

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

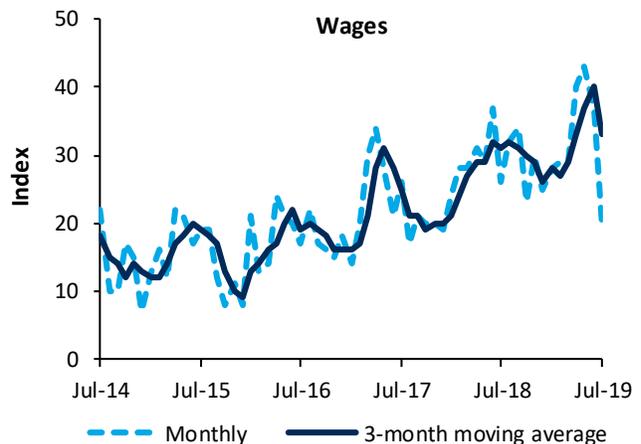
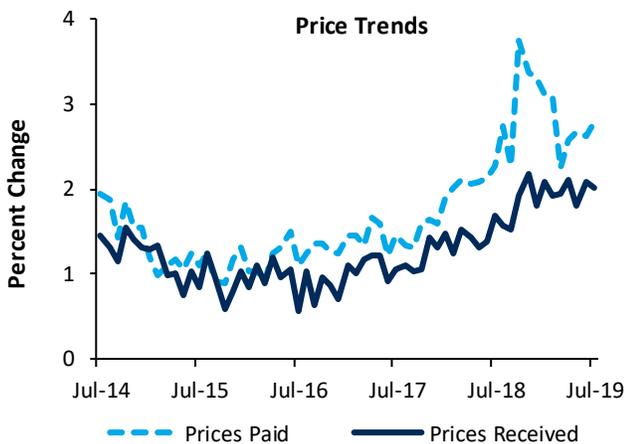
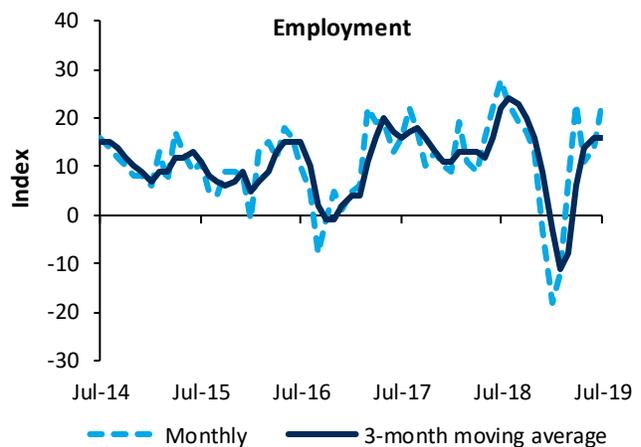
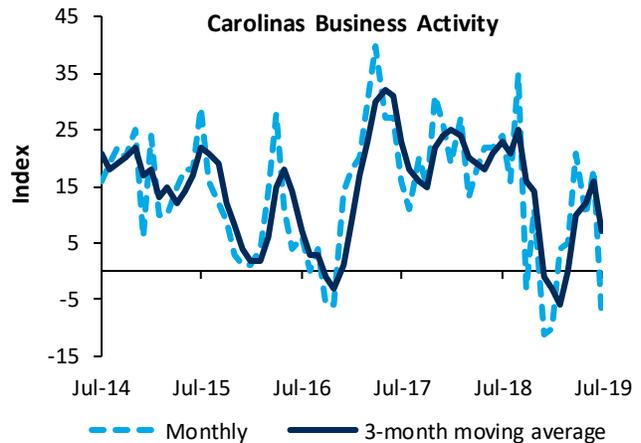
July 25, 2019

Business Activity in the Carolinas Slowed in July

Business activity in the Carolinas slowed in July, 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 18 in June to -2 and -8 in July, respectively. However, firms reported continued growth in spending and were optimistic that general business conditions would improve in the near future.

Survey results indicate that employment and wages rose in the Carolinas in July, while the indicator for the average workweek was flat. Firms continued to struggle to find workers with the necessary skills, and expected this difficulty to continue, along with employment and wage growth in the next six months.

Survey participants reported an increase in growth of prices paid and a slight decrease in growth of prices received in July, widening the gap between the two. Firms expected growth in prices paid to continue to outpace prices received but both to slow in the coming months.



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Business Activity Indexes ^{1, 4}						
Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Jul-19	Jun-19	May-19	Jul-19	Jun-19	May-19
General Business Conditions	-8	18	10	23	7	31
Sales	-2	18	7	18	21	36
Employment						
Number of Employees	23	14	11	6	14	22
Availability of Skills Needed	-18	-25	-18	-15	-25	-13
Average Workweek	0	24	-4	3	14	15
Wages	20	37	43	35	47	51
Spending						
Business Services Expenditures	6	9	15	-5	12	11
Total Capital Expenditures	10	10	26	16	38	30
Equipment or Software Expenditures	14	19	7	20	30	23
Price Trends³						
Prices Paid for Inputs	2.78	2.62	2.66	1.98	2.15	2.06
Prices Received for Outputs	2.02	2.09	1.81	1.43	2.00	1.75

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 66 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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