

# Regional Surveys of Business Activity

## Carolinas Survey of Business Activity

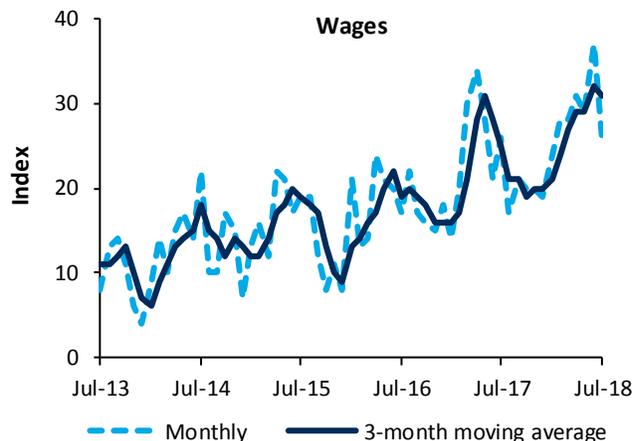
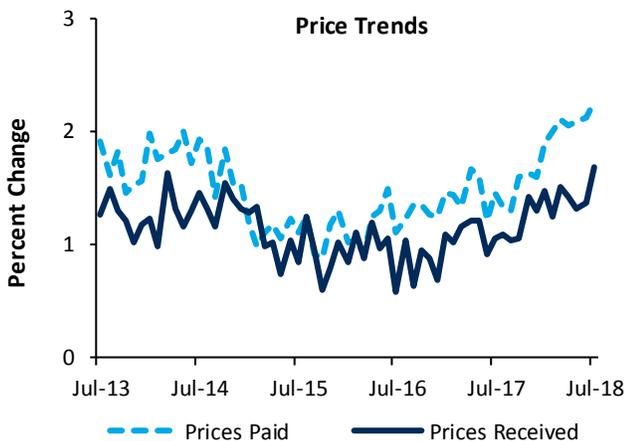
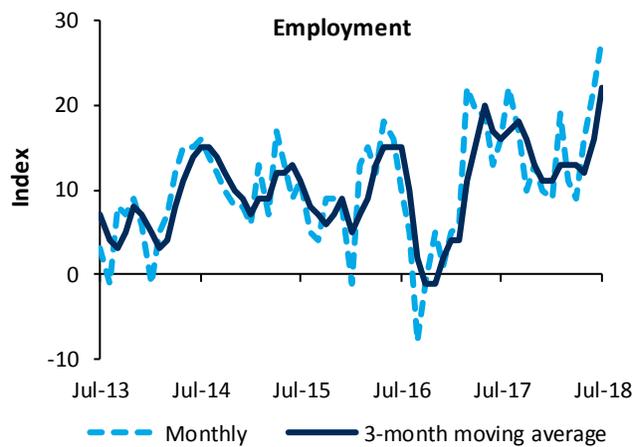
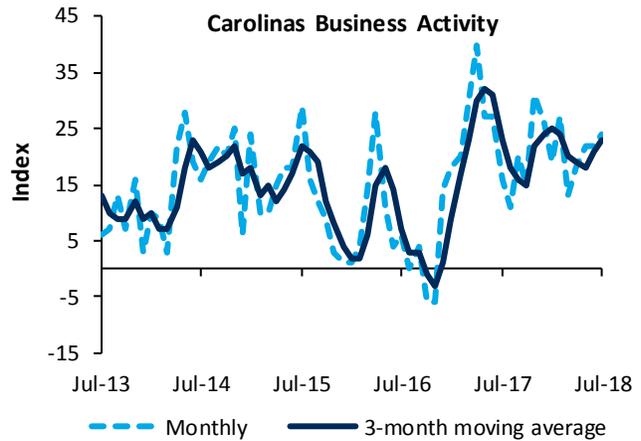
July 26, 2018

### Firms in the Carolinas Reported Continued Expansion in July

The Carolinas economy continued to expand in July, according to the latest survey results from the Federal Reserve Bank of Richmond. Respondents from the Carolinas reported improved business conditions and higher sales, and they expect continued improvement in the coming months. While growth in business spending slowed in July, it remained in positive territory.

Survey results also indicate continued employment gains, but the availability of skills index, which came in at -11 in July, suggests that firms continued to have difficulty finding workers. Firms expect this struggle to persist in the next six months but anticipate continued positive growth in employment.

Survey results pointed to faster growth of both prices paid and prices received in July. While prices paid continued to increase at a faster rate than prices received, the gap between the two narrowed. Firms expect this convergence to continue in coming months but anticipate slower price growth for both prices paid and prices received.



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Business Activity Indexes <sup>1, 4</sup>						
Business Conditions in the Carolinas	Current Conditions			Expectations <sup>2</sup>		
	Jul-18	Jun-18	May-18	Jul-18	Jun-18	May-18
General Business Conditions	24	22	22	22	33	28
Sales	28	26	22	36	34	33
<b>Employment</b>						
Number of Employees	28	22	16	24	29	30
Availability of Skills Needed	-11	-16	-7	-9	-8	-6
Average Workweek	18	12	14	11	5	3
Wages	26	37	29	34	39	36
<b>Spending</b>						
Business Services Expenditures	9	11	13	1	6	12
Total Capital Expenditures	22	23	24	23	38	30
Equipment or Software Expenditures	25	26	16	18	13	20
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	2.27	2.13	2.09	2.11	1.93	1.96
Prices Received for Outputs	1.69	1.37	1.32	1.67	1.42	1.51

## 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 80 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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