

Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

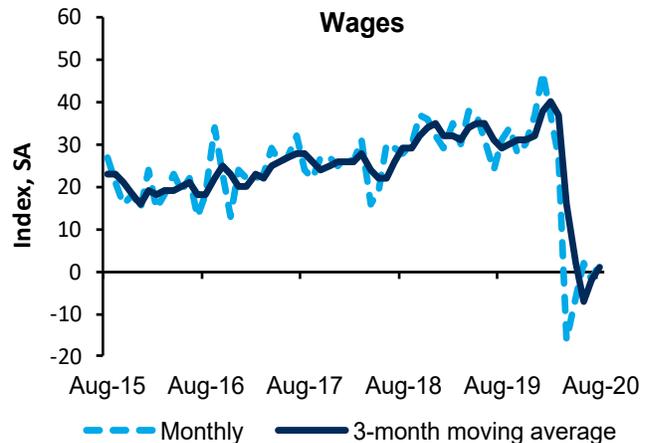
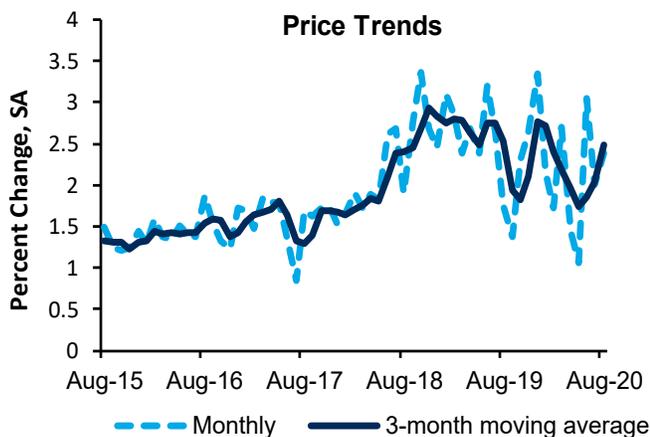
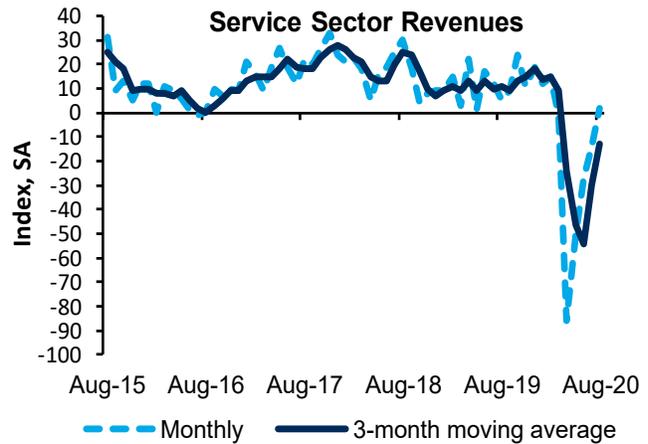
August 25, 2020

Service Sector Activity Held Steady in August

Activity in the Fifth District service sector held fairly steady in August, according to the most recent survey by the Richmond Fed. The indexes for revenues and demand increased from -14 and -5 in July to 2 and -1 in August, respectively, indicating fairly flat activity after several months of contraction. Service sector firms reported a decrease in capital spending and a slight softening of business conditions in August. However, they expected to see improving conditions in the coming months.

Survey results indicated that employment and wages were little changed overall in August. The index for availability of skills needed was positive, indicating more availability. Respondents expected employment and wages to increase in the next six months.

The growth rates of both prices paid and prices received by survey respondents rose in August, as growth of prices paid continued to outpace prices received. Participants expected growth of both prices paid and prices received to slow in the near future.



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Business Activity Indexes^{1,4}

Service Sector Indicators	Current Conditions			Expectations ²		
	Aug-20	Jul-20	Jun-20	Aug-20	Jul-20	Jun-20
Revenues	2	-14	-27	3	11	37
Demand	-1	-5	-14	7	13	36
Local Business Conditions	-3	2	-24	7	17	34
Capital Expenditures	-13	-21	-12	-6	-4	-4
Equipment & Software Spending	-2	-6	-4	10	12	2
Services Expenditures	-14	-24	-30	-18	-11	-9
Employment						
Number of Employees	0	-10	-7	4	15	16
Wages	2	-2	2	16	24	20
Availability of Skills Needed	5	1	5	15	11	14
Average Workweek	-2	-7	-6	-2	9	17
Price Trends^{2,3}						
Prices Paid	5.08	3.31	4.55	2.83	3.10	4.27
Prices Received	2.39	2.01	3.04	1.59	2.12	3.40

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 122 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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