

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

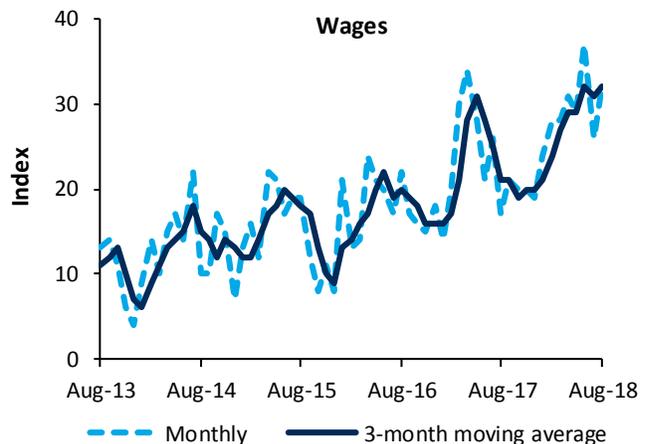
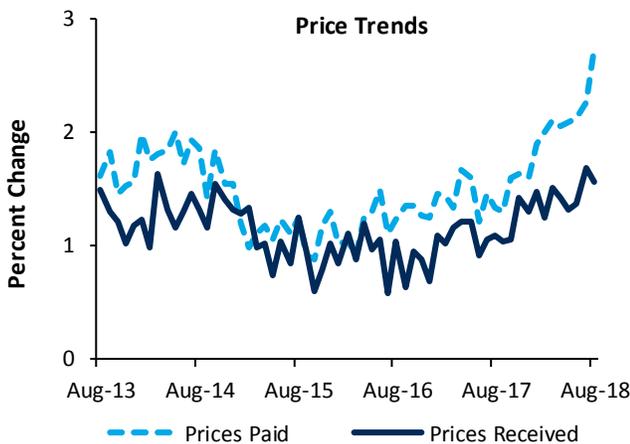
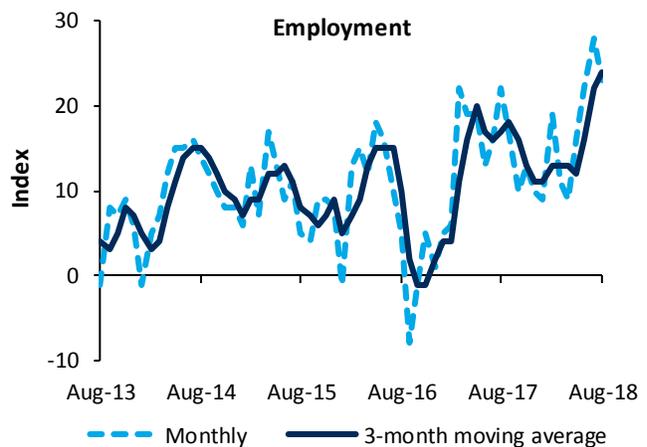
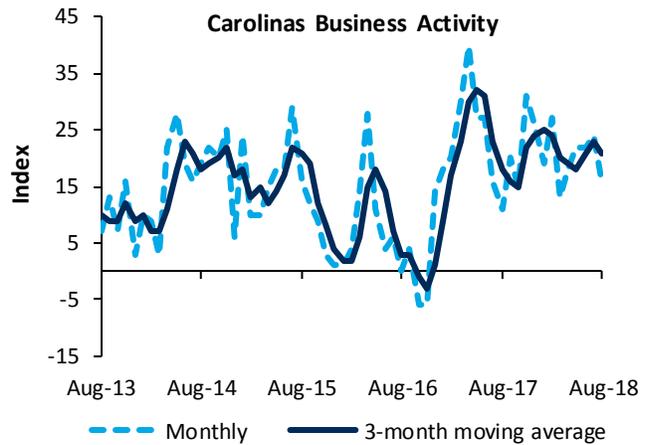
August 30, 2018

Firms in the Carolinas Reported Slowing Growth in August

Firms in the Carolinas saw slowing growth in August, according to the results of the most recent survey from the Federal Reserve Bank of Richmond. Indicators of both general business conditions and sales fell, and firms reported a slowing of employment growth, which they expect to persist in the coming months.

Despite rising wages, Carolinas firms continued to struggle to find workers with the skills they needed, as this indicator fell from -11 in July to a record low of -18 in August. Respondents reported growth in expenditures and expect this trend to continue in the next six months.

While growth of prices paid among Carolinas firms accelerated, growth of prices received slowed, widening the persistent gap between the two. However, firms expect the gap to narrow in coming months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Aug-18	Jul-18	Jun-18	Aug-18	Jul-18	Jun-18
General Business Conditions	16	24	22	19	22	33
Sales	16	28	26	30	36	34
Employment						
Number of Employees	23	28	22	18	24	29
Availability of Skills Needed	-18	-11	-16	-7	-9	-8
Average Workweek	16	18	12	4	11	5
Wages	32	26	37	32	34	39
Spending						
Business Services Expenditures	12	9	11	11	1	6
Total Capital Expenditures	28	22	23	25	38	30
Equipment or Software Expenditures	22	25	26	22	18	13
Price Trends³						
Prices Paid for Inputs	2.75	2.27	2.13	2.35	2.11	1.93
Prices Received for Outputs	1.56	1.69	1.37	2.07	1.67	1.42

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 92 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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