

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

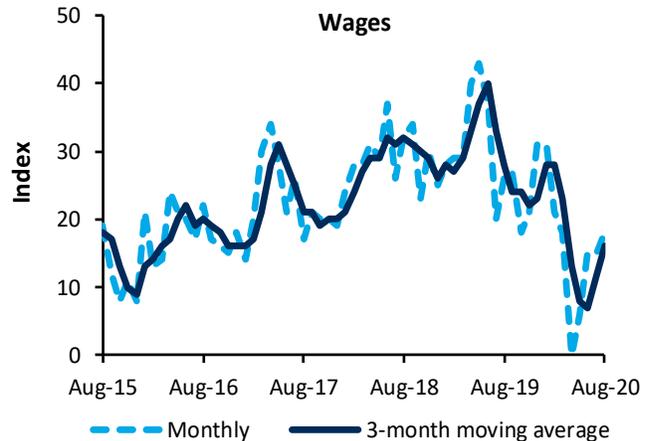
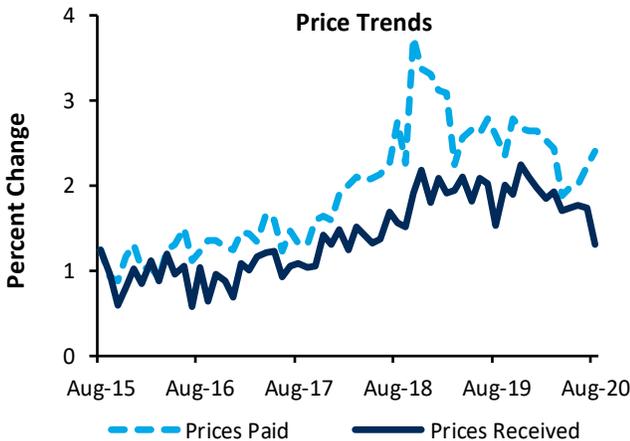
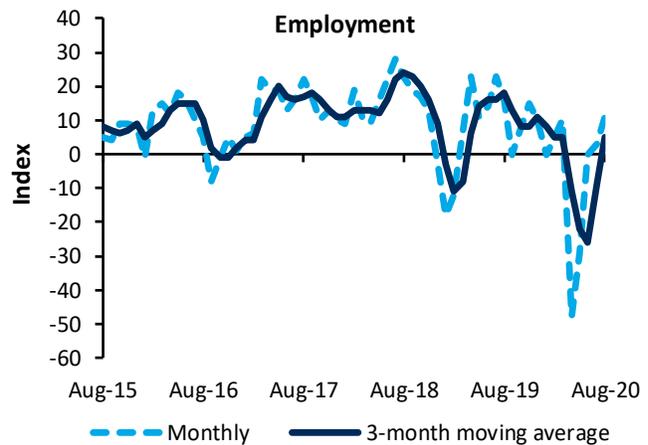
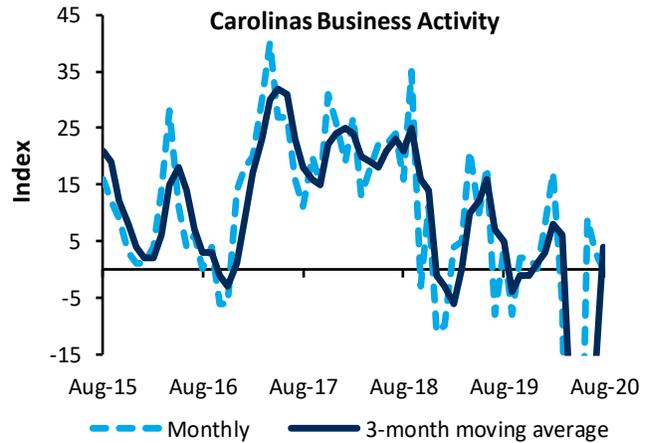
August 27, 2020

Firms Reported Increased Sales in August

Firms in the Carolinas reported increased sales in August, according to the most recent survey from the Federal Reserve Bank of Richmond. The index for sales inched down from 12 in July to 11 in August but was positive, suggesting growth. General business conditions appeared little changed, as this index dropped from 3 in July to 0 in August. Survey respondents were optimistic that conditions would improve in the coming months.

Survey results indicated growth in employment and wages in the Carolinas in August. Firms reported difficulty finding workers with the necessary skills, as this index dropped from -3 in July to -21 in August, its largest one-month drop since August 2008. Firms expected wages to rise but employment to fall in the near future.

The average growth rate of prices paid by survey participants rose in August, while that of prices received fell. Firms expected growth of both prices paid and prices received to slow in the next six months.



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Business Activity Indexes^{1,4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Aug-20	Jul-20	Jun-20	Aug-20	Jul-20	Jun-20
General Business Conditions	0	3	9	15	27	43
Sales	11	12	0	15	20	38
Employment						
Number of Employees	11	3	0	-7	13	30
Availability of Skills Needed	-21	-3	-2	-5	-3	-2
Average Workweek	4	0	5	-14	3	20
Wages	18	15	15	29	25	17
Spending						
Business Services Expenditures	-8	-17	-23	-21	-10	-17
Total Capital Expenditures	4	7	0	-4	38	30
Equipment or Software Expenditures	5	5	0	2	12	2
Price Trends³						
Prices Paid for Inputs	2.41	2.23	2.00	2.12	2.08	2.14
Prices Received for Outputs	1.30	1.74	1.77	1.19	1.39	1.70

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 62 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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