

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

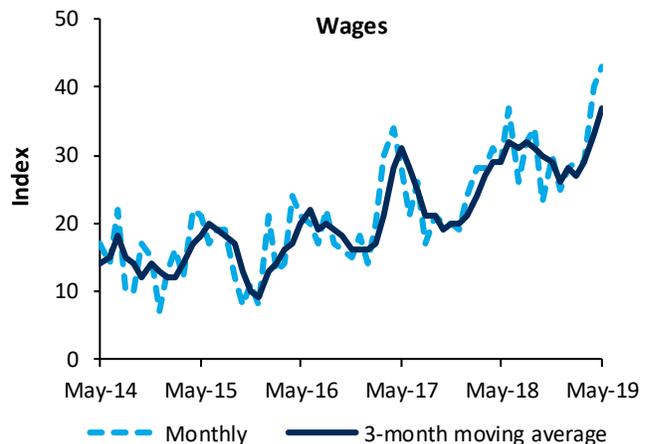
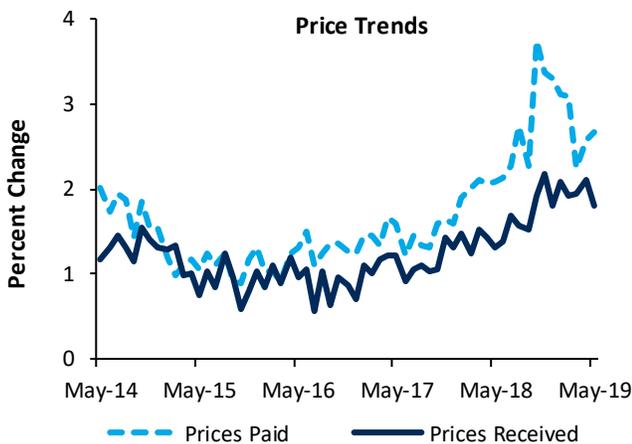
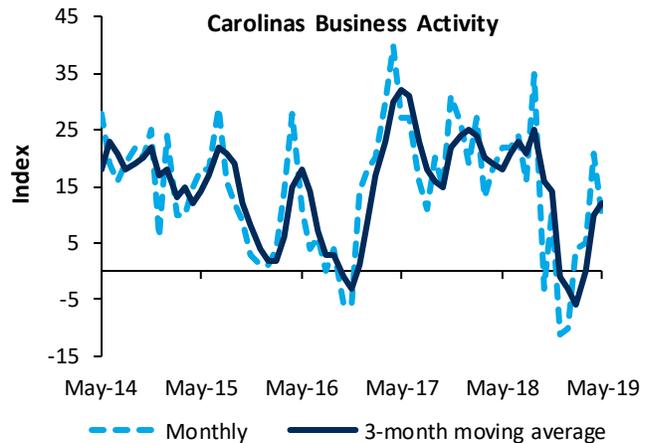
May 30, 2019

Business Conditions in the Carolinas Softened in May

Business conditions in the Carolinas softened somewhat in May, according to the results of the most recent survey from the Federal Reserve Bank of Richmond. The indexes for sales and general conditions fell from 27 and 21 in April to 7 and 10 in May, respectively. However, firms continued to see growth in spending and were optimistic that conditions would improve in the near future.

Survey results suggested positive growth in employment and wages in May, although the employment index was below its April reading. Firms reported a shorter average workweek and experienced difficulty finding workers with the necessary skills. They expected this difficulty to continue, along with employment and wage growth in the coming months.

Survey respondents reported an increase in the growth rate of prices paid and a decrease in that of prices received in May, widening the gap between the two. Firms expected growth of both prices paid and prices received to slow in the next six months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	May-19	Apr-19	Mar-19	May-19	Apr-19	Mar-19
General Business Conditions	10	21	5	31	29	30
Sales	7	27	6	36	44	46
Employment						
Number of Employees	11	23	7	22	27	30
Availability of Skills Needed	-18	-14	-16	-13	-17	-24
Average Workweek	-4	15	4	15	4	15
Wages	43	40	29	51	54	46
Spending						
Business Services Expenditures	15	8	3	11	11	8
Total Capital Expenditures	26	31	15	33	38	30
Equipment or Software Expenditures	7	17	5	23	27	24
Price Trends³						
Prices Paid for Inputs	2.66	2.57	2.25	2.06	2.20	2.03
Prices Received for Outputs	1.81	2.10	1.95	1.75	2.01	2.13

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 61 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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