

Regional Surveys of Business Activity

Maryland Survey of Business Activity

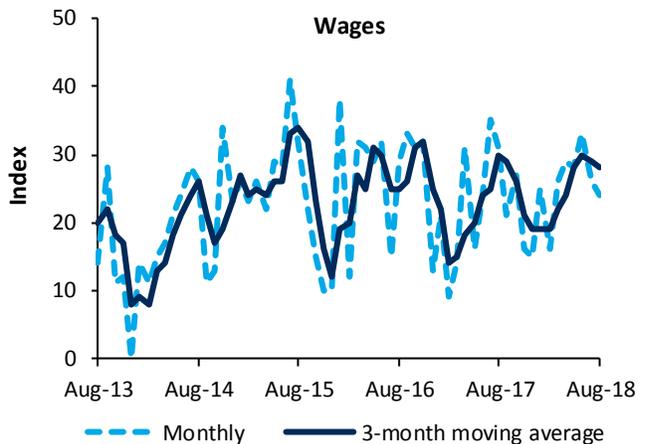
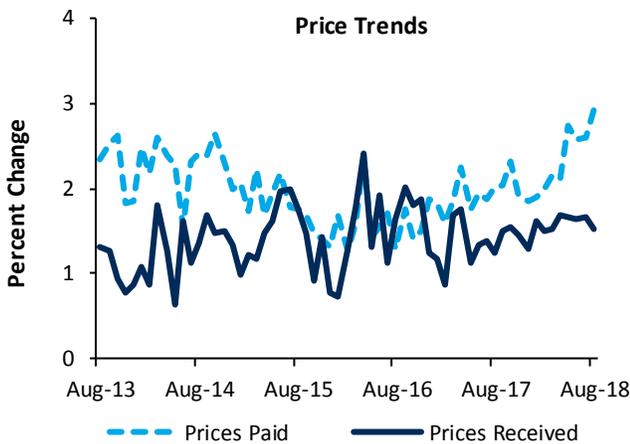
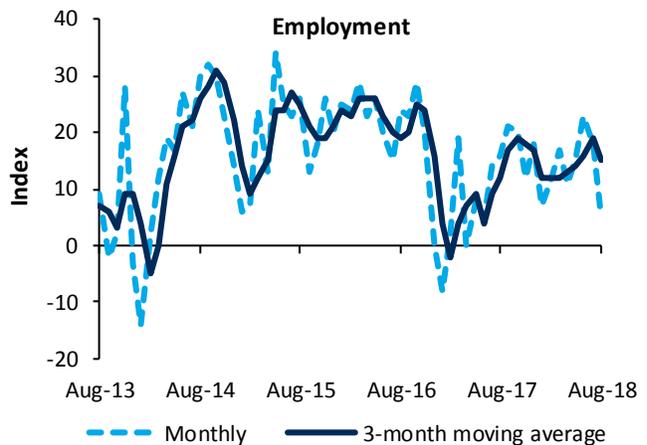
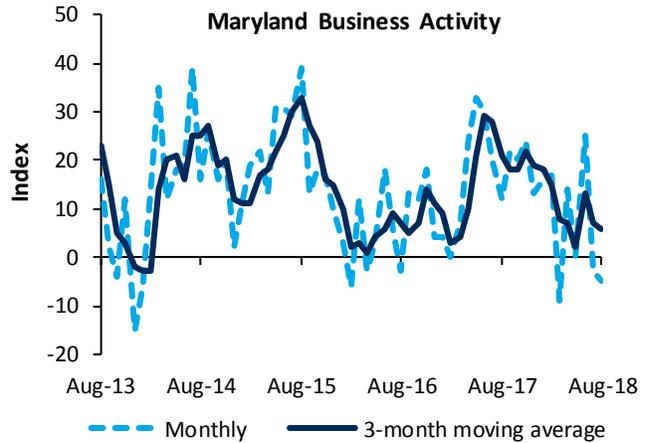
August 30, 2018

Maryland Firms Reported Weakening Conditions in August

The Maryland economy weakened in August, according to the results of the latest survey by the Federal Reserve Bank of Richmond. Firms reported further contraction of general business conditions and stagnation in sales. However they remained optimistic that these conditions would improve in the next six months.

Maryland firms also saw slowing growth in employment and shorter workweeks, as both of these indicators reached their lowest values in over a year. Firms expect employment growth to accelerate in the next six months, but anticipate a continued struggle finding workers with necessary skills. Respondents also reported less growth in expenditures, but these indicators remained in expansionary territory.

Growth in prices paid by Maryland firms accelerated in August, while growth in prices received slowed, widening the gap between the two. However, firms expect to see growth of prices paid fall and growth of prices received to rise in the coming months.



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Business Activity Indexes ¹						
Business Conditions in Maryland	Current Conditions			Expectations ²		
	Aug-18	Jul-18	Jun-18	Aug-18	Jul-18	Jun-18
General Business Conditions	-5	-3	25	13	19	28
Sales	0	3	33	18	31	29
Employment						
Number of Employees	5	18	23	13	14	37
Availability of Skills Needed	-14	-18	-17	-3	-8	-10
Average Workweek	-5	5	10	2	-6	8
Wages	24	26	33	30	36	50
Spending						
Business Services Expenditures	2	8	12	7	0	15
Total Capital Expenditures	5	24	30	25	17	26
Equipment or Software	8	22	30	22	6	26
Price Trends³						
Prices Paid for Inputs	2.93	2.61	2.58	2.81	2.98	2.74
Prices Received for Outputs	1.52	1.67	1.64	2.02	2.29	2.11

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 42 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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