



# SOUTH JERSEY BUSINESS SURVEY

Third Quarter 2023

The region's economy continued to expand in the third quarter, according to the responses to the *South Jersey Business Survey*. The survey's company performance indicators for general business activity at the company level and sales remained positive but low, and both price indexes rose this quarter. Optimism about future business conditions at both the company and regional levels was less widespread among surveyed firms, as both indexes fell but remained positive this quarter.

### Current Indicators Are Positive but Low

The individual company activity index was little changed at 8.1 this quarter (see Chart 1). Almost 27 percent of the responding firms reported higher activity, while 20 percent reported lower activity. The current sales index edged down from 7.4 last quarter to 6.4 this quarter (see Chart 3). The current indicator for regional business activity improved from -0.8 but remained low at 0.6 (see Chart 2).

The responses indicated less widespread increases in employment, as the employment index fell 10 points to 13.4 this quarter (see Chart 4). The share of firms reporting increases (25 percent) exceeded the share reporting decreases (9 percent). Almost 63 percent of the respondents reported steady employment levels.

### Firms Report Overall Price Increases

The prices paid index increased from 41.4 last quarter to 52.7 this quarter (see Chart 5). Almost 54 percent of the respondents reported increases in prices for inputs, while no firm reported decreases. The prices received index also increased, rising from 21.8 last quarter to 31.5 this quarter. Almost 54 percent of the responding firms reported steady prices received, 36 percent reported higher prices received, and 2 percent reported lower prices received for their own goods or 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 decreased 18 points to 26.5, with more than 39 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 fell 7 points to 14.9 but continues to suggest that firms expect overall increases in employment over the next six months.

## South Jersey Business Survey (Third 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?	-0.8	16.1	66.1	12.5	0.6
At your company?	8.4	19.6	50.0	26.8	8.1
Other company measures:					
Total sales	7.4	21.4	44.6	26.8	6.4
Total employees	23.2	8.9	62.5	25.0	13.4
Prices received	21.8	1.8	53.6	35.7	31.5
Prices paid (excluding energy)	41.4	0.0	23.2	53.6	52.7
2. Future Measures (expectations for the next six months)					
Business activity for the region	17.5	23.2	51.8	21.4	2.4
Business activity for your company	44.5	8.9	48.2	39.3	26.5
Total sales	29.2	10.7	44.6	37.5	23.6
Total employees	21.7	7.1	66.1	23.2	14.9
Prices received	20.0	5.4	51.8	35.7	30.2
Prices paid (excluding energy)	44.9	0.0	30.4	46.4	45.5

- 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 October 2 to October 9.
- 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.
- The previous diffusion indexes were revised with updated seasonal adjustment factors and, therefore, may differ from last quarter's published results.

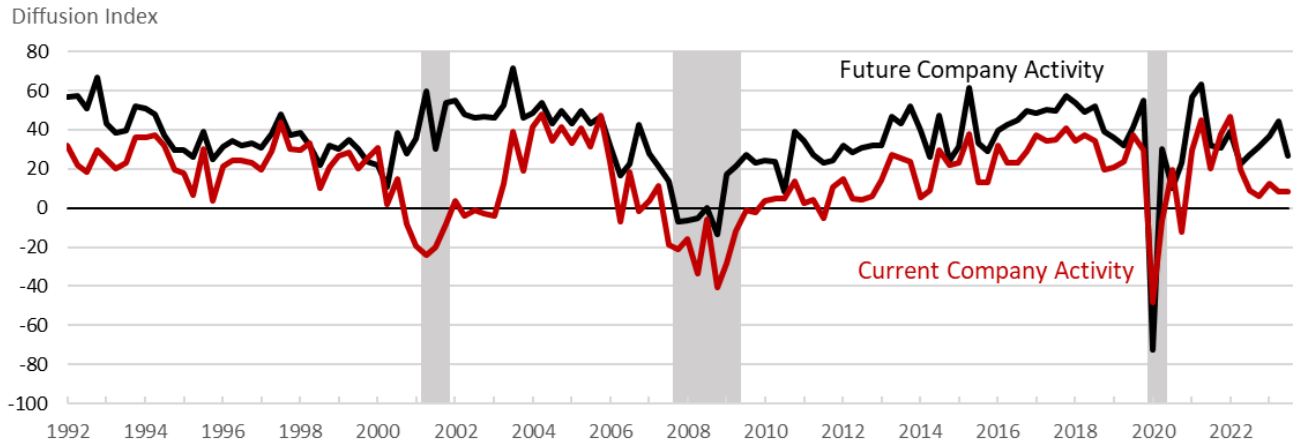
\* SA: Seasonally adjusted

Released: October 12, 2023

The Fourth Quarter 2023 *South Jersey Business Survey* will be released on January 11, 2024.

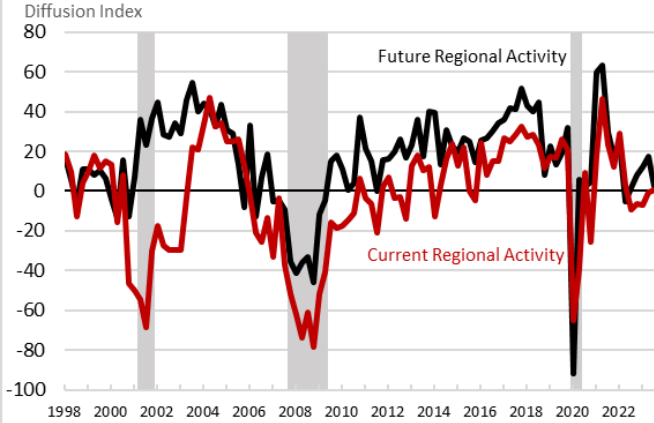
Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on [our website](#).

Chart 1. Current and Future Company General Activity Indexes  
1st Quarter 1992 to 3rd Quarter 2023



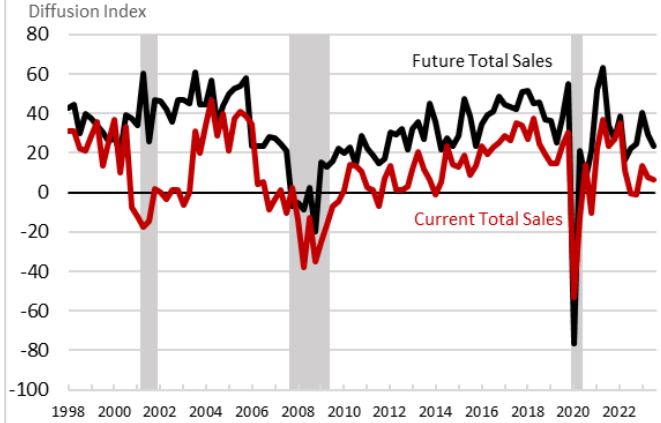
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Indexes  
1st Quarter 1998 to 3rd Quarter 2023



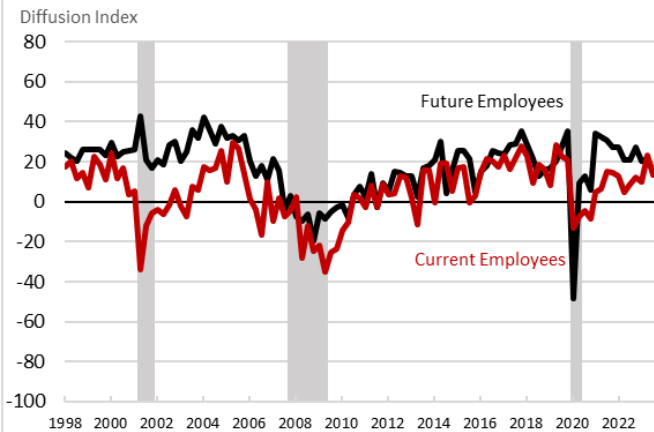
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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



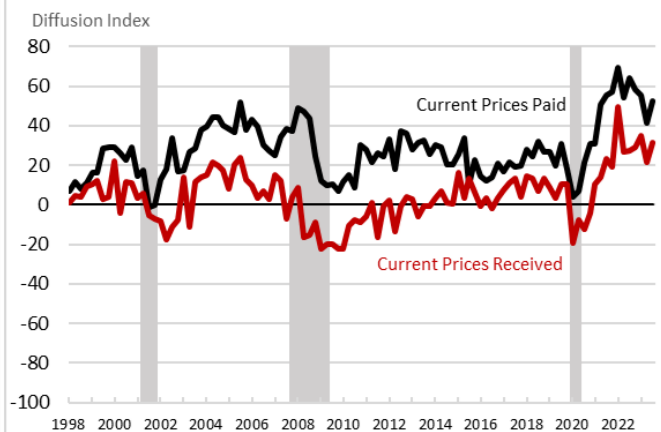
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 4. Current and Future Employees Indexes  
1st Quarter 1998 to 3rd 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 3rd 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.