

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

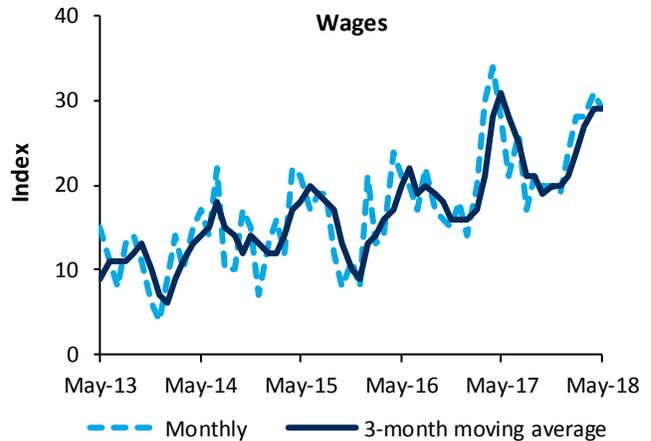
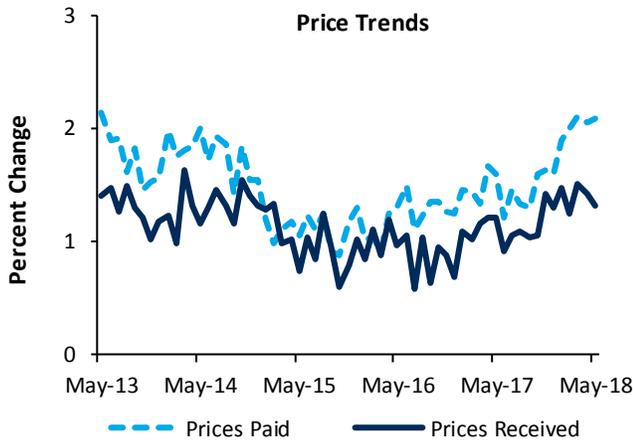
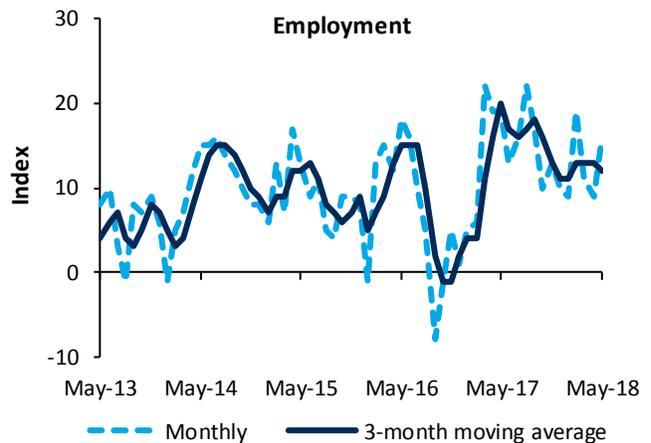
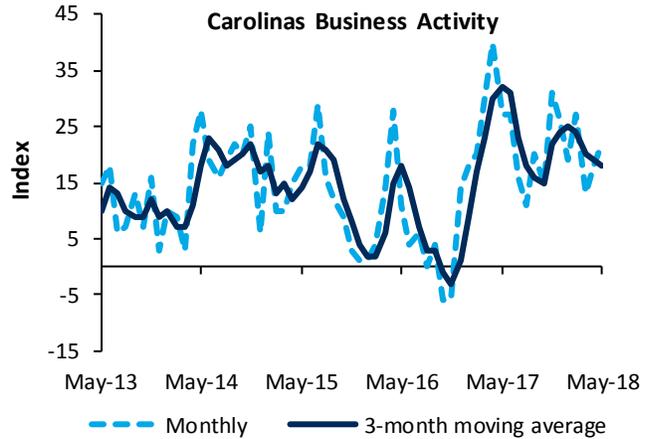
May 24, 2018

Firms in the Carolinas Saw Continued Growth in May

The Carolinas economic expansion continued in May, according to the latest survey results from the Richmond Fed. Firms reported improved business conditions and higher sales as indexes for both rose to 22, from 18 and 17, respectively. Corresponding expectations metrics show that an even greater share of firms expect conditions and sales to improve further in the next six months.

While survey results suggest that firms' expenditures were up, on balance, the indexes reflecting capital and services spending decreased in April. Meanwhile, the employment and wages metrics suggest continued growth in the Carolinas, but results indicate that worker shortages persisted. Many firms expect these trends to continue in the coming months.

Firms reported that input prices increased at a faster pace, on average, but growth of prices received slowed for the second consecutive month. Firms expect growth of prices paid to continue outpacing that of prices received, but also anticipate that the gap between the two will narrow in the coming months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	May-18	Apr-18	Mar-18	May-18	Apr-18	Mar-18
General Business Conditions	22	18	13	28	39	42
Sales	22	17	29	33	53	55
Employment						
Number of Employees	16	9	11	30	41	35
Availability of Skills Needed	-7	-7	-3	-6	-12	-11
Average Workweek	14	12	17	3	20	18
Wages	29	31	28	36	46	39
Spending						
Business Services Expenditures	13	16	11	12	19	21
Total Capital Expenditures	24	30	8	24	38	30
Equipment or Software Expenditures	16	22	8	20	22	26
Price Trends³						
Prices Paid for Inputs	2.09	2.05	2.10	1.96	2.19	2.00
Prices Received for Outputs	1.32	1.42	1.51	1.51	1.68	1.77

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 69 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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