

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

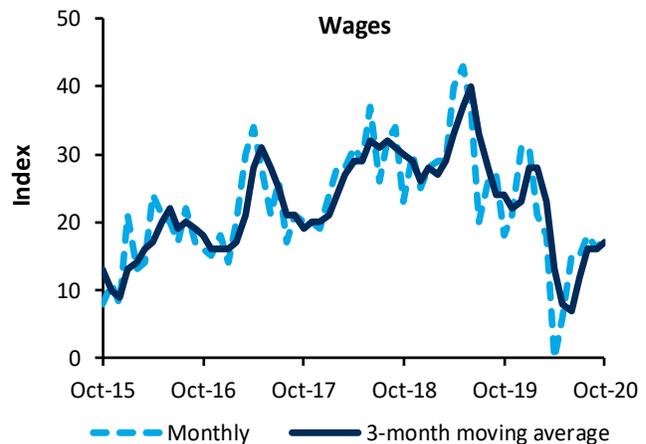
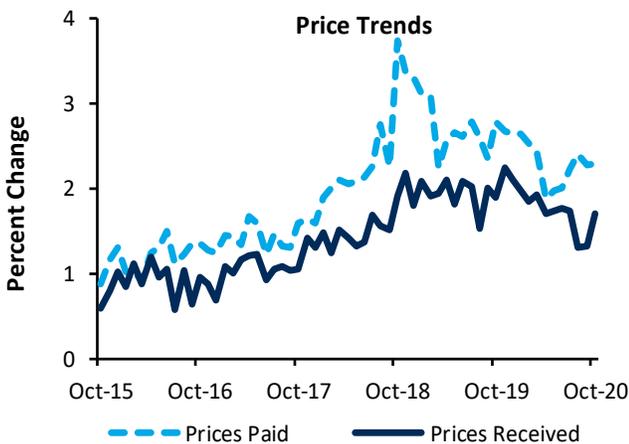
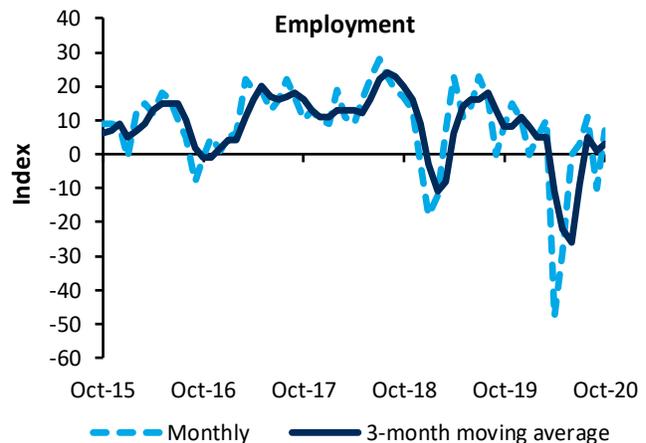
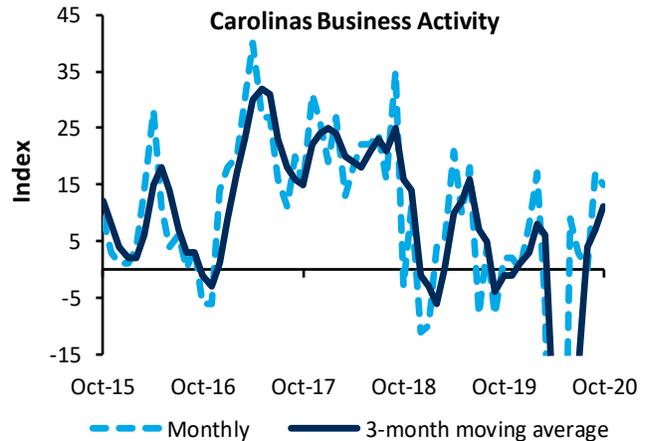
October 29, 2020

Firms Saw Continued Improvement in October

Firms in the Carolinas saw continued improvement in October, according to the most recent survey from the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales declined slightly, from 17 and 18 in September to 15 and 12 in October, respectively, but remained in expansionary territory. Firms were optimistic that conditions would continue to improve in the near future.

Survey results suggested increased employment and wages for some firms in the Carolinas. However, businesses reported difficulty finding workers with the necessary skills. They expected this issue to persist but employment and wages to grow in the coming months.

The average growth rate of prices received by survey participants increased in October, while that of prices paid was little changed. Growth of prices paid outpaced that of prices received, a trend contacts expected to continue in the next six months.



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Business Activity Indexes^{1,4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Oct-20	Sep-20	Aug-20	Oct-20	Sep-20	Aug-20
General Business Conditions	15	17	0	22	36	15
Sales	12	18	11	25	38	15
Employment						
Number of Employees	7	-10	11	17	10	-7
Availability of Skills Needed	-25	-1	-21	-22	0	-5
Average Workweek	-10	0	4	0	15	-14
Wages	18	16	18	43	46	29
Spending						
Business Services Expenditures	7	-1	-8	1	0	-21
Total Capital Expenditures	-3	0	4	13	38	30
Equipment or Software Expenditures	6	11	5	9	21	2
Price Trends³						
Prices Paid for Inputs	2.30	2.28	2.41	2.38	2.05	2.12
Prices Received for Outputs	1.71	1.32	1.30	1.68	1.33	1.19

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 67 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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