

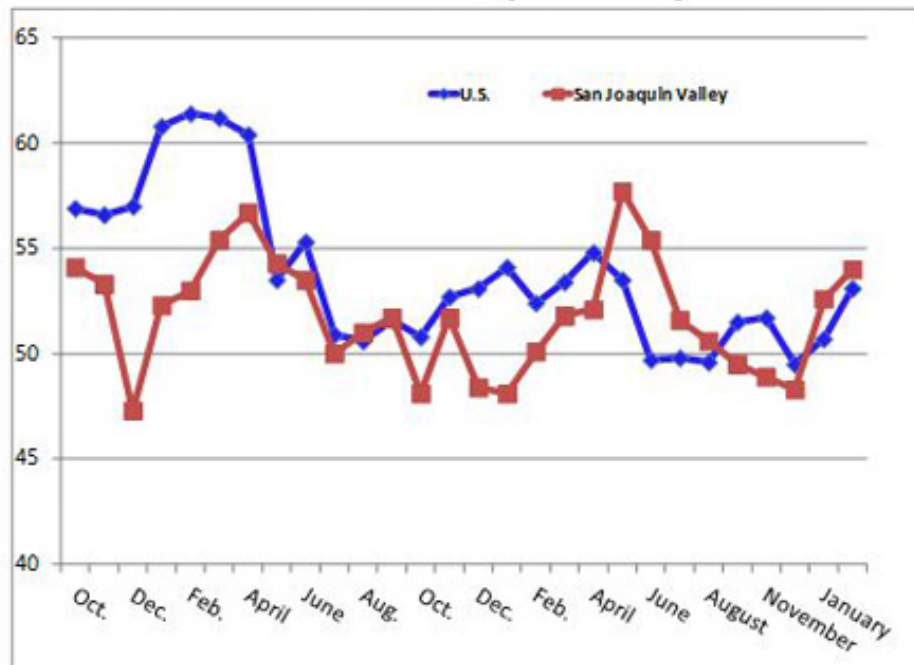


Home » **Valley economic indicator expands as business confidence declines**

[< Previous](#) [Next >](#)



PMIs for U.S. & San Joaquin Valley, 2010-13



Valley economic indicator expands as business confidence declines

Fresno State’s [Craig School of Business](#) San Joaquin Valley Business Conditions Index advanced for a second month, expanding to 54 from 52.6 in December. An index of greater than 50 indicates an expansionary economy over the course of the next three to six months.

SECTIONS

- [> ACADEMICS](#)
- [> CAMPUS & COMMUNITY](#)
- [> RESEARCH](#)
- [> ALUMNI](#)
- [> PRESS RELEASES](#)
- [> FEATURED VIDEOS](#)

NEWS SOURCES

- [> Fresno State Magazine](#)

"Improvements in the region's housing sector along with manufacturing growth pushed the overall index higher for the month. The January reading was slightly higher than the national ISM reading of 53.1. Both readings point to a slowly expanding economy," said [Dr. Ernie Goss](#), a research associate from the Craig School who produces the index.

The index is a leading economic indicator from a survey of individuals making company purchasing decisions in firms in the counties of Fresno, Madera, Kings and Tulare. The index uses the same methodology as that of the national [Institute for Supply Management](#).

While the index found indicators of positive economic growth, the survey participants remained pessimistic about the future. Looking ahead six months, economic optimism, captured by the business confidence index, declined to 41.2 from 37.0 in December. "Uncertainty surrounding potential sequestration and healthcare reform continue to lower business confidence," said Goss.

Other survey findings:

- [Employment](#) moved above the growth neutral threshold for a third straight month. The job index expanded slightly to 56.3 from December's 53.7. Firms in the survey expect wages to grow by a tepid 1.1 percent for 2013, or well below the rate of inflation, Goss said.
- [Wholesale prices](#) expanded to 63.9 from 59.1 in December according to the prices-paid index, which tracks the cost of raw materials and supplies. Goss said there is a danger that the Federal Reserve's ultra-aggressive interest rate policies will produce inflationary pressures well above the Fed's target as early as late 2013 and early 2014.

This month survey participants were asked how much they expected prices for inputs they purchase to increase in the next six months. On average, an annualized 7.2 percent growth in wholesale prices is expected. The increase is well above the reading in July of 2012 when the same question was asked.

- [Inventories](#) declined as businesses contracted inventories for the month. The January inventory index slipped to 42.6 from 46.1 in December.
- [Trade](#) remained very weak for January, with an index of 46.1, unchanged from December's reading. At the same time, January imports showed an index of 42.3, up slightly from 41.9 in December. [Other components](#) of the January Business Conditions Index were new orders at

> [Community Newsletter](#)

> [Fresno State](#)

> [The Collegian](#)

> [Bulldog Blog](#)

> [Go Bulldogs](#)

> [Videos](#)

> [Social Media Directory](#)

55.4 up from December's 51.0; production or sales at 57.2 down from 58.4; and delivery lead time at 58.7 up from December's 53.8.

For more information, contact Goss at 559.278.2352.

Related links:

- [Craig School of Business](#)
- Follow Goss: [Twitter.com/erniegoss](https://twitter.com/erniegoss) or Ernestgoss.com
- [Institute for Supply Management](#)

By [Kathleen Schock](#) | February 6th, 2013 | Categories: [PRESS RELEASES](#) | Tags: [Valley Economic Indicator](#) | [Comments Off](#)

Share This Story, Choose Your Platform!



Related Posts

New semi truck emissions testing program opens on campus
February 1st, 2024

Historic winter expedition highlighted in 'Sierra Odyssey' movie premiere
January 30th, 2024

Fresno State holds blood drive
January 30th, 2024

Community service opportunities fair planned
January 30th, 2024

Grant propels Journalists of Color training program
January 30th, 2024

CONTACT US

Fresno State News Hub is the primary source of information about current events affecting California State University, Fresno, its students, faculty and staff; providing an archive of news articles, videos and photos, as well as links to major resources on campus as a service to the university community.

CALIFORNIA STATE UNIVERSITY,
FRESNO
5241 N. Maple Ave.
Fresno, CA 93740
P: 559.278.4240

[Email Us](#)

SECTIONS

- > [ACADEMICS](#)
- > [CAMPUS & COMMUNITY](#)
- > [RESEARCH](#)
- > [ALUMNI](#)
- > [PRESS RELEASES](#)
- > [FEATURED VIDEOS](#)

[Sign up for the Community Newsletter](#)

[Fresno State News Archives](#)