

# Regional Surveys of Business Activity

## Carolinas Survey of Business Activity

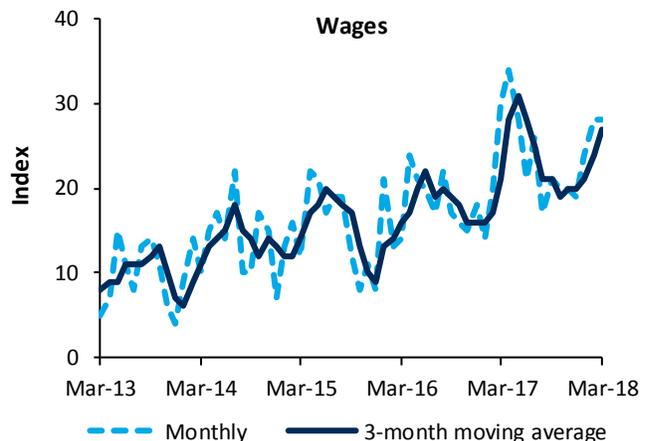
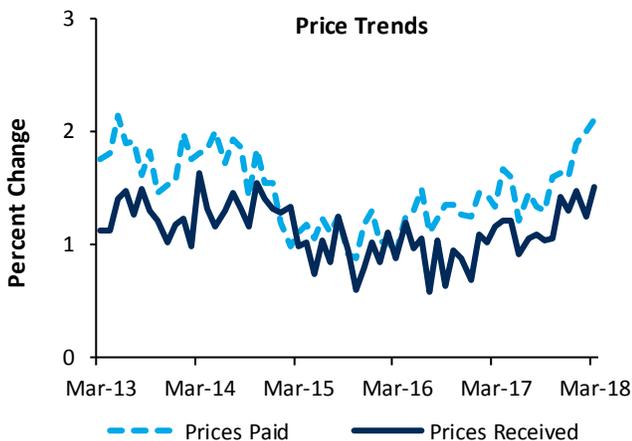
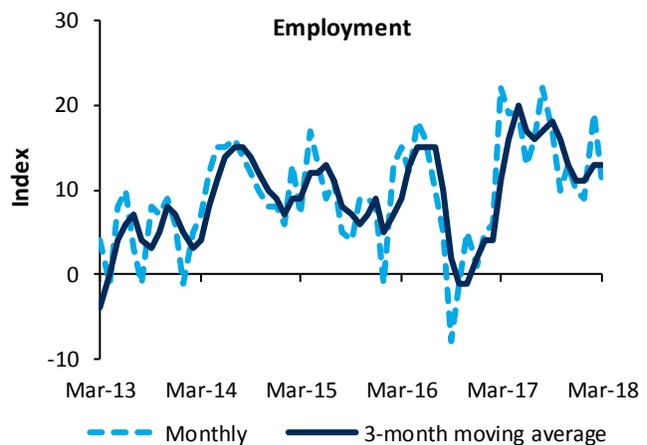
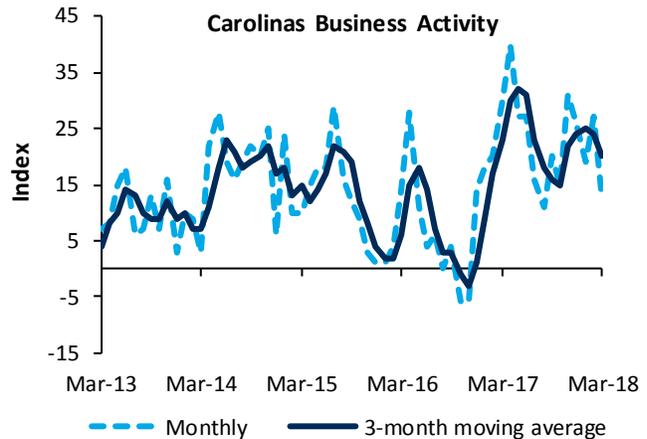
March 29, 2018

### *Firms in the Carolinas Experienced Mixed Business Conditions in March*

Firms in the Carolinas experienced mixed business conditions in March, according to results from the latest survey by the Federal Reserve Bank of Richmond. While the survey's sales index increased, the indicator for general business conditions dropped from 27 in February to 13 in March. However, business owners remained optimistic, expecting both sales and general conditions to improve in the coming months.

Survey results suggested that employment growth slowed in March, amid signs that skills shortages persisted. While firms indicated that they plan to hire more workers in the next six months, they also expect skills shortages to continue.

Indicators of expenditures remained positive in March but rose from February only for business services. Firms in the Carolinas reported an increase in growth of both prices paid and prices received. While input price increases continued to outpace output price growth, firms anticipated a narrowing of this gap in the coming months.



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## Business Activity Indexes<sup>1, 4</sup>

Business Conditions in the Carolinas	Current Conditions			Expectations <sup>2</sup>		
	Mar-18	Feb-18	Jan-18	Mar-18	Feb-18	Jan-18
General Business Conditions	13	27	19	42	51	62
Sales	29	28	11	55	56	55
<b>Employment</b>						
Number of Employees	11	19	9	35	35	34
Availability of Skills Needed	-3	-9	0	-11	-7	-2
Average Workweek	17	19	6	18	20	26
Wages	28	28	24	39	48	48
<b>Spending</b>						
Business Services Expenditures	11	6	9	21	16	23
Total Capital Expenditures	8	17	23	32	38	30
Equipment or Software Expenditures	8	15	24	26	24	39
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	2.10	2.01	1.89	2.00	2.28	1.91
Prices Received for Outputs	1.51	1.25	1.48	1.77	1.62	1.70

### 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 76 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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