

Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

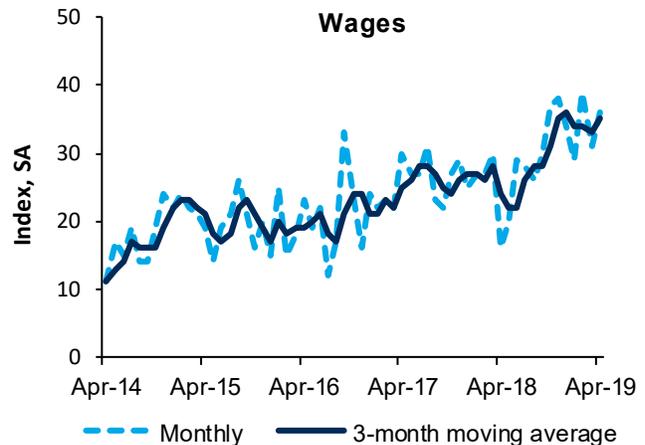
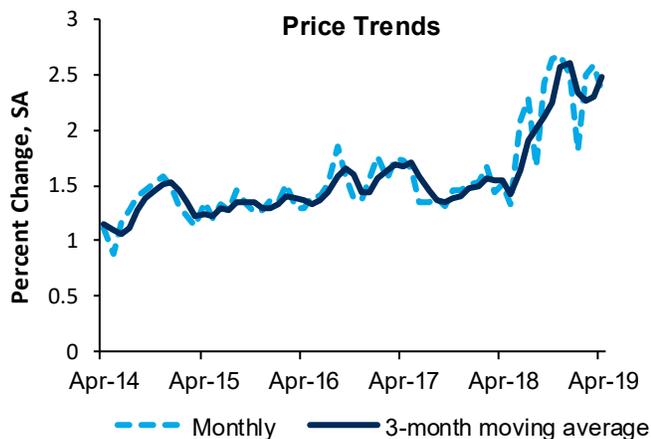
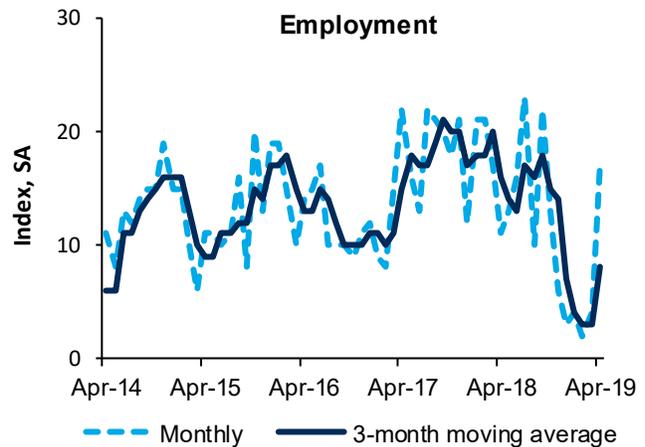
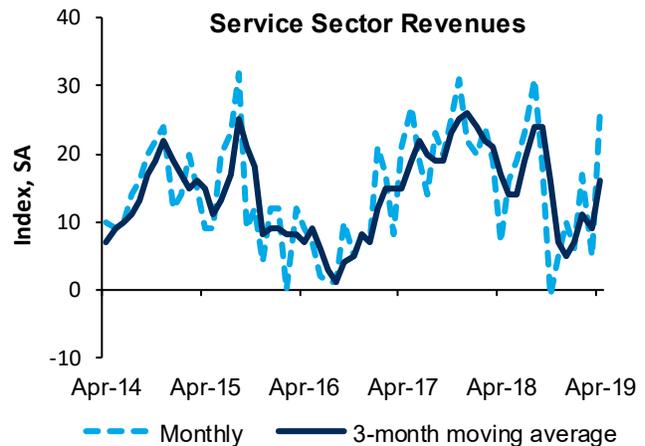
April 23, 2019

Fifth District Service Sector Activity Was Robust in April

Fifth District service sector activity was robust in April, according to the results of the latest survey by the Richmond Fed. The revenues index rose from 5 in March to 26 in April, and the index for demand also increased. Meanwhile, the index for local business conditions jumped from a reading of 1 in the past two months to 23 in April. Firms also reported increased spending. Respondents were optimistic that conditions would remain strong in the coming months.

Survey results indicated growth in employment and wages in April. However, firms continued to experience difficulty finding workers with the necessary skills. They expected this struggle to continue in the near future but expected continued employment growth as well.

Growth of prices paid by survey participants rose in April, while growth of prices received fell, broadening the gap between the two price measures. Firms expected growth of both prices paid and prices received to fall in the next six months.



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Business Activity Indexes^{1,4}

Service Sector Indicators	Current Conditions			Expectations ²		
	Apr-19	Mar-19	Feb-19	Apr-19	Mar-19	Feb-19
Revenues	26	5	17	33	34	40
Demand	22	16	5	29	26	29
Local Business Conditions	23	1	1	18	21	16
Capital Expenditures	20	13	15	20	14	23
Equipment & Software Spending	23	10	24	30	25	30
Services Expenditures	13	8	7	12	15	9
Employment						
Number of Employees	17	4	2	30	33	32
Wages	36	31	39	54	56	65
Availability of Skills Needed	-8	-13	-16	-3	-7	-13
Average Workweek	11	-4	3	18	16	19
Price Trends^{2,3}						
Prices Paid	3.18	2.86	2.97	2.45	2.17	2.70
Prices Received	2.35	2.59	2.50	1.96	2.36	2.27

Technical Notes:

- ¹ 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 72 firms.
- ² Expectations refer to the time period six months out from the survey period.
- ³ Price changes are expressed as percent change, annualized.
- ⁴ 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.

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