

Regional Surveys of Business Activity

Maryland Survey of Business Activity

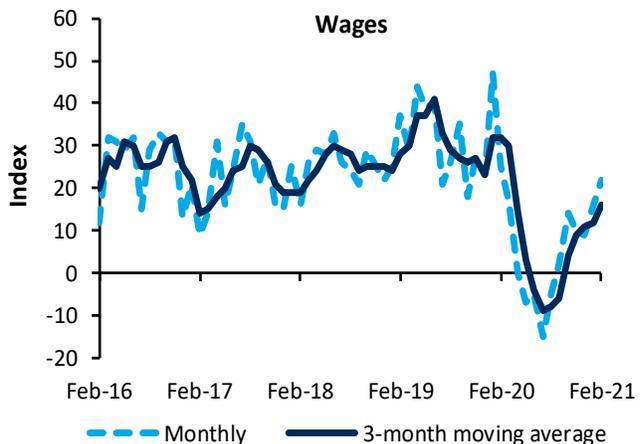
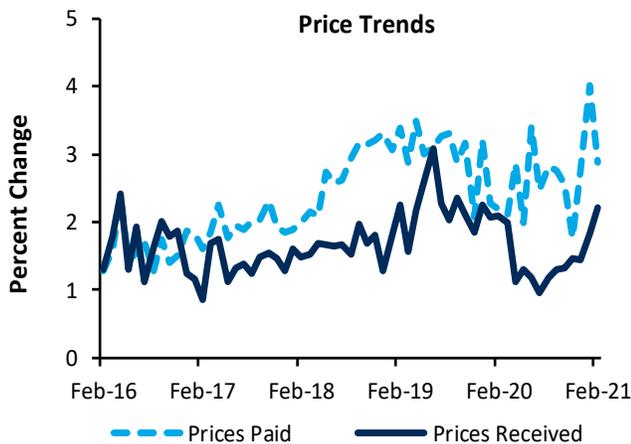
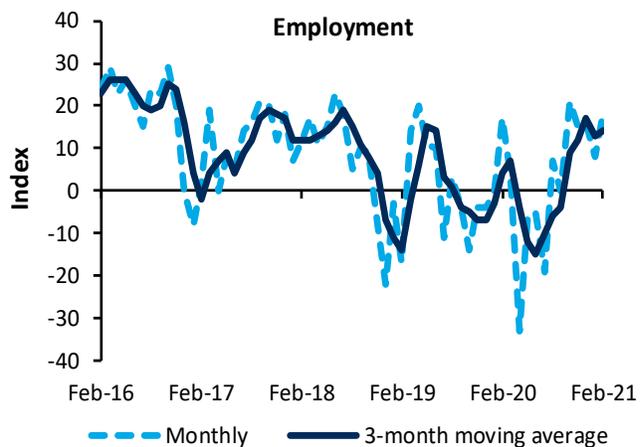
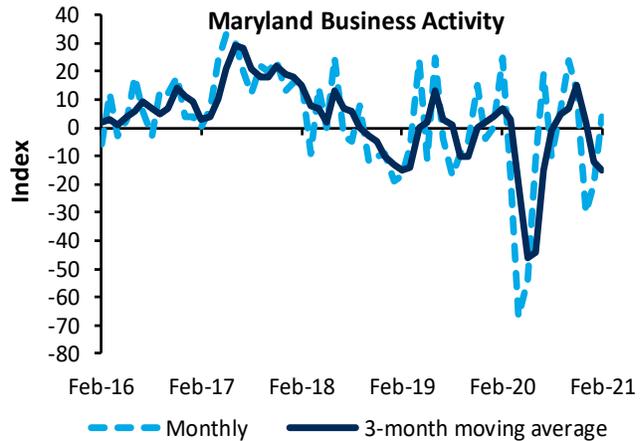
February 25, 2021

Firms Gave Mixed Reports in February

Maryland firms gave mixed reports in February, according to the most recent survey from the Federal Reserve Bank of Richmond. The index for general business conditions rose from -20 in January to 4 in February, suggesting improvement, but the sales index only inched up from -24 in January to -22 in February, suggesting that sales continued to decline for many firms. Survey participants in Maryland were optimistic that both business conditions and sales would improve in the coming months.

Many survey respondents reported increases in employment and wages in February and expected this growth to persist. However, firms struggled to find workers with the necessary skills.

The average growth rate of prices paid by survey participants declined in February, while that of prices received increased, narrowing the gap between the two rates. Business contacts expected growth rates of both prices paid and prices received to rise in the next six months.



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Business Activity Indexes ¹						
Business Conditions in Maryland	Current Conditions			Expectations ²		
	Feb-21	Jan-21	Dec-20	Feb-21	Jan-21	Dec-20
General Business Conditions	4	-20	-30	44	32	2
Sales	-22	-24	-23	44	32	5
Employment						
Number of Employees	18	8	16	27	28	16
Availability of Skills Needed	-7	-8	-5	-2	-6	-5
Average Workweek	-7	-12	2	13	20	-9
Wages	22	16	9	51	50	36
Spending						
Business Services Expenditures	0	2	5	18	12	7
Total Capital Expenditures	-4	-8	0	27	14	11
Equipment or Software	9	2	18	29	22	20
Price Trends³						
Prices Paid for Inputs	2.88	4.01	2.75	3.79	4.39	3.63
Prices Received for Outputs	2.22	1.83	1.45	2.47	1.87	1.81

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 45 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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