

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

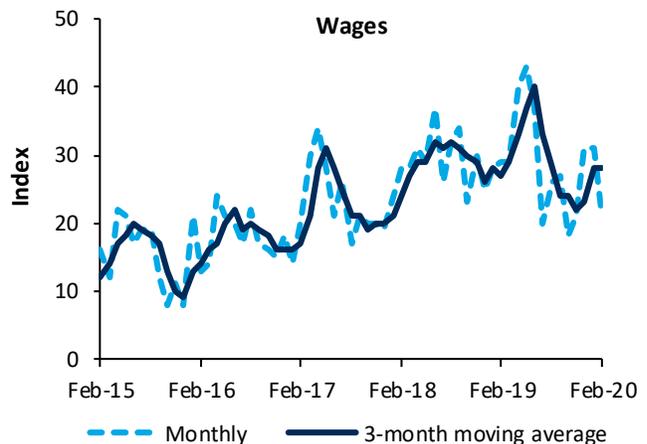
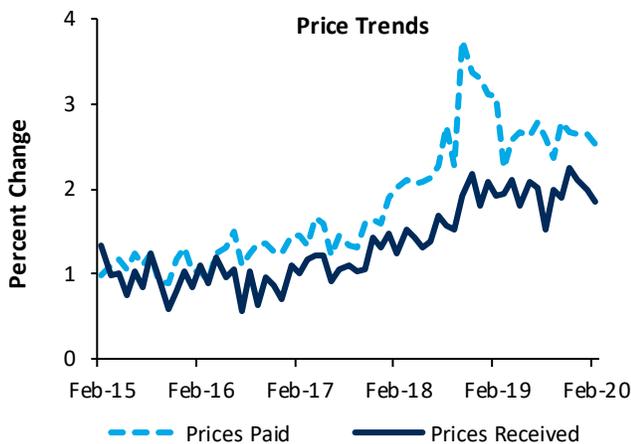
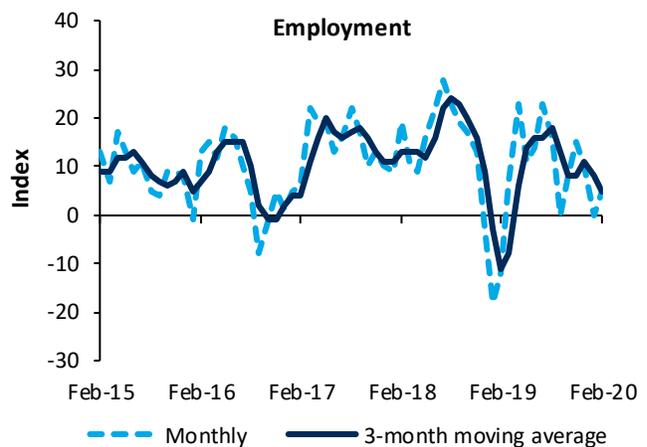
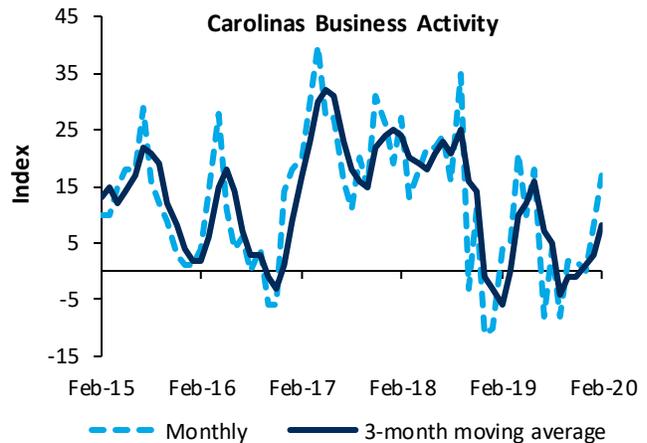
February 27, 2020

Business Activity Was Robust in February

Business activity in the Carolinas was robust in February, 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 2 in January to 17 and 19 in February, respectively. Meanwhile, capital spending continued to grow. Respondents were optimistic that business would remain strong in the coming months.

Survey results suggested growth in employment and wages among respondents in the Carolinas in February. However, firms reported difficulty finding workers with the necessary skills and expected that struggle to persist in the near future.

The average growth rates of both prices paid and prices received by survey respondents slowed in February, as growth of prices paid continued to outpace that of prices received. Firms expected growth of prices paid to further slow and that of prices received to hold relatively steady in the next six months.



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Business Activity Indexes^{1, 4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Feb-20	Jan-20	Dec-19	Feb-20	Jan-20	Dec-19
General Business Conditions	17	8	0	34	29	25
Sales	19	2	-9	45	48	28
Employment						
Number of Employees	5	0	10	15	31	27
Availability of Skills Needed	-17	-15	-12	-11	-15	-21
Average Workweek	-5	0	7	15	23	20
Wages	21	31	31	49	56	57
Spending						
Business Services Expenditures	0	13	1	6	13	10
Total Capital Expenditures	15	27	10	20	38	30
Equipment or Software Expenditures	6	19	13	15	31	13
Price Trends³						
Prices Paid for Inputs	2.53	2.64	2.65	2.16	2.19	2.01
Prices Received for Outputs	1.85	1.98	2.10	1.84	1.48	1.86

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 47 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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