



SOUTH JERSEY BUSINESS SURVEY

Second Quarter 2022

The region's economy continued to grow in the second quarter, but activity was less widespread than in the first quarter, according to the firms responding to the *South Jersey Business Survey*. The survey's indicators for business activity, total sales, employment, and prices declined from the first quarter but remained positive this quarter. Surveyed firms continue to be optimistic about future business conditions at the company level, as the future activity indexes remained positive, but at lower levels than last quarter.

Current Indicators Remain Positive

The survey's current broad indicators all declined but remained positive this quarter. The individual company activity index decreased from 46.2 in the first quarter to 20.0 (see Chart 1). More than 41 percent of the firms reported steady activity, while 39 percent reported increased activity and 17 percent reported decreased activity. The current sales index fell from a reading of 37.2 in the previous quarter to 11.3 this quarter (see Chart 3), with 32 percent of the firms reporting higher sales and 21 percent of the firms reporting lower sales.

The responses also indicated near-steady employment levels, as the employment index moved down 8 points to 4.0 this quarter. Almost 57 percent of the respondents reported steady employment levels, and the portion of the firms reporting increases (22 percent) slightly exceeded the portion reporting decreases (17 percent).

Price Indicators Moderate

The prices paid index fell to 54.3 from its highest reading ever of 69.7 last quarter (see Chart 5). Almost 57 percent of the respondents reported increases in prices for inputs, whereas 2 percent reported decreases. The prices received index also moderated, falling 23 points from its first-quarter record-high reading to 26.1. Over 55 percent of the responding firms reported steady prices received, 29 percent reported higher prices received, and 2 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, but at lower levels than last quarter. The future company-level business activity indicator declined 19 points to 20.6. The future employment index moved down 10 points to 17.9, suggesting that firms expect overall increases in employment over the next six months. Half of the responding firms expect steady employment levels in the future, while 32 percent expect higher employment levels and 12 percent expect lower employment levels.

South Jersey Business Survey (Second Quarter 2022)

| 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? | 29.6 | 21.7 | 46.7 | 25.0 | 3.7 |
| At your company? | 46.2 | 17.4 | 41.3 | 39.1 | 20.0 |
| Other company measures: | | | | | |
| Total sales | 37.2 | 20.7 | 35.9 | 31.5 | 11.3 |
| Total employees | 11.7 | 17.4 | 56.5 | 21.7 | 4.0 |
| Prices received | 48.8 | 2.2 | 55.4 | 29.3 | 26.1 |
| Prices paid (excluding energy) | 69.7 | 2.2 | 21.7 | 56.5 | 54.3 |
| 2. Future Measures (expectations for the next six months) | | | | | |
| Business activity for the region | 24.4 | 27.2 | 45.7 | 20.7 | -3.1 |
| Business activity for your company | 39.1 | 17.4 | 40.2 | 38.0 | 20.6 |
| Total sales | 38.0 | 17.4 | 35.9 | 33.7 | 17.2 |
| Total employees | 28.1 | 12.0 | 50.0 | 31.5 | 17.9 |
| Prices received | 53.5 | 4.3 | 50.0 | 28.3 | 22.9 |
| Prices paid (excluding energy) | 68.9 | 1.1 | 27.2 | 48.9 | 49.0 |

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 5 to July 11.

2. The diffusion indexes shown in the table were seasonally adjusted after the difference between the percentage indicating an increase and the percentage indicating a decrease was calculated. The percentages for lower, same, and higher were not seasonally adjusted.

3. The previous diffusion indexes were seasonally adjusted and, therefore, may differ from last quarter's published results.

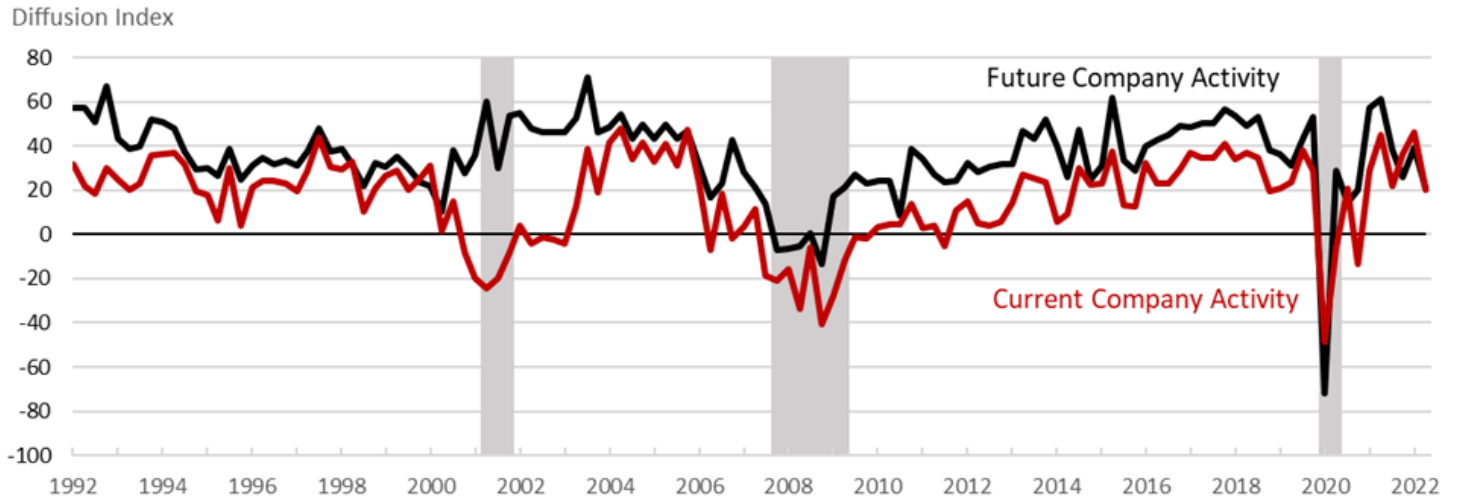
* SA: Seasonally adjusted

Released: July 14, 2022

The Third Quarter 2022 *South Jersey Business Survey* will be released on October 13, 2022.

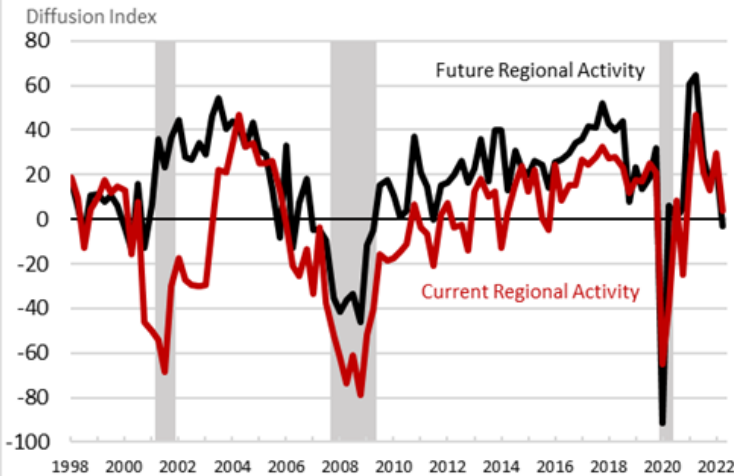
Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on [our website](#).

Chart 1. Current and Future Company General Activity Indexes
1st Quarter 1992 to 2nd Quarter 2022



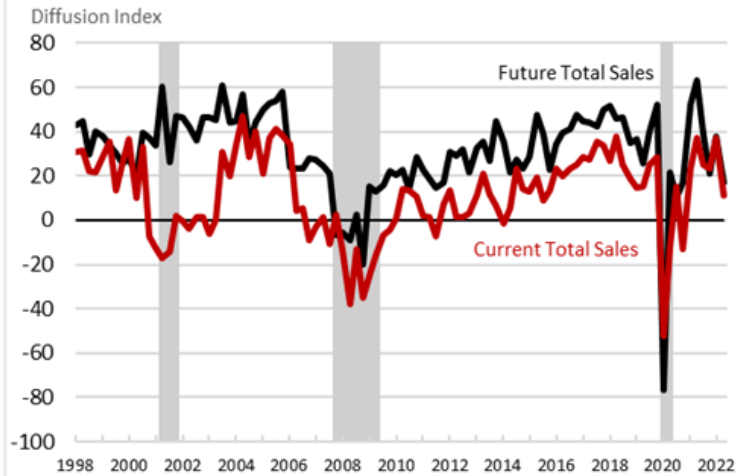
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Indexes
1st Quarter 1998 to 2nd Quarter 2022



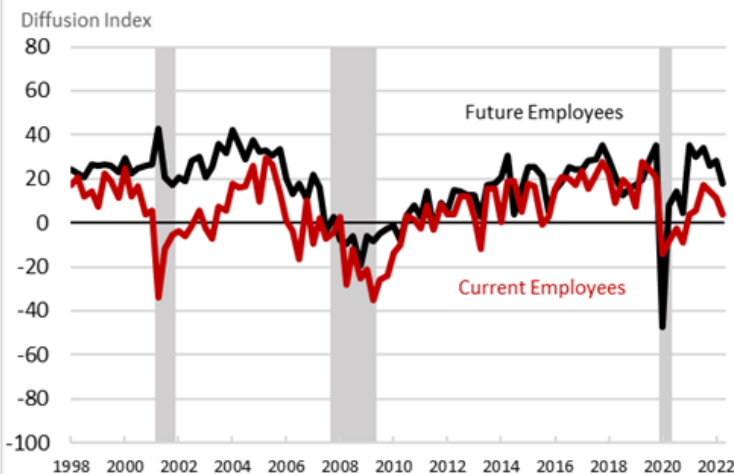
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 3. Current and Future Total Sales Indexes
1st Quarter 1998 to 2nd Quarter 2022



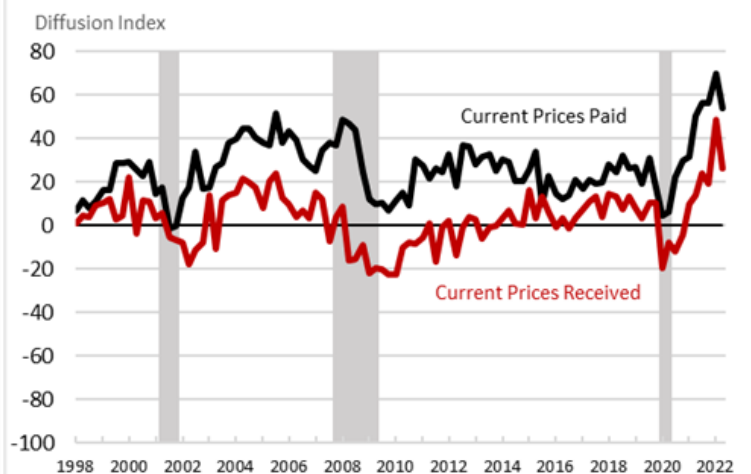
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 4. Current and Future Employees Indexes
1st Quarter 1998 to 2nd Quarter 2022



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 2022



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.