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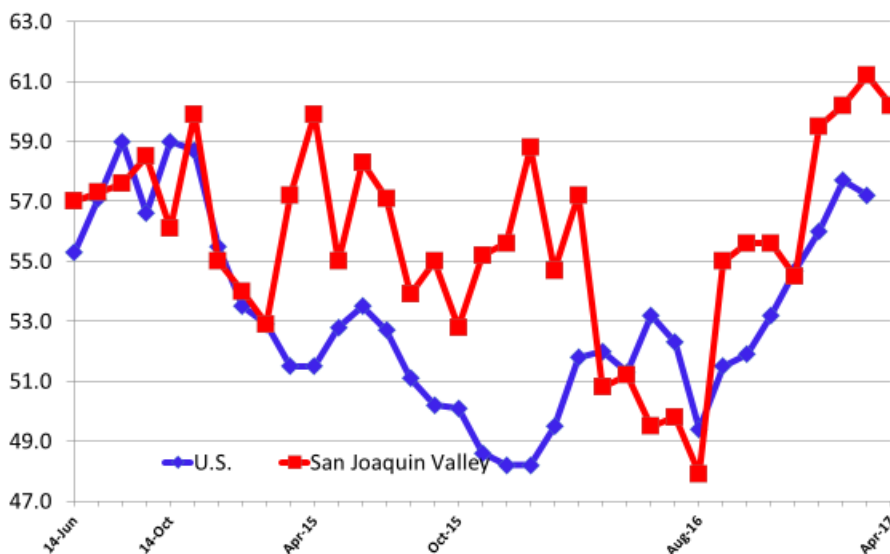
Goss video economic summary: <https://youtu.be/P8Fa-bOz-MM>

### San Joaquin Valley Indicator Remains Very Healthy for April: Almost One in Four Businesses Report Shortage of Skilled Workers

#### April survey results at a glance:

- Leading economic indicator falls to a still robust level from March's record high.
- Employment index indicates strong hiring for the month.
- Almost one in four, or 23.1 percent, reported that finding and hiring qualified workers was the greatest 2017 economic obstacle to business expansion.
- Wholesale inflationary pressures remain elevated for the month. .
- Almost one-third expect a Federal Reserve rate hike to negatively affect their business.

PMIs for U.S. & San Joaquin Valley, June 2014 – April 2017



**For Immediate Release: May 1, 2017**

FRESNO, CA-The San Joaquin Valley Business Conditions Index moved into a range pointing to strong growth in the next 3 to 6 months. The index, a leading economic indicator from a survey of individuals making company purchasing decisions for firms in the counties of Fresno, Kings, Madera, and Tulare. The index is produced using the same methodology as that of the national Institute for Supply Management ([www.ism.ws](http://www.ism.ws)).

**Overall Index:** The April index declined slightly to 60.2 from March's record high 61.2. An index greater than 50.0 indicates an expansionary economy over the course of the next three to six months. Survey results for the last two months and one year ago are listed in the accompanying table.

"After moving to a record high for March, the overall index for April fell to a still robust reading. The region is currently experiencing solid manufacturing growth combined with upturns in regional construction. However as in past months, durable, or heavy manufacturing, continues to lag behind non-durable manufacturing, including food processing," said Ernie Goss, Ph.D., research faculty with the Craig School of Business at Fresno State University.

**Employment:** After moving below growth neutral for December, the employment gauge climbed above the threshold every month since. The April index fell to a solid 56.3 from March's robust 62.5. "Over the past 12 months, the San Joaquin region has experienced strong and improving job growth at 2.7 percent, which is well above the pace of the nation's 1.5 percent. Our surveys over the last several months indicate that the San Joaquin job market will continue to expand at a pace above that of the nation through the third quarter of 2017," reported Goss.

This month business survey respondents were asked to identify the greatest economic challenge facing their company for 2017. Almost one in four, or 23.1 percent, reported that finding and hiring qualified workers was the greatest 2017 economic obstacle to business expansion for the year.

**Wholesale Prices:** The prices-paid index, which tracks the cost of purchased raw materials and supplies, slipped to 66.6 from 68.1 in March indicating modest but elevated inflationary pressures at the wholesale level. "I expect inflationary pressures at both the consumer and wholesale level to move higher in the months ahead with additional Federal Reserve rates in June of this year. Almost one-third of businesses, or 30.8 percent, are concerned that such a rate hike would hurt their company growth," said Goss.

**Business Confidence:** Looking ahead six months, economic optimism, as captured by the business confidence index, declined to a still strong 71.7 from 74.2 in March. "Businesses in the region and nation continue to expect improving business conditions, profits and a corporate tax cut. I expect a failure of DC to enact corporate tax cut to shrink that confidence," said Goss.

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**Inventories:** In another show of economic confidence, the inventory index remained in a healthy range for April. The April inventory climbed to a strong 62.4 from 61.2 in March.

**Trade:** Both the new export orders index and import index remained above growth neutral for April. The export reading climbed to 57.3 from March's 50.3 and the April import reading rose to 56.9 from 56.6 in March.

**Other components:** Other components of the April Business Conditions Index were: new orders at 60.2, down from 62.0 in March; production or sales at 65.1, up from March's 64.8; and delivery lead time at 55.8, down from last month's 61.6.

Table 1 details survey results for April 2016, last month, and April 2017. May's survey results will be released on the first business day of June, June 1.

	San Joaquin Valley		
	April 2016	March 2017	April 2017
Table 1: Overall and component indices for last 2 months and one year ago (above 50.0 indicates expansion)			
Leading economic indicator	50.4	61.2	60.2
New orders	46.4	62.0	64.3
Production or sales	44.4	64.8	65.1
Employment	49.4	62.5	56.3
Inventories	59.8	61.2	62.4
Delivery lead time	52.1	61.6	55.8
Wholesale prices	51.7	68.1	66.6
Imports	53.1	56.6	56.9
Export orders	30.4	50.3	57.3
Business confidence	48.9	74.2	71.7

Craig School of Business: <http://www.fresnostate.edu/craig/ubc/sjvs.html>

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