

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

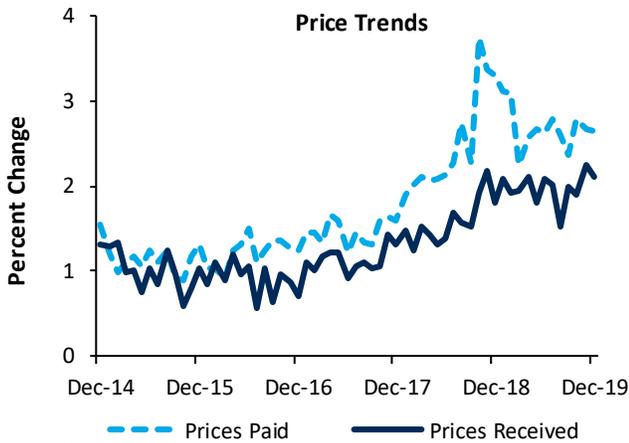
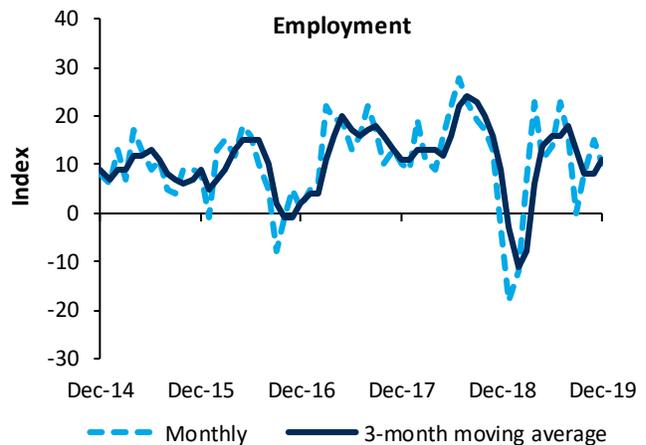
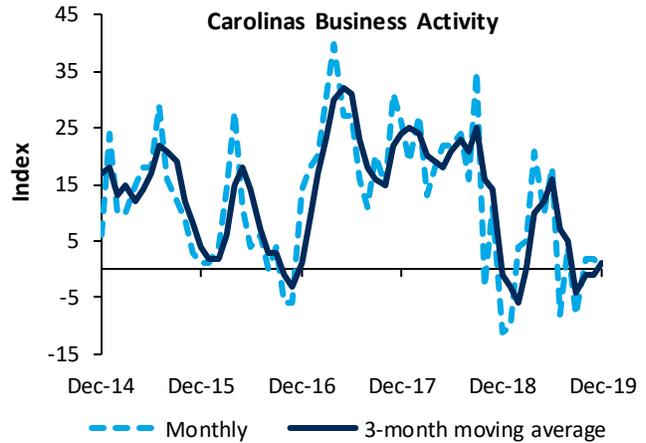
December 26, 2019

Business Activity Was Soft in December

Business activity in the Carolinas was soft in December, according to the results of the most recent survey by the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales fell from 2 in November to 0 and -9 in December, respectively, indicating little change in business conditions and a drop in sales. However, survey respondents were optimistic that conditions would improve in the near future.

Survey results reflected growth in both employment and wages in December, but firms continued to struggle to find workers with the necessary skills. Firms expected this difficulty to persist but employment and wages to grow in the coming months.

The growth rates of both prices paid and prices received by firms in the Carolinas declined slightly in December. Growth of prices paid continued to exceed that of prices received. Survey participants expect further declines in growth of both prices paid and prices received in the next six months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Dec-19	Nov-19	Oct-19	Dec-19	Nov-19	Oct-19
General Business Conditions	0	2	2	25	10	-5
Sales	-9	2	3	28	26	10
Employment						
Number of Employees	10	15	8	27	23	4
Availability of Skills Needed	-12	-15	-16	-21	-16	-13
Average Workweek	7	-4	8	20	15	0
Wages	31	21	18	57	64	60
Spending						
Business Services Expenditures	1	3	0	10	11	10
Total Capital Expenditures	10	27	25	20	38	30
Equipment or Software Expenditures	13	13	8	13	8	20
Price Trends³						
Prices Paid for Inputs	2.65	2.68	2.78	2.01	2.37	2.35
Prices Received for Outputs	2.10	2.25	1.90	1.86	1.87	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 67 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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