

B. Turnbull

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# Business Outlook Survey

Research Department

November 1988

The region's manufacturing sector is still on an upward track, according to the November Business Outlook Survey. Among firms polled this month, 34 percent say business is picking up from October while only 6 percent say business is off.

Nearly all indicators of industrial activity are signaling growth this month. New orders and shipments are rising, order backlogs are edging up, and delivery times are being stretched somewhat as local manufacturers post the tenth consecutive month of growth. Employment continues to gain as well. Twenty-four percent of the firms participating in this month's survey are adding to payrolls while only 11 percent are cutting back.

Looking ahead, area manufacturers see good business conditions lasting at least through the winter. Thirty-eight percent of the firms contacted in November expect more growth over the next six months while 17 percent see signs of a slowdown ahead. Overall, survey participants forecast increases in new orders and shipments, although they anticipate an easing in order backlogs. With expansion in mind, managers at area plants are scheduling additions to payrolls and stepped-up capital outlays, on balance, for the next six months.



Upward price pressure is still being reported by survey participants. This month 61 percent note rising input costs and 32 percent indicate they are raising the prices of their own products. Looking ahead, 66 percent expect to pay higher prices for the goods they will buy over the next six months and 60 percent intend to charge more for the goods they make.

In summary, the region's manufacturers report continuing improvement in business along with further gains in employment in November, and they predict more of the same through early 1989. With growth continuing, survey participants expect the current trend of cost and price increases to persist.

### BUSINESS OUTLOOK SURVEY

#### SUMMARY OF RETURNS

NOVEMBER 1988

INDICATOR	November vs. October			Six Months from Now vs. November		
	Decrease	No Change	Increase	Decrease	No Change	Increase
<b>GENERAL BUSINESS CONDITIONS</b>						
What is your evaluation of the level of general business activity?	6.0	57.9	34.1	16.8	41.9	37.5
<b>COMPANY BUSINESS INDICATORS</b>						
New Orders	6.5	50.5	43.0	17.3	33.5	43.7
Shipments	4.2	46.5	49.3	21.2	36.1	38.6
Unfilled Orders	12.9	65.2	21.9	27.3	57.1	14.1
Delivery Time	3.3	77.3	19.4	19.6	57.4	20.3
Inventories	20.3	52.2	27.5	30.8	38.6	30.4
Prices Paid	0.4	37.8	60.7	4.5	24.2	66.5
Prices Received	1.5	64.8	32.2	3.8	33.4	59.2
Number of Employees	11.0	65.0	23.6	19.8	46.0	30.7
Average Employee Workweek	4.6	76.3	13.8	11.0	68.4	13.8
Capital Expenditures				13.1	44.7	36.4

Notes: (1) Items may not add to 100 percent because of omission by respondents.  
 (2) All data seasonally adjusted.