Business Activity in the Carolinas Was Sluggish in July

Business activity in the Carolinas was sluggish in July, according to the most recent survey from the Federal Reserve Bank of Richmond. The general business conditions index decreased from -4 in June to -10 in July, while the corresponding expectations index increased from 5 to 14. The sales index edged down from -6 in June to -8 in July. Its corresponding expectations index increased further into positive territory.

The employment index remained unchanged at 2 in July while the wages index remained firmly in positive territory, and firms reported a reduction in their ability to find workers with the necessary skills. Most 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.

Average year-over-year growth in prices paid decreased in July, while average growth in prices received increased slightly. Firms expected growth in prices paid to moderate somewhat over the next year.
## Business Activity Indexes<br>### Business Conditions in the Carolinas<br>#### Current Conditions | Expectations
<table>
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</thead>
<tbody>
<tr>
<td>General Business Conditions</td>
<td>-10</td>
<td>-4</td>
<td>1</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Sales</td>
<td>-8</td>
<td>-6</td>
<td>11</td>
<td>31</td>
<td>24</td>
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#### Employment
- Number of Employees | 2 | 2 | 2 | 12 | 7 | 1 |
- Availability of Skills Needed | -3 | 6 | 5 | 6 | 4 | 6 |
- Wages | 16 | 19 | 15 | 42 | 45 | 40 |

#### Spending
- Business Services Expenditures | -4 | -8 | -6 | -8 | -9 | -10 |
- Total Capital Expenditures | 0 | -5 | 3 | 7 | -3 | -1 |
- Equipment or Software Expenditures | 0 | -3 | 7 | 8 | -5 | -9 |

#### Price Trends
- Prices Paid for Inputs | 4.24 | 4.97 | 4.76 | 3.48 | 3.50 | 3.45 |
- Prices Received for Outputs | 3.36 | 3.16 | 3.22 | 3.25 | 3.11 | 3.34 |

### Technical Notes:
1. 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 92-93 firms. All firms surveyed are located within the states of North Carolina and South Carolina.
2. Expectations refer to the time period six months out from the survey period.
3. Current price changes are percentages over the last 12 months. Expected price changes are expected changes over the next 12 months.

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