

# Regional Surveys of Business Activity

## Maryland Survey of Business Activity

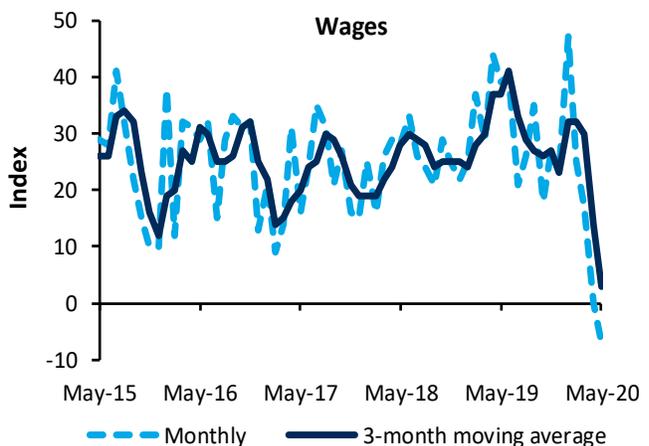
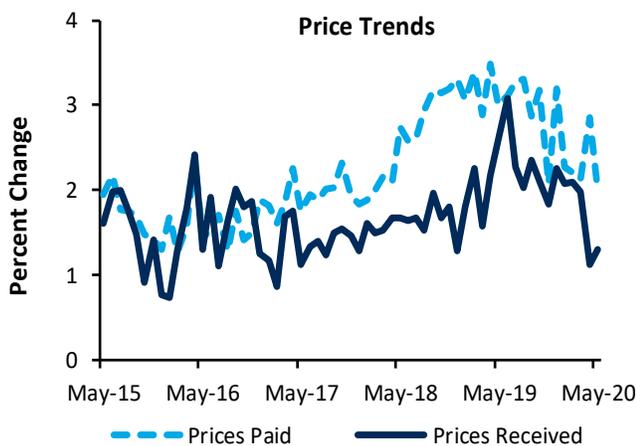
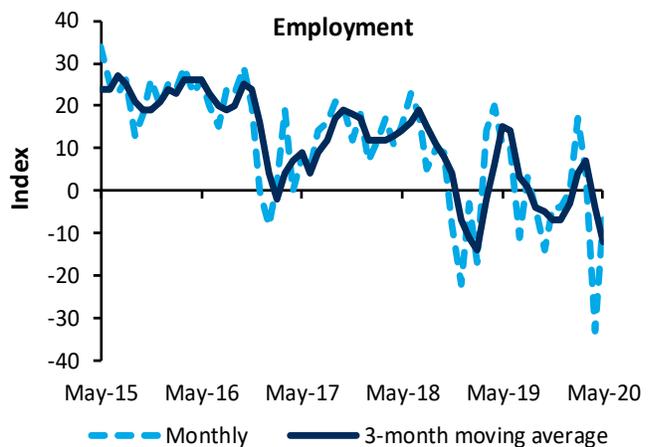
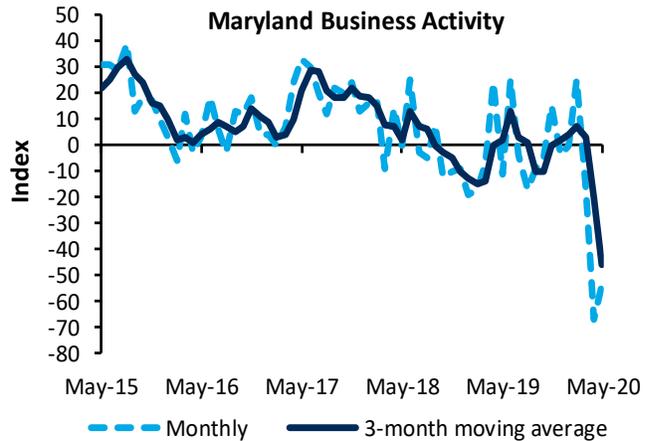
May 28, 2020

### Firms Reported Soft Business Conditions in May

Maryland firms reported soft business conditions in May, according to the latest survey from the Richmond Fed. The indexes for general business conditions and sales increased from their April readings of -67 and -56 to -54 and -32 in May, respectively, but continued to indicate contraction. Businesses also reported decreased capital spending in May as this index dropped to -39, its lowest value on record. Survey contacts expected conditions to remain weak in the coming months.

Survey results suggested further declines in employment and the average workweek as well as lower wages in May. However, it was easier for businesses to find workers with the necessary skills, as this index rose to 32, its first positive reading since September 2014. Some contacts expected employment and wages to continue to fall in the near future.

The average growth rate of prices paid by Maryland survey respondents fell in May, while that of prices received rose, narrowing the gap between the two. Firms expected growth of prices paid to be even lower in the next six months.



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Business Activity Indexes <sup>1</sup>						
Business Conditions in Maryland	Current Conditions			Expectations <sup>2</sup>		
	May-20	Apr-20	Mar-20	May-20	Apr-20	Mar-20
General Business Conditions	-54	-67	-17	-7	-50	-39
Sales	-32	-56	9	-18	-44	4
<b>Employment</b>						
Number of Employees	-7	-33	4	-21	6	9
Availability of Skills Needed	32	-6	-9	46	11	-4
Average Workweek	-7	-28	-13	-7	0	26
Wages	-7	0	17	-7	6	39
<b>Spending</b>						
Business Services Expenditures	-39	-39	-9	-29	-28	9
Total Capital Expenditures	-39	-22	-4	-11	-28	22
Equipment or Software	-21	0	0	-7	6	17
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	2.00	2.86	2.12	1.36	1.96	2.37
Prices Received for Outputs	1.30	1.13	1.98	1.28	1.23	1.71

## Technical Notes:

- <sup>1</sup> 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 28 firms.
- <sup>2</sup> Expectations refer to the time period six months out from the survey period.
- <sup>3</sup> Price changes are expressed as a percent change, annualized.
- <sup>4</sup> All firms surveyed are located within the state of Maryland.

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