

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

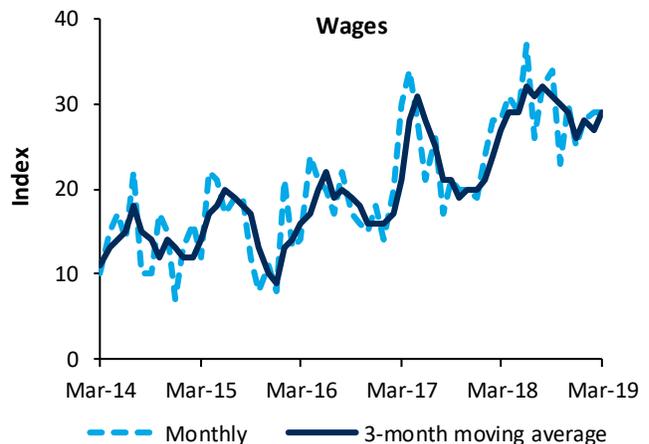
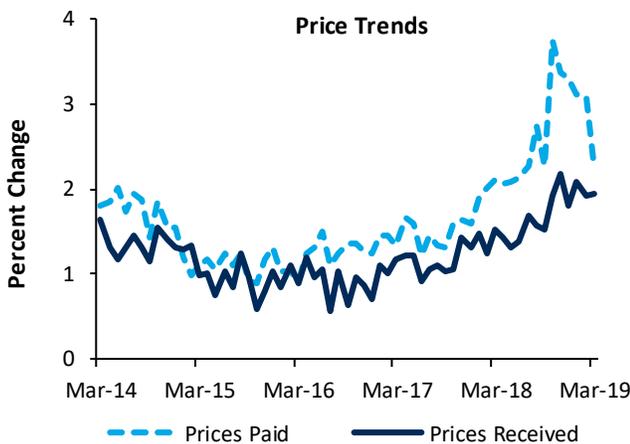
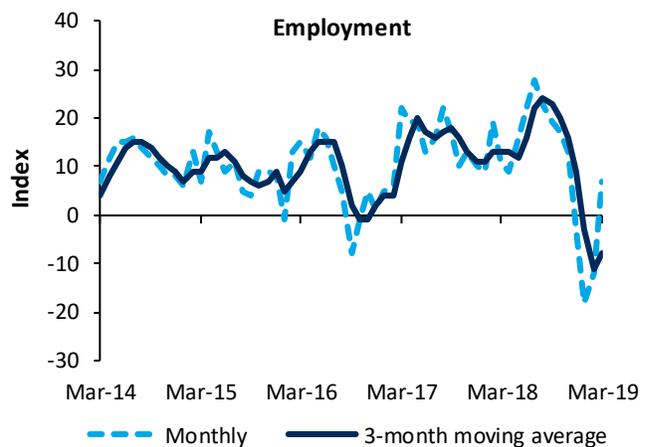
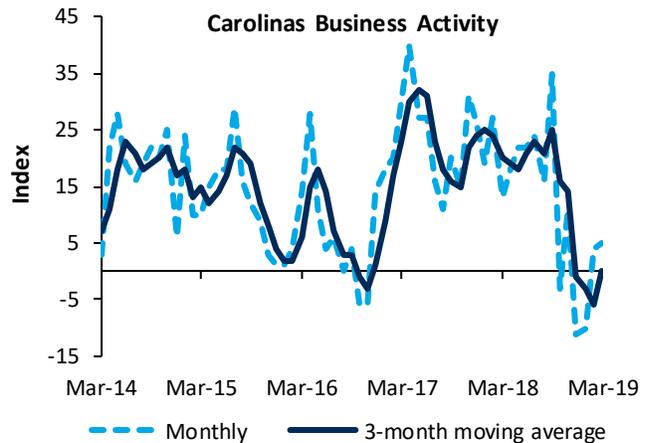
March 28, 2019

Business Conditions in the Carolinas Showed Modest Improvement in March

Business conditions in the Carolinas showed modest improvement in March, according to the results of the most recent survey from the Richmond Fed. The sales index dropped from 17 in February to 6 in March but remained in expansionary territory. Meanwhile, general business conditions continued to improve and many respondents increased capital expenditures. Firms were optimistic, expecting to see further growth in the next six months.

Survey results suggested growth in both employment and wages among respondents in March, as the employment index rose to 7 in March, after three months of negative readings. Difficulty finding workers with necessary skills persisted in March and firms expected the difficulty to continue, along with growth in wages and employment, in the near future.

The growth rate of prices paid by respondents decreased in March but continued to exceed that of prices received, which rose slightly. Firms expected growth of prices paid to continue to fall and that of prices received to increase in the coming months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Mar-19	Feb-19	Jan-19	Mar-19	Feb-19	Jan-19
General Business Conditions	5	4	-10	30	28	25
Sales	6	17	-7	46	52	41
Employment						
Number of Employees	7	-12	-18	30	22	25
Availability of Skills Needed	-16	-11	-7	-24	-16	-16
Average Workweek	4	-6	-11	15	19	29
Wages	29	29	28	46	53	51
Spending						
Business Services Expenditures	3	0	1	8	4	3
Total Capital Expenditures	15	13	7	4	38	30
Equipment or Software Expenditures	5	16	12	24	23	16
Price Trends³						
Prices Paid for Inputs	2.25	3.09	3.12	2.03	2.42	2.46
Prices Received for Outputs	1.95	1.92	2.09	2.13	1.92	2.02

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 63 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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