

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

March 30, 2023

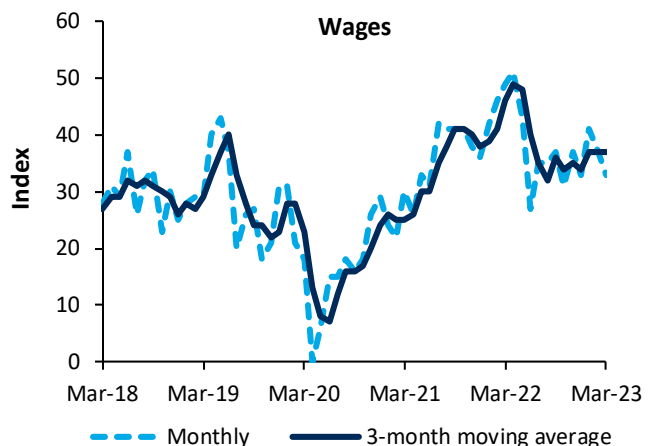
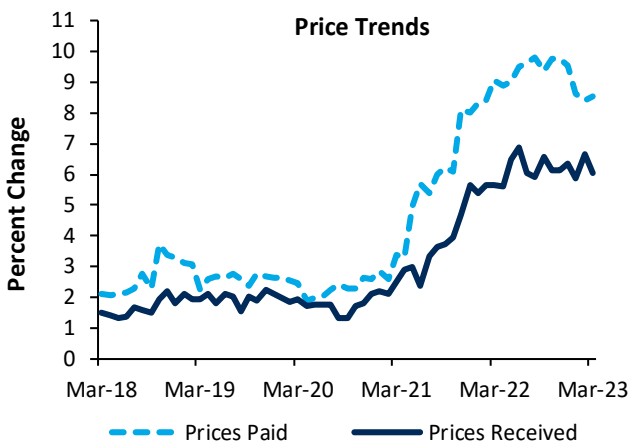
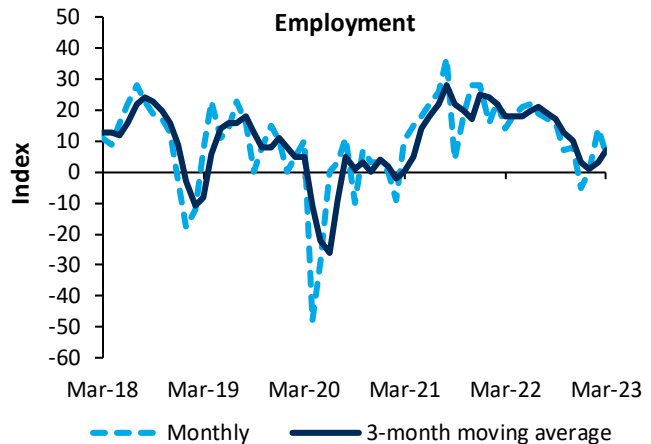
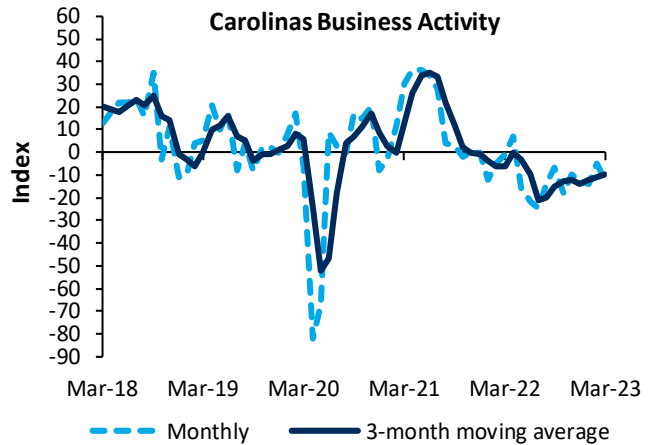
Business Activity in the Carolinas Softened in March

Firms in the Carolinas reported softened business activity in March, according to the most recent survey from the Federal Reserve Bank of Richmond. The general business conditions index fell from -5 in February to -12 in March. The corresponding expectations index, however, improved modestly from 2 in February to 6 in March.

The sales index edged down to -6 while the index measuring expected sales improved notably, increasing from 17 in February to 38 in March. The indexes for spending were mixed, as spending on business services remained negative while capital and equipment & software expenditures were positive and improved slightly from February.

Survey results suggested that some firms increased employment in March, as the employment index decreased slightly but remained in positive territory. The wages index also decreased slightly but remained high. Firms generally expect wages to continue increasing over the near-term and anticipate some improvements in their ability to find workers with the desired skills.

The average year-over-year growth in prices paid change little in March, while the average year-over-year growth in prices received decreased slightly. Firms expected price growth to moderate over the next year.



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Business Activity Indexes ^{1,4}						
Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Mar-23	Feb-23	Jan-23	Mar-23	Feb-23	Jan-23
General Business Conditions	-12	-5	-14	6	2	-11
Sales	-6	-3	-14	38	17	12
Employment						
Number of Employees	6	14	0	22	29	22
Availability of Skills Needed	2	2	1	9	5	11
Wages	33	37	41	55	52	62
Spending						
Business Services Expenditures	-2	-3	-4	0	3	-6
Total Capital Expenditures	8	4	2	16	14	-2
Equipment or Software Expenditures	9	5	7	15	12	12
Price Trends³						
Prices Paid for Inputs	8.53	8.43	8.64	4.63	5.10	5.19
Prices Received for Outputs	6.06	6.66	5.86	3.43	4.28	4.49

Technical Notes:

- 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 50-88 firms.
- Expectations refer to the time period six months out from the survey period.
- Current price changes are percentages over the last 12 months. Expected price changes are expected changes over the next 12 months.
- All firms surveyed are located within the states of North Carolina and South Carolina.

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