

*B. Turnbull*



BUSINESS OUTLOOK SURVEY  
Summary of Returns  
November 1975

This Summary of Returns reports on the November 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.

Business activity in the region is growing, but at a slow pace. More than 40 percent of the executives responding to the November survey of large manufacturers in the Third Federal Reserve District report that business has improved since last month. However, there is little evidence of any substantial gains. New orders are higher this month, but the increase is less than those reported in the previous three months. Manufacturers report that inventory liquidation is continuing while employment and the average workweek are basically unchanged. Prices, however, have not stood still. Of the businessmen surveyed, 52 percent report paying higher prices for their supplies this month, and 17 percent are receiving higher prices for their finished products.

The outlook for the next six months is for expansion. Almost 80 percent of the manufacturers polled look for gains in economic activity. New orders are expected to be above current levels and there are plans for net accumulation of inventories. This is the second month in a row that these executives project higher levels of inventories six months out.

The prospects for employment are bright as well. Forty percent of the respondents expect to add to their work forces, and close to 30 percent plan to lengthen the workweek over the period. At the same time, plans for capital spending are beginning to show improvement. By next May, 35 percent of the manufacturers surveyed plan to be spending more for plant

and equipment.

As the regional economy expands over the next two quarters, prices are expected to climb as well. Close to 90 percent of the executives polled expect to be paying more for their supplies and 73 percent anticipate receiving higher prices for the commodities they produce.

In a nutshell, the regional economy is growing slowly, and manufacturers in the District expect more pronounced expansion at least through May. The outlook for production and employment is good, but additional price increases will be part of the scene as well.

### BUSINESS OUTLOOK SURVEY

#### SUMMARY OF RETURNS November 1975

INDICATOR	November vs. October			Six Months from Now vs. November		
	Decrease	No Change	Increase	Decrease	No Change	Increase
<b>GENERAL BUSINESS CONDITIONS</b>						
What is your evaluation of the level of general business activity?	3.8	53.8	42.3	5.8	17.3	76.9
<b>COMPANY BUSINESS INDICATORS</b>						
New Orders	17.3	50.0	28.8	7.7	21.2	67.3
Shipments	15.4	67.3	17.3	5.8	28.8	65.4
Unfilled Orders	19.2	55.8	19.2	7.7	50.0	36.5
Delivery Time	9.6	73.1	13.5	11.5	71.2	13.5
Inventories	30.8	55.8	13.5	21.2	48.1	30.8
Prices Paid	3.8	40.4	51.9	1.9	7.7	88.5
Prices Received	5.8	76.9	17.3	5.8	21.2	73.1
Number of Employees	11.5	73.1	15.4	5.8	53.8	40.4
Average Employee Workweek	9.6	76.9	13.5	3.8	67.3	26.9
Capital Expenditures				5.8	55.8	34.6

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