



SOUTH JERSEY BUSINESS SURVEY

First Quarter 2019

The region continued to grow in the first quarter, but at a slower pace than in the fourth quarter, according to the firms responding to the *South Jersey Business Survey*. The survey's indicators for own-company business activity, sales, and employment remained positive but decreased from their readings in the fourth quarter. Surveyed firms in the South Jersey region were not as optimistic about future growth as in previous surveys but expect further increases in employment.

Current Indicators Suggest Slightly Slower Pace of Growth

The survey's broad indicators remained positive in the first quarter. However, the survey's measure of individual company activity decreased 2 points, from 20.7 in the fourth quarter to 18.5 (see Chart 1). Over 40 percent of the firms reported increases in activity in the first quarter, while 21 percent reported decreases. The survey's company-level sales index remained positive but edged down 7 points. Nearly 34 percent of the firms still reported higher sales than in the fourth quarter. Responses suggested some moderation in hiring this quarter. Although it remained positive this quarter, the current employment index decreased 10 points (see Chart 4). Nearly 25 percent of the businesses reported employment increases, but 15 percent reported decreases.

The index measuring perceptions of the overall regional economy remained positive and edged 2 points higher, after falling 11 points in the previous quarter. Nearly

30 percent of the respondents perceived higher activity for the South Jersey region in the first quarter, although that was lower than the 40 percent who reported higher activity for their own companies.

Own Product Price Increases Moderate

The firms' responses suggested steady cost pressures this quarter: The prices paid index was virtually unchanged at 26.1, with about 32 percent of the firms reporting higher prices for inputs excluding energy. When asked about their own prices, only 15 percent of the firms reported increases,

and the prices received index decreased 10 points.

Firms' Optimism Continues to Moderate

Although still overall positive, most future indicators continued to moderate this quarter. The indicators for future company activity, sales, and employment all fell from their higher readings in the fourth quarter. Over 29 percent of the firms indicated that they will increase employment over the next six months, while 9 percent indicated that they will decrease employment.

South Jersey Business Survey (First Quarter 2019)

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?	13.9	13.7	51.3	29.9	15.8
At your company?	20.7	21.4	35.9	40.2	18.5
Other company measures:					
Total sales	21.1	20.5	36.8	34.2	14.4
Total employees	16.8	15.4	53.0	24.8	6.4
Prices received	16.1	5.1	66.7	14.5	6.5
Prices paid (excluding energy)	26.2	0.9	40.2	31.6	26.1
2. Future Measures (expectations for the next six months)					
Business activity for the region	11.3	11.1	46.2	36.8	20.3
Business activity for your company	39.1	11.1	34.2	51.3	34.1
Total sales	37.3	10.3	29.1	50.4	35.1
Total employees	17.1	9.4	54.7	29.1	15.0
Prices received	27.0	4.3	64.1	18.8	12.9
Prices paid (excluding energy)	27.6	0.0	42.7	32.5	31.4

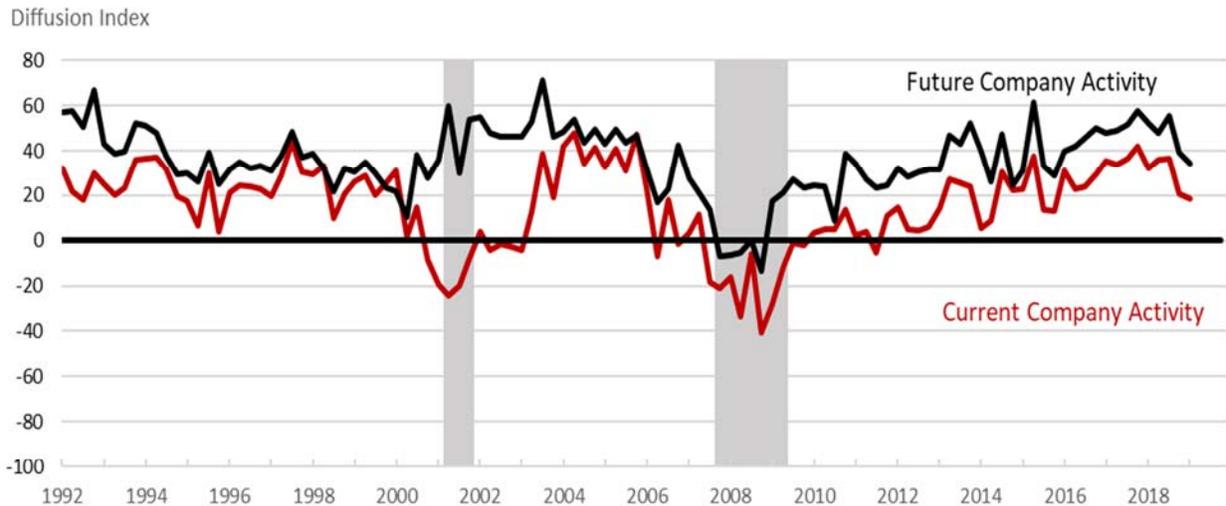
1. The *South Jersey Business Survey* is conducted each quarter and is based on responses from members of the Chamber of Commerce Southern New Jersey.
 2. Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease. Percentages may not sum to 100 percent 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: April 11, 2019

The Second Quarter 2019 *South Jersey Business Survey* will be released on July 11, 2019.

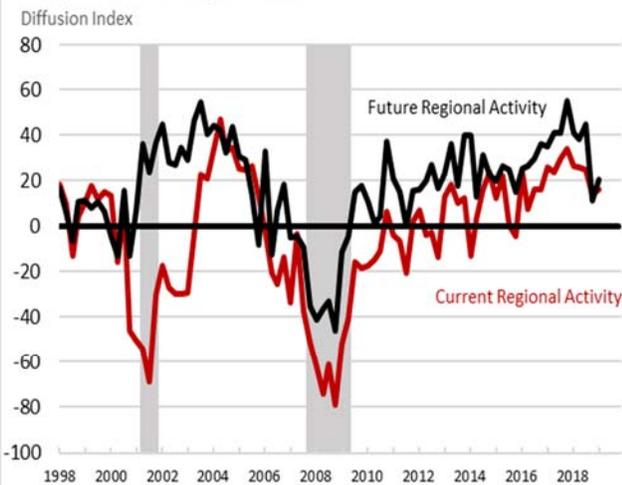
Note: The diffusion indexes are now adjusted for seasonality and are presented in the table and charts. The quarterly diffusion indexes for the 12 questions are available for as far back as 1991 on our website (<https://www.philadelphiafed.org/sjbs>).

Chart 1. Current and Future Company General Activity Indexes
1st Quarter 1992 to 1st Quarter 2019



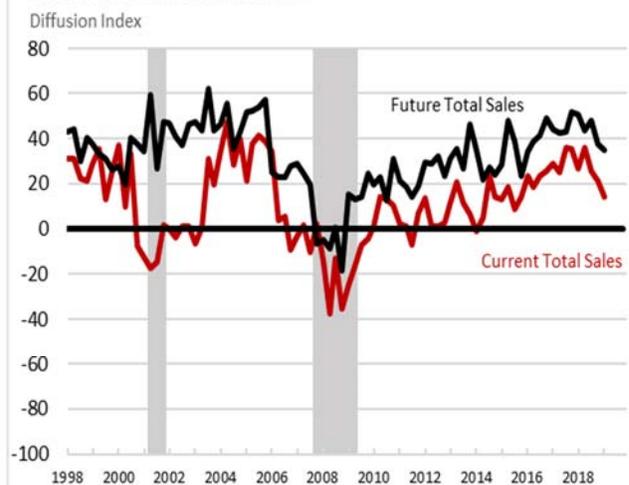
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Indexes
1st Quarter 1998 to 1st Quarter 2019



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 2019



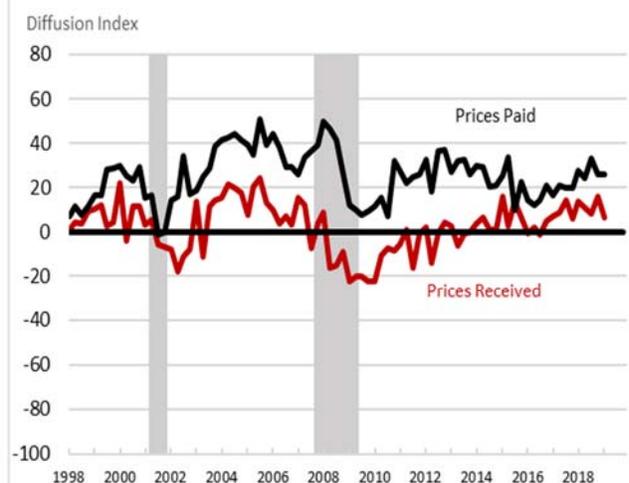
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 4. Current and Future Employees Indexes
1st Quarter 1998 to 1st Quarter 2019



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 2019



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.