

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

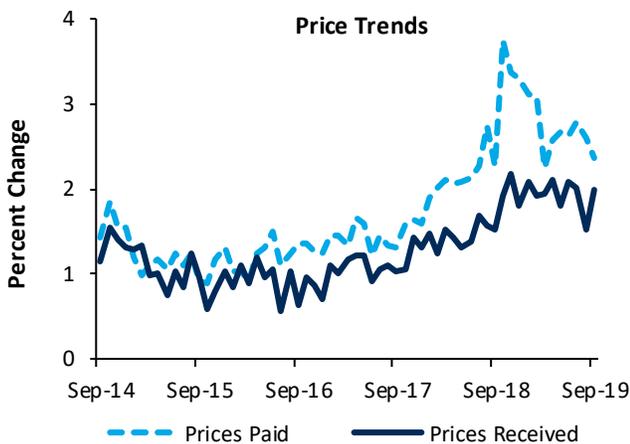
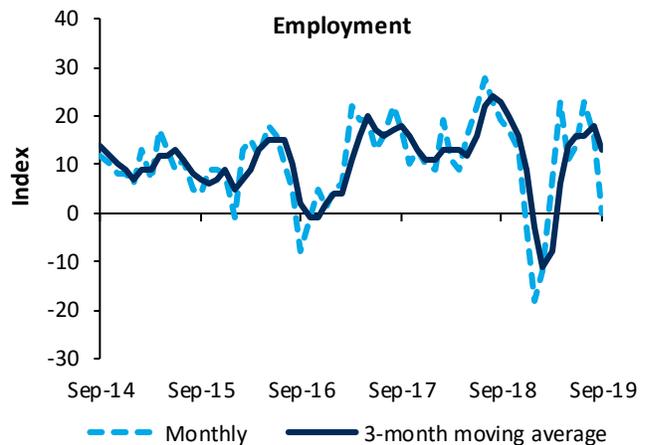
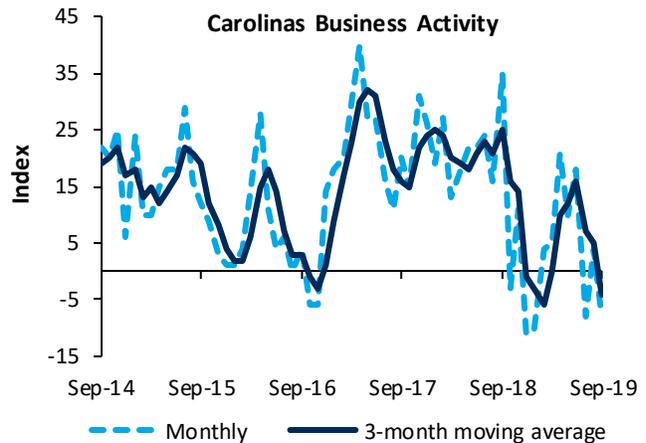
September 26, 2019

Business Activity Weakened in September

Business activity in the Carolinas weakened in September, according to the results of the most recent survey by the Richmond Fed. The indexes for general business conditions and sales dropped from 4 in August to -8 and -3, respectively, in September. Meanwhile, indicators of growth in firm spending declined from last month but remained positive. Firms in the Carolinas expected conditions to improve somewhat in the near future.

Survey results suggested that firms in North and South Carolina were mixed with respect to increasing employment in September, as this index fell from 16 to 0. Survey participants reported increases in wages and the average workweek, but they expressed difficulty finding workers with the necessary skills. Firms expected this difficulty to persist but employment and wages to grow in the next six months.

The growth rate of prices paid by survey respondents in North and South Carolina fell in September, while that of prices received rose, shrinking the gap between the two. Firms expected growth of both prices paid and prices received to slow in the coming months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Sep-19	Aug-19	Jul-19	Sep-19	Aug-19	Jul-19
General Business Conditions	-8	4	-8	2	15	23
Sales	-3	4	-2	3	19	18
Employment						
Number of Employees	0	16	23	24	13	6
Availability of Skills Needed	-11	-12	-18	-21	-7	-15
Average Workweek	7	0	0	7	13	3
Wages	27	26	20	55	40	35
Spending						
Business Services Expenditures	8	10	6	13	1	-5
Total Capital Expenditures	3	19	10	28	38	30
Equipment or Software Expenditures	13	21	14	23	14	20
Price Trends³						
Prices Paid for Inputs	2.36	2.60	2.78	2.33	2.05	1.98
Prices Received for Outputs	2.00	1.53	2.02	1.82	1.57	1.43

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 62 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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