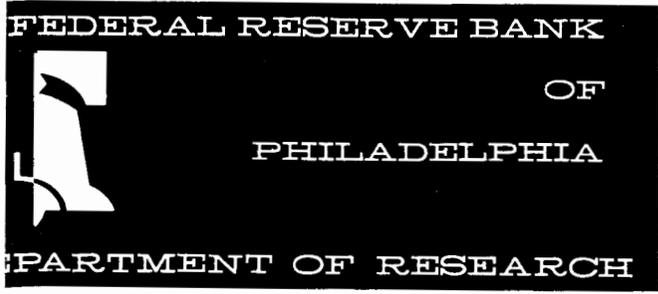


*Miss Turnbull*



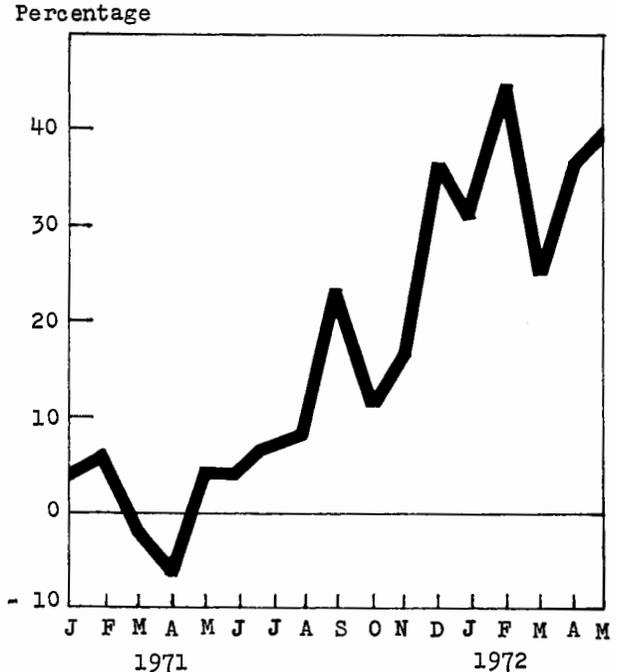
BUSINESS OUTLOOK SURVEY  
 Summary of Returns  
 May 1972

This Summary of Returns reports on the May responses to the Business Outlook Survey conducted by the Federal Reserve Bank of Philadelphia. Its purpose is to provide an insight into Third District business conditions. The survey sample polls manufacturing firms with 500 or more employees.

Area business executives report the regional economy is continuing its upward course. The latest Business Outlook Survey of large manufacturers in the Third Federal Reserve District shows that approximately four times as many responding firms are experiencing increases in new orders and sales as are recording decreases during May. And area firms expecting increases in these key indicators outnumber those forecasting decreases by about three to one for the month of June.

Looking ahead six months, three out of four executives canvassed believe the level of general business activity will be higher. And two-thirds of the respondents foresee increasing sales and new orders a half year ahead for their own firms. In anticipation of the increased business tempo, plans for capital investment six months ahead are

Capital Expenditure Plans  
 Six Months Ahead\*



\*(Percentage of respondents expecting an increase minus those expecting a decrease.)

continuing at a high level. As the chart shows, capital spending plans reversed course about a year ago. The latest figures reveal that the number of businesses intending to boost capital expenditures outstrips those expecting cutbacks by a substantial margin, a trend that has persisted for several months now.

In summary, area manufacturers are bullish about the regional economy. They are optimistic about the immediate weeks ahead as well as six months from now.

## BUSINESS OUTLOOK SURVEY

### SUMMARY OF RETURNS

MAY 1972

INDICATOR	April vs. March			May vs. April			June vs. May			Six Months From Now vs. May		
	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS												
What is your evaluation of the level of general business activity?	4.8	50.0	45.2	2.4	52.4	45.2	4.8	52.4	42.9	0.0	21.4	78.6
COMPANY BUSINESS INDICATORS												
New Orders	23.8	35.7	35.7	7.1	52.4	35.7	11.9	47.6	35.7	4.8	23.8	66.7
Shipments	21.4	45.2	31.0	11.9	45.2	40.5	11.9	47.6	38.1	7.1	23.8	66.7
Unfilled Orders	14.3	47.6	31.0	14.3	52.4	26.2	16.7	59.5	16.7	4.8	40.5	47.6
Delivery Time	2.4	81.0	9.5	7.1	83.3	2.4	7.1	85.7	0.0	0.0	73.8	19.0
Inventories	19.0	52.4	26.2	23.8	57.1	16.7	19.0	54.8	23.8	14.3	40.5	42.9
Prices Paid	0.0	61.9	35.7	0.0	71.4	26.2	0.0	73.8	23.8	0.0	42.9	54.8
Prices Received	0.0	76.2	21.4	0.0	90.5	7.1	2.4	76.2	19.0	4.8	50.0	42.9
Number of Employees	9.5	71.4	16.7	9.5	71.4	16.7	9.5	71.4	16.7	4.8	61.9	28.6
Average Employee Workweek	2.4	78.6	14.3	2.4	88.1	4.8	7.1	81.0	7.1	2.4	73.8	16.7
Capital Expenditures										7.1	40.5	47.6

Note: Items may not add to 100 per cent because of omission by respondents.