



SOUTH JERSEY BUSINESS SURVEY

Third Quarter 2021

The region's economy continued to expand in the third quarter, according to firms responding to the *South Jersey Business Survey*. The survey's indicators for individual business activity and sales remained positive but decreased from the second quarter. However, the employment index increased. Firms indicated continued optimism about future business conditions, as future activity indexes remained positive, although they showed some moderation from the second quarter.

Current Indicators Suggest Continued Growth

The survey's current indicators for general business activity and sales decreased in the third quarter, while employment rose (see Charts 1, 3, and 4). The individual company activity index decreased from 46.5 in the second quarter to 18.7 this quarter. Forty-three percent of firms reported increased activity, while fewer firms (22 percent) reported decreases.

The current sales index also declined, falling from a reading of 37.9 in the previous quarter to 22.5 this quarter, with over 43 percent of the firms reporting a rise in sales.

Responses also indicated overall employment increases. The employment index rose 11 points to 16.3 this quarter. Over 59 percent of the

respondents reported steady employment levels, but the portion of firms reporting increases (28 percent) surpassed the portion reporting decreases (11 percent).

Price Indicators Reach Record Highs

The prices paid index rose 6 points to 56.0, its highest reading ever. Nearly 57 percent of the firms reported increases in prices for inputs, whereas none reported decreases (see Chart 5). The prices received index also rose from the second quarter, to 24.4, its highest reading ever. The majority of respondents (54 percent) reported steady prices for their own goods/services.

Expectations Moderated but Remain Positive

The firms reported continued optimism about future activity, as all future indicators remained positive this quarter, but at mostly lower levels than in the second quarter. The future company indicator fell 29 points to a reading of 34.9. Firms also indicated continued increases in input prices, with the future prices paid index rising 7 points to a reading of 54.4. The firms expect increases in employment, with the future employment activity index edging down 1 point to 31.7.

South Jersey Business Survey (Third 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?	47.5	14.8	45.7	35.8	19.6
At your company?	46.5	22.2	34.6	43.2	18.7
Other company measures:					
Total sales	37.9	19.8	30.9	43.2	22.5
Total employees	5.8	11.1	59.3	28.4	16.3
Prices received	15.5	3.7	54.3	28.4	24.4
Prices paid (excluding energy)	50.5	0.0	17.3	56.8	56.0
2. Future Measures (expectations for the next six months)					
Business activity for the region	64.1	17.3	34.6	43.2	27.6
Business activity for your company	64.0	17.3	30.9	51.9	34.9
Total sales	65.1	16.0	27.2	51.9	36.3
Total employees	32.8	9.9	48.1	40.7	31.7
Prices received	29.1	3.7	40.7	44.4	41.0
Prices paid (excluding energy)	47.1	0.0	18.5	55.6	54.4

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.
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

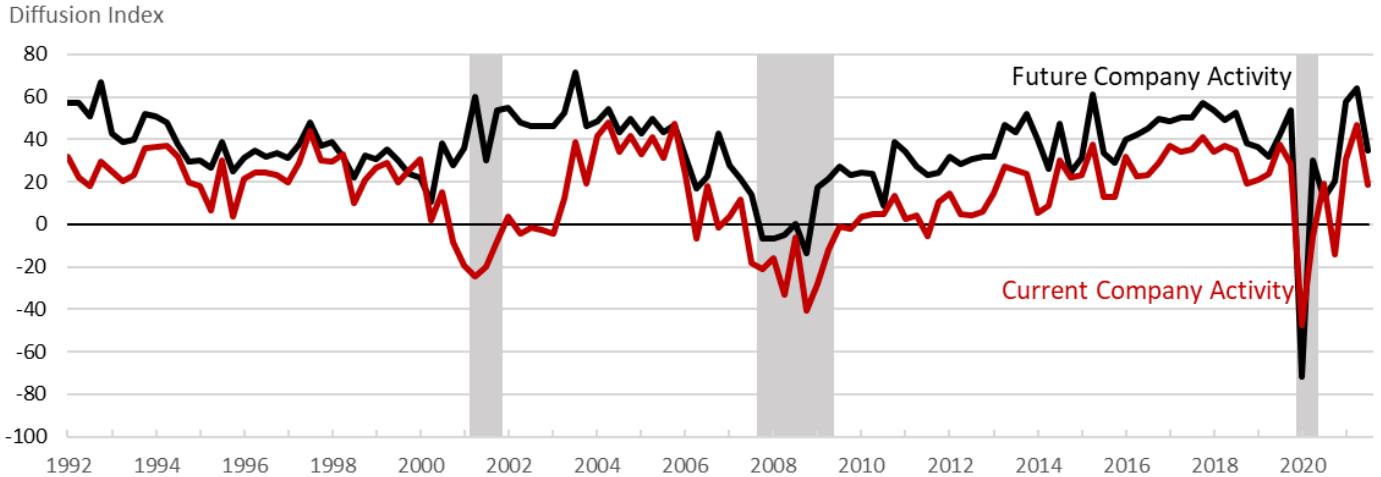
Released: October 14, 2021

Note: Survey responses were collected from October 4 to October 11.

The Fourth Quarter 2021 *South Jersey Business Survey* will be released on January 13, 2022.

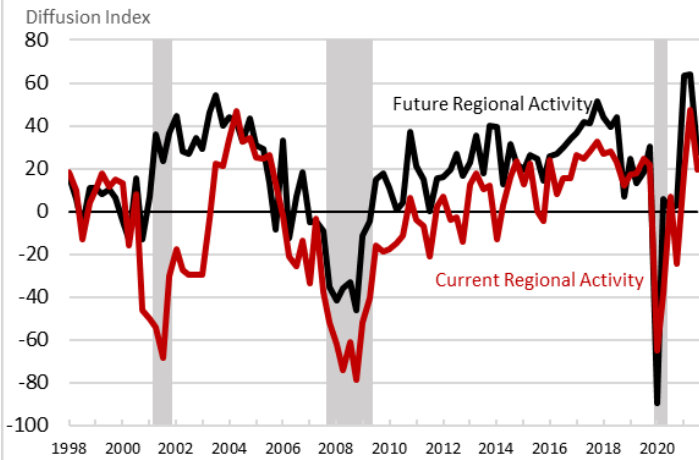
Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on our website.

Chart 1. Current and Future Company General Activity Indexes
1st Quarter 1992 to 3rd Quarter 2021



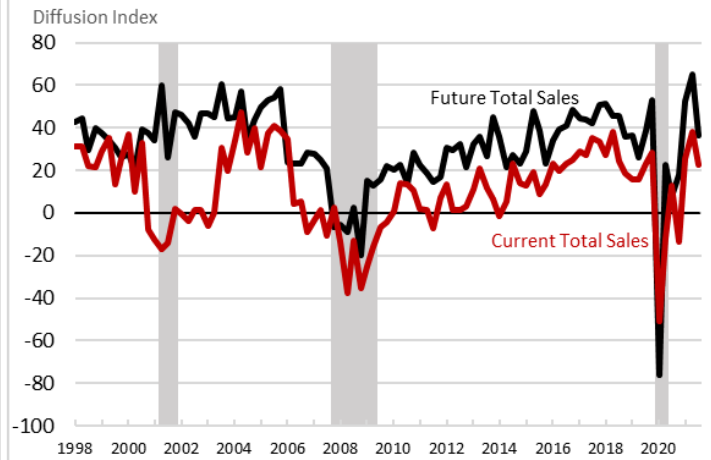
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Indexes
1st Quarter 1998 to 3rd Quarter 2021



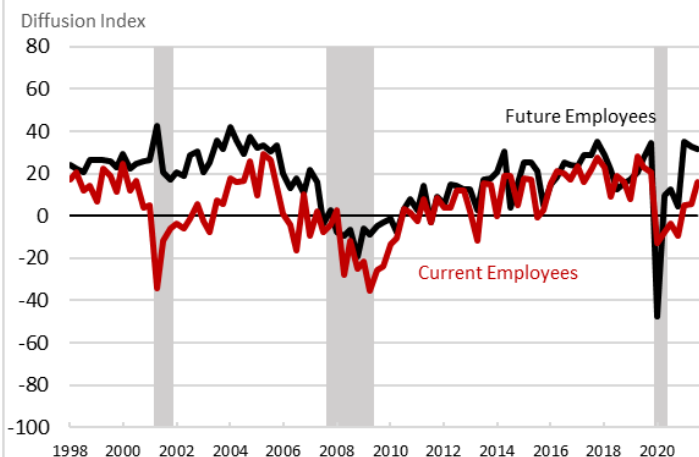
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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



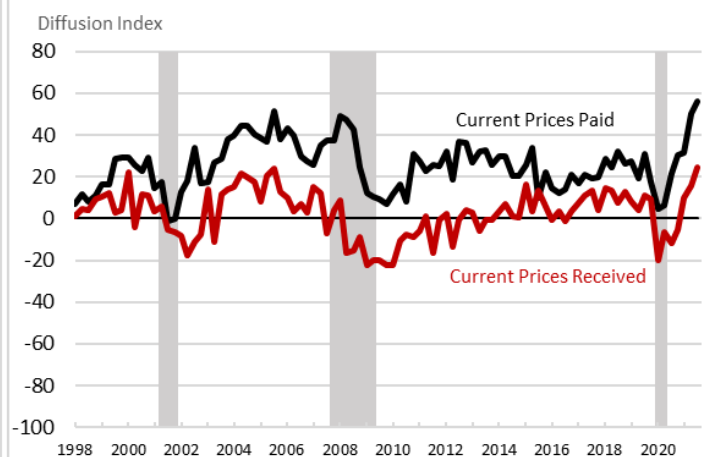
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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