

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

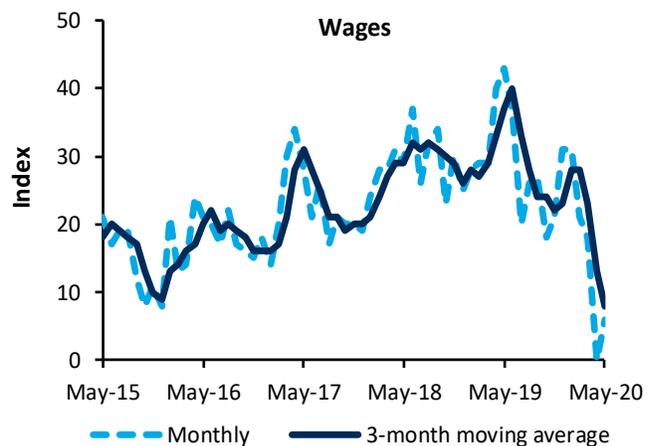
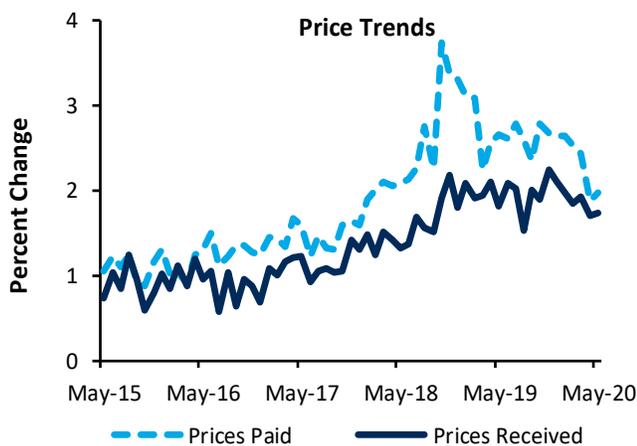
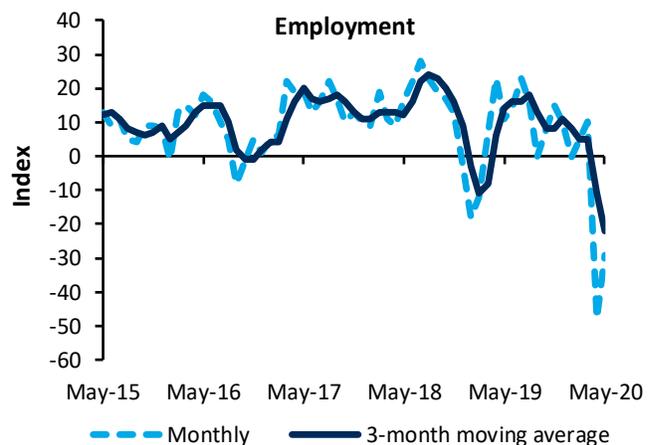
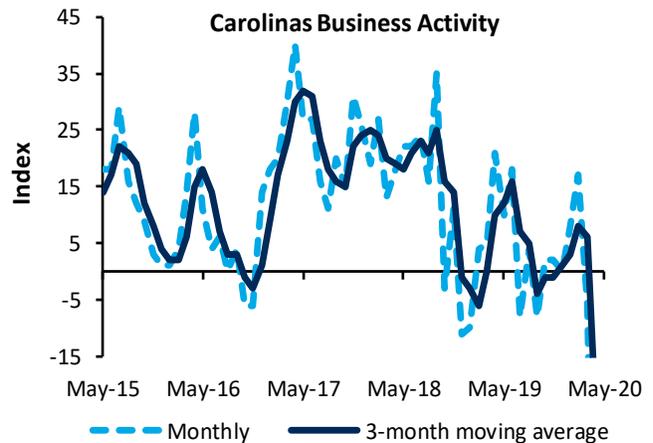
May 28, 2020

Business Activity Continued Weakening in May

Firms in the Carolinas reported a continued weakening of business conditions in May, according to the most recent survey by the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales rose from -82 and -55 in April to -67 and -52 in May, respectively, but were still in contractionary territory. Businesses also decreased capital spending. Contacts expected conditions to improve and sales to level in the next six months.

Survey results also indicated further drops in employment and the average workweek in May, but the availability of workers with the necessary skills was fairly stable. Wages increased for some firms, and contacts expected employment and wages to increase in the coming months.

The average growth rates of both prices paid and prices received by firms in the Carolinas rose somewhat in May, as growth of prices paid continued to outpace that of prices received. Survey respondents expect price growth of both prices paid and prices received to slow further in the near future.



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Business Activity Indexes^{1,4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	May-20	Apr-20	Mar-20	May-20	Apr-20	Mar-20
General Business Conditions	-67	-82	-6	10	-31	-16
Sales	-52	-55	0	0	-12	-4
Employment						
Number of Employees	-29	-48	10	17	-9	0
Availability of Skills Needed	2	8	-10	0	10	-10
Average Workweek	-42	-57	10	13	-9	0
Wages	6	0	18	8	6	36
Spending						
Business Services Expenditures	-35	-37	4	-12	-31	0
Total Capital Expenditures	-42	-35	29	-12	38	30
Equipment or Software Expenditures	-27	-18	8	-12	-22	12
Price Trends³						
Prices Paid for Inputs	1.97	1.88	2.44	1.30	2.01	2.02
Prices Received for Outputs	1.74	1.71	1.93	1.27	1.38	1.95

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 48 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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