

Valley economic index slips in March

Published on 04/02/2014 - 1:54 pm
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<http://www.thebusinessjournal.com/news/economy/11425-valley-economic-index-slips-in-march>



Peters Business Building at Fresno State

The San Joaquin Valley Business Conditions index slipped a little in March but remained above growth neutral for the 15th time in the past 16 months.

The index, produced by Fresno State's Craig School of Business, is based on a survey of individuals making company purchasing decisions in the counties of Fresno, Madera, Kings and Tulare.

March's index decreased slightly to 52 from 52.5 in February. An index of greater than 50 signals growth in the economy.

"Since June of 2012, the regional economy has been growing, albeit at a slow pace," said Dr. Ernie Gross, who heads the study. "During this period of time, the area unemployment rate has declined by almost three percentage points. Firms in the region's construction and wholesale trade industries are experiencing healthy growth while manufacturers are expanding their output via higher productivity but very little job growth."

The wholesale prices index, which tracks the cost of raw materials and supplies, grew to 72.1 from 71.9 in February.

Trade, or new export orders, soared to 67 in March from February's 45.1 and 51.7 a year ago and business confidence jumped to 52.8 from 48 in February.

New orders rose from 50.1 to 51.4 as production or sales grew from 48.5 to 49.3.

Indexes that shrunk include employment, which slipped to 53.3 in March from 54.1 in February, an indication that wages were growing at a substandard pace compared to the number of jobs added.

Inventories of raw materials and supplies also fell slightly from 52.8 to 52.5, while delivery lead time fell to 53.6 from 57.1 in February.