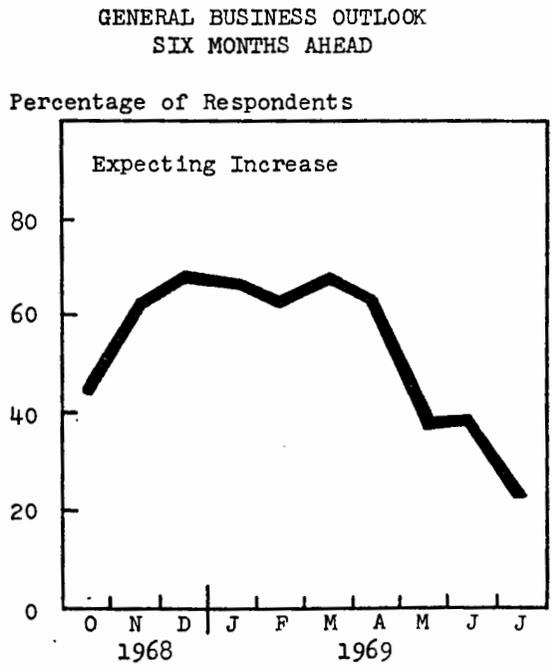


BUSINESS OUTLOOK SURVEY
Summary of Returns
July, 1969

This Summary of Returns reports on the July 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.

Expectations for a business slowdown have heightened, according to manufacturers in the Third Federal Reserve District. The latest Business Outlook Survey shows that less than a quarter of the corporate executives polled expect higher levels of business activity six months ahead. In contrast, 67 per cent had rising expectations in March. The outlook for August is dominated by "no change" from current levels.

Manufacturers have been scaling down their expectations of the general business outlook over the last four months. As shown in the Chart, the percentage of businessmen anticipating higher levels of general business activity for six months ahead peaked in March. After a slight drop in April, expectations for business expansion dropped dramatically in May to less than 40 per cent. Last month's Survey showed little change from May. But in the current Survey, the percentage of manufacturers with "bullish" expectations plummeted again, this time to 23 per cent.



Although the six-month outlook is for a tapering in the rate of business expansion, a majority of respondents expects no major changes through August. About half expect "no change" in new orders, but one-third anticipate an increase. Two out of five respondents expect shipments to remain at July's level, while the same number anticipates an increase. Inventories are projected to hold steady through next month.

The six-month outlook for prices is inflationary. This is to be expected, however. Just as it takes time for tighter monetary and fiscal policies to dampen the pace of spending, production and incomes, so also it takes time for the effects of a slower-paced economy to choke the roots of inflation. What is promising on the price front, therefore, is that a business slowdown appears to be in the offing.

BUSINESS OUTLOOK SURVEY

SUMMARY TABLE OF RETURNS

July 1969

INDICATOR	June vs. May			July vs. June			August vs. July			Six Months From Now vs. July		
	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	73.3	16.7	30.0	60.0	8.3	18.3	55.0	25.0	43.3	31.7	23.3
COMPANY BUSINESS INDICATORS												
New Orders	15.0	45.0	35.0	40.0	41.7	15.0	15.0	48.3	33.3	26.7	23.3	46.7
Shipments	11.7	41.7	43.3	36.7	41.7	20.0	18.3	40.0	40.0	20.0	31.7	46.7
Unfilled Orders	16.7	50.0	28.3	28.3	50.0	18.3	11.7	51.7	33.3	28.3	43.3	25.0
Delivery Time	8.3	80.0	6.7	11.7	80.0	6.7	6.7	86.7	5.0	18.3	73.3	6.7
Inventories	23.3	51.7	23.3	23.3	51.7	25.0	23.3	56.7	20.0	23.3	45.0	30.0
Prices Paid	0.0	51.7	45.0	0.0	58.3	40.0	0.0	63.3	35.0	1.7	38.3	56.7
Prices Received	0.0	78.3	18.3	1.7	75.0	21.7	0.0	81.7	16.7	6.7	45.0	46.7
Number of Employees	5.0	75.0	16.7	6.7	80.0	11.7	8.3	76.7	13.3	13.3	61.7	23.3
Average Employee Workweek	6.7	81.7	6.7	11.7	76.7	8.3	8.3	83.3	5.0	10.0	73.3	13.3
Capital Expenditures										15.0	40.0	33.3

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