

# Regional Surveys of Business Activity

## Fifth District Survey of Service Sector Activity

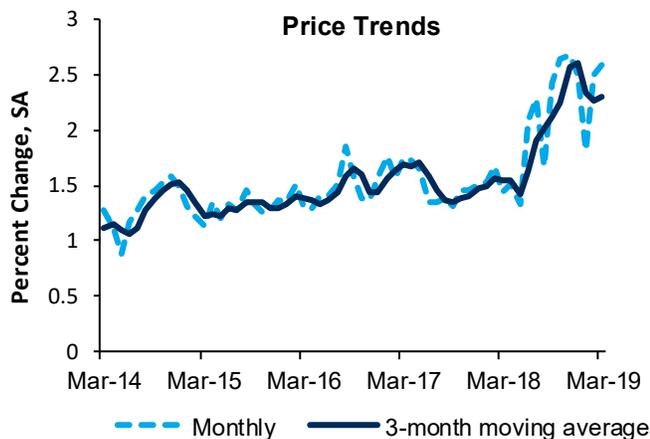
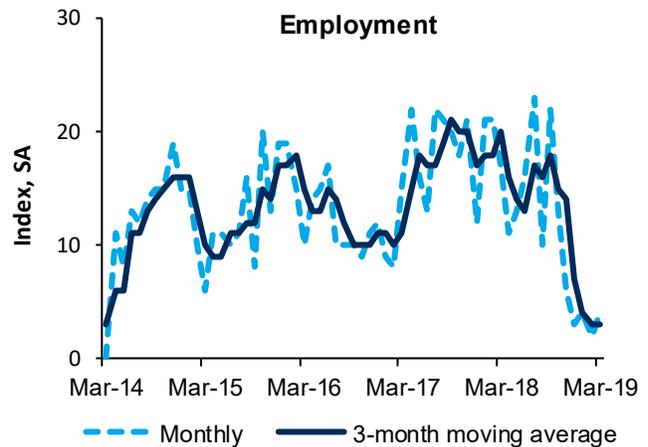
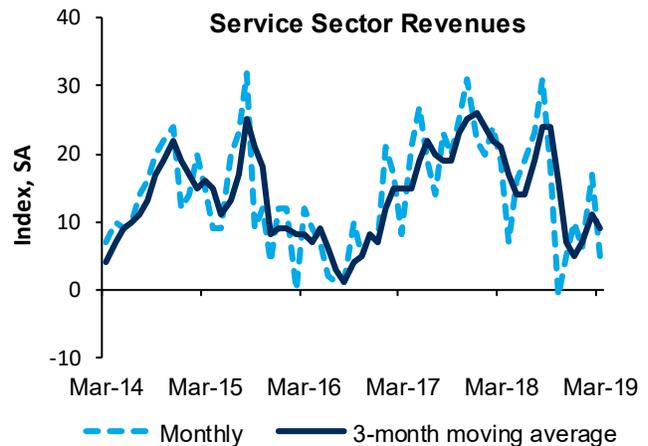
March 26, 2019

### Fifth District Service Sector Grew in March

Fifth District service sector activity grew in March, according to the results of the latest survey by the Federal Reserve Bank of Richmond. The index for demand rose from 5 in February to 16 in March, and firms saw continued growth in revenues. Firms also reported increased spending, but the indicator for local business conditions was flat. Firms remained optimistic, expecting to see continued growth in the next six months.

Survey results suggested increases in employment and wages in March but a fall in the average workweek. Firms struggled to find workers with the skills they needed and expected that difficulty to continue. However, firms anticipated growth in employment and wages to persist in the coming months.

The growth rate of prices paid by survey participants fell in March, while growth in prices received grew, narrowing the gap between the two. However growth of prices paid continued to outpace that of prices received. Firms expected growth of both prices paid and prices received to slow in the near future.



# Regional Surveys of Business Activity

Fifth District Survey of Service Sector

March 26, 2019

## Business Activity Indexes<sup>1,4</sup>

Service Sector Indicators	Current Conditions			Expectations <sup>2</sup>		
	Mar-19	Feb-19	Jan-19	Mar-19	Feb-19	Jan-19
Revenues	5	17	6	34	40	18
Demand	16	5	11	26	29	19
Local Business Conditions	1	1	-8	21	16	-6
Capital Expenditures	13	15	4	14	23	18
Equipment & Software Spending	10	24	14	25	30	17
Services Expenditures	8	7	0	15	9	0
<b>Employment</b>						
Number of Employees	4	2	4	33	32	21
Wages	31	39	29	56	65	51
Availability of Skills Needed	-13	-16	-20	-7	-13	-10
Average Workweek	-4	3	4	16	19	15
<b>Price Trends<sup>2,3</sup></b>						
Prices Paid	2.86	2.97	2.83	2.17	2.70	2.49
Prices Received	2.59	2.50	1.82	2.36	2.27	2.10

### Technical Notes:

- <sup>1</sup> Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Data are seasonally adjusted. Results are based on responses from 74 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 percent change, annualized.
- <sup>4</sup> All firms surveyed are located within the Fifth Federal Reserve District, which includes the District of Columbia, Maryland, North Carolina, South Carolina, Virginia, and most of West Virginia.

For more information contact Roisin McCord at 804.697.8702 or [Rich.RegionalSurveyTeam@rich.frb.org](mailto:Rich.RegionalSurveyTeam@rich.frb.org)