

# Regional Surveys of Business Activity

## Carolinas Survey of Business Activity

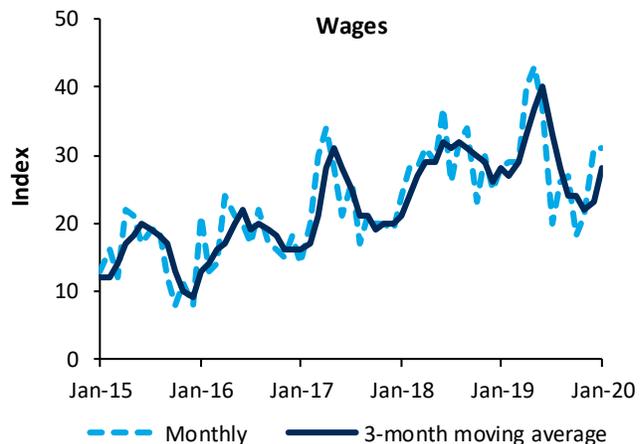
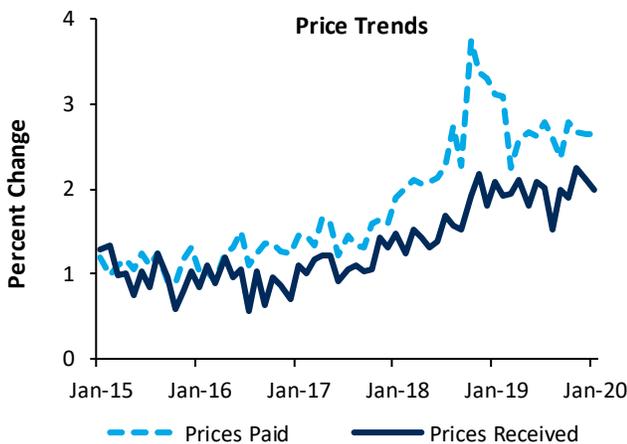
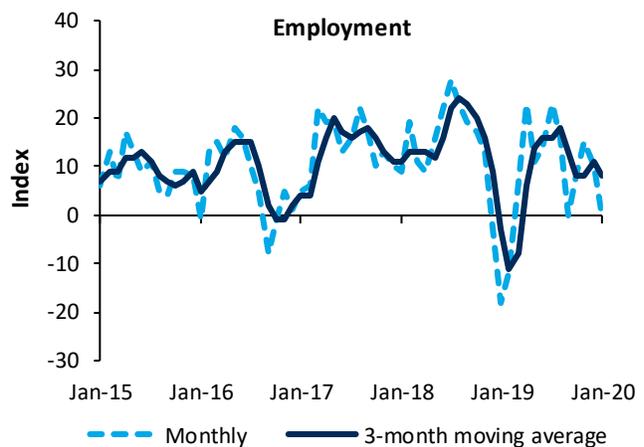
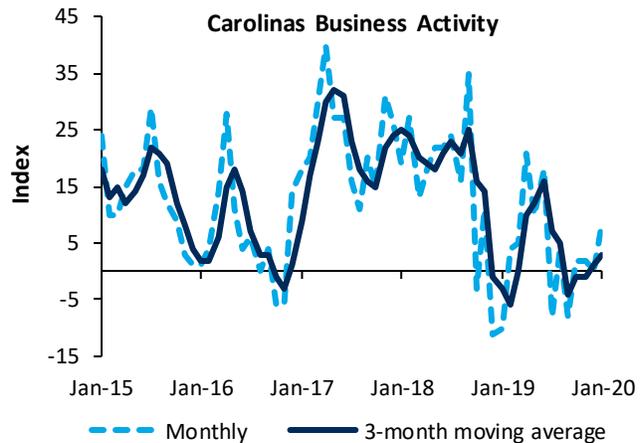
January 30, 2020

### *Business Activity Strengthened in January*

Business activity in the Carolinas strengthened in January, according to the results of the most recent survey by the Richmond Fed. The indexes for general business conditions and sales rose from 0 and -9 in December to 8 and 2 in January, respectively. Capital spending by firms in the Carolinas also increased. Survey respondents were optimistic that conditions would continue to improve in the near future.

Survey results reflect flat employment levels among participants, but wages continued to grow, as the wage index remained firmly positive at 31. Firms struggled to find workers with the necessary skills and expected that struggle to persist. Firms expected wages and employment to grow in the coming months.

The average growth rate of prices received by firms in the Carolinas slowed in January, while that of prices paid held fairly steady. Growth of prices paid continued to outpace that of prices received, and firms expected growth of both to slow in the next six months.



# Regional Surveys of Business Activity

Carolinas Survey of Business Activity

January 30, 2020

## Business Activity Indexes<sup>1, 4</sup>

Business Conditions in the Carolinas	Current Conditions			Expectations <sup>2</sup>		
	Jan-20	Dec-19	Nov-19	Jan-20	Dec-19	Nov-19
General Business Conditions	8	0	2	29	25	10
Sales	2	-9	2	48	28	26
<b>Employment</b>						
Number of Employees	0	10	15	31	27	23
Availability of Skills Needed	-15	-12	-15	-15	-21	-16
Average Workweek	0	7	-4	23	20	15
Wages	31	31	21	56	57	64
<b>Spending</b>						
Business Services Expenditures	13	1	3	13	10	11
Total Capital Expenditures	27	10	27	31	38	30
Equipment or Software Expenditures	19	13	13	31	13	8
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	2.64	2.65	2.68	2.19	2.01	2.37
Prices Received for Outputs	1.98	2.10	2.25	1.48	1.86	1.87

### 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 52 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**