

# Regional Surveys of Business Activity

## Maryland Survey of Business Activity

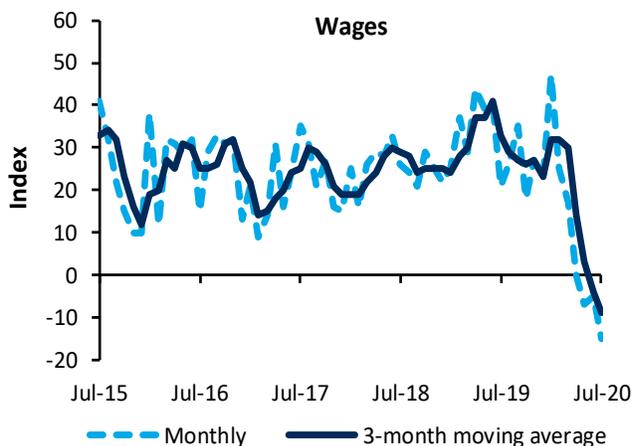
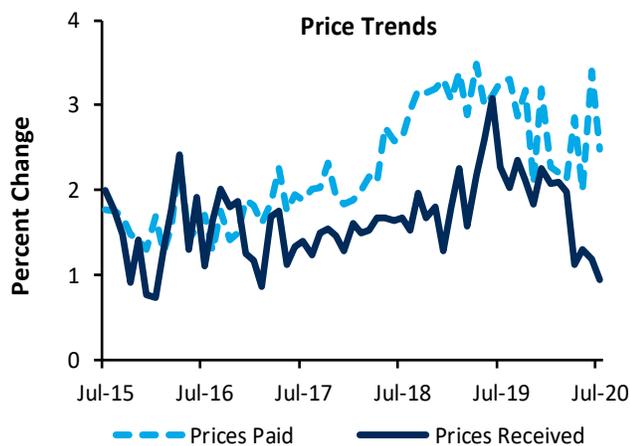
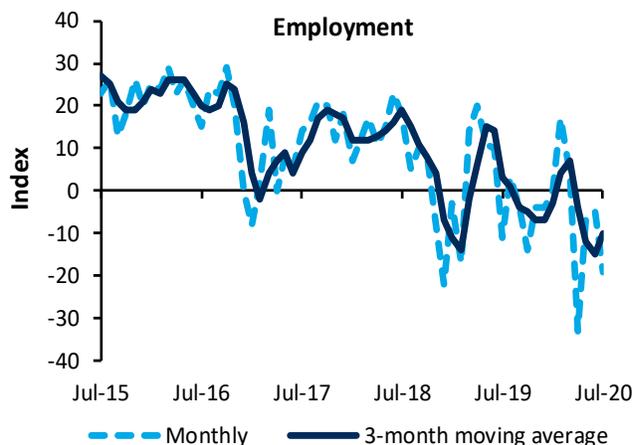
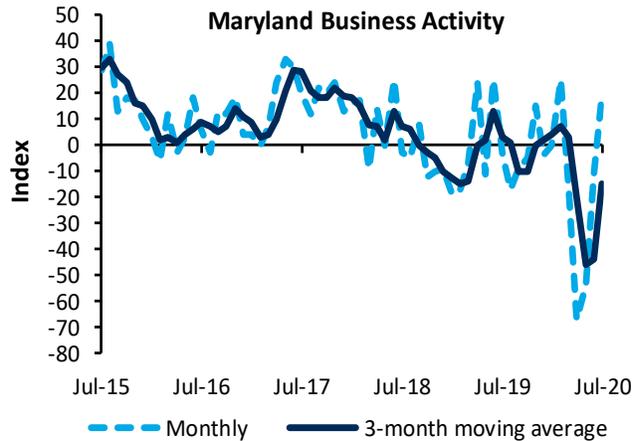
July 30, 2020

### Firms Reported Some Improvement in Conditions in July

Maryland businesses reported some improvement in business conditions in July, according to the latest survey from the Federal Reserve Bank of Richmond. The index for general business conditions rose from -11 in June to 19 in July, its first positive reading since February. The index for sales also increased but remained negative, suggesting continued softness in sales. Firms reported decreases in capital spending but were optimistic that business conditions and sales would strengthen in the coming months.

Survey results suggested continued decreases in employment and wages among some Maryland firms in July. Respondents also reported drops in hours, but the index for availability of skills was positive. Employment and wages were expected to rise in the next six months.

The average growth rates of both prices paid and prices received by survey respondents declined in July, as growth of prices paid continued to outpace that of prices received. Firms expected the growth rates of both prices paid and prices received to increase in the near future.



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| Business Activity Indexes <sup>1</sup> |                    |        |        |                           |        |        |
|--|--------------------|--------|--------|---------------------------|--------|--------|
| Business Conditions in Maryland        | Current Conditions |        |        | Expectations <sup>2</sup> |        |        |
|  | Jul-20             | Jun-20 | May-20 | Jul-20                    | Jun-20 | May-20 |
| General Business Conditions            | 19                 | -11    | -54    | 4                         | 34     | -7     |
| Sales                                  | -4                 | -21    | -32    | 15                        | 39     | -18    |
| <b>Employment</b>                      |                    |        |        |                           |        |        |
| Number of Employees                    | -19                | -5     | -7     | 15                        | 13     | -21    |
| Availability of Skills Needed          | 4                  | 8      | 32     | 11                        | 26     | 46     |
| Average Workweek                       | -15                | 5      | -7     | 0                         | 5      | -7     |
| Wages                                  | -15                | -5     | -7     | 11                        | 11     | -7     |
| <b>Spending</b>                        |                    |        |        |                           |        |        |
| Business Services Expenditures         | -7                 | -21    | -39    | -11                       | -3     | -29    |
| Total Capital Expenditures             | -19                | -3     | -39    | 0                         | -3     | -11    |
| Equipment or Software                  | 0                  | -8     | -21    | 15                        | 5      | -7     |
| <b>Price Trends<sup>3</sup></b>        |                    |        |        |                           |        |        |
| Prices Paid for Inputs                 | 2.48               | 3.40   | 2.00   | 3.61                      | 2.95   | 1.36   |
| Prices Received for Outputs            | 0.95               | 1.18   | 1.30   | 1.82                      | 1.46   | 1.28   |

## 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 27 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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