

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

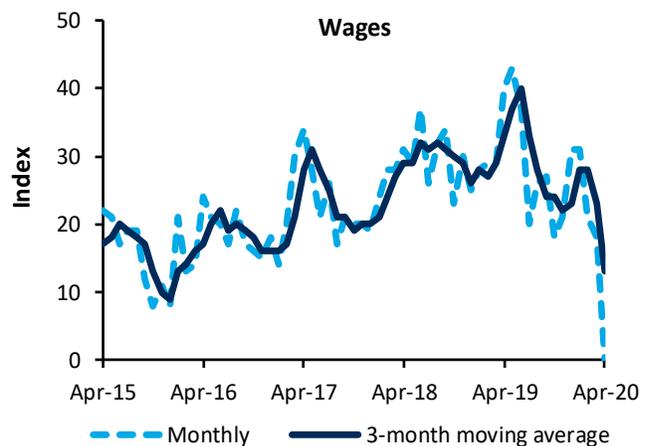
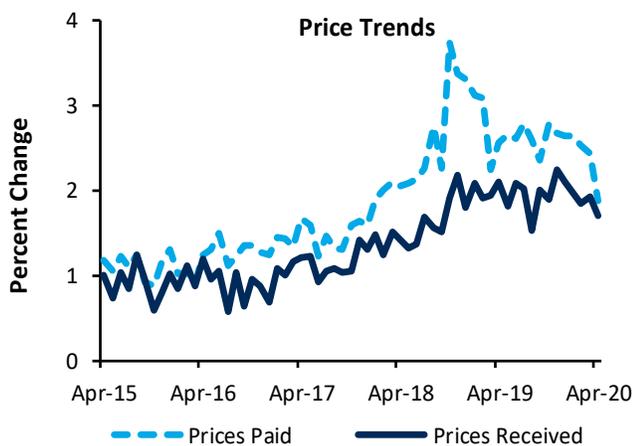
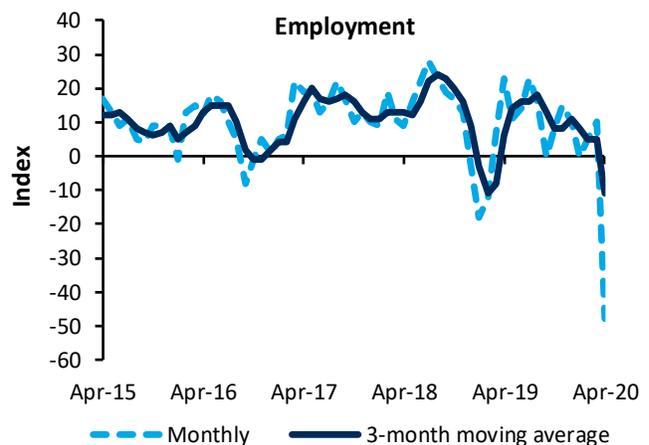
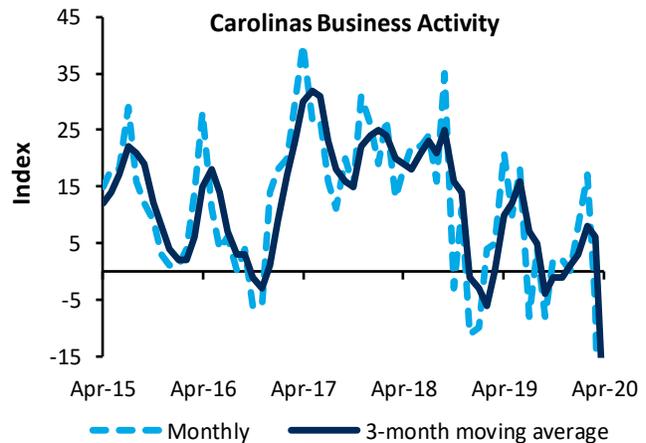
April 30, 2020

Business Activity in the Carolinas Slowed Substantially in April

Firms in the Carolinas reported a substantial drop in business activity in April, according to the results of the most recent survey by the Richmond Fed. The indexes for general business conditions and sales fell from -6 and 0 in March to -82 and -55 in April, respectively—a series low for general business conditions. More survey respondents also reported decreases in capital expenditures and general business spending in April, and they expected conditions and spending to remain soft in the coming months.

Survey results suggested drops in employment and the average workweek in April, as both indexes hit record lows. Meanwhile, the wage index was flat as firms reported that workers with necessary skills were easier to find, overall—the index for skills availability entered expansionary territory for the first time since 2017. Respondents expected employment to remain soft in the near future.

Growth of both prices paid and prices received by survey participants in the Carolinas slowed in April, as growth of prices paid continued to outpace that of prices received. Firms expected the gap between the two to grow in the next six months.



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Business Activity Indexes^{1,4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Apr-20	Mar-20	Feb-20	Apr-20	Mar-20	Feb-20
General Business Conditions	-82	-6	17	-31	-16	34
Sales	-55	0	19	-12	-4	45
Employment						
Number of Employees	-48	10	5	-9	0	15
Availability of Skills Needed	8	-10	-17	10	-10	-11
Average Workweek	-57	10	-5	-9	0	15
Wages	0	18	21	6	36	49
Spending						
Business Services Expenditures	-37	4	0	-31	0	6
Total Capital Expenditures	-35	29	15	-39	38	30
Equipment or Software Expenditures	-18	8	6	-22	12	15
Price Trends³						
Prices Paid for Inputs	1.88	2.44	2.53	2.01	2.02	2.16
Prices Received for Outputs	1.71	1.93	1.85	1.38	1.95	1.84

Technical Notes:

- ¹ 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 49 firms.
- ² Expectations refer to the time period six months out from the survey period.
- ³ Price changes are expressed as a percent change, annualized.
- ⁴ All firms surveyed are located within the states of North Carolina and South Carolina.

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