

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

July 27, 2023

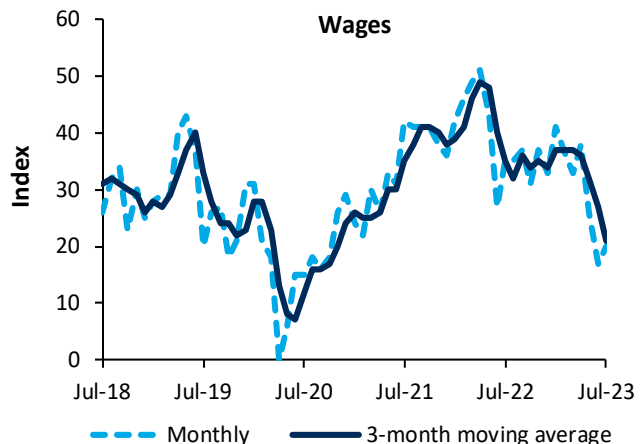
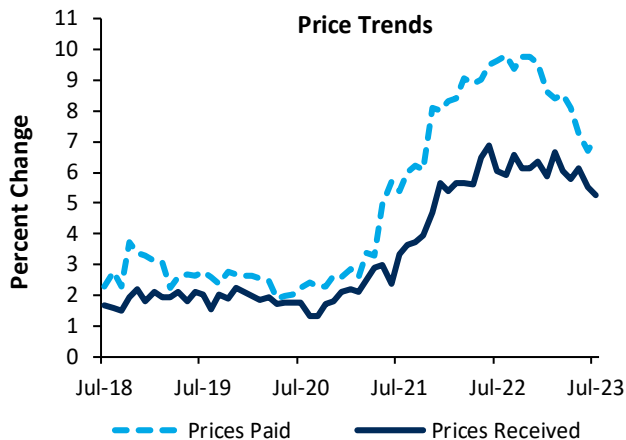
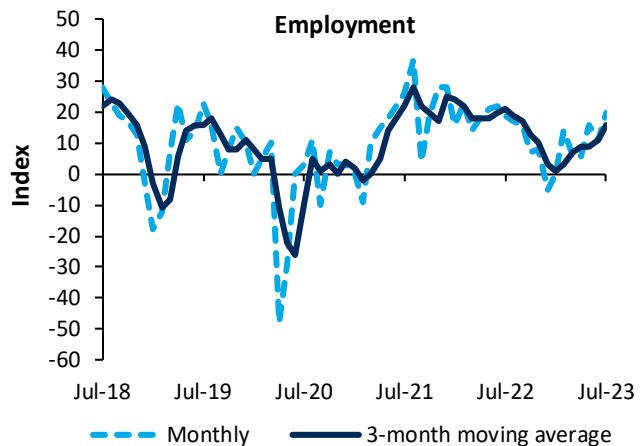
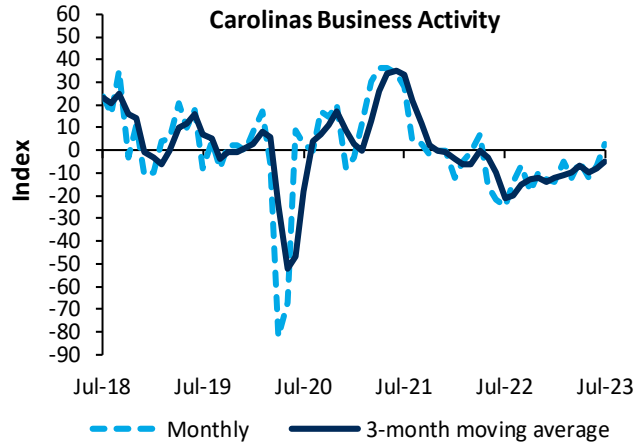
Business Activity in the Carolinas Improved in July

Firms in the Carolinas reported improved business activity in July, according to the most recent survey from the Federal Reserve Bank of Richmond. The general business conditions index rose from -7 in June to 3 in July. The corresponding expectations index rose from -8 to 1.

The sales index rose to 5, and the index measuring expected sales increased to 11. Furthermore, two of the three spending indexes increased, with the index for business services expenditures rising the most, from -2 in June to 6 in July.

The employment and wages indexes both increased to 20 in July, suggesting that many firms are still increasing employment and wages. Firms expected wages to continue increasing over the near-term and anticipated some improvement in their ability to find workers with the desired skills over the next six months.

The average year-over-year growth in prices paid increased somewhat, while growth in prices received decreased slightly in July. Firms expect 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		
	Jul-23	Jun-23	May-23	Jul-23	Jun-23	May-23
General Business Conditions	3	-7	-12	1	-8	-16
Sales	5	2	-6	11	1	1
Employment						
Number of Employees	20	11	16	10	15	13
Availability of Skills Needed	-3	6	-2	8	6	8
Wages	20	17	26	39	37	48
Spending						
Business Services Expenditures	6	-2	1	2	-6	-7
Total Capital Expenditures	-4	-4	11	14	-11	0
Equipment or Software Expenditures	8	3	15	16	7	8
Price Trends³						
Prices Paid for Inputs	7.13	6.69	7.29	4.19	3.86	4.42
Prices Received for Outputs	5.27	5.54	6.13	3.25	3.43	3.24

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 49-93 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.

For further information, contact Jason Kosakow at 571.287.0448 or Jason.Kosakow@rich.frb.org