



SOUTH JERSEY BUSINESS SURVEY

First Quarter 2021

The region's economy experienced an increase in business activity, according to firms responding to the *South Jersey Business Survey*. The indicators for overall business activity and sales returned to positive readings after turning negative in the fourth quarter. Responses also indicated more widespread optimism about future business conditions, as future activity indexes strengthened.

Current Indicators Turn Positive

The survey's current indicators for general business activity, sales, and employment turned positive in the first quarter (see Charts 1, 3, and 4). The individual company activity index rose from -14.0 in the fourth quarter to 31.5, its highest reading since the third quarter of 2019. Nearly 48 percent of the firms reported increased activity in the first quarter, while 19 percent reported decreases. The current sales index also improved notably, from a reading of -13.5 in the previous quarter to 25.6, with nearly 44 percent of the firms reporting an increase in sales.

Responses indicated an overall increase in hiring. The employment index rose 14 points to 4.9 this quarter, its first positive reading since the fourth quarter of 2019. Although 59 percent of the respondents reported steady employment levels, the share of firms reporting increases this quarter (20 percent) exceeded the share reporting decreases (14 percent).

The current indicator for regional business activity also returned to a positive reading after turning negative last quarter, increasing 43 points from -24.3 to a reading of 18.6 (see Chart 2).

Firms Report Overall Price Increases

The prices paid index edged up 1 point to 31.1. Nearly 37 percent of the respondents reported higher costs, compared with 3 percent that reported lower costs (see Chart 5). On balance, firms reported increases in their own prices, and the prices received index registered a positive reading for the first time since the fourth quarter of 2019.

Firms' Outlook Continues to Improve

More firms expect increases in future activity, sales, and employment over the next six months, and the survey's future indicators all posted large gains. The indicator for future individual company activity rose to a reading of 56.7, with 69 percent of the firms expecting increases in activity at their own firms, while only 9 percent expect decreases. The firms were more optimistic about future employment increases: The future employment index rose 30 points to 34.8. Nearly 39 percent of the firms expect increases in employment, while 2 percent expect decreases.

South Jersey Business Survey (First 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?	-24.3	19.0	38.9	36.5	18.6
At your company?	-14.0	19.0	30.2	47.6	31.5
Other company measures:					
Total sales	-13.5	20.6	28.6	43.7	25.6
Total employees	-9.3	14.3	58.7	19.8	4.9
Prices received	-5.9	8.7	65.1	18.3	9.8
Prices paid (excluding energy)	30.3	3.2	31.0	36.5	31.1
2. Future Measures (expectations for the next six months)					
Business activity for the region	2.3	8.7	15.1	71.4	62.9
Business activity for your company	19.8	9.5	19.0	69.0	56.7
Total sales	17.8	9.5	19.8	64.3	51.2
Total employees	4.2	2.4	54.0	38.9	34.8
Prices received	10.2	3.2	56.3	31.7	29.6
Prices paid (excluding energy)	22.7	0.8	30.2	41.3	39.9

- The *South Jersey Business Survey* is conducted each quarter and is based on responses from members of the Chamber of Commerce Southern New Jersey.
- Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease. Percentages may not sum to 100 percent because of rounding, omission by respondents, or both.
- The previous diffusion index may be different from last quarter's because of seasonal adjustment.

* SA: Seasonally adjusted

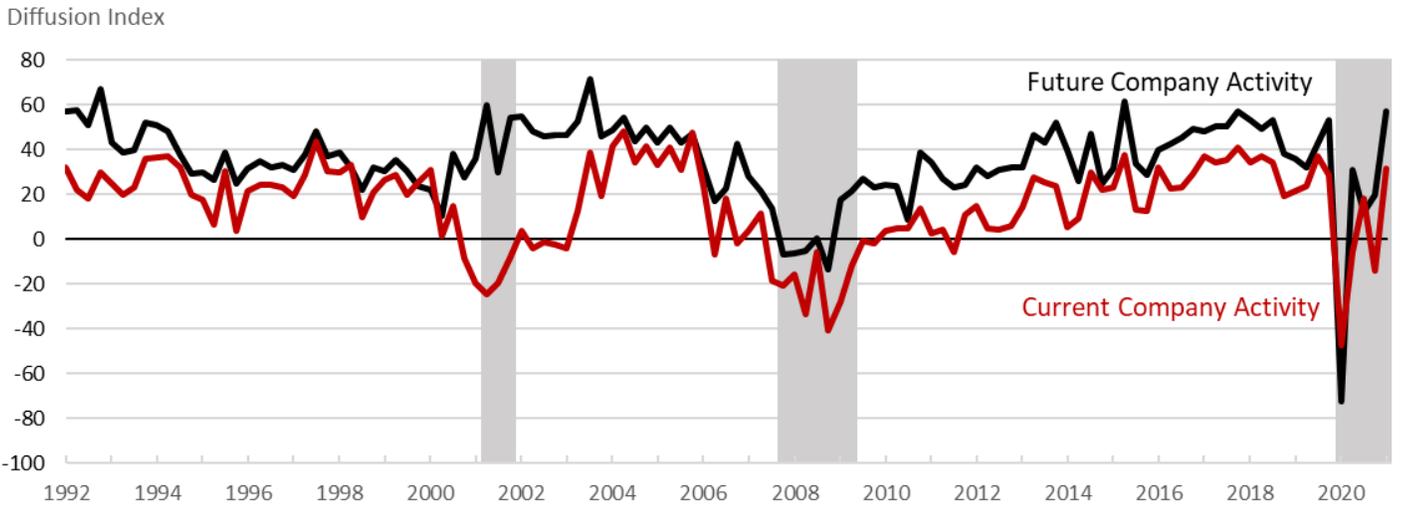
Released: April 8, 2021

Note: Survey responses were collected from March 29 to April 5.

The Second Quarter 2021 *South Jersey Business Survey* will be released on July 8, 2021.

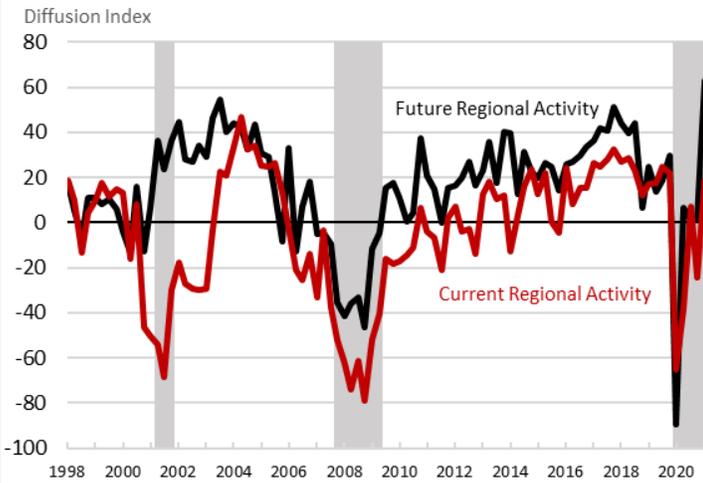
Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on [our website](#).

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



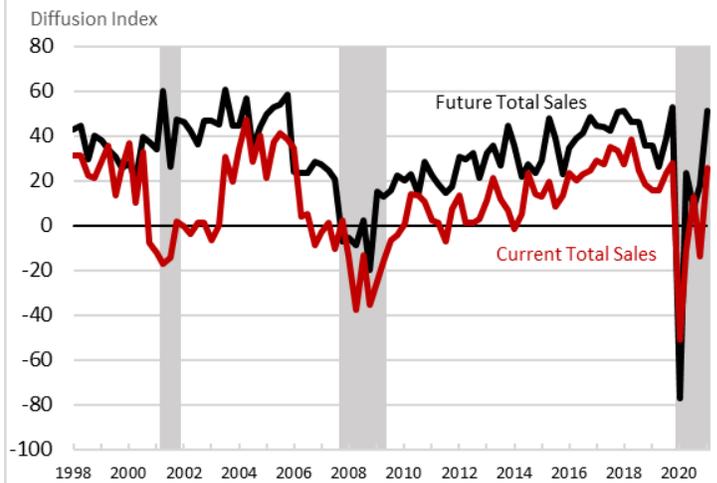
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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



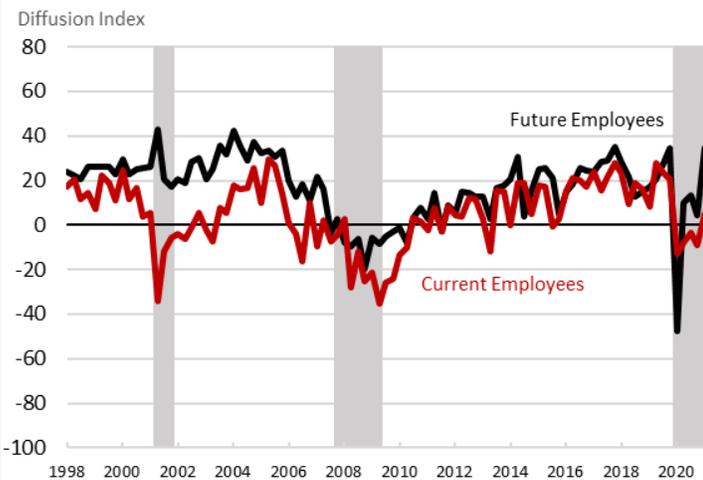
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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



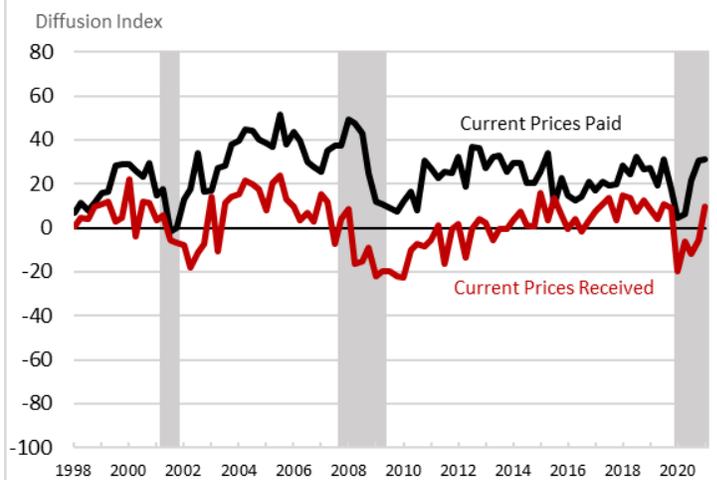
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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