

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

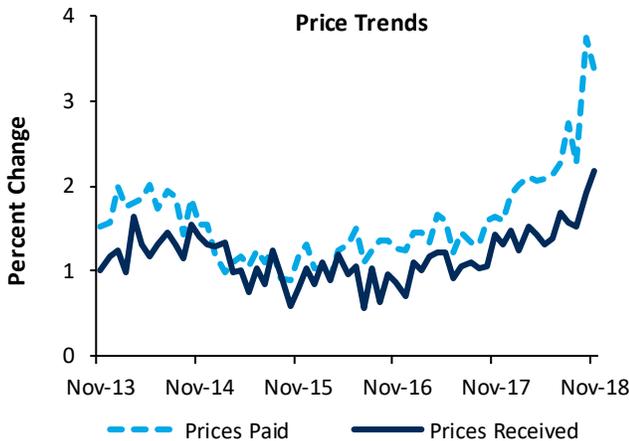
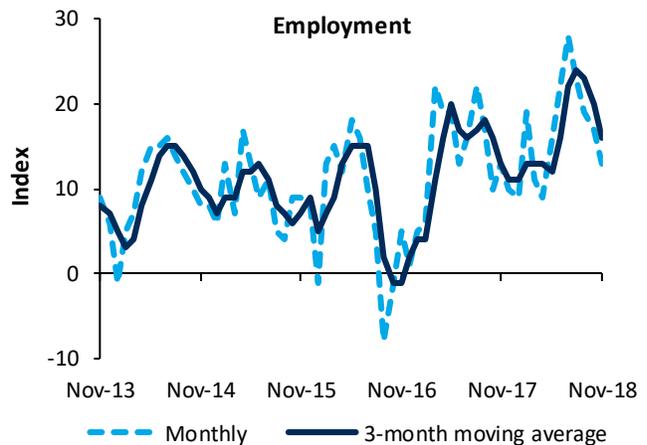
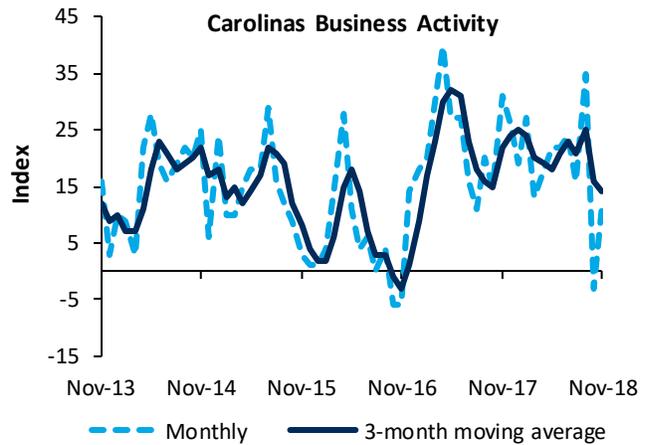
November 29, 2018

Business Activity in the Carolinas Strengthened in November

Business conditions in the Carolinas strengthened in November, according to the results of the most recent survey from the Federal Reserve Bank of Richmond. The indexes for general conditions and sales rose to 11 and 17, respectively, after falling slightly into negative territory in October. Measures of spending also rose and respondents were optimistic that conditions would continue to improve in the near future.

Respondents reported growth in wages and employment in November, but they continued to struggle to find workers with the necessary skills. Firms in the Carolinas expected this difficulty to persist in the coming months and also anticipated continued growth in employment and wages.

Both prices paid and prices received by firms in the Carolinas grew in November. Growth in prices paid continued to outpace that of prices received, but the gap between the two narrowed as growth slowed for prices paid and accelerated for prices received. Respondents expected this trend to continue in the next six months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Nov-18	Oct-18	Sep-18	Nov-18	Oct-18	Sep-18
General Business Conditions	11	-3	35	20	34	30
Sales	17	-3	36	38	47	41
Employment						
Number of Employees	13	17	19	18	13	22
Availability of Skills Needed	-15	-19	-15	-25	-27	-14
Average Workweek	5	-4	21	5	4	13
Wages	30	23	34	52	47	41
Spending						
Business Services Expenditures	6	-3	8	11	8	4
Total Capital Expenditures	25	22	27	35	38	30
Equipment or Software Expenditures	18	15	31	23	27	24
Price Trends³						
Prices Paid for Inputs	3.37	3.74	2.27	2.78	2.70	2.51
Prices Received for Outputs	2.18	1.91	1.51	2.56	2.34	2.06

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 84 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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