

Regional Surveys of Business Activity

Maryland Survey of Business Activity

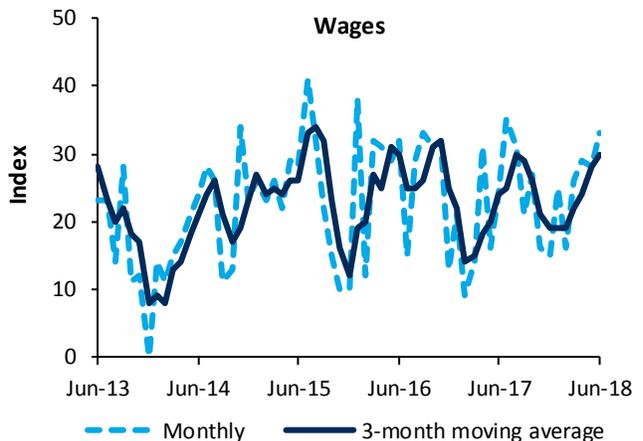
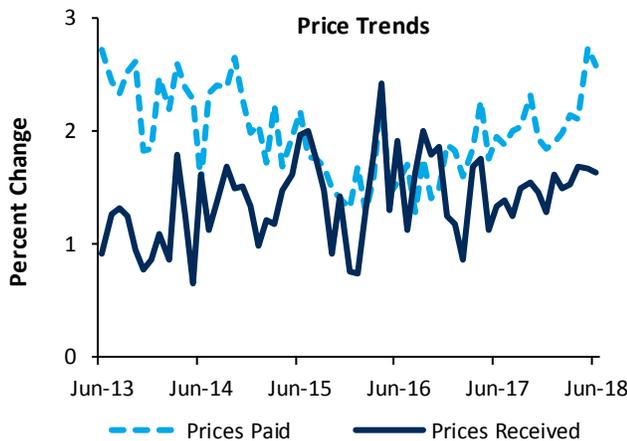
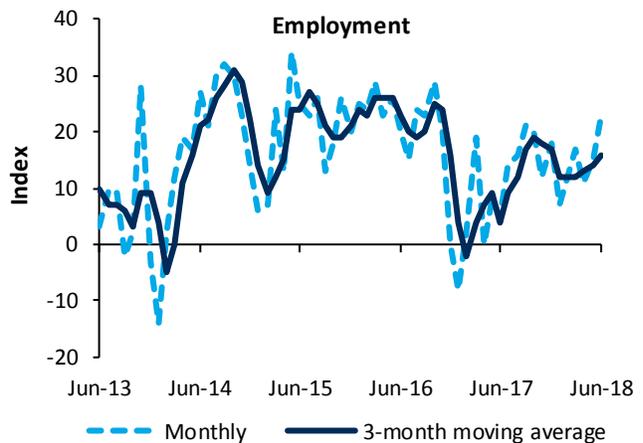
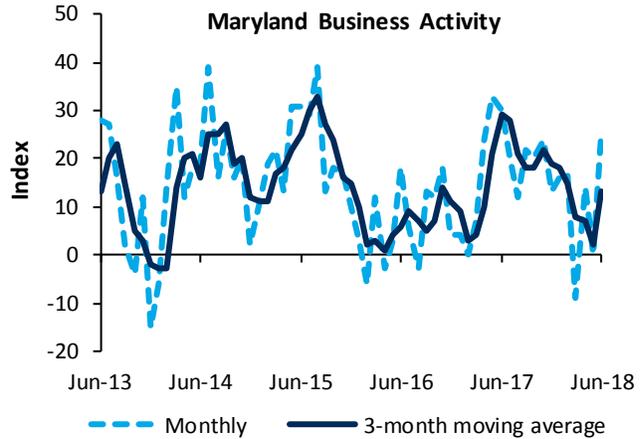
June 28, 2018

Maryland Firms Reported Strong Growth in June

The Maryland economy experienced robust growth in June, according to the results of the latest survey by the Federal Reserve Bank of Richmond. Respondents reported improved business conditions and higher sales, as these indexes rose from 0 to 25 and 5 to 33, respectively. Measures of firms' spending also rose sharply in June and are expected to continue to grow in the coming months.

Employment growth strengthened among Maryland firms this month. However, many employers still struggled to find necessary skills, despite higher wages. They expect these skills shortages to persist in the next six months but are optimistic that employment will increase as well.

Prices growth for both inputs and outputs reportedly slowed in Maryland in June. While input price hikes continued to outpace output price growth, the gap between the two narrowed. Growth of prices for both inputs and outputs is expected to accelerate in the near future.



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Business Activity Indexes ¹						
Business Conditions in Maryland	Current Conditions			Expectations ²		
	Jun-18	May-18	Apr-18	Jun-18	May-18	Apr-18
General Business Conditions	25	0	14	28	5	39
Sales	33	5	0	29	14	33
Employment						
Number of Employees	23	15	11	37	24	28
Availability of Skills Needed	-17	-18	-5	-10	-22	-3
Average Workweek	10	10	3	8	5	17
Wages	33	28	29	50	22	44
Spending						
Business Services Expenditures	12	0	8	15	-3	17
Total Capital Expenditures	30	8	8	26	11	19
Equipment or Software	30	13	-3	26	5	14
Price Trends³						
Prices Paid for Inputs	2.58	2.74	2.10	2.74	2.17	2.10
Prices Received for Outputs	1.64	1.67	1.68	2.11	1.66	2.15

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 41 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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