

Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

April 23, 2024

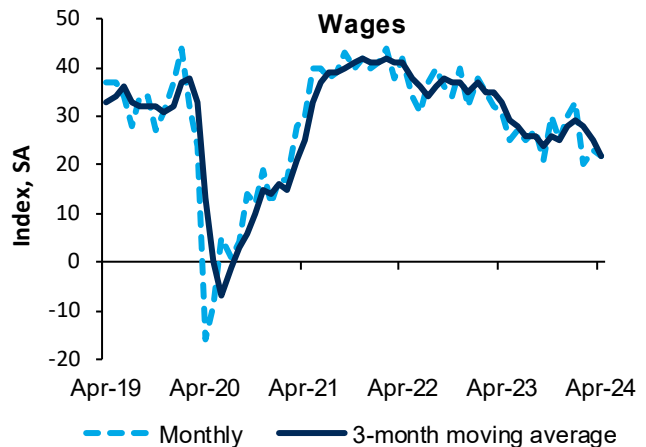
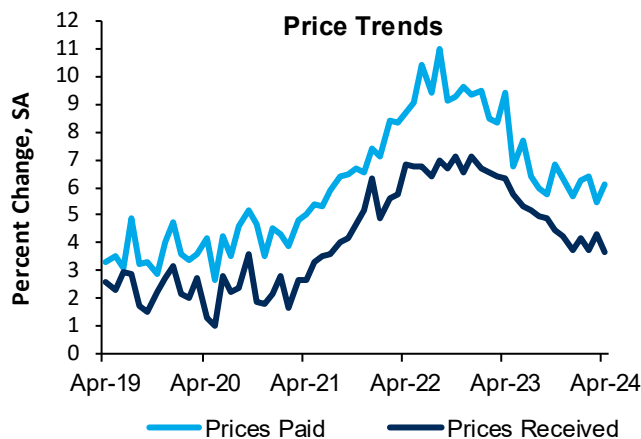
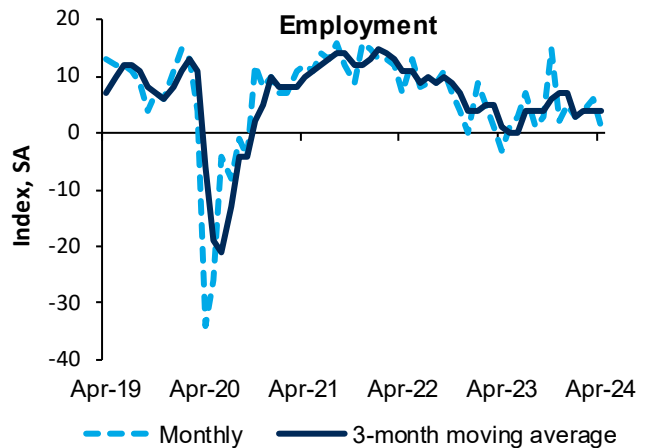
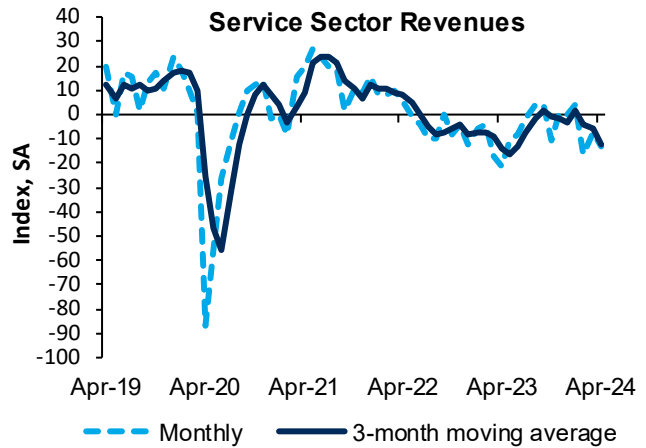
Service Sector Activity Remained Soft in April

Fifth District service sector activity remained soft in April, despite increased demand, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index fell from -7 to -13, while the demand index increased notably from -9 in March to 9 in April. The indexes for future revenues and demand both increased further into positive territory.

Firms' optimism about local business conditions was nearly unchanged, as that index edged up from -8 in March to -6 in April. The index for expected local business conditions increased from -3 to 9 in April.

The employment index decreased from 6 in March to 1 in April, while firms continued to report wage increases and little change in their ability to find workers with the necessary skills. Over the next six months, firms expect to increase hiring and anticipate little improvement in their ability to find workers with the necessary skills. Most firms plan to continue increasing wages.

The average growth in prices paid increased in April, while growth in prices received decreased. Firms expect both growth rates to moderate over the coming year.



Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

April 23, 2024

Business Activity Indexes¹

Service Sector Indicators	Current Conditions			Expectations ²		
	Apr-24	Mar-24	Feb-24	Apr-24	Mar-24	Feb-24
Revenues	-13	-7	-16	24	14	23
Demand	9	-9	0	24	17	20
Local Business Conditions	-6	-8	-7	9	-3	4
Capital Expenditures	0	-6	-1	1	-4	4
Equipment & Software Spending	0	0	4	1	-4	7
Services Expenditures	-7	-12	0	-6	-8	4
Employment						
Number of Employees	1	6	4	19	10	15
Wages	22	23	20	49	37	45
Availability of Skills Needed	-4	-2	-3	-1	3	1
Price Trends³						
Prices Paid	6.11	5.43	6.37	4.28	4.05	4.63
Prices Received	3.64	4.29	3.77	3.16	3.17	3.96

Technical Notes:

- ¹ Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 123-143 firms. 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. Data are seasonally adjusted. Seasonal adjustment factors are recalculated every July and the entire series is revised to better reflect current economic trends.
- ² Expectations refer to the time period six months out from the survey period.
- ³ Current price changes are percentage changes over the last 12 months. Expected price changes are expected changes over the next 12 months.

For more information contact Jason Kosakow at 571.287.0448 or Rich.RegionalSurveyTeam@rich.frb.org