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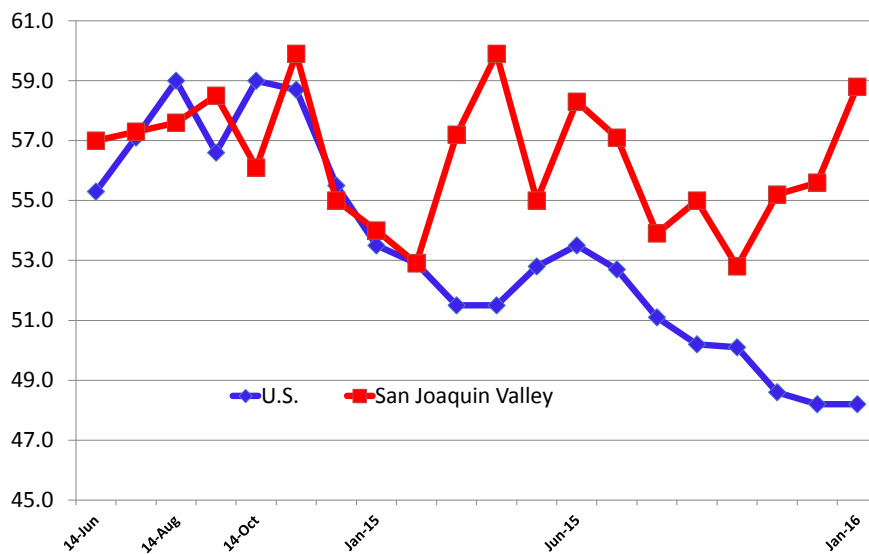
Goss video economic summary: <https://youtu.be/F-19hTX4TD8>

San Joaquin Valley Economic Indicator Climbs for January: Almost 10 Percent of Firms Report Worker Shortages

January survey results at a glance:

- Leading economic indicator rises for the month pointing to positive growth for next 3 to 6 months.
- Survey indicates only modest inflationary pressures at wholesale level.
- Approximately ten percent of businesses reported shortages of workers for company job openings.
- Strong U.S. dollar continues to restrain export orders.

PMIs for U.S. & San Joaquin Valley, June 2014 – January 2016



For Immediate Release: February 1, 2016

FRESNO, CA-For the twenty-sixth 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, Kings, Madera, and Tulare, rose and continues to point to positive 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).

Overall Index: The January index rose to 58.8 from 55.6 in December. January's reading is in a range indicating positive growth into the second quarter of 2016. 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.

"According to our survey results over the last several months, economic growth will remain positive in the months ahead and well above that of the nation's economy. As in December, January growth slowed for manufacturers, especially durable goods producers, while construction firms reduced jobs for the month. On the other hand, wholesale trade and business services firms continue to experience healthy growth," said Ernie Goss, Ph.D., research faculty with the Craig School of Business at California State University, Fresno.

Employment: After slumping below growth neutral in October of 2013, the regional hiring gauge has moved above the 50.0 threshold each month since. The employment index climbed to 58.3 from 55.0 in December. "Job growth in the San Joaquin area continues to significantly out-perform that of the U.S. I expect the region to experience annualized job gains between 1.5 percent and 2.0 percent through the second quarter of this year," reported Goss.

This month we asked businesses to describe the hiring situation at their firm in January. Approximately half of the businesses reported that the number of applicants exceeded the number of available jobs at their firm. On the other hand, approximately ten percent of businesses reported shortages of workers for company job openings.

Wholesale Prices: The prices-paid index, which tracks the cost of purchased raw materials and supplies, fell to 44.1 from 49.7 in December. "Just as in other regional surveys and the national survey, the San Joaquin Valley inflationary gauge has remained in a range indicating little to no inflationary pressures at the wholesale level," said Goss.

Business Confidence: Looking ahead six months, economic optimism, as captured by the business confidence index, rose slightly to a weak 45.3 from December's 44.4. "Weak agriculture commodity prices, and global economic weakness continue to weigh on expectations of future economic conditions," said Goss.

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Inventories: Businesses expanded inventories of raw materials and supplies for January and at a faster pace than in December. The January inventory index climbed to 57.4 from 56.5 in December.

Trade: New export orders fell again, and at a swifter pace. The index sank to 38.6 from December's 41.5, and the import index rose to 49.1 from 42.7 in December. "The strong U.S. dollar, which makes U.S. goods less competitively priced abroad, and global economic weakness are negatively affecting regional exports," said Goss.

Other components: Other components of the January Business Conditions Index were: new orders at 61.5, up from December's 52.2; production or sales at 62.2, up from 55.0 in December; and delivery lead time at 54.6, down from last month's 59.3.

Table 1 details survey results for January 2015, last month, and January 2016. February survey results will be released on the first business day of next month, March 1.

	San Joaquin Valley		
	January 2015	December 2015	January 2016
Leading economic indicator	54.0	55.6	58.8
New orders	45.7	52.2	61.5
Production or sales	57.6	55.0	62.2
Employment	52.3	55.0	58.3
Inventories	52.9	56.5	57.4
Delivery lead time	61.6	59.3	54.6
Wholesale prices	54.9	49.7	44.1
Imports	44.3	42.7	49.1
Export orders	41.9	41.5	38.6
Business confidence	64.2	44.4	45.3

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

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