

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

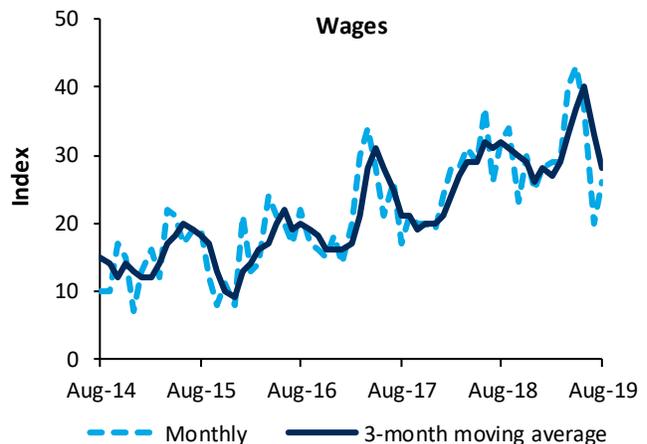
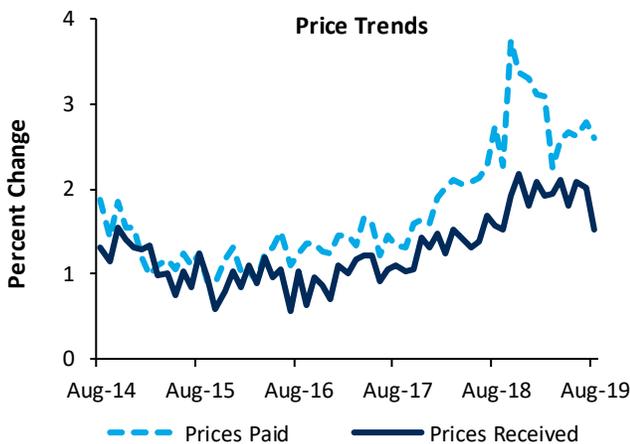
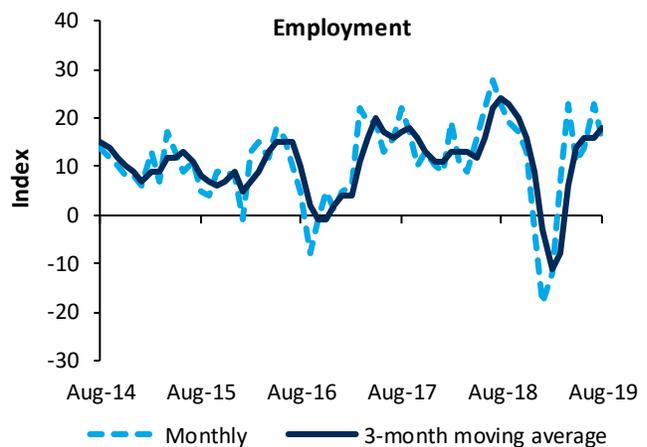
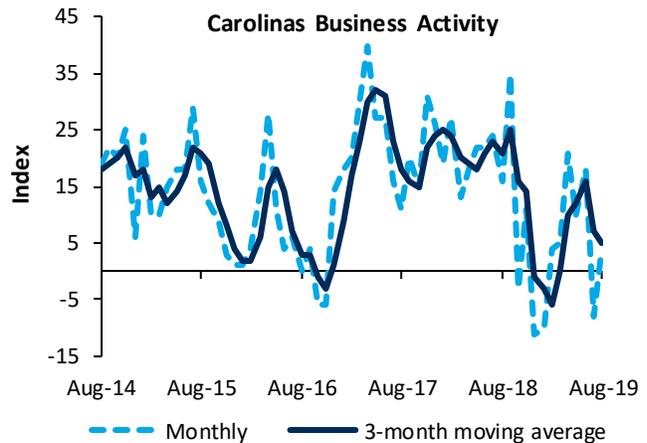
August 29, 2019

Business Activity Grew Modestly in August

Business activity in the Carolinas grew at a modest pace in August, according to the results of the most recent survey by the Federal Reserve Bank of Richmond. The indexes for both general business conditions and sales indicated slight growth at 4, recovering from their July readings of -8 and -2, respectively. Businesses in the Carolinas reported continued expenditure growth in August, and they expected conditions to strengthen in the near future.

Survey results suggested that firms increased employment and wages in August, but finding workers with the necessary skills remained a challenge. They expected this difficulty to persist, along with wage and employment growth in the coming months.

Growth of both prices paid and prices received by survey participants slowed in August, as growth of prices paid continued to outpace that of prices received. Firms expected this gap to narrow in the next six months because of slowing growth in prices paid.



Regional Surveys of Business Activity

Carolinas Survey of Business Activity

August 29, 2019

Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Aug-19	Jul-19	Jun-19	Aug-19	Jul-19	Jun-19
General Business Conditions	4	-8	18	15	23	7
Sales	4	-2	18	19	18	21
Employment						
Number of Employees	16	23	14	13	6	14
Availability of Skills Needed	-12	-18	-25	-7	-15	-25
Average Workweek	0	0	24	13	3	14
Wages	26	20	37	40	35	47
Spending						
Business Services Expenditures	10	6	9	1	-5	12
Total Capital Expenditures	19	10	10	22	38	30
Equipment or Software Expenditures	21	14	19	14	20	30
Price Trends³						
Prices Paid for Inputs	2.60	2.78	2.62	2.05	1.98	2.15
Prices Received for Outputs	1.53	2.02	2.09	1.57	1.43	2.00

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 72 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.

For further information, contact **Roisin McCord** at **804.697.8702** or **Roisin.McCord@rich.frb.org**