

Regional Surveys of Business Activity

Maryland Survey of Business Activity

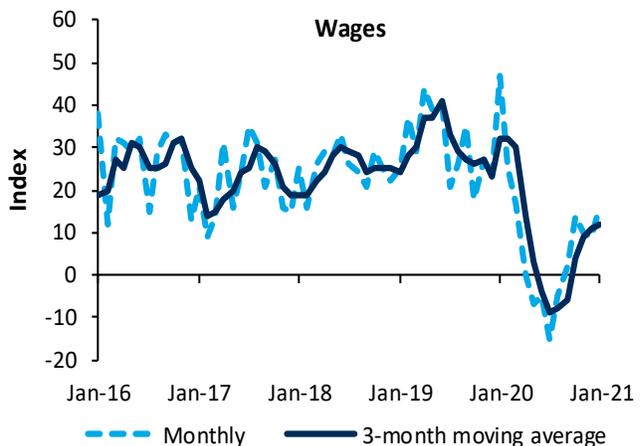
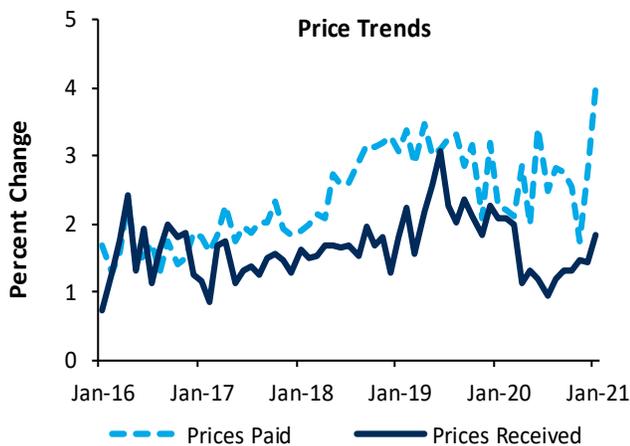
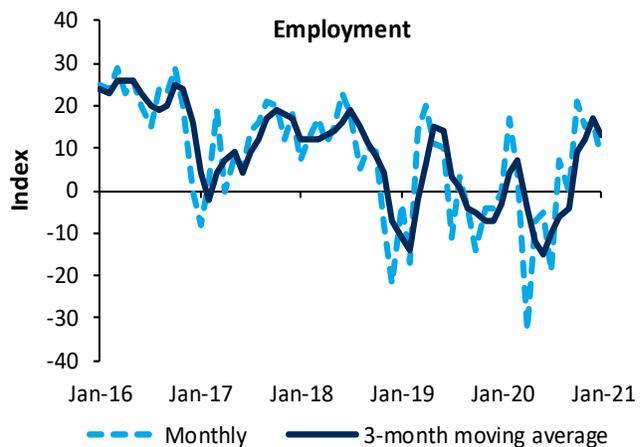
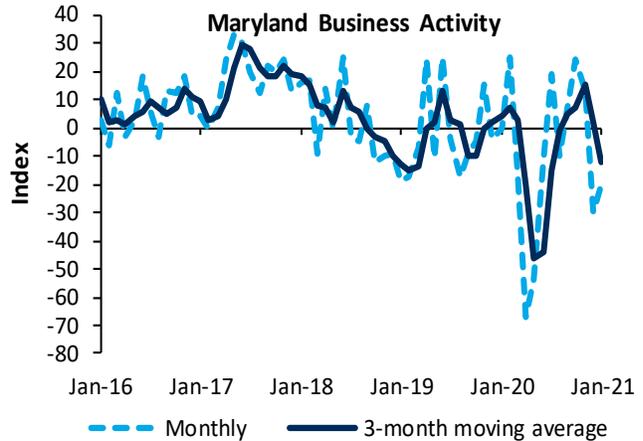
January 28, 2021

Firms Saw Worsening Conditions in January

Maryland firms saw worsening conditions in January, according to the most recent survey from the Federal Reserve Bank of Richmond. The indexes for general business conditions rose from -30 in December to -20 in January, while the sales index inched down from -23 to -24. Both indexes remained firmly negative, suggesting contraction. However, firms were optimistic that conditions would improve in the next six months.

Survey results indicated that many firms increased employment and wages in January, but respondents had difficulty finding workers with the necessary skills. They expected these trends to continue in the near future.

The average growth rates of both prices paid and prices received by survey participants increased in January, as growth of prices paid outpaced that of prices received. Respondents expected price growth to accelerate in the coming months.



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Business Activity Indexes ¹						
Business Conditions in Maryland	Current Conditions			Expectations ²		
	Jan-21	Dec-20	Nov-20	Jan-21	Dec-20	Nov-20
General Business Conditions	-20	-30	13	32	2	-12
Sales	-24	-23	10	32	5	-15
Employment						
Number of Employees	8	16	15	28	16	10
Availability of Skills Needed	-8	-5	-12	-6	-5	-7
Average Workweek	-12	2	2	20	-9	-10
Wages	16	9	10	50	36	33
Spending						
Business Services Expenditures	2	5	0	12	7	3
Total Capital Expenditures	-8	0	-3	14	11	18
Equipment or Software	2	18	5	22	20	33
Price Trends³						
Prices Paid for Inputs	4.01	2.75	1.76	4.39	3.63	2.71
Prices Received for Outputs	1.83	1.45	1.47	1.87	1.81	2.25

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 50 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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