

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

January 26, 2023

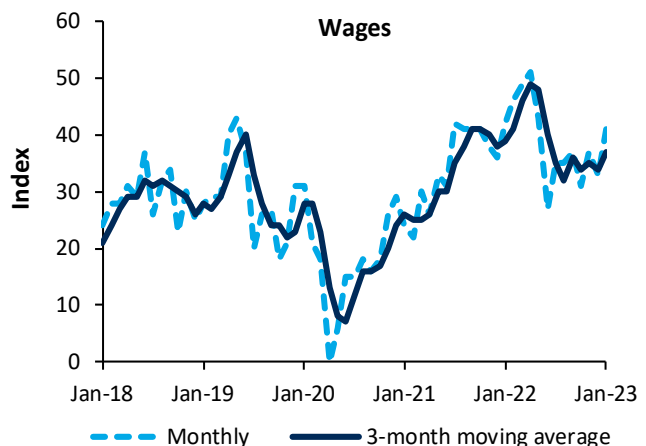
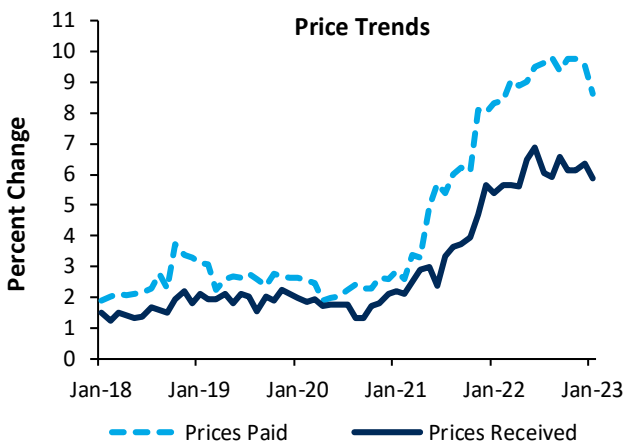
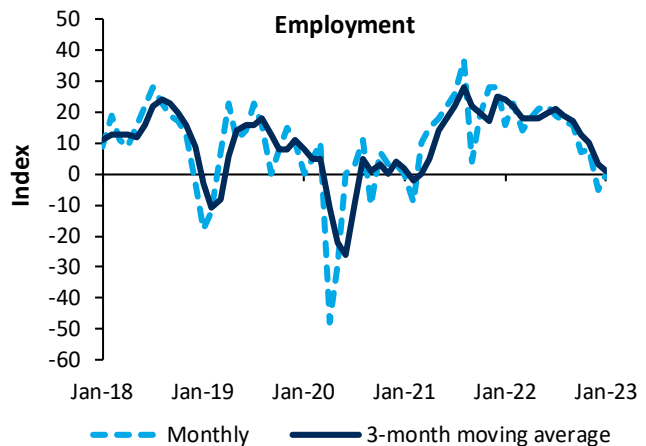
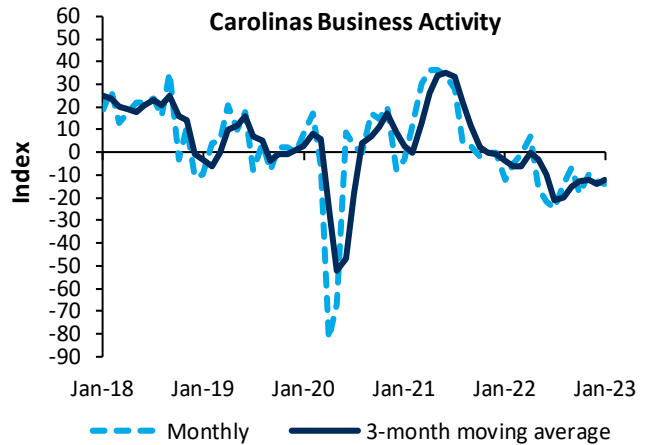
Business Activity Remained Soft in January

Firms in the Carolinas continued to report soft business activity in January, according to the most recent survey from the Federal Reserve Bank of Richmond. The general business conditions index fell from -13 in December to -14 in January. Firms remained pessimistic about conditions over the next six months as the general business conditions expectations index was solidly negative, despite some improvement in January.

The sales index increased modestly from -19 in December to -14 in January. The index measuring expected sales, however, improved noticeably to 12 in January. The indexes for spending declined across the board, with the index for total capital expenditures decreasing the most from 17 in December to 2 in January.

Survey results suggest that more firms increased employment in January, as the employment index increased to 0 from -5 in December. The wages index both increased notably and remained high. Most firms expected wages to continue increasing over the near-term. Firms reported some improvement in their ability to find workers with the desired skills in January, although the index remained low.

The average year-over-year growth in prices paid and prices received decreased in January. Firms expected price growth to further moderate over the next year.



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Business Activity Indexes ^{1,4}						
Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Jan-23	Dec-22	Nov-22	Jan-23	Dec-22	Nov-22
General Business Conditions	-14	-13	-10	-11	-23	-27
Sales	-14	-19	0	12	3	-1
Employment						
Number of Employees	0	-5	8	22	12	21
Availability of Skills Needed	1	-5	-8	11	9	5
Wages	41	33	37	62	63	66
Spending						
Business Services Expenditures	-4	-1	7	-6	1	5
Total Capital Expenditures	2	17	5	-2	15	13
Equipment or Software Expenditures	7	12	15	12	9	10
Price Trends³						
Prices Paid for Inputs	8.64	9.53	9.77	5.19	4.84	5.65
Prices Received for Outputs	5.86	6.37	6.15	4.49	4.06	5.00

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 49-85 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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