

Fresno State index forecasts continued economic growth

The central San Joaquin Valley's economy is forecast to continue expanding, according to a survey of business purchasing executives across the region.

The San Joaquin Valley Business Conditions Index, prepared by economist Ernie Goss for the Craig School of Business at Fresno State, rose to 57.6, up from 57.3 in July. A score of 50 is considered neutral, and anything higher suggests economic growth over the next three to six months.

August was the ninth straight month in which the index has been above the neutral 50 mark, and was the highest point for the index since March 2013. It is based on a survey of company purchasing managers in Fresno, Madera, Kings and Tulare counties. It evaluates employment, wholesale prices, business confidence, inventories, imports and exports, business confidence, production and delivery lead time.

California's lingering drought is casting a shadow over business expectations by many of those surveyed, though those concerns have not yet slowed the index's growth.

"More than one-third of the businesses in the region reported negative impacts from the drought," Goss said. "More than 70% expect a continuation of the drought to negatively affect their businesses."

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