

# Regional Surveys of Business Activity

## Carolinas Survey of Business Activity

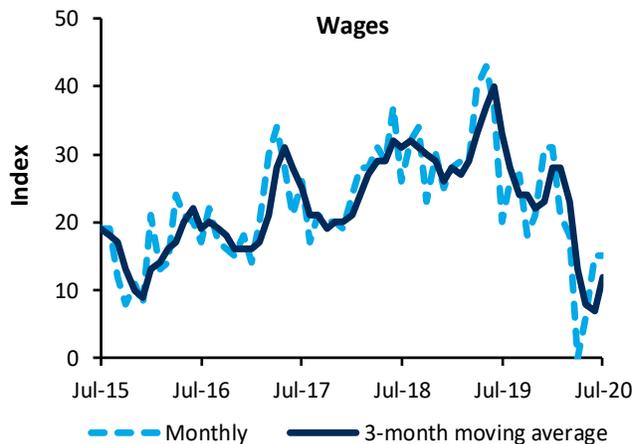
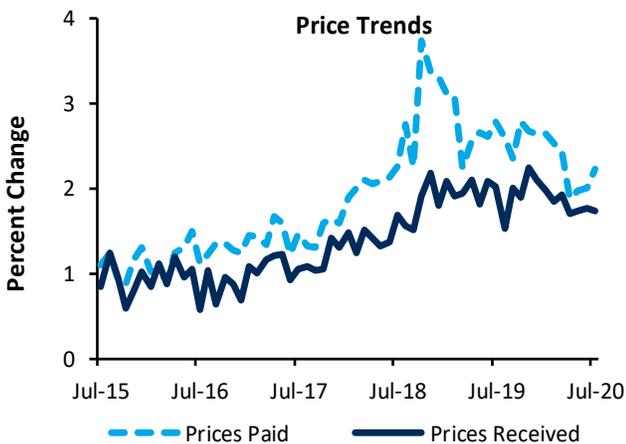
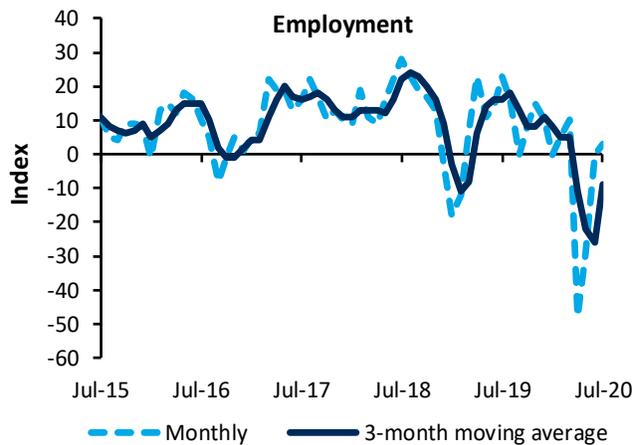
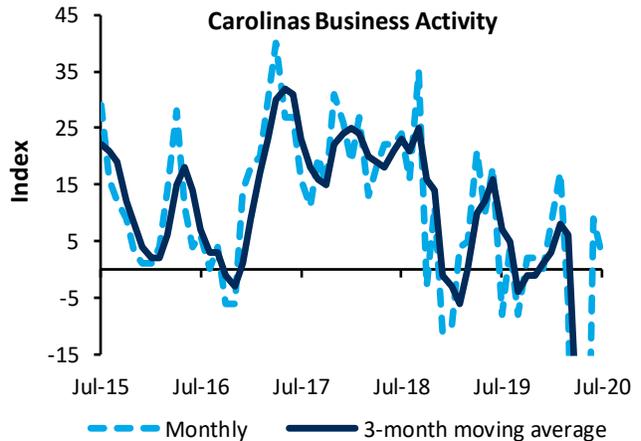
July 30, 2020

### Firms Reported Stronger Business Conditions in July

Firms in the Carolinas reported stronger business in July, according to the most recent survey from the Federal Reserve Bank of Richmond. The index for sales rose from 0 in June to 12 in July, registering its first positive reading since March, although the index for general business conditions softened a bit—from 9 in June to 3 in July. Many firms reported increased capital spending, but there were continued decreases in the indexes for spending on business services. Survey respondents were optimistic that, in general, business conditions would improve in the next six months.

Survey results did not suggest a large shift in employment in July, but the index was greater than 0, indicating that some firms increased employment since June. Respondents also reported increased wages, and they expected employment and wages to rise in the coming months.

The average growth rate of prices paid by survey participants rose in July, while that of prices received declined very slightly. Firms expected growth of both prices paid and prices received to slow in the near future.



# Regional Surveys of Business Activity

Carolinas Survey of Business Activity

July 30, 2020

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

Business Conditions in the Carolinas	Current Conditions			Expectations <sup>2</sup>		
	Jul-20	Jun-20	May-20	Jul-20	Jun-20	May-20
General Business Conditions	3	9	-67	27	43	10
Sales	12	0	-52	20	38	0
<b>Employment</b>						
Number of Employees	3	0	-29	13	30	17
Availability of Skills Needed	-3	-2	2	-3	-2	0
Average Workweek	0	5	-42	3	20	13
Wages	15	15	6	25	17	8
<b>Spending</b>						
Business Services Expenditures	-17	-23	-35	-10	-17	-12
Total Capital Expenditures	7	0	-42	-7	38	30
Equipment or Software Expenditures	5	0	-27	12	2	-12
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	2.23	2.00	1.97	2.08	2.14	1.30
Prices Received for Outputs	1.74	1.77	1.74	1.39	1.70	1.27

### 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 59 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](mailto:Roisin.McCord@rich.frb.org)