

Regional Surveys of Business Activity

Maryland Survey of Business Activity

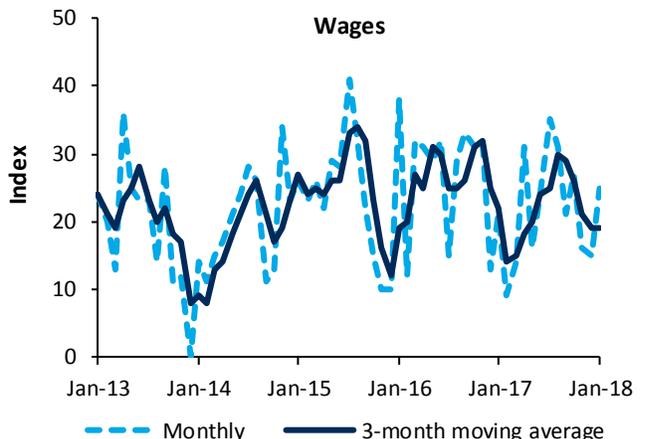
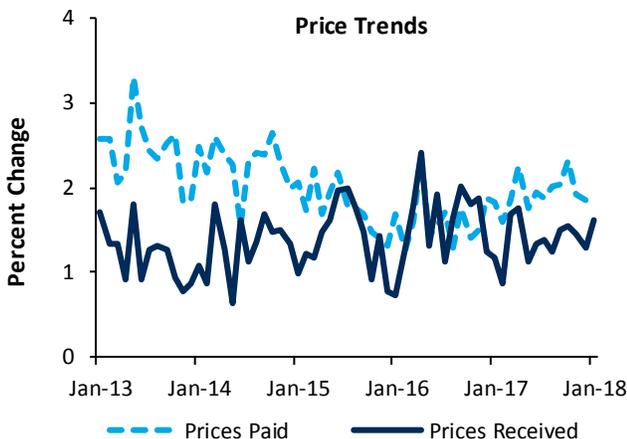
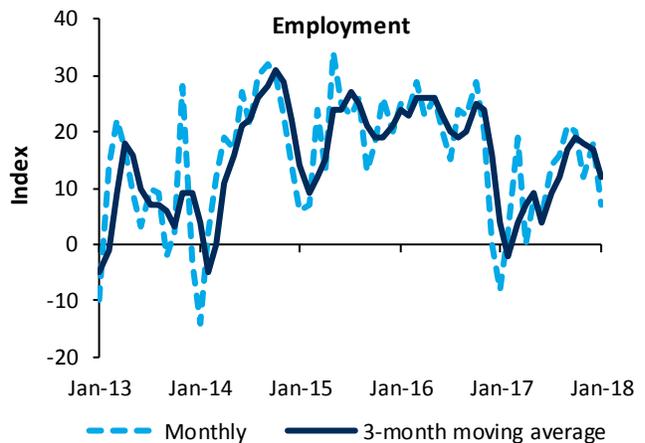
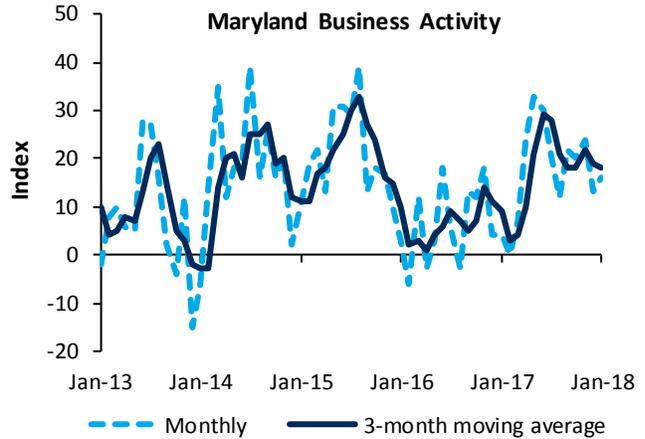
January 25, 2018

Maryland Firms Reported Accelerating Growth in January

According to the Richmond Fed's latest survey, Maryland firms reported accelerating growth in January. The indexes for both general business conditions and sales rose from their December values, and firms remained optimistic, expecting growth to continue in the coming months.

However, firms reported softening employment conditions. The indicator of employment growth remained positive but decreased, meaning that a smaller share of respondents increased employment than in December. Firms saw a decrease in the availability of necessary skills, as the index fell from -8 to -14. As labor growth slowed, a larger share of survey respondents reported raising wages in January. Firms expect wages to continue to rise over the next six months.

Price increases accelerated for both inputs and outputs among Maryland firms, but growth of input prices continued to outpace growth of output prices. Respondents expect prices to continue to rise and expect the pattern of faster growing input prices to continue in the coming months.



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Business Activity Indexes ¹						
Business Conditions in Maryland	Current Conditions			Expectations ²		
	Jan-18	Dec-17	Nov-17	Jan-18	Dec-17	Nov-17
General Business Conditions	16	13	24	38	30	29
Sales	7	3	8	38	32	21
Employment						
Number of Employees	7	18	12	29	24	14
Availability of Skills Needed	-14	-8	-10	-12	3	-14
Average Workweek	5	13	6	7	22	10
Wages	25	15	16	43	49	37
Spending						
Business Services Expenditures	12	13	12	19	16	18
Total Capital Expenditures	14	29	19	29	27	16
Equipment or Software	12	18	21	31	22	17
Price Trends³						
Prices Paid for Inputs	1.89	1.84	1.93	2.35	2.11	2.06
Prices Received for Outputs	1.61	1.29	1.46	2.17	2.15	1.72

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 44 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 state of Maryland.

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