



SOUTH JERSEY BUSINESS SURVEY

Fourth Quarter 2022

Regional economic indicators remained weak in the fourth quarter, according to the responses to the *South Jersey Business Survey*. The survey's indicator for business activity at the company level declined from the third quarter but remained positive this quarter. The survey's indicator for total sales decreased further this quarter, and the indicator for employment edged down but remained positive. The prices received indicator ticked down this quarter, while the indicator for prices paid fell but remained at a historically high level. Surveyed firms continue to be optimistic about future business conditions at the company level, as the index remained positive but declined this quarter.

Current Indicators Are Mixed

The individual company activity index recorded its third consecutive decrease, falling from 7.4 last quarter to 4.3 this quarter (see Chart 1). Almost 33 percent of the firms reported higher activity, while 29 percent reported lower activity. The current sales index moved further into negative territory, from a reading of -0.3 last quarter to -3.6 this quarter (see Chart 3). The current indicator for regional business activity increased 4 points but remained negative at a reading of -5.7 (see Chart 2).

The responses indicated overall higher employment, but the employment index edged down 1 point to 9.3 this quarter (see Chart 4). The share of firms reporting increases (22 percent) exceeded the share reporting decreases (12 percent). Over 62 percent of the respondents reported steady employment levels.

Both Price Indicators Remain Elevated

The prices paid index fell to 57.1 from 65.0 last quarter (see Chart 5). More than 56 percent of the respondents reported increases in prices for inputs, whereas no firm reported decreases. The prices received index declined from 28.0 last quarter to 26.7 this quarter. Over 56 percent of the responding firms reported steady prices received, 29 percent reported higher prices received, and 1 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 either turned or remained positive from last quarter. The future company-level business activity indicator decreased 8 points to 21.0. The firms also anticipate continued increases in prices, although both indexes declined slightly. The future prices paid index stood at 49.6, and the future prices received index at 37.5 in the fourth quarter. The future employment index rose 2 points to 23.1, suggesting that firms expect overall increases in employment over the next six months.

South Jersey Business Survey (Fourth 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?	-9.4	25.9	43.5	21.2	-5.7
At your company?	7.4	29.4	34.1	32.9	4.3
Other company measures:					
Total sales	-0.3	25.9	37.6	22.4	-3.6
Total employees	9.9	11.8	62.4	22.4	9.3
Prices received	28.0	1.2	56.5	29.4	26.7
Prices paid (excluding energy)	65.0	0.0	20.0	56.5	57.1
2. Future Measures (expectations for the next six months)					
Business activity for the region	-0.5	21.2	41.2	30.6	5.7
Business activity for your company	28.5	14.1	40.0	41.2	21.0
Total sales	22.7	16.5	34.1	36.5	17.8
Total employees	20.9	5.9	56.5	31.8	23.1
Prices received	41.1	3.5	41.2	41.2	37.5
Prices paid (excluding energy)	53.5	1.2	21.2	50.6	49.6

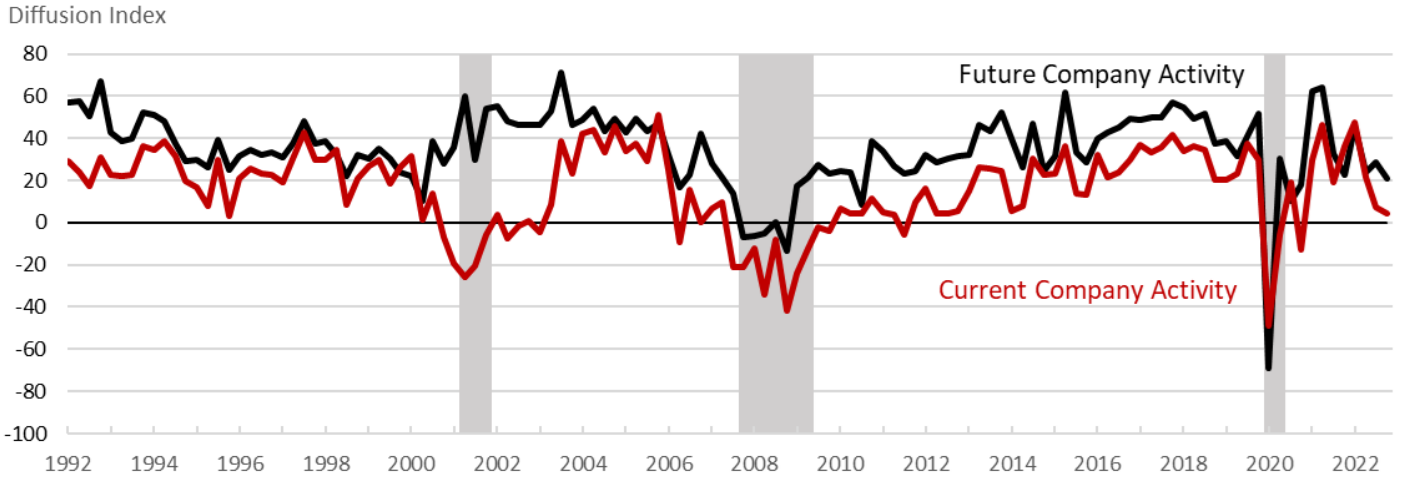
1. The *South Jersey Business Survey* is conducted each quarter and is based on responses from members of the Chamber of Commerce Southern New Jersey. Survey responses were collected from January 3 to January 9.
 2. Diffusion indexes represent the percentage indicating an increase minus the percentage 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: January 12, 2023

The First Quarter 2023 *South Jersey Business Survey* will be released on April 13, 2023.

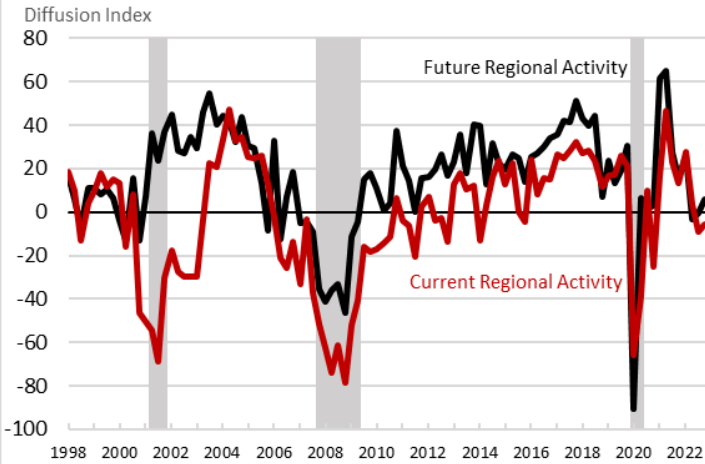
Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on [our website](#).

Chart 1. Current and Future Company General Activity Indexes
1st Quarter 1992 to 4th Quarter 2022



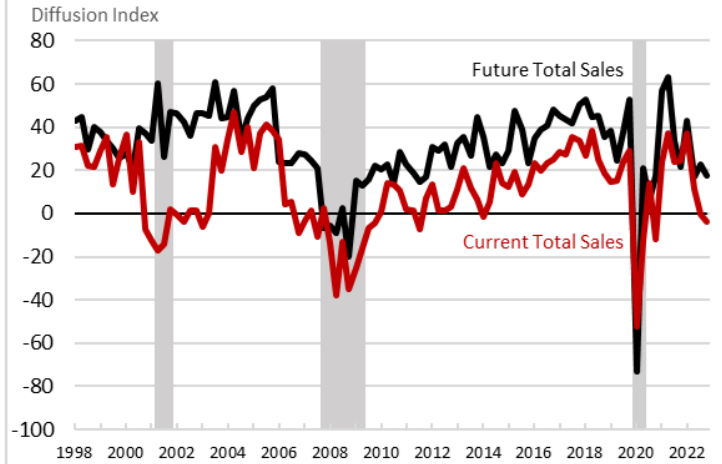
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Indexes
1st Quarter 1998 to 4th Quarter 2022



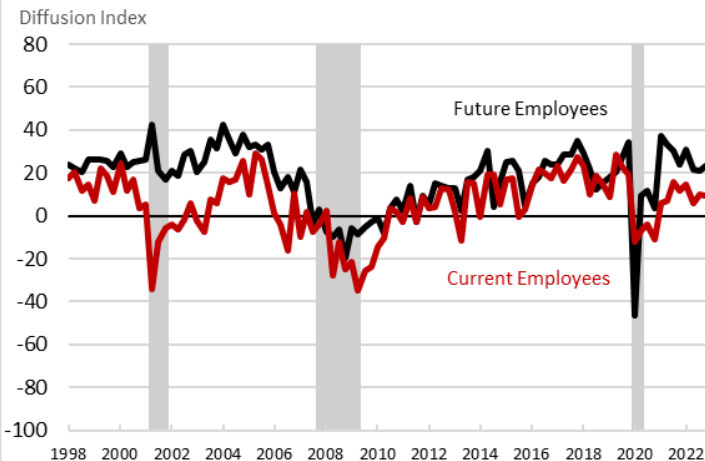
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 3. Current and Future Total Sales Indexes
1st Quarter 1998 to 4th Quarter 2022



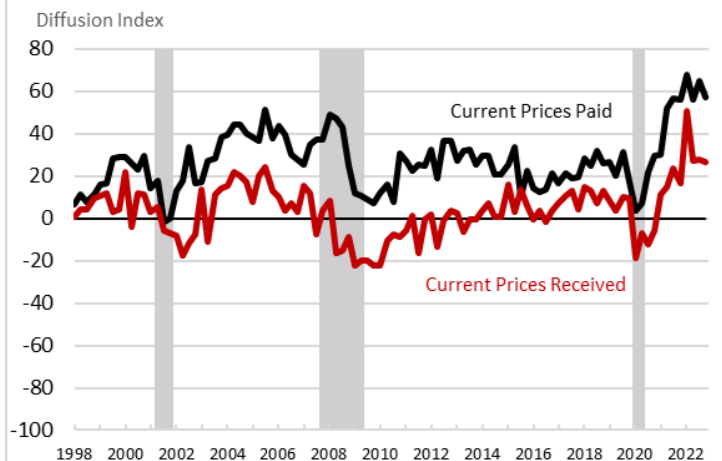
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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