

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

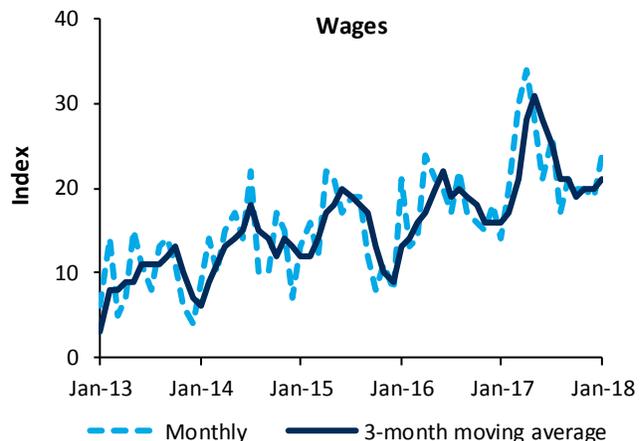
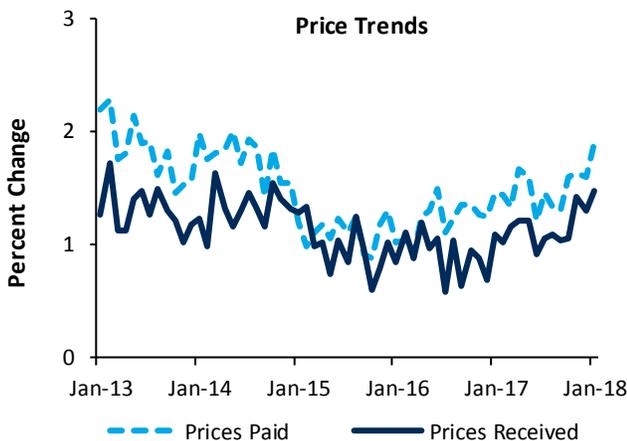
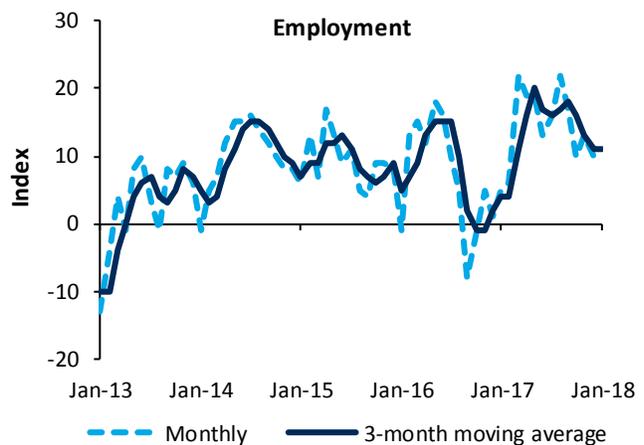
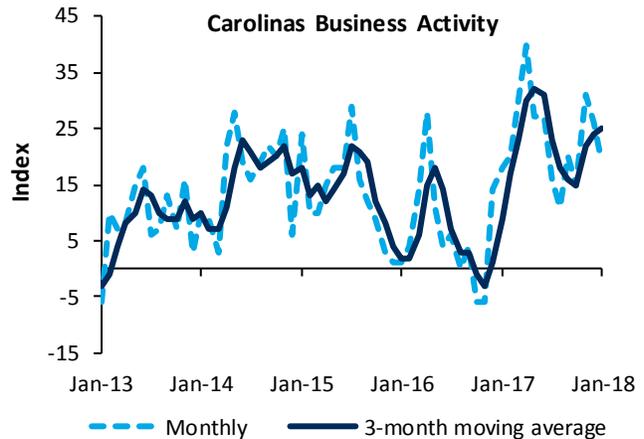
January 25, 2018

Firms in the Carolinas Reported Moderate Growth in January

According to the latest survey by the Federal Reserve Bank of Richmond, firms in the Carolinas saw modest growth in January. While the indexes for both general business conditions and sales were lower than in December, they remained positive, indicating expansion, at 19 and 11 respectively, suggesting continued but slowing growth.

Employment continued to increase moderately among Carolina firms. The index for availability of skills needed rose to 0 after being negative the last three months. However, firms expect to see a decrease in the availability of skills in the coming months.

Wages and capital expenditures continued to rise in January, and firms in the Carolinas expect further increases in the next six months. Firms also saw an acceleration in price growth for both inputs and outputs and expect price growth to increase. However, expected price growth was lower than in December.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Jan-18	Dec-17	Nov-17	Jan-18	Dec-17	Nov-17
General Business Conditions	19	26	31	62	41	35
Sales	11	20	37	55	40	41
Employment						
Number of Employees	9	10	13	34	25	27
Availability of Skills Needed	0	-2	-2	-2	-2	-1
Average Workweek	6	8	15	26	6	7
Wages	24	19	20	48	44	41
Spending						
Business Services Expenditures	9	15	10	23	13	20
Total Capital Expenditures	23	27	25	46	38	30
Equipment or Software Expenditures	24	20	21	39	24	30
Price Trends³						
Prices Paid for Inputs	1.89	1.60	1.64	1.91	1.95	1.91
Prices Received for Outputs	1.48	1.30	1.42	1.70	1.77	1.69

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 88 firms.
- Expectations refer to the time period six months out from the survey period.
- Price changes are expressed as a percent change, annualized.
- All firms surveyed are located within the states of North Carolina and South Carolina.

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