

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

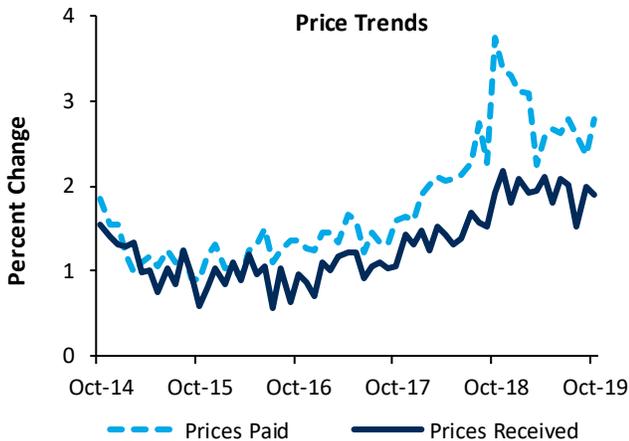
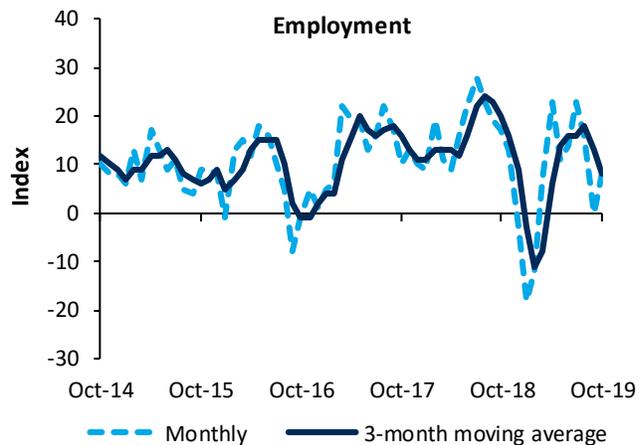
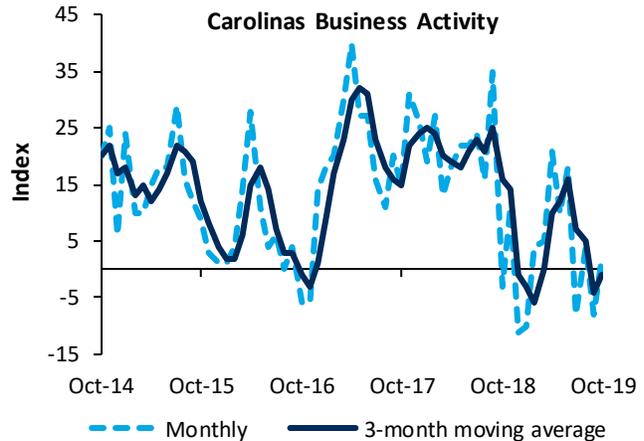
October 24, 2019

Business Activity Was Moderate in October

Business activity in the Carolinas was moderate in October, according to the results of the most recent survey by the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales rose from -8 and -3 in September to 2 and 3 in October, respectively. Many survey respondents also reported increased capital spending. Firms expected to see a softening in general business conditions, as this index fell to -5, its lowest reading since November 2008, but anticipated continued sales growth in the near future.

Survey results suggested an increase in employment and continued wage growth among firms in the Carolinas in October, with expectations of continued growth in employment and wages in the coming months. However, firms experienced continued difficulty finding workers with the necessary skills in October and expected this challenge to persist.

The growth rate of prices paid by survey respondents rose in October, while that of prices received fell, widening the gap between the two. Firms expected growth of both 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		
	Oct-19	Sep-19	Aug-19	Oct-19	Sep-19	Aug-19
General Business Conditions	2	-8	4	-5	2	15
Sales	3	-3	4	10	3	19
Employment						
Number of Employees	8	0	16	4	24	13
Availability of Skills Needed	-16	-11	-12	-13	-21	-7
Average Workweek	8	7	0	0	7	13
Wages	18	27	26	60	55	40
Spending						
Business Services Expenditures	0	8	10	10	13	1
Total Capital Expenditures	25	3	19	54	38	30
Equipment or Software Expenditures	8	13	21	20	23	14
Price Trends³						
Prices Paid for Inputs	2.78	2.36	2.60	2.35	2.33	2.05
Prices Received for Outputs	1.90	2.00	1.53	1.57	1.82	1.57

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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