

FEDERAL RESERVE BANK
OF
PHILADELPHIA



Research Department

BUSINESS OUTLOOK SURVEY
Summary of Returns
July 1968

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.

A majority of manufacturers responding to the July Business Outlook Survey expect business activities to continue in July and August at levels equal to or above those of June. The outlook for the short run now leans more toward an attitude of no change rather than one of increased activity. Three major factors help explain this current opinion: (1) during June, a slippage occurred in the actual level of new orders from that envisioned, (2) inventory accumulation during June fell short of expected levels and (3) optimism for the short run may have turned toward a more realistic view of expected levels.

The majority of the participants continue to express an optimistic outlook, however, expecting substantial increases by year-end. This opinion has dominated the survey from its inception in May. Expectations appear to be hinged directly to increases in new orders and shipments and are also attributable to the firmness in inventory position.

The pattern of growth in business activity continues to be reflected in sustained high levels of employment and hours of work. Prospects are for continued price increases, both paid and received, although these opinions are not quite so strong as they were in June.