

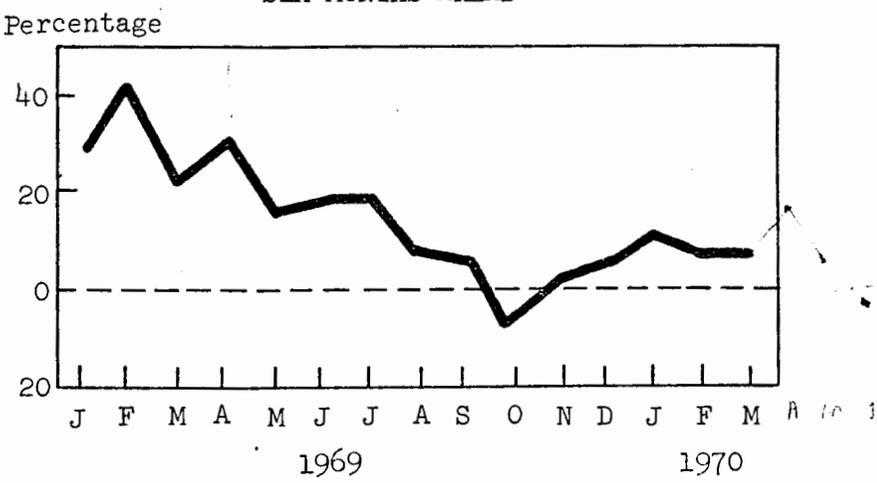
BUSINESS OUTLOOK SURVEY  
 Summary of Returns  
 March 1970

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 business downturn in the regional economy is now in its fifth month, according to the March Business Outlook Survey. More than two out of three manufacturers polled in the Third Federal Reserve District found either no change or actual declines in new orders and sales for the month of February. And, as a consequence of the lengthening business slump, the number of firms laying off workers is on the rise. Moreover, area businessmen expect the current slowdown to stretch on through the immediate months ahead.

However, optimism continues for the longer run, according to survey results. More than two-thirds of the responding executives say they expect new orders and sales to be higher for their own firms a half a year from now. Only a few months back, regional businessmen were decidedly bearish about the longer-term outlook.

CAPITAL EXPENDITURE PLANS  
 SIX MONTHS AHEAD\*



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

Rising expectations for late in the year may account for the upward trend in capital spending plans by area executives. The chart shows the percentage of respondents expecting an increase minus

those expecting a decrease in capital expenditures over the next six months. From February through October of last year, plans for investment outlays trended downward. In October, more firms actually planned to reduce capital spending than planned increases. Since November, however, this downward trend has been reversed. As can be seen in the chart, in recent months the percentage of firms planning to boost capital outlays has exceeded those planning a cutback.

On the price front, the outlook remains inflationary. Three out of five area manufacturers polled expect prices to be higher six months from now. So, as businessmen look towards the end of 1970, they see an end to the current slump in economic activity, but they see little hope of a quick end to inflation.

## BUSINESS OUTLOOK SURVEY

### SUMMARY TABLE OF RETURNS

March 1970

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?	36.5	50.0	11.5	32.7	53.8	11.5	25.0	51.9	21.2	9.6	28.8	59.6
COMPANY BUSINESS INDICATORS												
New Orders	32.7	36.5	30.8	15.4	53.8	30.8	13.5	51.9	34.6	5.8	26.9	67.3
Shipments	25.0	46.2	28.8	11.5	48.1	40.4	9.6	61.5	28.8	3.8	28.8	17.3
Filled Orders	28.8	48.1	21.2	23.1	63.5	9.6	19.2	61.5	17.3	5.8	50.0	42.3
Delivery Time	3.8	92.3	1.9	1.9	90.4	3.8	0.0	94.2	3.8	1.9	82.7	13.5
Inventories	28.8	48.1	23.1	28.8	55.8	15.4	19.2	65.4	15.4	23.1	42.3	34.6
Prices Paid	0.0	57.7	40.4	0.0	71.2	26.9	0.0	73.1	25.0	1.9	32.7	63.5
Prices Received	0.0	82.7	15.4	3.8	73.1	21.2	5.8	82.7	9.6	5.8	48.1	44.2
Number of Employees	21.2	67.3	7.7	17.3	65.4	13.5	3.8	86.5	7.7	1.9	65.4	30.8
Average Employee Week	11.5	76.9	5.8	5.8	84.6	3.8	7.7	78.8	9.6	5.8	65.4	25.0
Capital Expenditures										19.2	46.2	26.9

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