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BUSINESS OUTLOOK SURVEY
 Summary of Returns
 September 1972

This Summary of Returns reports on the September 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.

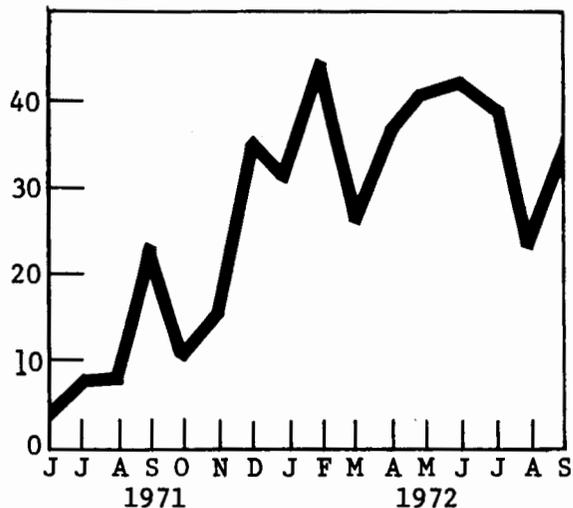
Area business executives report the regional economy is continuing its upward course. The latest Business Outlook Survey of large manufacturers in the Third Federal Reserve District shows that approximately seven times as many responding firms are chalking up advances in new orders and sales as are recording decreases. Over half of the business firms surveyed believe new orders and sales will be even higher in October.

Looking ahead to next year, area executives expect business to remain on an upward trend. About two-thirds of the manufacturers canvassed predict an increase in the level of regional business activity through at least the first quarter of 1973. Moreover, about one-half of the respondents believe new orders and sales in their own firms will be higher over the next six months. In anticipation of

of the increased business tempo, plans for capital spending a half year ahead are continuing at a high level. Although capital spending plans have been irregular as the chart shows, outlay plans for the third quarter

CAPITAL EXPENDITURE PLANS
 SIX MONTHS AHEAD*

PERCENTAGE



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

of this year are running well above those for the third quarter of 1971.

The latest figures reveal that the number of businesses intending to boost capital expenditures outstrips those expecting cutbacks by a margin of six to one.

On the price front, most area executives see prices holding the line in the near term. However, almost seven out of ten respondents expect prices to be higher a half year ahead.

In summary, area manufacturers are bullish about prospects for the regional economy both in the immediate weeks ahead as well as six months from now. However, many feel inflation will be a continuing problem in 1973.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

SEPTEMBER 1972

INDICATOR	August vs. July			September vs. August			October vs. September			Six Months From Now vs. September		
	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?	7.7	41.0	48.7	5.1	43.6	48.7	0.0	33.3	64.1	2.6	30.8	64.1
COMPANY BUSINESS INDICATORS												
New Orders	12.8	41.0	46.2	5.1	56.4	35.9	2.6	43.6	51.3	10.3	38.5	48.7
Shipments	15.4	35.9	48.7	5.1	59.0	35.9	2.6	43.6	53.8	7.7	41.0	51.3
Unfilled Orders	7.7	51.3	38.5	2.6	66.7	28.2	0.0	71.8	25.6	7.7	51.3	38.5
Delivery Time	2.6	87.2	7.7	7.7	76.9	12.8	5.1	82.1	10.3	7.7	69.2	20.5
Inventories	25.6	53.8	20.5	17.9	51.3	30.8	20.5	41.0	38.5	23.1	41.0	35.9
Prices Paid	0.0	69.2	30.8	0.0	74.4	25.6	0.0	76.9	23.1	2.6	28.2	69.2
Prices Received	0.0	79.5	20.5	0.0	89.7	10.3	2.6	84.6	12.8	5.1	53.8	41.0
Number of Employees	5.1	76.9	17.9	10.3	76.9	12.8	7.7	76.9	15.4	12.8	59.0	28.2
Average Employee Workweek	0.0	84.6	15.4	5.1	87.2	7.7	5.1	79.5	15.4	2.6	79.5	17.9
Capital Expenditures										7.7	48.7	43.6

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