

SOUTH JERSEY BUSINESS SURVEY

Second Quarter 2023

The region's economy continued to expand in the second quarter, according to the responses to the *South Jersey Business Survey*. The survey's company performance indicators for general business activity, sales, and both prices paid and received were lower than last quarter but remained positive. Surveyed firms continue to be optimistic about future business conditions at both the company and regional levels, and both indexes improved this quarter.

Current Indicators Remain Positive

The individual company activity index edged down from a reading of 10.2 last quarter to 9.5 this quarter (see Chart 1). Almost 36 percent of the firms reported higher activity, while 25 percent reported lower activity. The current sales index decreased from 13.7 last quarter to 6.2 this quarter (see Chart 3). The current indicator for regional business activity improved from -7.0 but remained negative at -0.8 (see Chart 2).

The responses indicated more widespread increases in employment, as the employment index jumped 14 points to 22.6 this quarter (see Chart 4). The share of firms reporting increases (30 percent) exceeded the share reporting decreases (8 percent). Almost 51 percent of the respondents reported steady employment levels.

Firms Report Overall Price Increases

Price pressures eased as both price indexes fell this quarter. The prices paid index fell to 41.8 from 54.0 last quarter (see Chart 5). More than 43 percent of the respondents reported increases in prices for inputs, whereas 2 percent reported decreases. The prices received index decreased from 32.7 last quarter to 20.1 this quarter. Almost 55 percent of the responding firms reported steady prices received, 29 percent reported higher prices received, and 6 percent reported lower prices received for their own goods/services.

Firms Remain Optimistic

The firms continue to be optimistic about future activity, as all future company-level indicators remained positive this quarter. The future company-level business activity indicator increased 9 points to 41.7, with nearly 53 percent of the firms expecting higher activity. The firms also anticipate continued increases in prices, as both price indexes remain positive. The future employment index inched up 2 points to 19.8 and continues to suggest that firms expect overall increases in employment over the next six months.

South Jersey Business Survey (Second Quarter 2023)

| 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? | -7.0 | 17.0 | 56.6 | 17.0 | -0.8 |
| At your company? | 10.2 | 24.5 | 37.7 | 35.8 | 9.5 |
| Other company measures: | | | | | |
| Total sales | 13.7 | 32.1 | 18.9 | 39.6 | 6.2 |
| Total employees | 8.8 | 7.5 | 50.9 | 30.2 | 22.6 |
| Prices received | 32.7 | 5.7 | 54.7 | 28.3 | 20.1 |
| Prices paid (excluding energy) | 54.0 | 1.9 | 30.2 | 43.4 | 41.8 |
| 2. Future Measures (expectations for the next six months) | | | | | |
| Business activity for the region | 12.6 | 11.3 | 49.1 | 28.3 | 17.4 |
| Business activity for your company | 33.1 | 9.4 | 34.0 | 52.8 | 41.7 |
| Total sales | 38.6 | 15.1 | 30.2 | 45.3 | 31.9 |
| Total employees | 18.0 | 11.3 | 52.8 | 32.1 | 19.8 |
| Prices received | 22.7 | 3.8 | 62.3 | 24.5 | 18.9 |
| Prices paid (excluding energy) | 36.6 | 1.9 | 30.2 | 47.2 | 45.4 |

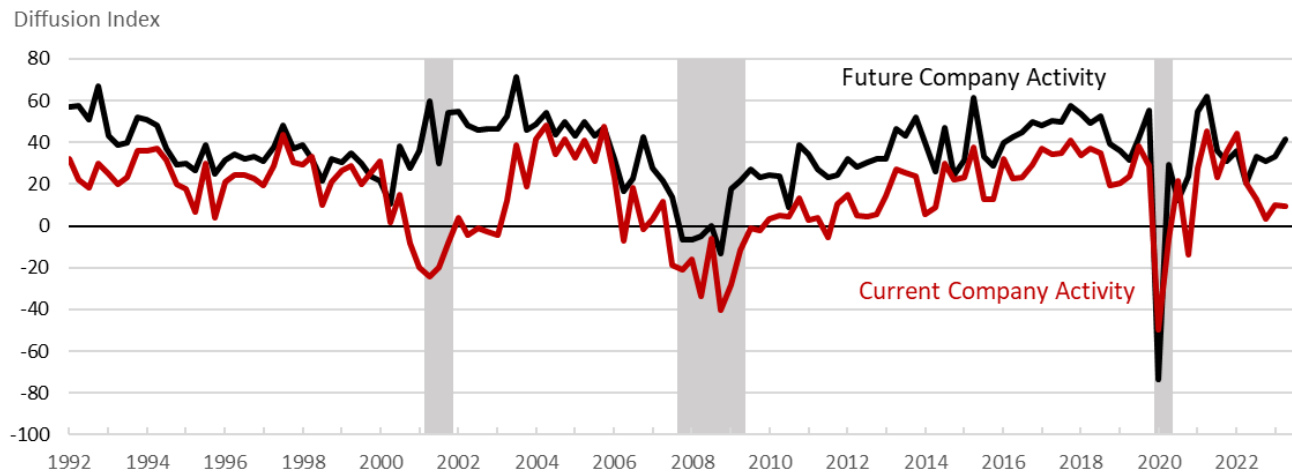
1. The *South Jersey Business Survey* is conducted each quarter and is based on responses from members of the Chamber of Commerce Southern New Jersey. Survey responses were collected from July 3 to July 10.
 2. Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease. The percentages for lower, same, and higher were not seasonally adjusted, but the diffusion indexes were seasonally adjusted after they were calculated.
 3. The previous diffusion indexes were revised with updated seasonal adjustment factors and, therefore, may differ from last quarter's published results.
- * SA: Seasonally adjusted

Released: July 13, 2023

The Third Quarter 2023 *South Jersey Business Survey* will be released on October 12, 2023.

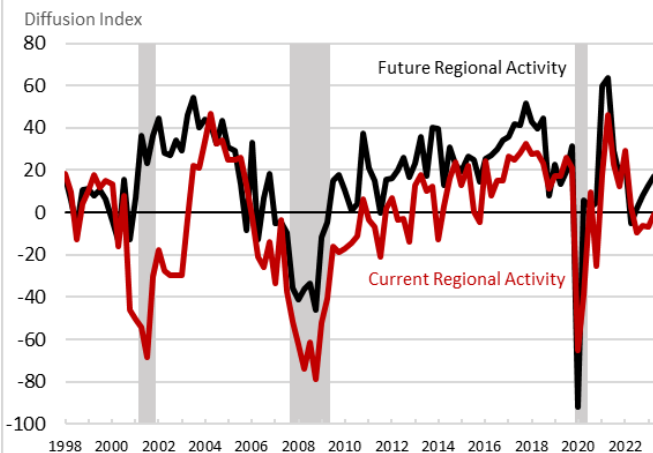
Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on [our website](https://www.philadelphiafed.org/research-and-data/south-jersey-business-survey).

Chart 1. Current and Future Company General Activity Indexes
1st Quarter 1992 to 2nd Quarter 2023



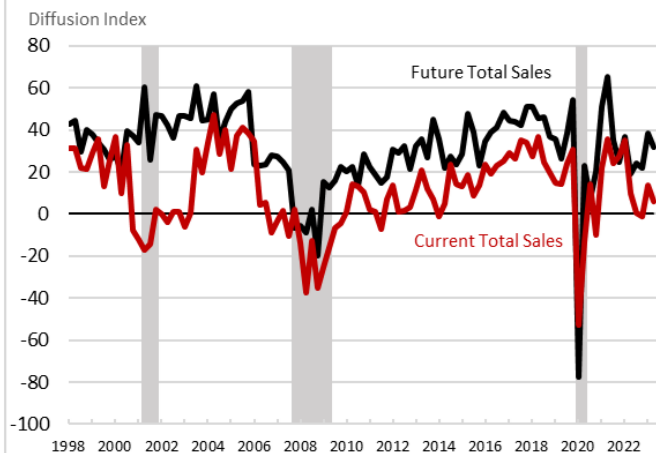
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Indexes
1st Quarter 1998 to 2nd Quarter 2023



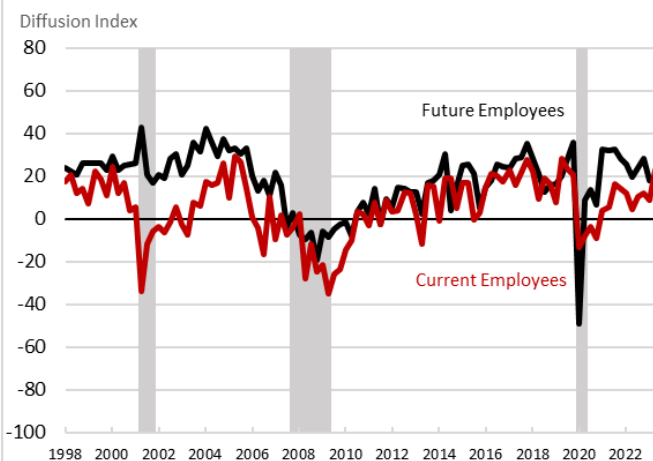
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 3. Current and Future Total Sales Indexes
1st Quarter 1998 to 2nd Quarter 2023



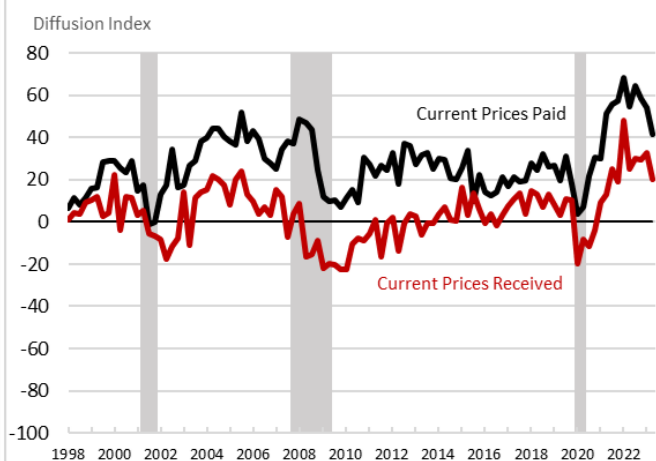
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 4. Current and Future Employees Indexes
1st Quarter 1998 to 2nd Quarter 2023



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 2023



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.