



SOUTH JERSEY BUSINESS SURVEY

Fourth Quarter 2015

Overall business activity for South Jersey businesses continued to grow in the fourth quarter, according to the firms responding to the *South Jersey Business Survey*. Firms reported modest growth in activity and sales but overall flat employment growth. Business expectations remained generally positive, but optimism diminished compared with the third quarter. Employment forecasts for the future were also weaker.

The regional activity index declined from 3.4 in the third quarter to -11.4, suggesting that firms perceived a deterioration in activity in the region in the fourth quarter.

company activity, while remaining positive, fell 10 points and 8 points, respectively. Expectations for employment increases continued to moderate. The future employment index fell from 19.6 to 7.4. While 39 percent of the firms expect growth in sales over the next six months, only 17 percent expect to add workers.

Expectations Are on the Wane

Although only a small percentage of businesses expect activity to decline over the next six months, firms were notably less optimistic this quarter. The indexes for future regional and

Indicators Suggest Modest Growth

The survey's broadest measure of individual company performance remained positive but fell from 15.5 in the third quarter to 9.2 in the fourth quarter. The survey's current sales index increased modestly from 10.4 to 13.8. Thirty-four percent of the firms reported higher sales in the fourth quarter, although 22 percent reported lower sales.

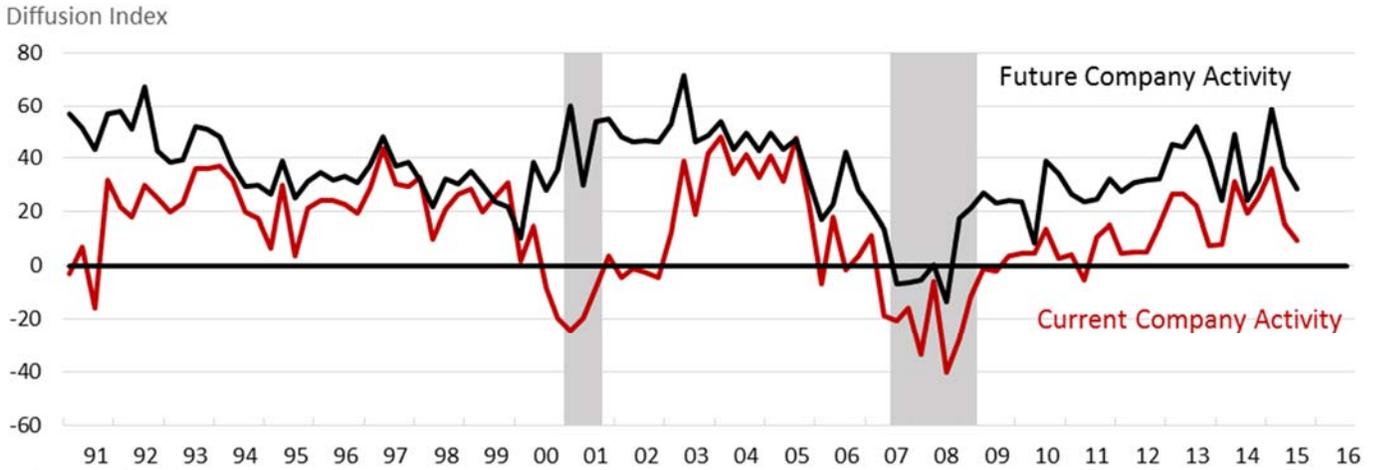
Firms reported essentially flat employment this month: The share of firms reporting increases exactly offset the share reporting decreases. In the third quarter, South Jersey firms had also reported nearly flat employment.

Note: The *South Jersey Business Survey* has been reduced to 10 questions. The indexes are now adjusted for seasonality and are presented in the table and charts. The quarterly diffusion indexes for the 10 questions are available for as far back as 1991 on our website (<https://www.philadelphiafed.org/sjbs>).

South Jersey Business Survey (Fourth Quarter 2015)						
1. Current Measures	Previous Diffusion Index (SA)*	Lower	Same	Higher	Diffusion Index	Diffusion Index (SA)
What is your assessment of the level of general business activity:						
In the region?	3.4	22.0	53.7	19.5	-2.4	-11.4
At your company?	15.5	19.5	46.3	31.7	12.2	9.2
Other company measures:						
Total sales	10.4	22.0	39.0	34.1	12.2	13.8
Total employees	-3.2	14.6	63.4	14.6	0.0	0.8
Prices received	14.3	9.8	61.0	12.2	2.4	6.7
Prices paid (excluding energy)	10.3	0.0	43.9	19.5	19.5	24.2
2. Future Measures (expectations for the next six months)						
Business activity for the region	25.8	12.2	56.1	29.3	17.1	15.5
Business activity for your company	36.6	9.8	46.3	41.5	31.7	28.4
Total sales	38.4	14.6	39.0	39.0	24.4	25.4
Total employees	19.6	14.6	61.0	17.1	2.4	7.4

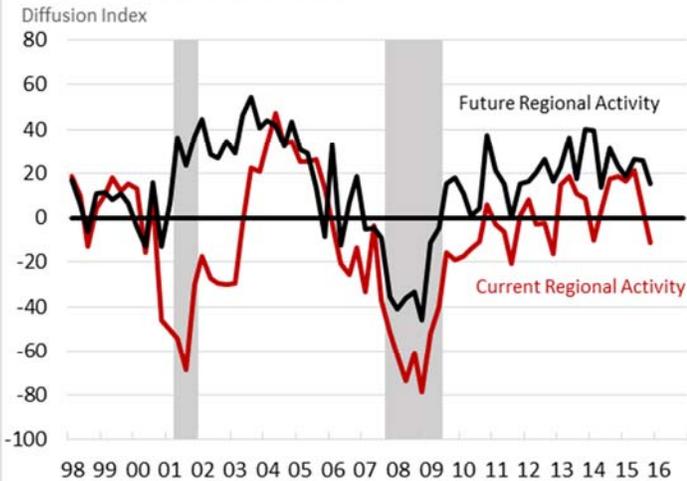
1. The *South Jersey Business Survey* is conducted each quarter and is based on responses from members of the Chamber of Commerce of Southern New Jersey.
 2. The diffusion indexes represent the percentage of respondents indicating an increase minus the percentage indicating a decrease. Items may not add up to 100 because of omission by respondents.
 * SA: Seasonally adjusted

Chart 1. Current and Future Company General Activity Index
2nd Quarter 1991 to 4th Quarter 2015



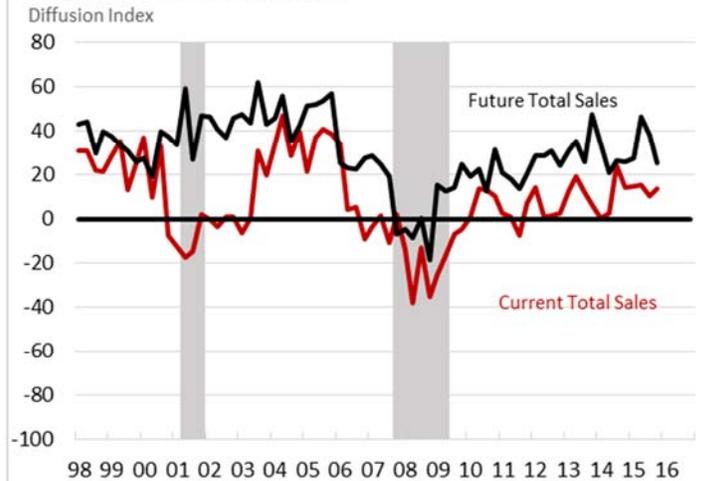
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 2. Current and Future Regional General Activity Index
1st Quarter 1998 to 4th Quarter 2015



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 Index
1st Quarter 1998 to 4th Quarter 2015



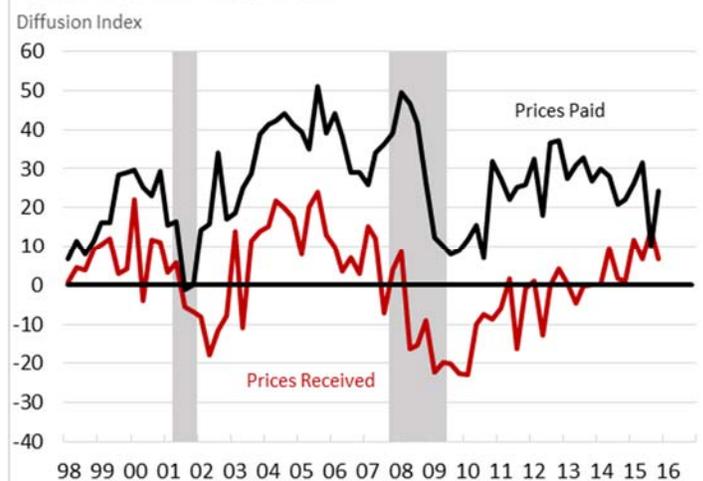
Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Chart 4. Current and Future Employees Index
1st Quarter 1998 to 4th Quarter 2015



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. Prices Received and Prices Paid Index
1st Quarter 1998 to 4th Quarter 2015



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.