

Regional Surveys of Business Activity

Fifth District Survey of Service Sector Activity

June 25, 2024

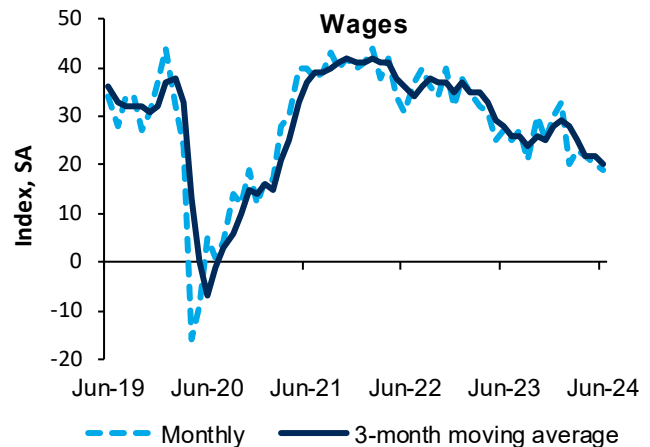
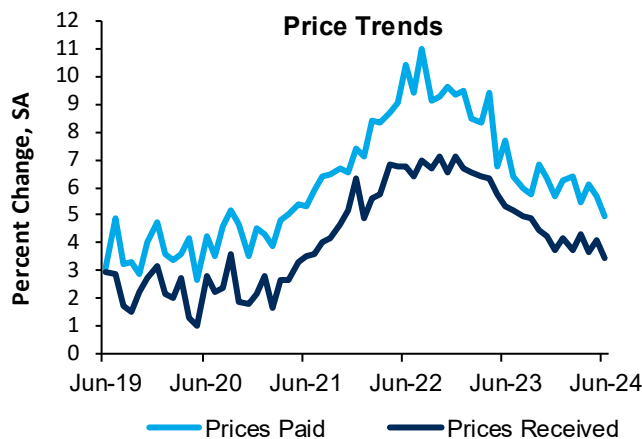
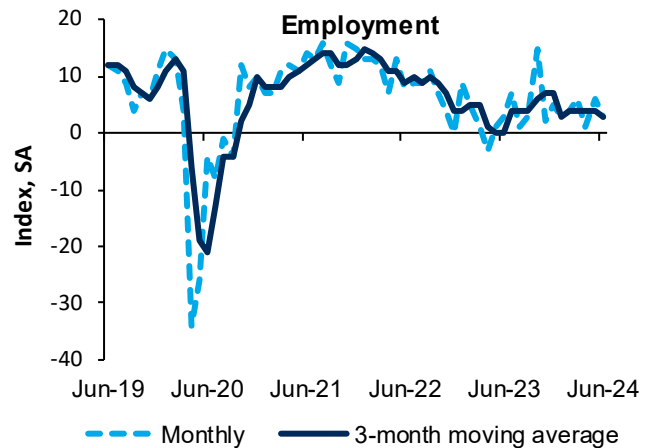
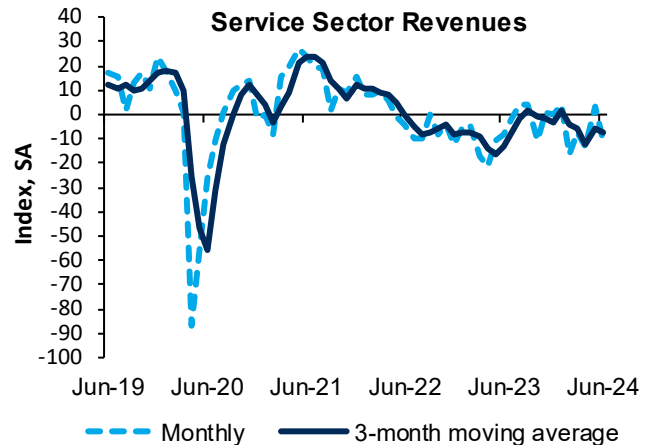
Service Sector Activity Slowed in June

Fifth District service sector activity slowed in June, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index fell from 3 to -11 and the demand index edged down from 1 in May to -2 in June. The indexes for future revenues and demand decreased but remained in positive territory.

Firms grew slightly less optimistic about local business conditions, as that index edged down from -9 in May to -11 in June. The index for expected local business conditions also decreased, from 2 to -3 in June.

The employment index edged down from 6 in May to 3 in June, while most firms continued to report wage increases. The availability of skills index edged up from 6 to 7 in June, suggesting little change in firms' ability to find workers with the necessary skills. Over the next six months, firms expect to increase hiring and anticipate little change in their ability to find workers with the necessary skills. Most firms plan to continue increasing wages.

The average growth rate of prices paid and prices received decreased in June. Firms expect growth in prices paid to moderate over the coming year.



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Business Activity Indexes¹

Service Sector Indicators	Current Conditions			Expectations ²		
	Jun-24	May-24	Apr-24	Jun-24	May-24	Apr-24
Revenues	-11	3	-13	19	32	24
Demand	-2	1	9	10	15	24
Local Business Conditions	-11	-9	-6	-3	2	9
Capital Expenditures	-9	-3	0	3	-6	1
Equipment & Software Spending	-6	4	0	2	0	1
Services Expenditures	-11	-6	-7	-10	-14	-6
Employment						
Number of Employees	3	6	1	14	15	19
Wages	19	20	22	49	42	49
Availability of Skills Needed	7	6	-4	3	4	-1
Price Trends³						
Prices Paid	4.99	5.71	6.11	3.99	4.80	4.28
Prices Received	3.43	4.09	3.64	3.43	3.77	3.16

Technical Notes:

- ¹ Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 125-139 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.

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