

FEDERAL RESERVE BANK
OF
PHILADELPHIA



Research Department

BUSINESS OUTLOOK SURVEY
Summary of Returns
March 1969

This Summary of Returns reports on the March 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.

The general economic outlook remains strong, according to manufacturers in the Third Federal Reserve District. The latest Business Outlook Survey shows that nearly half the corporate executives polled expect April to be a better month than March and two-thirds anticipate business activity to be at a higher level six months from now than at present.

The number of respondents with rising expectations for the month just ahead has more than tripled during the last three months. Underlying this expansive mood is the fact that new orders and shipments consistently have exceeded expectations. Hence, manufacturers have become increasingly more optimistic about the coming month.

The high percentage of respondents anticipating a strong economy six months from now has been quite stable in recent surveys. In part, this may reflect surpassed expectations in the near-term and continuing strength for new and unfilled orders as well as shipments. But it also may reflect an ongoing optimism generated in the wake of record prosperity. Thus, in the absence of hard evidence to the contrary, businessmen simply may be inclined to project this backlog of optimism into the longer-term.

The price outlook remains inflationary. Two-thirds of the respondents expect to be paying higher prices for materials, equipment, and other inputs in the months ahead.

In summary, then, Third District manufacturers appear to have more confidence in forces spurring the economy on than they do about measures designed to rein it in.

BUSINESS OUTLOOK SURVEY

SUMMARY TABLE OF RETURNS

March 1969

INDICATOR	February vs. January			March vs. February			April vs. March			Six Months From Now vs. March		
	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?	8.3	62.5	29.2	4.2	54.2	41.7	5.1	48.7	46.2	18.8	14.6	66.7
COMPANY BUSINESS INDICATORS												
New Orders	14.6	41.7	39.6	4.2	37.5	54.2	2.6	35.9	56.4	10.4	22.9	62.5
Shipments	20.8	47.9	27.1	12.5	29.2	54.2	2.6	35.9	56.4	6.3	12.5	77.1
Unfilled Orders	18.8	45.8	31.3	14.6	52.1	29.2	2.6	61.5	30.8	14.6	33.3	47.9
Delivery Time	4.2	79.2	14.6	6.3	79.2	12.5	5.1	82.1	10.3	10.4	66.7	20.8
Inventories	14.6	43.8	41.7	16.7	52.1	31.3	20.5	51.3	28.2	31.3	39.6	29.2
Prices Paid	0.0	64.6	33.3	0.0	64.6	33.3	0.0	71.8	25.6	2.1	27.1	68.8
Prices Received	4.2	75.0	18.8	2.1	70.8	25.0	5.1	79.5	10.3	6.3	43.8	45.8
Number of Employees	6.3	72.9	14.6	0.0	72.9	22.9	2.6	71.8	23.1	6.3	45.8	43.8
Average Employee workweek	2.1	77.1	14.6	0.0	79.2	14.6	5.1	79.5	10.3	10.4	56.3	27.1
Capital Expenditures										10.4	45.8	31.3