14	9
Availability of Skills Needed	0	5	-3	0	10	3
Wages	24	27	30	49	59	53
Spending						
Business Services Expenditures	-2	7	-9	1	3	-9
Total Capital Expenditures	2	7	7	8	12	6
Equipment or Software Expenditures	7	9	4	23	11	6
Price Trends <sup>3</sup>						
Prices Paid for Inputs	5.76	6.20	6.34	3.85	4.07	4.12
Prices Received for Outputs	4.53	4.48	4.07	3.29	3.33	3.06

### Technical Notes:

- <sup>1</sup> Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Data are not seasonally adjusted. Results are based on responses from 48-111 firms.
- <sup>2</sup> Expectations refer to the time period six months out from the survey period.
- <sup>3</sup> Current price changes are percentages over the last 12 months. Expected price changes are expected changes over the next 12 months.
- <sup>4</sup> All firms surveyed are located within the states of North Carolina and South Carolina.

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