

Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

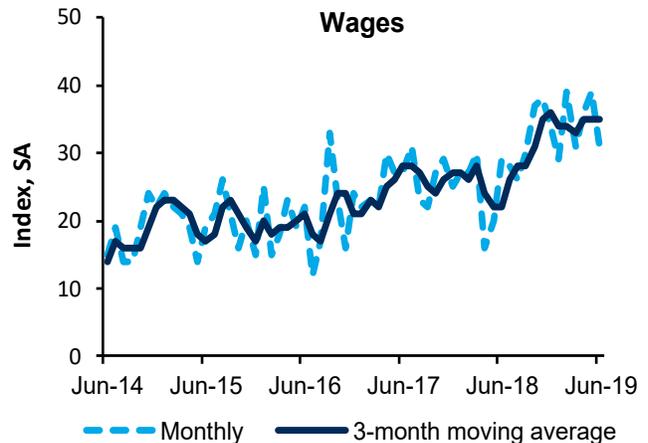
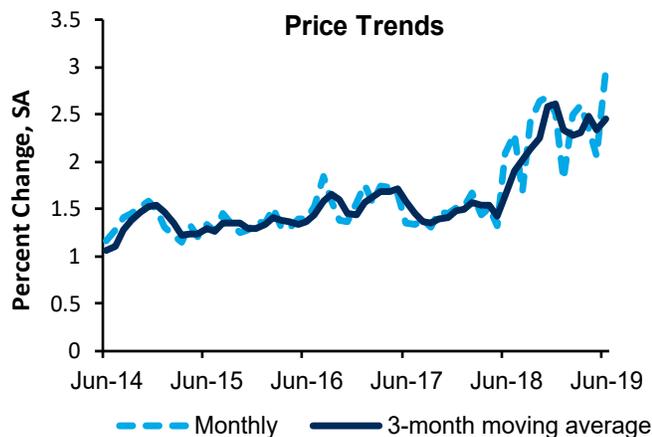
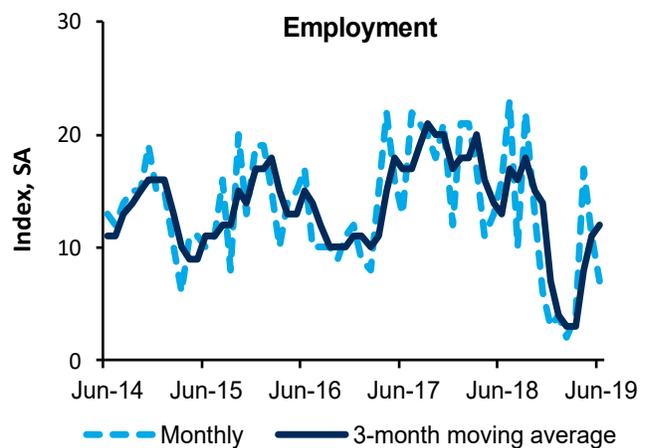
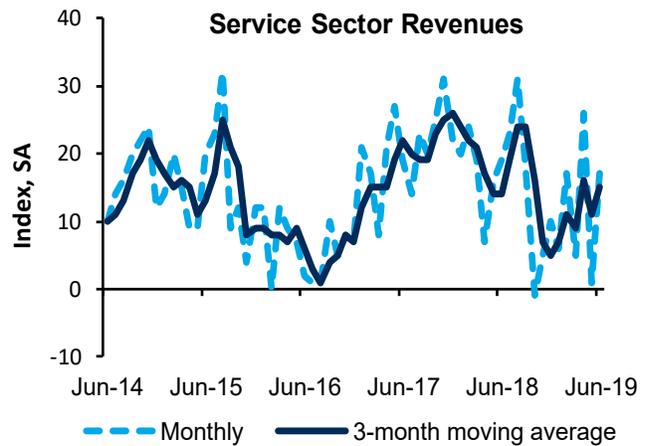
June 25, 2019

Fifth District Service Sector Activity Improved in June

Fifth District service sector activity improved in June, according to the results of the most recent survey by the Federal Reserve Bank of Richmond. The revenues index jumped from 1 in May to 17 in June. The index for local business conditions also rose, while the demand index held steady in expansionary territory. Respondents were optimistic that growth would continue in the coming months.

Survey results indicated positive growth in employment, wages, and the average work week in June. However, firms continued to struggle to find workers with the necessary skills and expected this challenge to continue, along with growth of wages and employment, in the near future.

Growth of both prices paid and prices received by survey participants increased in June. The growth rate of prices paid exceeded that of prices received, for the first time since August 2016. Firms expected to see continued growth in of both prices paid and prices received in the next six months.



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Business Activity Indexes^{1,4}

Service Sector Indicators	Current Conditions			Expectations ²		
	Jun-19	May-19	Apr-19	Jun-19	May-19	Apr-19
Revenues	17	1	26	38	41	33
Demand	13	13	22	39	41	29
Local Business Conditions	8	3	23	26	42	18
Capital Expenditures	12	13	20	36	29	20
Equipment & Software Spending	15	20	23	31	31	30
Services Expenditures	5	15	13	14	16	12
Employment						
Number of Employees	7	11	17	31	26	30
Wages	31	39	36	50	61	54
Availability of Skills Needed	-23	-12	-8	-4	-11	-3
Average Workweek	7	3	11	14	14	18
Price Trends^{2,3}						
Prices Paid	2.64	2.28	3.18	2.47	2.19	2.45
Prices Received	2.97	2.05	2.35	2.13	1.85	1.96

Technical Notes:

- 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 63 firms.
- Expectations refer to the time period six months out from the survey period.
- Price changes are expressed as percent change, annualized.
- 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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