Regional Surveys of Business Activity

Maryland Survey of Business Activity

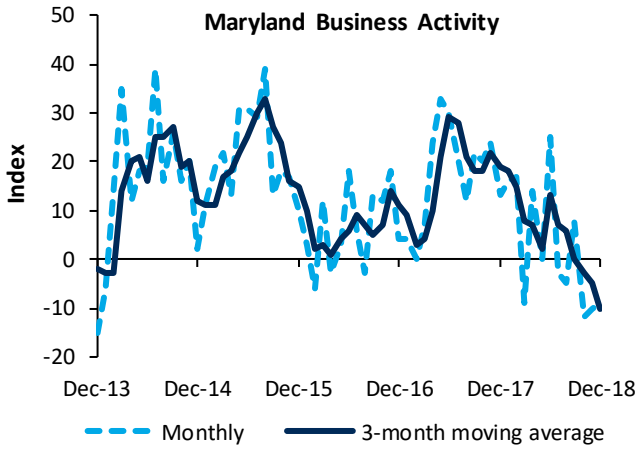
December 27, 2018

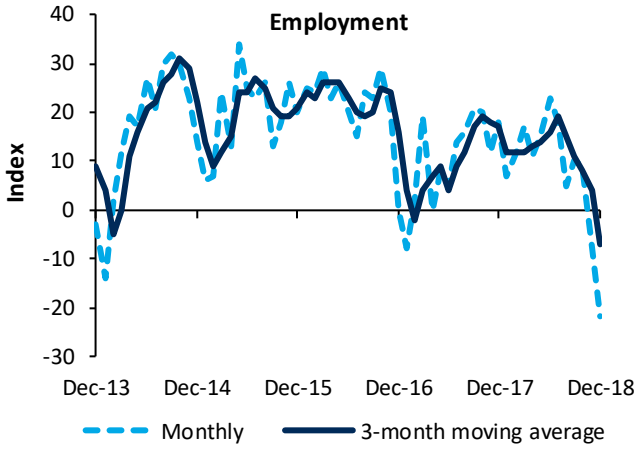
Maryland Business Conditions Remained Sluggish in December

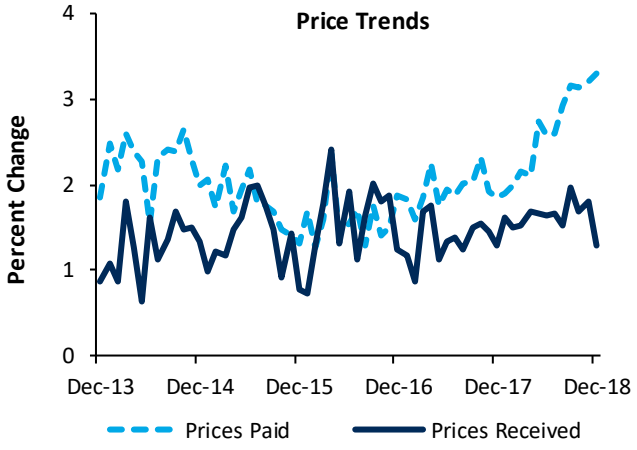
Business conditions in Maryland remained sluggish in December, according to the latest survey by the Federal Reserve Bank of Richmond. The indexes for both general business conditions and sales were both negative for the third month in a row. Firms reported some spending growth, but most firms did not expect overall business conditions to rebound in the near future.

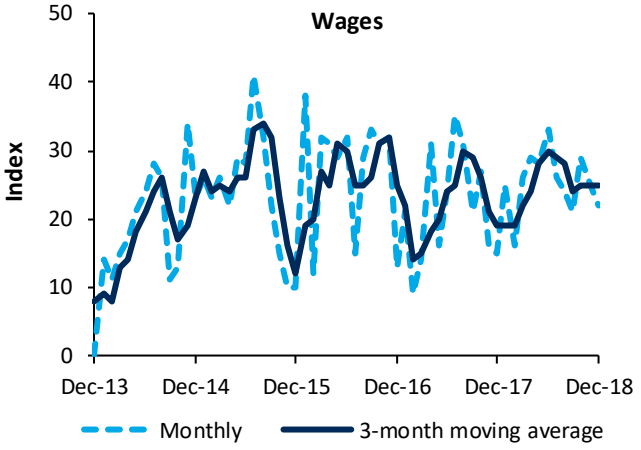
Many survey respondents saw a fall in employment in December, as this index fell to −22, its lowest reading since July 2009. Most firms reported raising wages as they continued to struggle to find workers with the skills they needed. They expected this difficulty to persist in the next six months.

Survey results suggested that both prices paid and prices received by Maryland firms grew in December. Growth in prices paid remained higher than that of prices received, as the gap between the two widened from November. Survey respondents indicated that they expected price growth to continue in the coming months.









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Business Activity Indexes[1]

Business Conditions in Maryland	Current Conditions Dec-18	Current Conditions Nov-18	Current Conditions Oct-18	Expectations[2] Dec-18	Expectations[2] Nov-18	Expectations[2] Oct-18
General Business Conditions	-9	-10	-12	-3	5	21
Sales	-9	-13	-15	0	13	29
Employment						
Number of Employees	-22	-8	9	9	27	26
Availability of Skills Needed	-28	-37	-35	-25	-37	-41
Average Workweek	-3	10	6	13	10	9
Wages	22	25	29	59	55	59
Spending						
Business Services Expenditures	3	-5	15	0	2	9
Total Capital Expenditures	13	-2	9	13	25	32
Equipment or Software	16	18	24	34	30	26
Price Trends[3]						
Prices Paid for Inputs	3.30	3.20	3.14	2.98	2.86	2.88
Prices Received for Outputs	1.29	1.81	1.68	1.98	2.35	2.17

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 32 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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