

# Regional Surveys of Business Activity

## Carolinas Survey of Business Activity

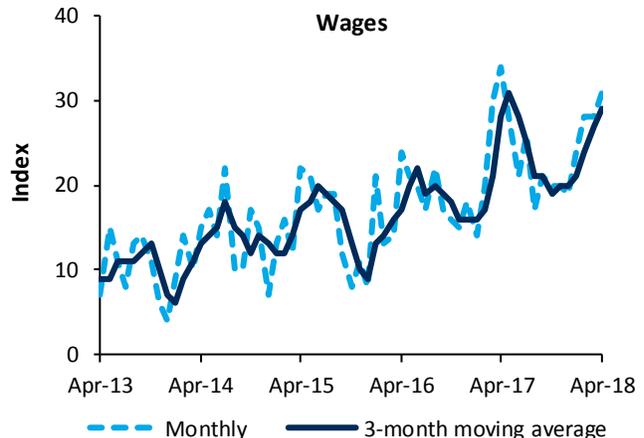
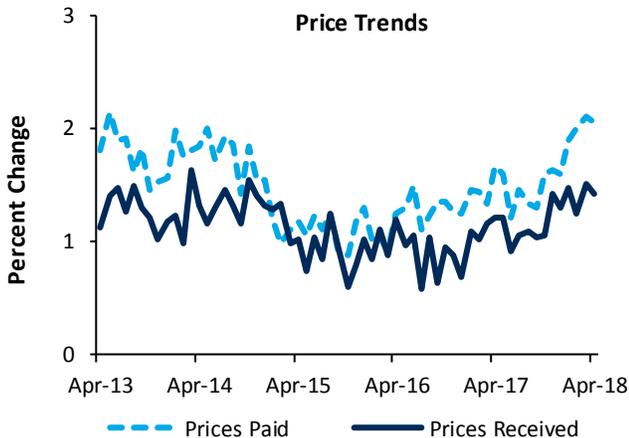
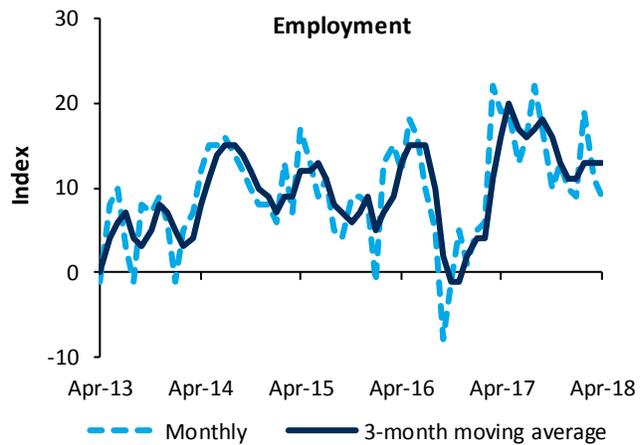
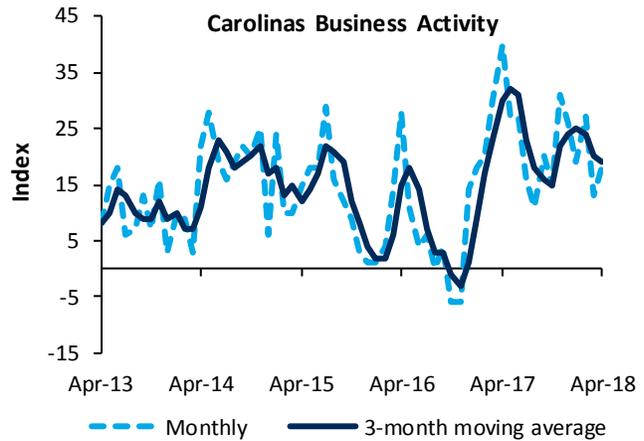
April 26, 2018

### *Firms in the Carolinas Experienced Moderate Growth in April*

Firms in the Carolinas experienced moderate growth in April, according to results from the latest survey by the Federal Reserve Bank of Richmond. While findings indicate improved general business conditions, the sales index fell from 29 in March to 17 in April. Firms were optimistic, expecting to see improvement in both business conditions and growth in sales in the coming months.

Carolinas firms continued to report hiring, however, a smaller fraction of firms saw increased employment in April than had in March. While survey results indicate broad based wage gains in the Carolinas in April, firms continued to struggle to find the skills they needed.

Spending among firms in the Carolinas grew robustly in April, and growth in the price of inputs slowed slightly. Firms also reported slowing growth in output prices, on average, but expect to see faster growth in prices of both inputs and outputs 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>		
	Apr-18	Mar-18	Feb-18	Apr-18	Mar-18	Feb-18
General Business Conditions	18	13	27	39	42	51
Sales	17	29	28	53	55	56
<b>Employment</b>						
Number of Employees	9	11	19	41	35	35
Availability of Skills Needed	-7	-3	-9	-12	-11	-7
Average Workweek	12	17	19	20	18	20
Wages	31	28	28	46	39	48
<b>Spending</b>						
Business Services Expenditures	16	11	6	19	21	16
Total Capital Expenditures	30	8	17	29	38	30
Equipment or Software Expenditures	22	8	15	22	26	24
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	2.05	2.10	2.01	2.19	2.00	2.28
Prices Received for Outputs	1.42	1.51	1.25	1.68	1.77	1.62

### 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 75 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.

For further information, contact **Roisin McCord** at **804.697.8702** or **Roisin.McCord@rich.frb.org**