

Regional Surveys of Business Activity

Carolinas Survey of Business Activity

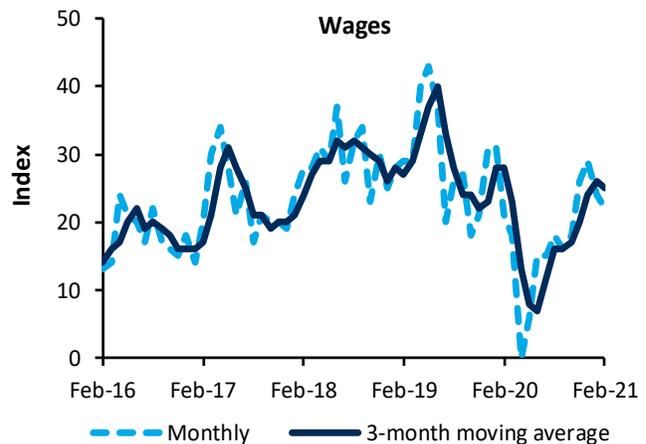
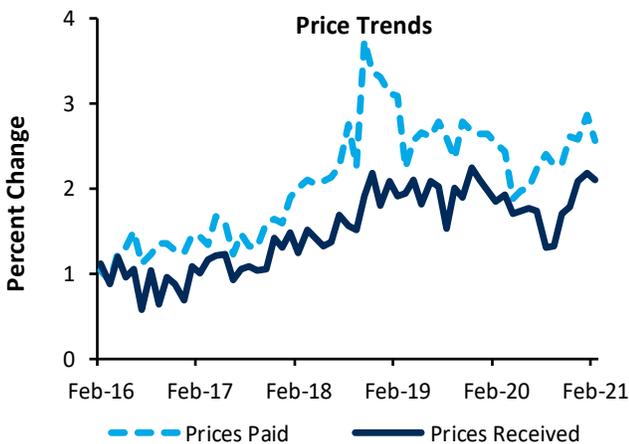
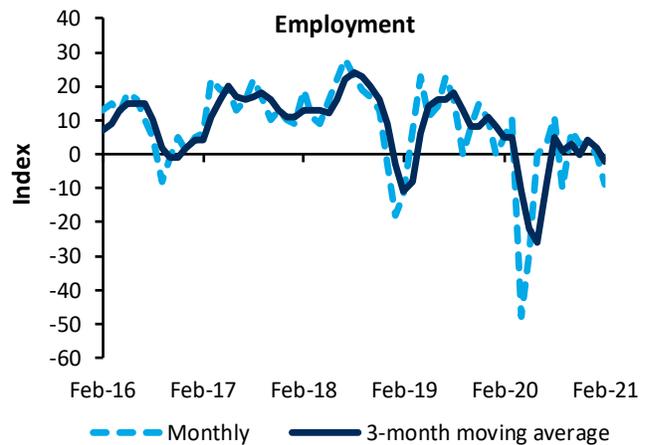
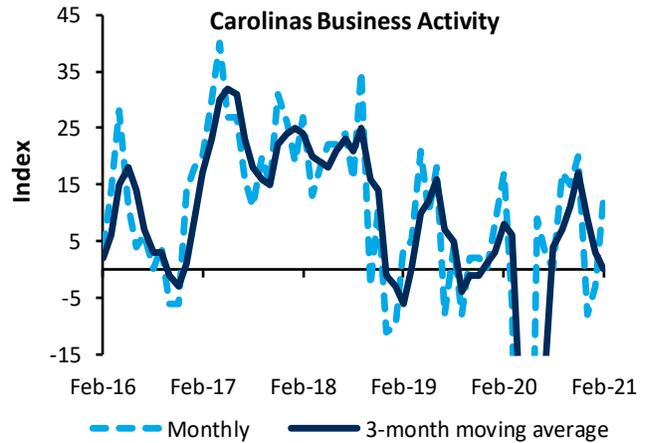
February 25, 2021

Firms Reported Improved Conditions in February

Firms in the Carolinas reported improving business conditions in February, according to the most recent survey from the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales rose from -3 and -2 in January to 12 and 15, respectively, in February. Respondents also reported increased capital spending in February and were optimistic that conditions would continue to improve in the near future.

Survey results suggested decreased employment and increased wages for many firms in the Carolinas. Firms also reported increased difficulty finding workers with the necessary skills. They expected this issue to continue but employment and wages to increase in the coming months.

The average growth rates of both prices paid and prices received by survey participants decreased in February, as growth of prices paid continued to outpace that of prices received. Contacts expected price growth to increase in the next six months.



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Business Activity Indexes^{1,4}

Business Conditions in the Carolinas	Current Conditions			Expectations ²		
	Feb-21	Jan-21	Dec-20	Feb-21	Jan-21	Dec-20
General Business Conditions	12	-3	-8	38	21	13
Sales	15	-2	-8	36	27	24
Employment						
Number of Employees	-9	0	3	35	4	23
Availability of Skills Needed	-14	-17	-14	-14	-17	-13
Average Workweek	-3	-4	3	44	0	13
Wages	22	24	29	63	44	54
Spending						
Business Services Expenditures	3	0	3	15	0	5
Total Capital Expenditures	12	4	-3	41	38	30
Equipment or Software Expenditures	7	2	0	25	2	17
Price Trends³						
Prices Paid for Inputs	2.57	2.86	2.58	2.85	2.67	2.81
Prices Received for Outputs	2.10	2.19	2.09	2.29	1.92	1.68

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 73 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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