

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

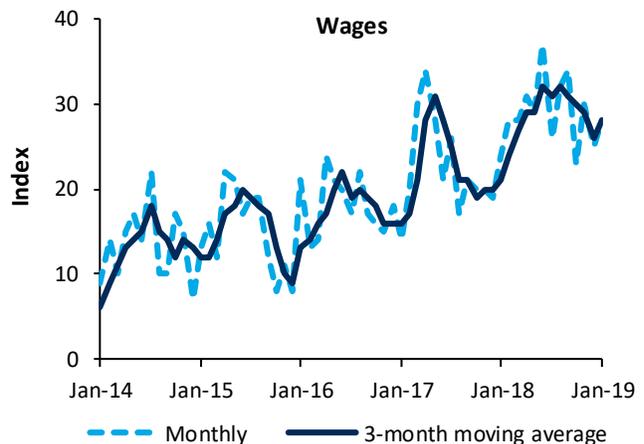
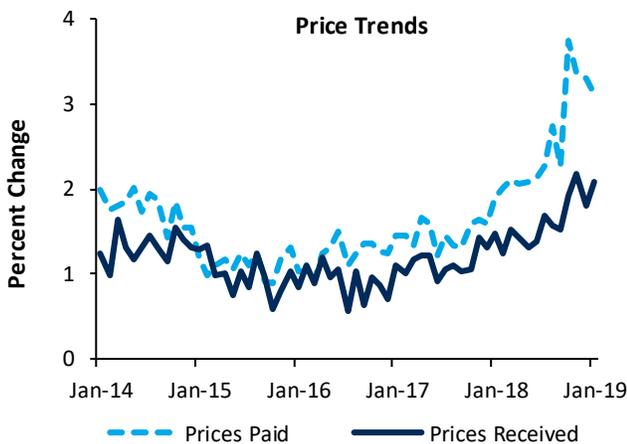
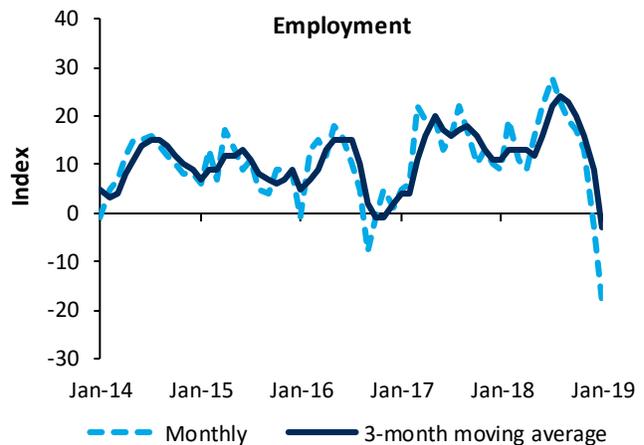
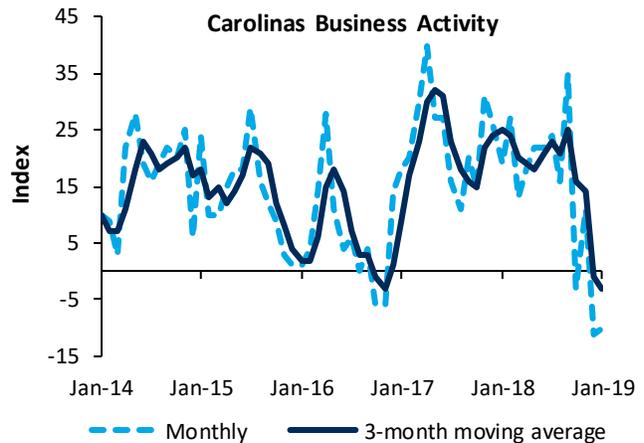
January 24, 2019

Business Activity in the Carolinas Was Weak in January

Business conditions in the Carolinas remained weak in January, according to the results of the most recent survey from the Richmond Fed. The indexes for general business conditions and sales rose from their December values but remained negative, at -10 and -7, respectively. However, firms were optimistic that conditions would improve in the coming months.

Many survey respondents indicated a drop in employment in January, and firms continued to struggle to find workers with the skills they needed. Firms were optimistic that employment growth would recover in the near future but expected the difficulty finding workers with the necessary skills to persist. Meanwhile, firms indicated continued growth in overall spending.

Growth in prices paid by respondents in the Carolinas slowed in January, while growth in prices received picked up, narrowing the gap between the two. Firms expected growth in prices paid to slow but continue to outpace growth of prices received in the next six months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Jan-19	Dec-18	Nov-18	Jan-19	Dec-18	Nov-18
General Business Conditions	-10	-11	11	25	21	20
Sales	-7	-21	17	41	36	38
Employment						
Number of Employees	-18	-3	13	25	24	18
Availability of Skills Needed	-7	-22	-15	-16	-26	-25
Average Workweek	-11	-9	5	29	18	5
Wages	28	25	30	51	55	52
Spending						
Business Services Expenditures	1	7	6	3	1	11
Total Capital Expenditures	7	24	25	7	38	30
Equipment or Software Expenditures	12	11	18	16	25	23
Price Trends³						
Prices Paid for Inputs	3.12	3.31	3.37	2.46	2.70	2.78
Prices Received for Outputs	2.09	1.80	2.18	2.02	2.13	2.56

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 68 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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