

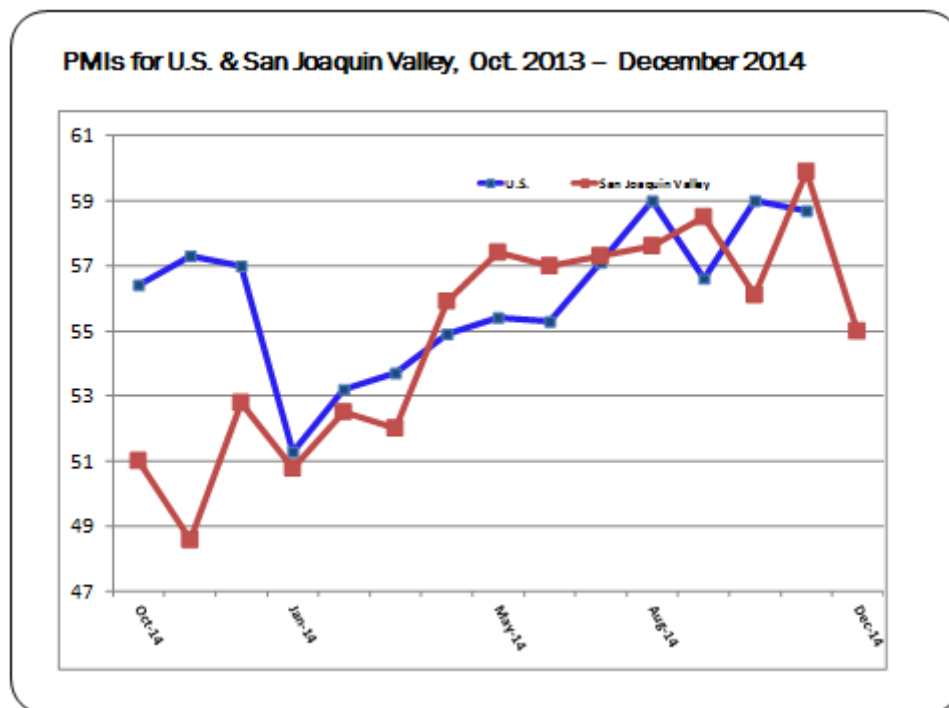
For More Information Contact:  
Ernie Goss Ph.D., 559-278-2352  
University Business Center  
Craig School of Business  
California State University, Fresno

Goss video summary at: [http://youtu.be/jzY\\_Fn-WR-E](http://youtu.be/jzY_Fn-WR-E)

### San Joaquin Valley Economic Indicator in Growth Range: December Job Gains Recorded

#### December survey results at a glance:

- Leading economic indicator falls from November's record high, but points to improving growth for the first half of 2015.
- Firms increased hiring for the month.
- Businesses expect a 2.4 percent wage gain for 2015 which is up from a 1.3 percent increase predicted for 2014.
- Approximately 15 percent of businesses in the region expect to lay off workers in the next six months.



**For Immediate Release: Jan. 2, 2014**

FRESNO, CA-For the thirteenth consecutive month, the San Joaquin Valley Business Conditions Index rose above the 50.0 growth neutral threshold. The index, a leading economic indicator from a survey of individuals making company purchasing decisions for firms in the counties of Fresno, Madera, Kings and Tulare, rose to a its highest level since initiation of the survey in 2010 and points to positive and improving growth for the next 3 to 6 months. 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:** After climbing to a record high 59.9 in November, the overall index sank to a solid 55.0 for December. 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.

“Much like the national economy, the San Joaquin Valley economy is expanding at an improving pace, and based on our survey results, is expected to continue to grow at a healthy pace in the first half of 2015,” said Ernie Goss, Ph.D., research faculty with the Craig School of Business at California State University, Fresno.

**Employment:** After slumping below growth neutral for October, the regional hiring gauge climbed from 51.3 in November to 54.5 in December.

“Each month, data indicate a record number of workers employed in the region. Furthermore, businesses in the area have expanded the number of hours works per week of current employees. Even though the region’s unemployment rate is almost twice that of the nation, the jobless rate continues to move lower. I expect the unemployment rate to continue to decline through the first half of 2015,” reported Goss.

This month survey participants were asked about the anticipated hiring situation for their firms for the first half of 2015. Only 15 percent of businesses expect layoffs in the first half of 2015. This is down significantly from this time last year when the same question was asked. Additionally, businesses expect a 2.4 percent wage gain for 2015 which is up from a 1.3 percent increase predicted for 2014.

**Wholesale Prices:** The prices-paid index, which tracks the cost of purchased raw materials and supplies, slumped to 59.9, indicating only modest inflationary pressures at the wholesale level, from 62.1 in November.

“Inflationary pressures at the wholesale level, according to our survey and other national surveys of businesses, are still in a range indicating only modest inflationary pressures,” said Goss.

## San Joaquin Business Conditions Index – p. 3 of 3

**Business Confidence:** Looking ahead six months, economic optimism, captured by the business confidence index, soared to 64.1 from increased to 55.1 in November. “A slowing global economy and a weak housing market were more than offset by optimism from an expanding regional and national economy, and lower fuel prices,” said Goss.

**Inventories:** Businesses increased inventories of raw materials and supplies for the month at a much slower pace. The December inventory reading sank to 51.9 from last month’s 62.8.

**Trade:** The new export order index slid to 46.3 from 48.8 in November and the import index declined to 38.6 from 48.6 in November. “I expect the global economic slowdown and a stronger dollar to continue to restrain exports for the region in the months ahead,” reported Goss.

**Other components:** Other components of the December Business Conditions Index were: new orders at 45.3, down from 59.7 in November; production or sales at 61.6, down from November’s 69.2; and delivery lead time at 61.7, up from 56.7 in November.

Table 1 details survey results for December 2013, last month and December 2014. December survey results will be released on the first business day of next month, February 2.

	San Joaquin Valley		
	December 2013	November 2014	December 2014
Leading economic indicator	52.8	59.9	55.0
New orders	53.3	59.7	45.3
Production or sales	53.9	69.2	61.6
Employment	54.0	51.3	54.5
Inventories	46.1	62.8	51.9
Delivery lead time	56.7	56.7	61.7
Wholesale prices	60.2	62.1	59.9
Imports	50.6	48.6	38.6
Export orders	57.0	48.8	46.3
Business confidence	54.2	55.1	64.1

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

Follow Goss: Twitter at <http://twitter.com/erniegoss> or [www.ernestgoss.com](http://www.ernestgoss.com)

Blog: <http://economics.trends.blogspot.com>