

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

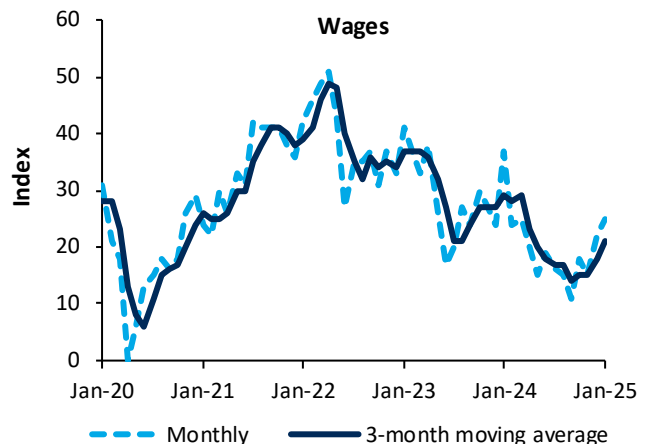
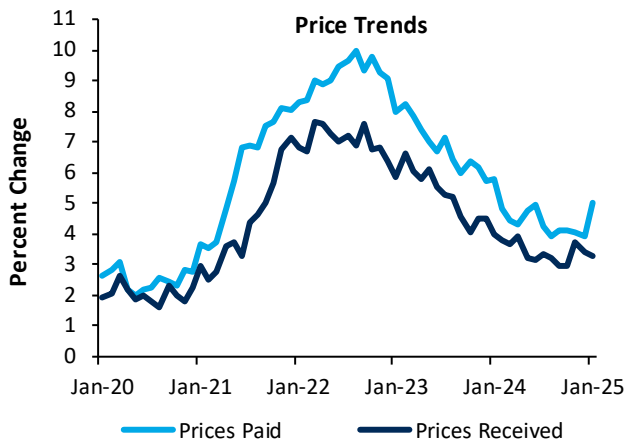
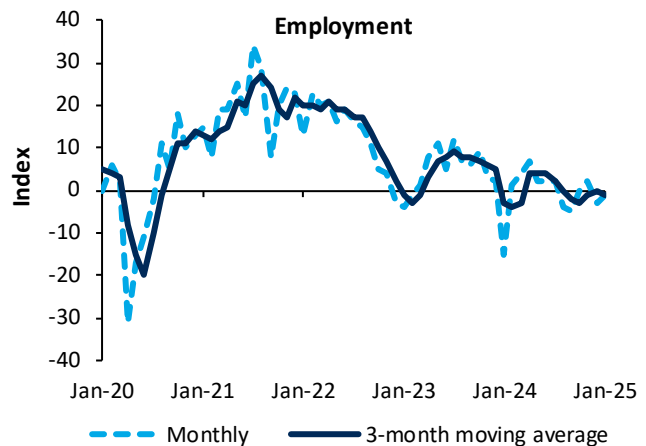
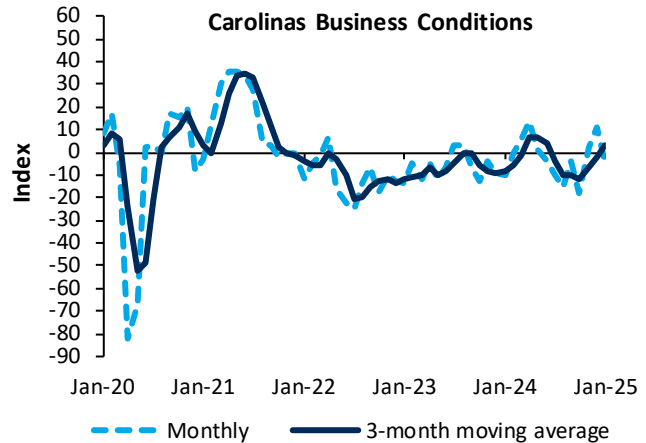
January 30, 2025

Business Activity in the Carolinas Slowed in January

Business activity in the Carolinas slowed in January, according to the most recent survey from the Federal Reserve Bank of Richmond. The general business conditions index fell from 11 in December to -4 in January, while the corresponding expectations index remained solidly in positive territory. The sales index fell from 10 in December to -12 in January. Its corresponding expectations index was relatively unchanged and remained firmly in positive territory.

The employment index edged up from -3 in December to -1 in January while the wages index edged up to 25 from 22. Most firms expected to continue increasing wages over the near-term, as the wages index remained firmly in positive territory. Firms reported little change in their ability to find workers with the desired skills and anticipated little improvement over the next six months.

Average year-over-year growth in prices paid increased notably, while average growth in prices received decreased slightly in January. Firms expected prices paid to moderate somewhat in the next year.



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| Business Activity Indexes ¹ | | | | | | |
|--|--------------------|--------|--------|---------------------------|--------|--------|
| Business Conditions in the Carolinas | Current Conditions | | | Expectations ² | | |
| | Jan-25 | Dec-24 | Nov-24 | Jan-25 | Dec-24 | Nov-24 |
| General Business Conditions | -4 | 11 | 2 | 40 | 44 | 38 |
| Sales | -12 | 10 | 5 | 48 | 53 | 50 |
| Employment | | | | | | |
| Number of Employees | -1 | -3 | 2 | 25 | 26 | 18 |
| Availability of Skills Needed | -1 | 0 | -2 | 1 | -3 | -5 |
| Wages | 25 | 22 | 15 | 53 | 62 | 60 |
| Spending | | | | | | |
| Business Services Expenditures | -2 | -6 | -7 | 12 | 10 | 1 |
| Total Capital Expenditures | 3 | -4 | 1 | 20 | 11 | 10 |
| Equipment or Software Expenditures | 2 | -3 | 6 | 18 | 20 | 11 |
| Price Trends³ | | | | | | |
| Prices Paid | 5.00 | 3.93 | 4.07 | 4.28 | 3.80 | 3.08 |
| Prices Received | 3.27 | 3.40 | 3.73 | 3.51 | 3.35 | 3.22 |

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 104-106 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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