

Regional Surveys of Business Activity

Maryland Survey of Business Activity

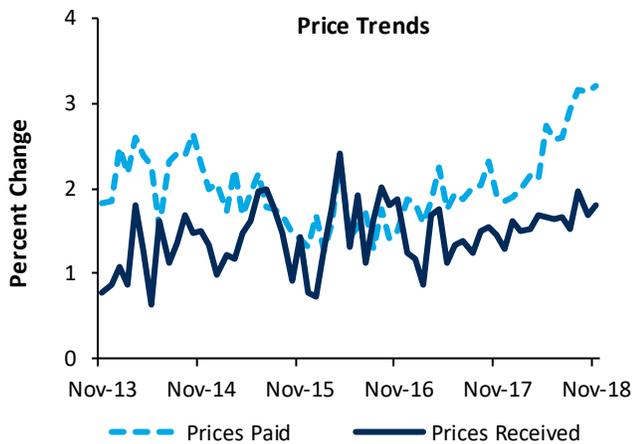
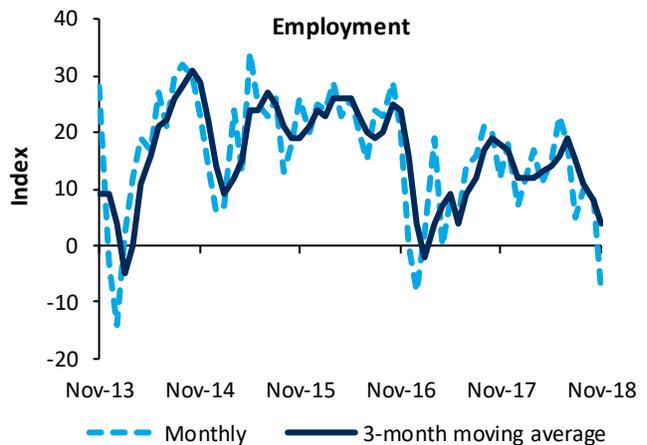
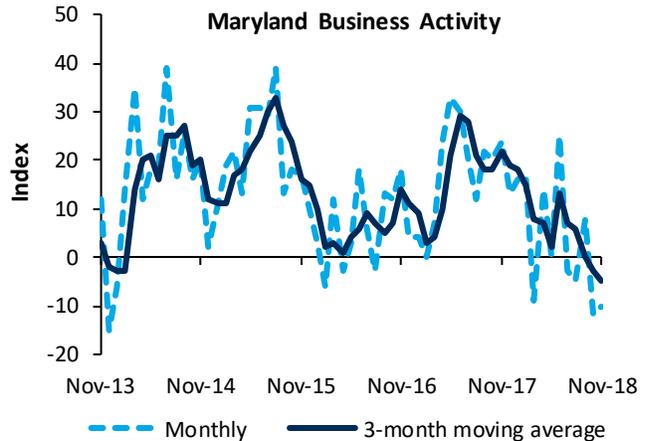
November 29, 2018

Maryland Firms Reported Softening Conditions in November

Broadly, Maryland firms reported weakening conditions in November, according to the results of the latest survey by the Federal Reserve Bank of Richmond. The indexes for both general business conditions and sales rose slightly but remained firmly in negative territory. However, respondents were optimistic, expecting to see growth in the next six months.

Survey results indicate that many firms reported a decline in employment in November. The employment index fell to -8 , its first negative reading since January 2017. Employers struggled to hire workers with the necessary skills, as this index fell to a record low of -37 . Respondents expected this struggle to continue in the coming months, even as wages were anticipated to rise.

Both prices paid and prices received by Maryland firms grew at an accelerated rate in November. Growth of prices paid continued to outpace growth of prices received. Survey respondents expected growth to continue but that the gap between the two rates would narrow in the next six months.



Regional Surveys of Business Activity

Maryland Survey of Business Activity

November 29, 2018

Business Activity Indexes ¹						
Business Conditions in Maryland	Current Conditions			Expectations ²		
	Nov-18	Oct-18	Sep-18	Nov-18	Oct-18	Sep-18
General Business Conditions	-10	-12	8	5	21	22
Sales	-13	-15	0	13	29	25
Employment						
Number of Employees	-8	9	10	27	26	19
Availability of Skills Needed	-37	-35	-26	-37	-41	-22
Average Workweek	10	6	3	10	9	0
Wages	25	29	21	55	59	27
Spending						
Business Services Expenditures	-5	15	0	2	9	-6
Total Capital Expenditures	-2	9	11	25	32	3
Equipment or Software	18	24	16	30	26	14
Price Trends³						
Prices Paid for Inputs	3.20	3.14	3.17	2.86	2.88	2.38
Prices Received for Outputs	1.81	1.68	1.96	2.35	2.17	1.75

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 40 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.

For further information, contact **Roisin McCord** at **804.697.8702** or **Roisin.McCord@rich.frb.org**