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Lehigh Valley overall business sentiment slightly down since the beginning of the year

The Kamran Afshar- Greater Lehigh Valley Chamber of Commerce survey of Lehigh Valley businesses is done on a quarterly basis and collects around 700 observations per year. The Employment and Purchasing Index for the Lehigh Valley highlights the results of these surveys.

In July 2016 we conducted our 67th quarterly survey of these series, and according to the survey, business sentiment and the overall confidence in the local economy remained the same as in April, however, it is slightly lower than its January level. The index peaked back in October 2015.

In July, the index of plans for future purchases rose by a significant 5% above its April level. And while it is still lower than its January level, some of its April decline has been reversed.

Actual expenditures over the last 6 months, however, have been trending down since last October.

Hiring plans index for the next 6 months, is a shade higher than its April level, however, it has been trending at an almost constant level for the last year-and-a-half. And of more importance, this level is very close to the range which is historically associated with strong employment growth. A third of local businesses are planning to hire more people, while only 5% of them plan to lay off employees in the next 6 months. The layoff plans are now similar to what they used to be before the recession.

Businesses with more than 100 employees, followed by those with 21 to 50 employees are planning to hire more people in the next 6 months than others.

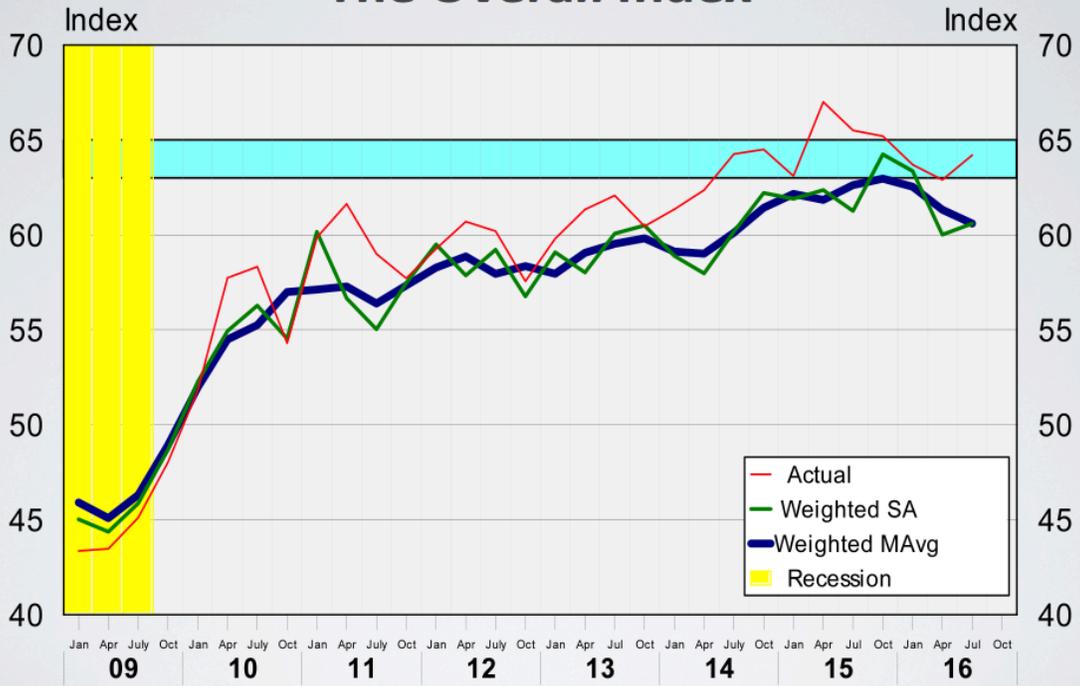
Similar to the future plans for hiring, the actual hiring index over the last 6 months was almost the same as its April level, but unlike the future hiring plans, the actual hiring index has dropped below its January level.

The index of expected revenues is continuing its rebound from its January lows and it is running at its highest level over the last 5 quarters.

The index of actual revenues, rose above its April level, and is running slightly above its average level for the last two years.

The overall confidence in the local economy has dropped since last October and some of this decline can be attributed to the increase in the level of uncertainty generated during presidential elections, as supported by historical data. This year, however, it appears that the level of uncertainty is significantly higher than any other time in our database. The Valley's economy is expected to suffer some anxiety over the next few months as election campaigns further ratchet up their activities. However, since our labor market is running close to where it was during the tight labor markets of 1999-2000 and 2004-05 and an increasing number of businesses are reporting more unfilled job openings, it appears that we would weather this election with minimal, if any negative economic impact locally.

Employment & Purchasing The Overall Index



Sources: The Kamran Afshar - Greater Lehigh Valley Chamber Survey

