

Regional Surveys of Business Activity

Maryland Survey of Business Activity

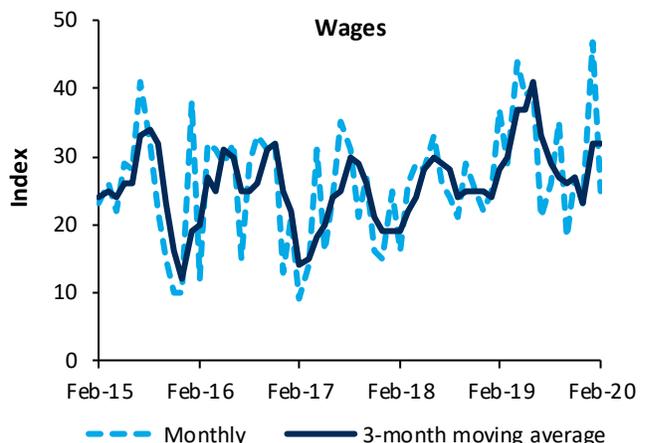
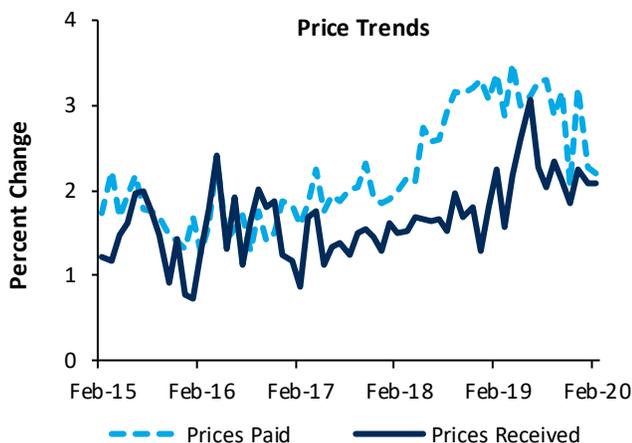
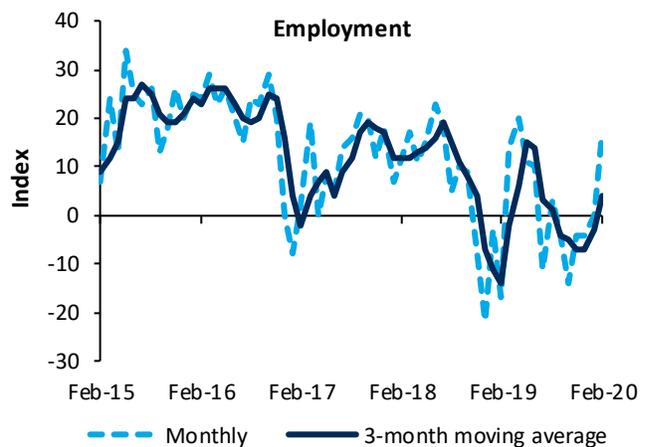
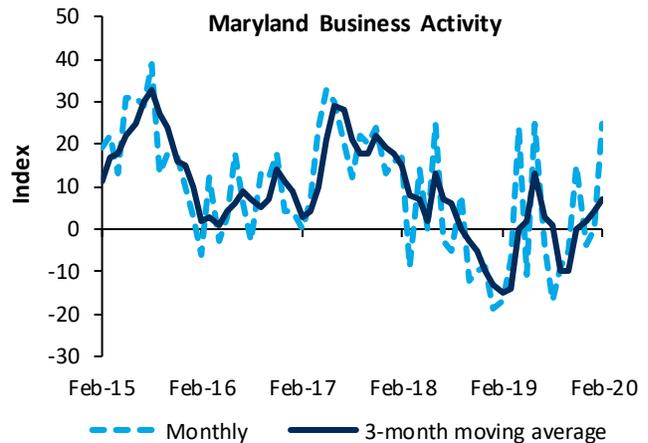
February 27, 2020

Business Conditions Strengthened in February

Business conditions in Maryland strengthened in February, according to the results of the most recent survey by the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales rose from 0 and 12 in January to 25 and 17 in February, respectively. Firms were optimistic that activity would remain strong in the near future.

Survey results indicated employment and wages grew among Maryland respondents in February. Respondents expected continued growth in the near future. However, many firms were unable to find workers with the necessary skills, as this index dropped to -50. Participants expected this struggle to continue in the next six months.

The average growth rate of prices paid by survey respondents fell slightly in February, while that of prices received held relatively stable. Growth of prices paid continued to outpace that of prices received, and firms expected this gap to widen in the coming months.



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Business Activity Indexes ¹						
Business Conditions in Maryland	Current Conditions			Expectations ²		
	Feb-20	Jan-20	Dec-19	Feb-20	Jan-20	Dec-19
General Business Conditions	25	0	-4	17	24	15
Sales	17	12	-15	33	35	19
Employment						
Number of Employees	17	0	-4	33	47	23
Availability of Skills Needed	-50	-12	-31	-17	-18	-8
Average Workweek	-17	12	-19	25	24	12
Wages	25	47	23	50	82	62
Spending						
Business Services Expenditures	8	6	0	25	24	0
Total Capital Expenditures	-8	0	0	25	35	15
Equipment or Software	8	18	4	25	29	23
Price Trends³						
Prices Paid for Inputs	2.20	2.27	3.20	2.30	2.18	2.43
Prices Received for Outputs	2.09	2.08	2.26	1.77	2.06	2.26

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 12 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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