Regional Surveys of Business Activity

Carolinas Survey of Business Activity

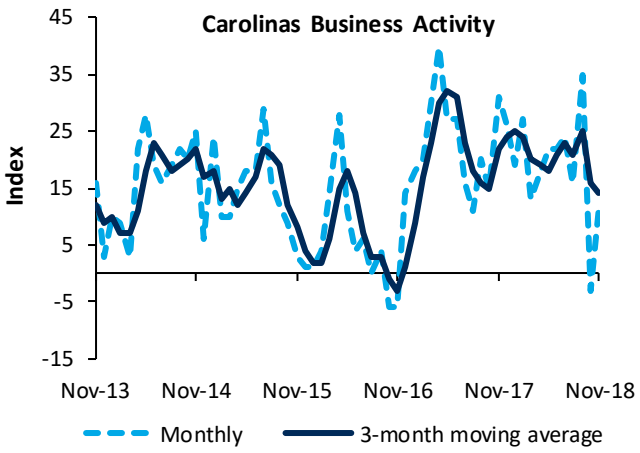
December 27, 2018

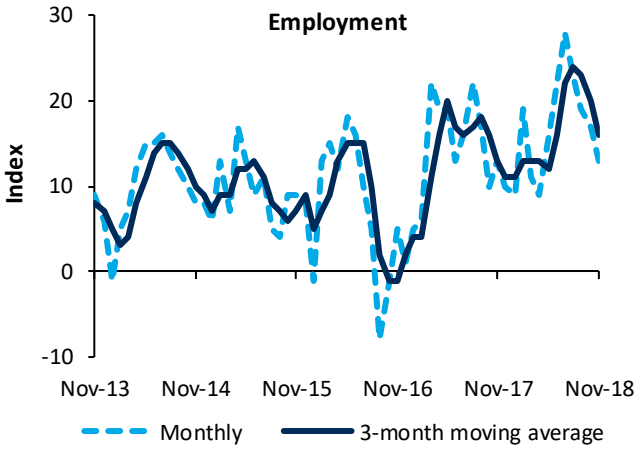
Business Activity in the Carolinas Slowed in December

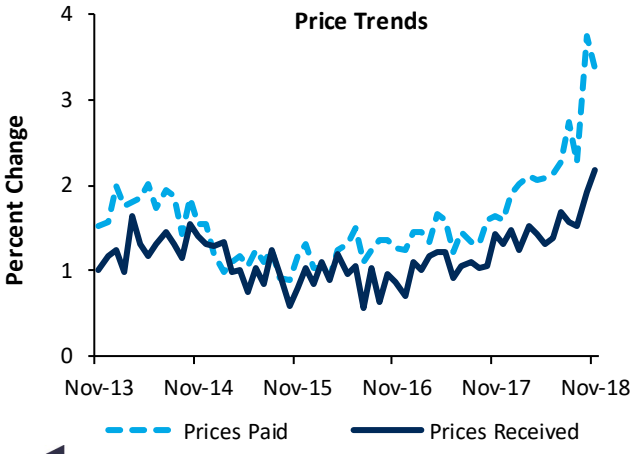
Business conditions in the Carolinas slowed in December, according to the results of the most recent survey from the Federal Reserve Bank of Richmond. The indexes for general conditions and sales fell to −11 and −21, respectively, after strong readings in November. However, firms continued to report spending growth, and they were optimistic that conditions would improve in the coming months.

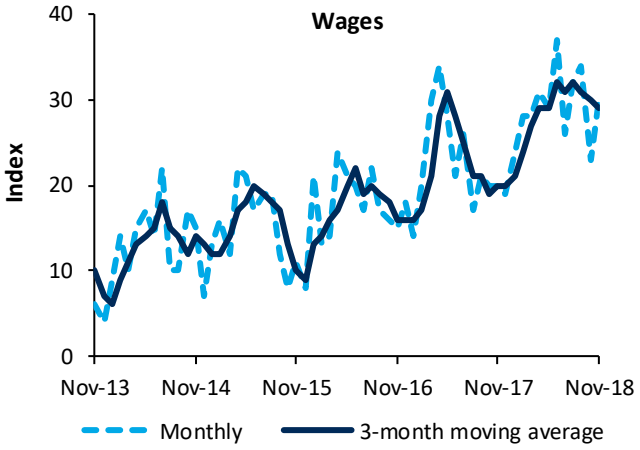
Many survey respondents reported a drop in employment in December, and firms reported being unable to hire workers with the skills they needed. While firms expected employment to rise in the near future, they anticipated continued difficulty finding employees with the necessary skills.

Survey results suggested that prices paid and prices received by firms in the Carolinas grew in December, although at a slightly lower rate than in November. Growth in prices paid remained faster than growth in prices received, but respondents anticipated that the gap would narrow in the next six months.









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Business Activity Indexes[1, 4]

Business Conditions in the Carolinas	Current Conditions Nov-18	Current Conditions Oct-18	Current Conditions Sep-18	Expectations[2] Nov-18	Expectations[2] Oct-18	Expectations[2] 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 Trends[3]						
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:

1 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.

2 Expectations refer to the time period six months out from the survey period.

3 Price changes are expressed as a percent change, annualized.

4 All firms surveyed are located within the states of North Carolina and South Carolina.

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