

Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

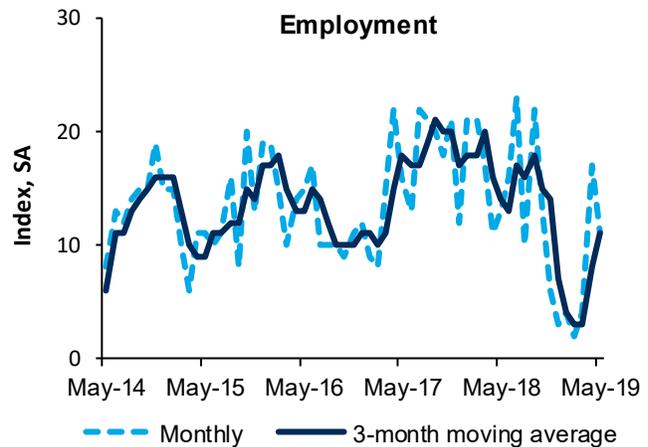
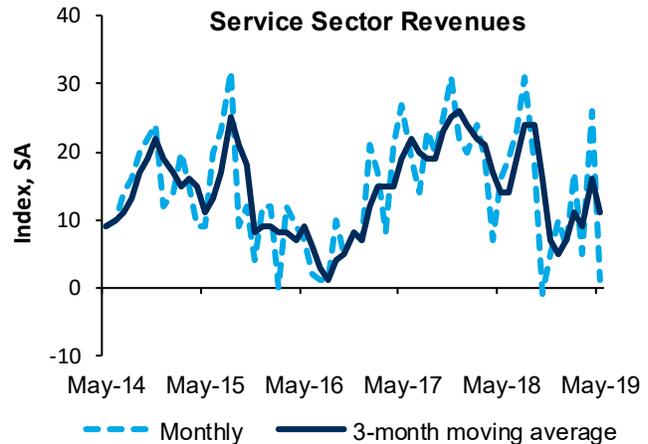
May 29, 2019

Fifth District Service Sector Activity Softened in May

Fifth District service sector activity softened in May, according to the results of the most recent survey by the Federal Reserve Bank of Richmond. The revenues index fell from 26 in April to 1 in May, its largest one-month drop since February 2003. Firms also reported softening in demand growth and local business conditions. However, respondents were optimistic that growth would improve in the next six months.

Survey results suggested that growth of employment and wages remained positive in May. Firms continued to struggle to find workers with the skills they needed and expected that trend to continue. They also anticipated continued growth in employment and wages in the near future.

Growth of both prices paid and prices received by survey participants slowed in May. The growth rate of prices paid remained above that of prices received, a trend that firms expected to continue, along with slowing price growth, in the coming months.



Regional Surveys of Business Activity

Fifth District Survey of Service Sector

May 29, 2019

Business Activity Indexes^{1,4}

Service Sector Indicators	Current Conditions			Expectations ²		
	May-19	Apr-19	Mar-19	May-19	Apr-19	Mar-19
Revenues	1	26	5	41	33	34
Demand	13	22	16	41	29	26
Local Business Conditions	3	23	1	42	18	21
Capital Expenditures	13	20	13	29	20	14
Equipment & Software Spending	20	23	10	31	30	25
Services Expenditures	15	13	8	16	12	15
Employment						
Number of Employees	11	17	4	26	30	33
Wages	39	36	31	61	54	56
Availability of Skills Needed	-12	-8	-13	-11	-3	-7
Average Workweek	3	11	-4	14	18	16
Price Trends^{2,3}						
Prices Paid	2.28	3.18	2.86	2.19	2.45	2.17
Prices Received	2.05	2.35	2.59	1.85	1.96	2.36

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 80 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.

For more information contact Roisin McCord at 804.697.8702 or Rich.RegionalSurveyTeam@rich.frb.org