

# Regional Surveys of Business Activity

## Maryland Survey of Business Activity

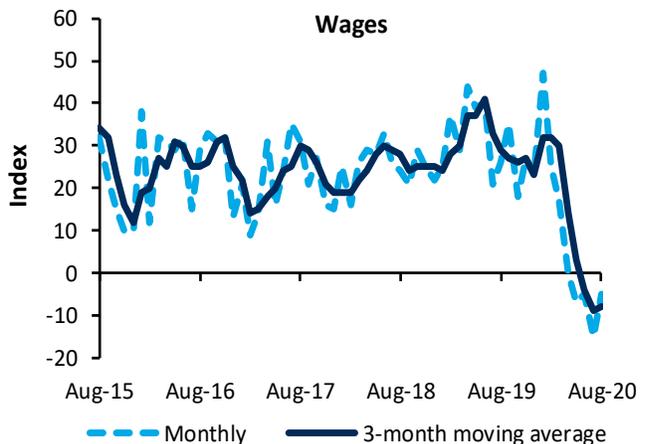
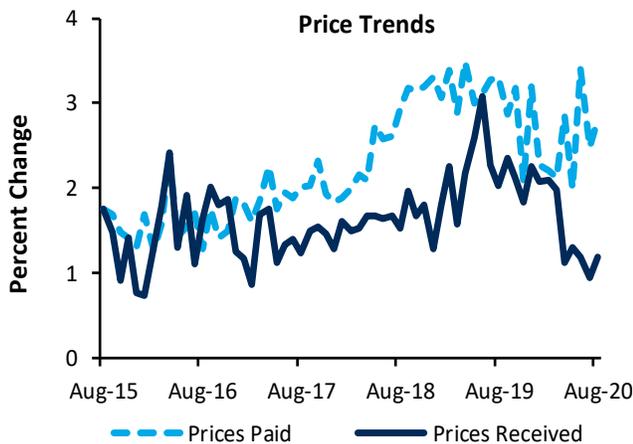
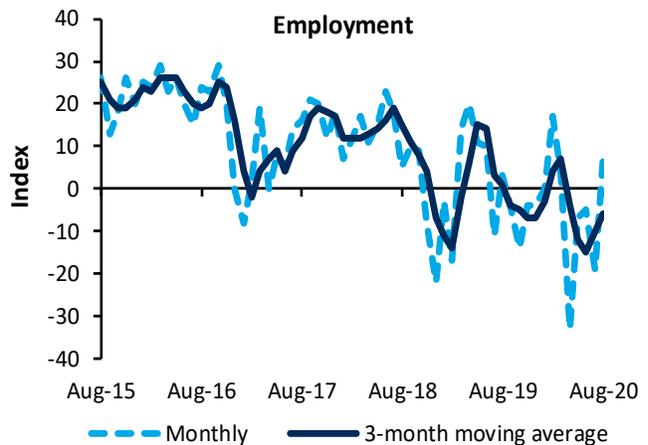
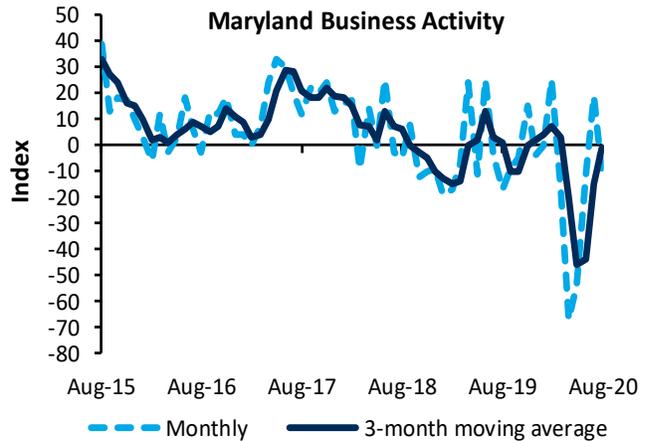
August 27, 2020

### Firms Reported Softening Conditions in August

Maryland businesses reported softening conditions in August, according to the latest survey from the Federal Reserve Bank of Richmond. The indexes for general business conditions and sales fell to -10 in August, after July readings of 19 and -4, respectively. Firms also reported cutting spending in August. However, some were optimistic that general business conditions would improve in the coming months.

Survey results suggested a rise in employment and a decrease in wages in Maryland in August. The index for availability of skills needed decreased but was close to 0. Survey respondents expected wages to increase and skills to be easier to find in the near future.

The average growth rates of both prices paid and prices received by survey respondents rose in August, as growth of prices paid continued to outpace prices received. Participants expected the gap to narrow 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>		
	Aug-20	Jul-20	Jun-20	Aug-20	Jul-20	Jun-20
General Business Conditions	-10	19	-11	7	4	34
Sales	-10	-4	-21	-2	15	39
<b>Employment</b>						
Number of Employees	7	-19	-5	2	15	13
Availability of Skills Needed	-2	4	8	14	11	26
Average Workweek	0	-15	5	-2	0	5
Wages	-5	-15	-5	14	11	11
<b>Spending</b>						
Business Services Expenditures	-15	-7	-21	-17	-11	-3
Total Capital Expenditures	-17	-19	-3	0	0	-3
Equipment or Software	-2	0	-8	5	15	5
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	2.81	2.48	3.40	2.60	3.61	2.95
Prices Received for Outputs	1.19	0.95	1.18	1.30	1.82	1.46

## 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 42 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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