



SOUTH JERSEY BUSINESS SURVEY

Second Quarter 2021

The region's economy continued to expand in the second quarter, according to the firms responding to the *South Jersey Business Survey*. The survey's indicators for individual business activity, sales, and employment remained positive and increased from the first quarter. Responses also indicated continued optimism about future business conditions, as future activity indexes remained positive.

Current Indicators Suggest Continued Growth

The survey's current indicators for general business activity, sales, and employment increased in the second quarter (see Charts 1, 3, and 4). The individual company activity index increased from 31.2 in the first quarter to 46.9 this quarter, its highest reading since the fourth quarter of 2005. Most firms (58 percent) reported increased activity, while fewer firms (11 percent) reported decreases.

The current sales index also improved, jumping from a reading of 25.5 in the previous quarter to 38.2 this quarter, with nearly 49 percent of the firms reporting a rise in sales.

Responses also indicated overall employment increases. The employment index edged up 1 point to 5.8 this quarter. Over 51 percent of the respondents reported steady employment levels, but the portion of firms reporting increases (26 percent) surpassed the portion reporting decreases (20 percent).

The indicator for current regional business activity increased 29 points this quarter to 47.9 (see Chart 2).

Price Indicators Continue to Rise

The prices paid index rose 20 points to 50.7, its highest reading since the third quarter of 2005. Over 51 percent of the firms reported increases in prices for inputs, whereas only 1 percent reported decreases (see Chart 5). The prices received index also rose from the first quarter to a reading of 15.7. Nevertheless, the majority of respondents (61 percent) reported steady prices for their own goods/services.

Expectations Remain Positive

The firms reported continued optimism about future activity, as all future indicators remained positive this quarter. The future company indicator rose to a reading of 64.3, the highest reading in over 17 years, since the third quarter of 2003. Responses also indicated that the firms anticipate continued increases in input prices, with the future prices paid index rising 7 points to a reading of 47.2. The firms expect increases in regional business activity as well, with the region's future activity index reaching 64.2, its highest reading in the survey's history.

South Jersey Business Survey (Second Quarter 2021)

1. Current Measures (change from previous quarter)	Previous Diffusion Index (SA)*	Lower	Same	Higher	Diffusion Index (SA)
What is your assessment of the level of general business activity:					
In the region?	18.5	8.9	30.0	55.6	47.9
At your company?	31.2	11.1	27.8	57.8	46.9
Other company measures:					
Total sales	25.5	12.2	27.8	48.9	38.2
Total employees	4.8	20.0	51.1	25.6	5.8
Prices received	9.6	7.8	61.1	22.2	15.7
Prices paid (excluding energy)	31.2	1.1	22.2	51.1	50.7
2. Future Measures (expectations for the next six months)					
Business activity for the region	63.1	2.2	30.0	63.3	64.2
Business activity for your company	57.4	2.2	31.1	62.2	64.3
Total sales	52.4	1.1	28.9	62.2	65.0
Total employees	35.1	10.0	44.4	41.1	32.9
Prices received	29.9	2.2	55.6	30.0	29.2
Prices paid (excluding energy)	40.0	1.1	24.4	46.7	47.2

Released: July 8, 2021

Note: Survey responses were collected from June 28 to July 6.

The Third Quarter 2021 *South Jersey Business Survey* will be released on October 14, 2021.

Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on our website.

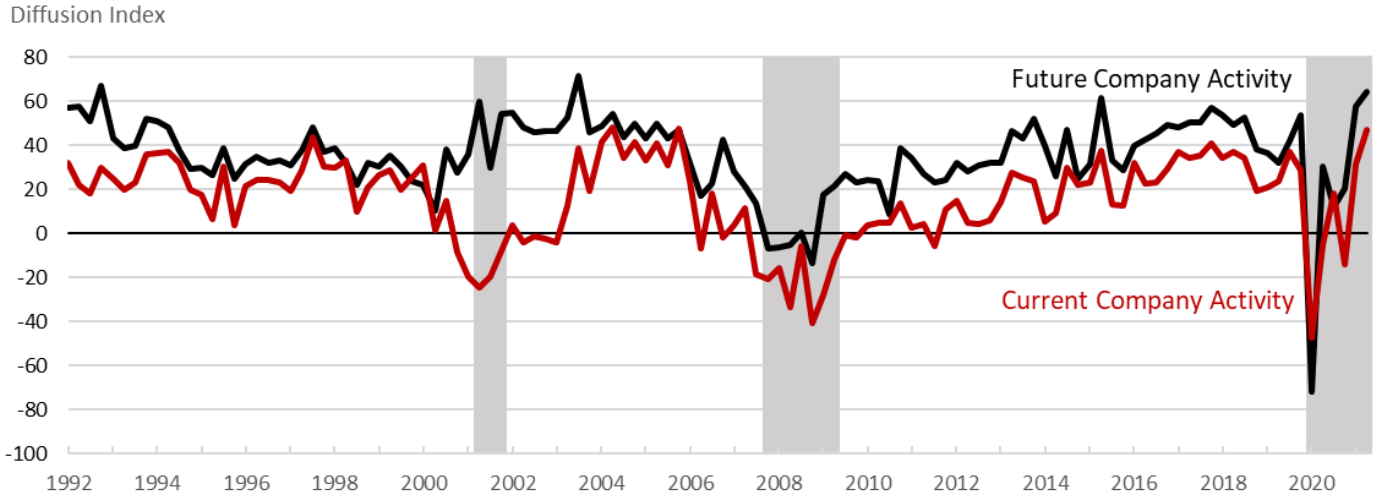
1. The *South Jersey Business Survey* is conducted each quarter and is based on responses from members of the Chamber of Commerce Southern New Jersey.

2. Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease. Percentages may not sum to 100 because of rounding, omission by respondents, or both.

3. The previous diffusion index may be different from last quarter's because of seasonal adjustment.

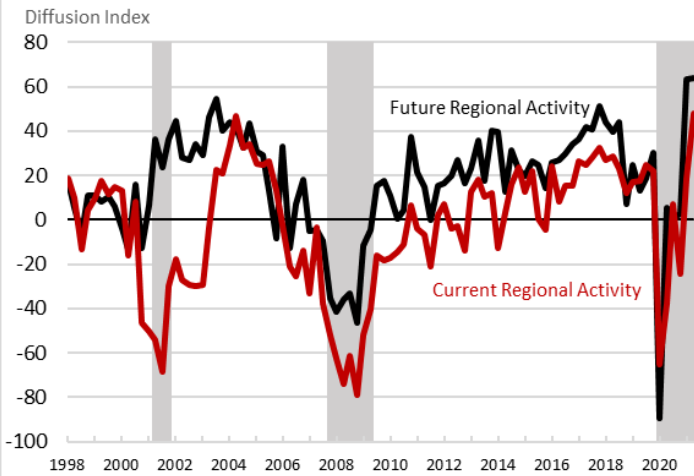
* SA: Seasonally adjusted

Chart 1. Current and Future Company General Activity Indexes
1st Quarter 1992 to 2nd Quarter 2021



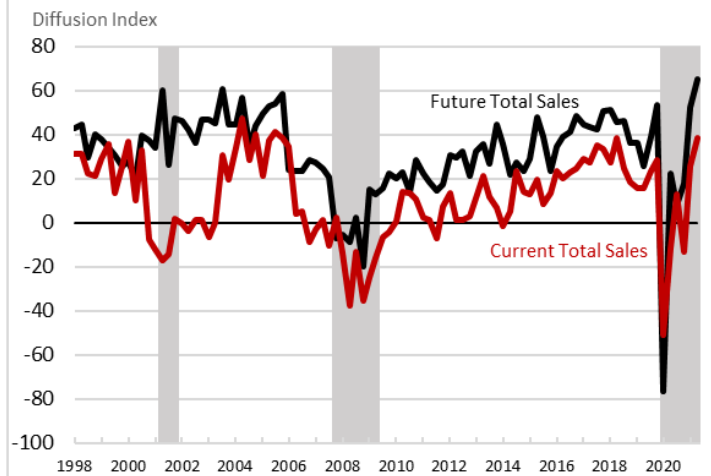
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Indexes
1st Quarter 1998 to 2nd Quarter 2021



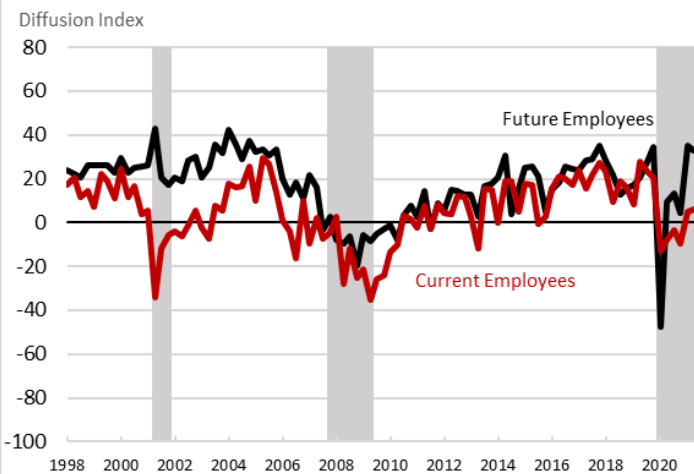
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 3. Current and Future Total Sales Indexes
1st Quarter 1998 to 2nd Quarter 2021



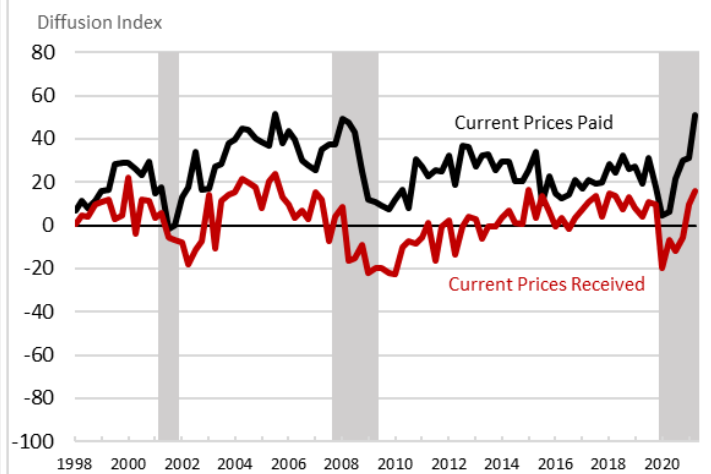
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 4. Current and Future Employees Indexes
1st Quarter 1998 to 2nd Quarter 2021



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 5. Current Prices Received and Prices Paid Indexes
1st Quarter 1998 to 2nd Quarter 2021



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.