



# SOUTH JERSEY BUSINESS SURVEY

First Quarter 2023

Activity expanded overall for South Jersey firms in the first quarter, according to the responses to the *South Jersey Business Survey*. The survey's indicators for business activity at the company level and total sales increased from the fourth quarter, while the indicator for employment edged down but remained positive. The prices received indicator increased this quarter, and the indicator for prices paid moved down but remained at a historically high level. Surveyed firms continue to be optimistic about future business conditions at both the company and firm levels, and both indexes improved this quarter.

### Both Price Indicators Remain Elevated

The prices paid index fell to 54.1 from 57.2 last quarter (see Chart 5). More than 57 percent of the respondents reported increases in prices for inputs, whereas 1 percent reported decreases. The prices received index increased from 28.1 last quarter to 35.1 this quarter. Almost 55 percent of the responding firms reported steady prices received, 33 percent reported higher prices received, and no firm 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. The future company-level business activity indicator increased 6 points to 29.3, with nearly 54 percent of the firms expecting higher activity. The firms also anticipate continued increases in prices, although both price indexes declined. The future employment index fell 8 points to 16.3 but continues to suggest that firms expect overall increases in employment over the next six months.

### Current Indicators Improve

The individual company activity index improved from a reading of 3.5 to 8.1 this quarter, following three consecutive quarters of decline (see Chart 1). More than 35 percent of the firms reported higher activity, while 22 percent reported lower activity. The current sales index increased from -1.6 to 10.9 this quarter (see Chart 3). The current indicator for regional business activity edged down 1 point to a reading of -7.4 (see Chart 2).

The responses indicated overall increases in employment, but the employment index edged down 1 point to 7.9 this quarter (see Chart 4). The share of firms reporting increases (22 percent) exceeded the share reporting decreases (12 percent). Almost 60 percent of the respondents reported steady employment levels.

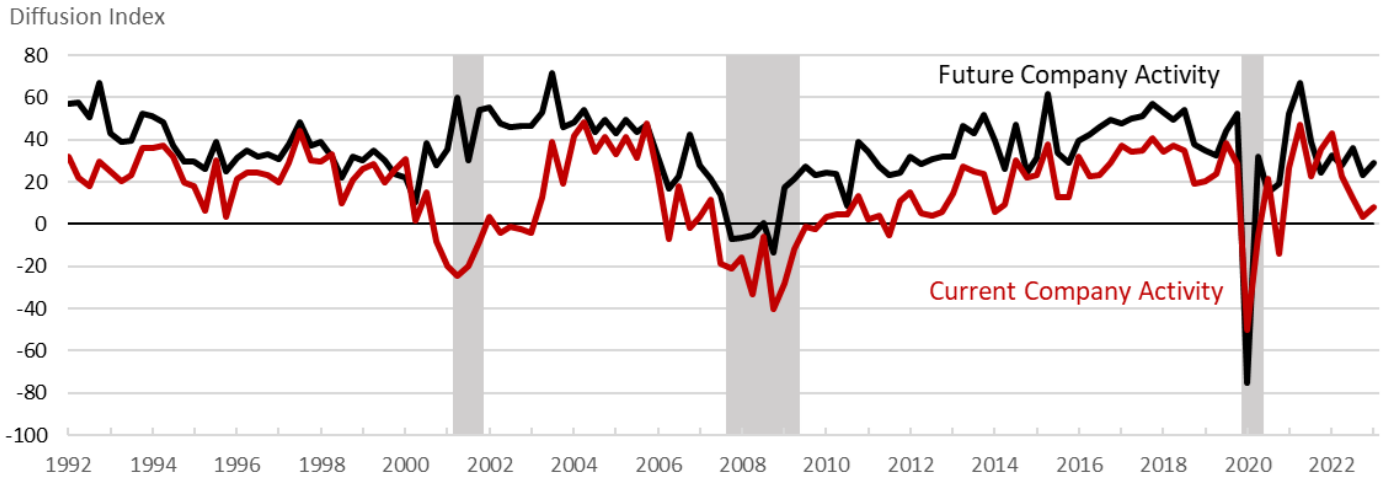
South Jersey Business Survey (First Quarter 2023)					
1. Current Measures (change from previous quarter)	Previous Diffusion Index (SA)*	Lower	Same	Higher	Diffusion Index (SA)
What is your assessment of the level of general business activity:					
In the region?	-6.3	19.5	56.1	13.4	-7.4
At your company?	3.5	22.0	39.0	35.4	8.1
Other company measures:					
Total sales	-1.6	19.5	34.1	36.6	10.9
Total employees	9.1	12.2	59.8	22.0	7.9
Prices received	28.1	0.0	54.9	32.9	35.1
Prices paid (excluding energy)	57.2	1.2	15.9	57.3	54.1
2. Future Measures (expectations for the next six months)					
Business activity for the region	7.4	17.1	45.1	32.9	10.3
Business activity for your company	23.3	14.6	30.5	53.7	29.3
Total sales	16.4	15.9	23.2	57.3	38.2
Total employees	24.1	12.2	45.1	34.1	16.3
Prices received	38.3	1.2	58.5	28.0	26.1
Prices paid (excluding energy)	49.5	2.4	30.5	40.2	36.8
1. The <i>South Jersey Business Survey</i> is conducted each quarter and is based on responses from members of the Chamber of Commerce Southern New Jersey. Survey responses were collected from April 3 to April 10. 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: April 13, 2023

The Second Quarter 2023 *South Jersey Business Survey* will be released on July 13, 2023.

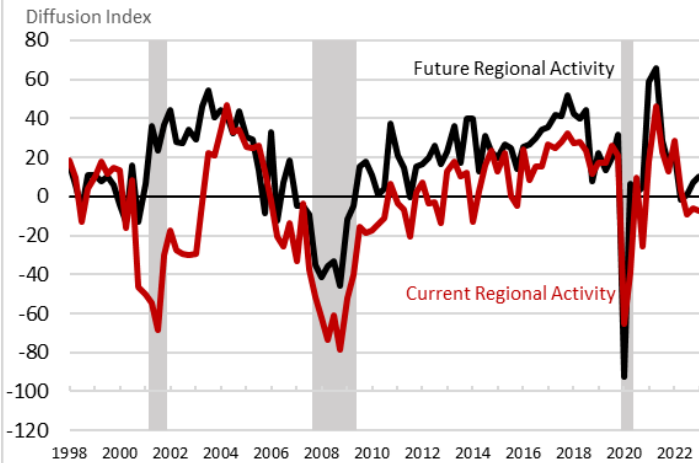
Note: The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on [our website](https://www.philadelphiafed.org).

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



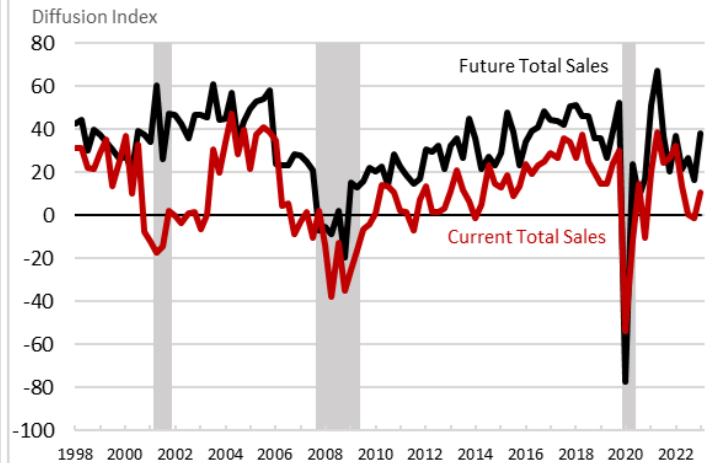
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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



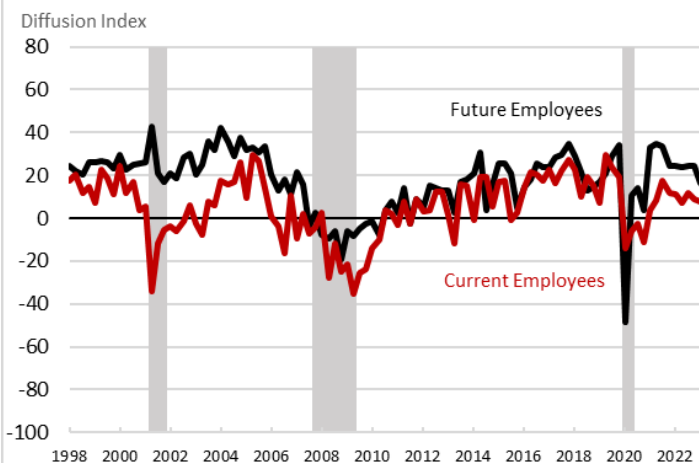
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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



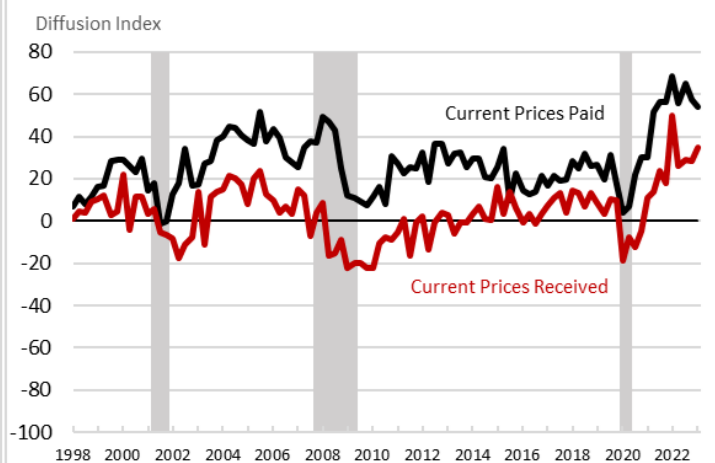
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

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