

February

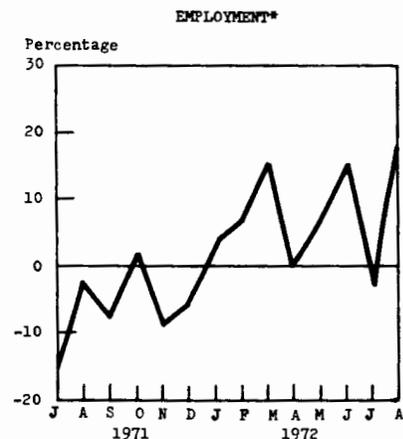
BUSINESS OUTLOOK SURVEY  
Summary of Returns  
August 1972

This Summary of Returns reports on the August 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.

Much like the national economy, the regional economy is showing signs of a healthy expansion, according to responses received from area businessmen. The latest Business Outlook Survey of large manufacturers in the Third Federal Reserve District shows that several important economic indicators are pointing upward again after a brief lull. In August, for example, more than four times as many firms are enjoying advances in sales and new orders as those reporting declines. More of the same can be expected next month since over half of the businesses canvassed believe sales and new orders in September will be better than August.

Area manufacturers are also bullish about the prospects for business next year. Two-thirds of those polled predict the level of general business activity will be higher by early 1973. Over half expect new orders and sales for their own firms to be higher six months from now.

As a result of the continuing expansion, the employment



\*(Percentage of respondents increasing number of employees minus those decreasing number of employees).

picture is getting brighter. For several months area manufacturers have indicated that a need for more workers was on the horizon, and these expectations are apparently in the process of being fulfilled. The chart shows the percentage of respondents enlarging their work force minus the percentage trimming payrolls. Although the movement has been somewhat erratic, a solid upward trend in employment is apparent. In August this indicator of labor demand surged to its highest level since early 1969.

In short, area respondents believe the regional economy looks better than in the previous two months. As a result of the vigorous pace of economic expansion, payrolls are now growing at a more rapid rate. And area executives are optimistic about what lies ahead for business through early 1973.

### BUSINESS OUTLOOK SURVEY

#### SUMMARY OF RETURNS

AUGUST 1972

INDICATOR	July vs. June			August vs. July			September vs. August			Six Months From Now vs. August		
	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?	6.7	73.3	20.0	3.3	53.3	43.3	3.3	40.0	56.7	3.3	30.0	66.7
COMPANY BUSINESS INDICATORS												
New Orders	43.3	43.3	10.0	10.0	40.0	46.7	0.0	43.3	53.3	13.3	33.3	50.0
Shipments	30.0	56.7	13.3	6.7	53.3	40.0	3.3	46.7	50.0	13.3	33.3	53.3
Unfilled Orders	33.3	46.7	13.3	6.7	46.7	36.7	6.7	50.0	36.7	10.0	46.7	36.7
Delivery Time	6.7	80.0	6.7	0.0	90.0	3.3	0.0	76.7	16.7	6.7	70.0	16.7
Inventories	26.7	50.0	23.3	23.3	53.3	23.3	26.7	43.3	30.0	16.7	33.3	50.0
Prices Paid	0.0	80.0	20.0	0.0	83.3	16.7	0.0	73.3	26.7	3.3	30.0	66.7
Prices Received	0.0	83.3	16.7	0.0	80.0	20.0	0.0	83.3	16.7	3.3	46.7	50.0
Number of Employees	6.7	80.0	13.3	3.3	73.3	23.3	6.7	60.0	33.3	10.0	50.0	40.0
Average Employee Workweek	3.3	83.3	10.0	0.0	86.7	10.0	3.3	83.3	10.0	3.3	76.7	16.7
Capital Expenditures										13.3	50.0	36.7

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