

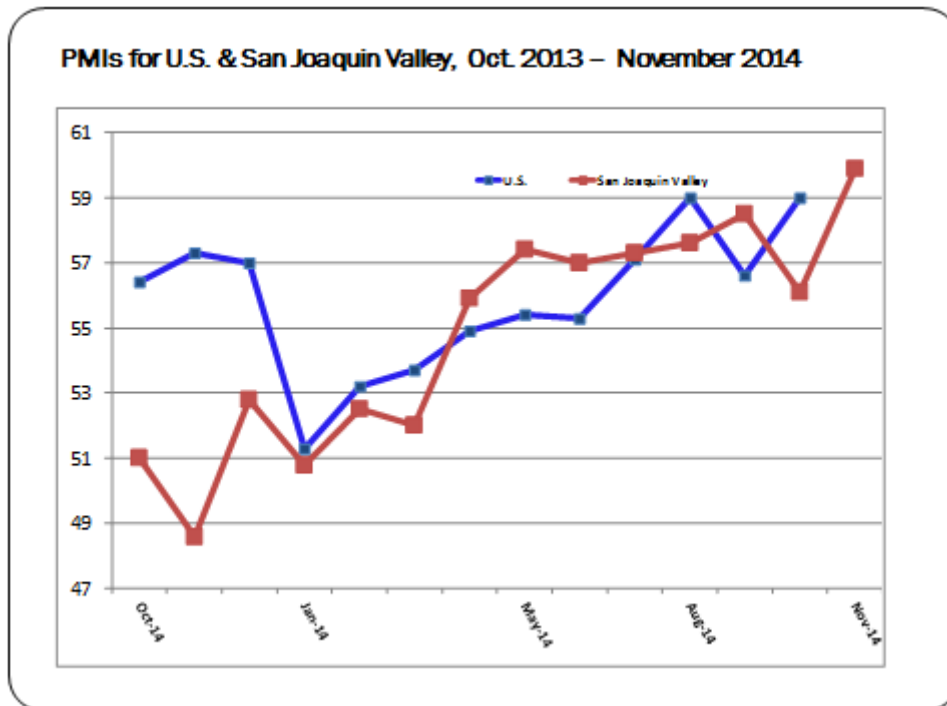
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Goss video summary at: <http://youtu.be/2dU71W6rH4c>

San Joaquin Valley Economic Indicator Rises to Record Level: Job Gains Recorded for November

November survey results at a glance:

- Leading economic indicator rises to a record high pointing to improving growth for the next three to six months.
- Firms increased hiring for the month.
- Inflationary pressures remain modest.
- Almost one-fourth of businesses reported fewer applicants than jobs for the month.



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FRESNO, CA-For the twelfth 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).

Overall Index: After falling to a solid 56.1 in October, the overall index rose to a record 59.9 for November. An index greater than 50 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 in the next 3 to 6 months,” 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 49.3 to 51.3 in November.

“There is currently a record number of workers employed in the region. Between the beginning of the national recession in 2007 and the end in June 2009, the four-county metropolitan area lost 17,200 jobs. From the beginning of the recovery in July 2009 until October 2014, the area had recovered all lost jobs plus an additional 5,000. Our surveys indicate that the rate of gains will increase in the months ahead,” reported Goss.

This month 61.5 percent of businesses reported that the number of applicants exceeded the number of jobs available, while 23.1 percent indicated that the number of jobs was greater than the number of applicants. The remaining 15.4 percent said that the number of applicants and jobs were approximately equal. “The problem for regional businesses is that a high share of the applicants does not have the necessary skills or qualifications,” said Goss.

Wholesale Prices: The prices-paid index, which tracks the cost of purchased raw materials and supplies, advanced to a level indicating only modest inflationary pressures at the wholesale level. The wholesale inflation gauge climbed to 62.1 from 60.9 in October.

“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.

Business Confidence: Looking ahead six months, economic optimism, captured by the business confidence index, increased to 55.1 from 53.5 in October. “A slowing global economy and a

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weak housing market offset 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 faster pace. The November inventory reading climbed to 62.8 from last month’s 54.1.

Trade: The new export order index slid to 48.8 from 52.6 in October and the import index declined to 48.6 from 52.2 in October. “I expect the global economic slowdown and a stronger dollar to boost imports and restrain exports for the region in the months ahead,” reported Goss.

Other components: Other components of the November Business Conditions Index were: new orders at 59.7, up from 56.0 in October; production or sales at 69.2, up from October’s 65.0; and delivery lead time at 56.7, up slightly from 56.3 in October.

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

	San Joaquin Valley		
	November 2013	October 2014	November 2014
Leading economic indicator	48.6	56.1	59.9
New orders	44.2	56.0	59.7
Production or sales	48.9	65.0	69.2
Employment	52.4	49.3	51.3
Inventories	40.0	54.1	62.8
Delivery lead time	57.4	56.3	56.7
Wholesale prices	58.0	60.9	62.1
Imports	51.2	52.2	48.6
Export orders	45.0	52.6	48.8
Business confidence	44.9	53.5	55.1

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

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