



BT

BUSINESS OUTLOOK SURVEY
Summary of Returns
October 1971

This Summary of Returns reports on the October 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 moderate business expansion underway for some months is continuing, according to area executives. The latest Business Outlook Survey shows more than three times as many manufacturers polled in the Third Federal Reserve District are experiencing an increase in sales and new orders as are realizing decreases. Moreover, area businessmen expect this expansionary trend to continue during the immediate months ahead.

The responding executives also remain optimistic about the longer term outlook. Nearly 70 per cent of them foresee the regional economy expanding a half year ahead. As a result of this anticipated business expansion, more than twice as many firms plan to add employees as plan to trim payrolls.

Area businessmen are realizing some relief on the price front. Only 2 per cent of the respondents experienced an increase in prices during October. Prices in November are expected to remain steady. However, businessmen are less optimistic about the outlook for price stability six months from now.

In short, area executives expect the business expansion, which got underway back in January, to continue into the first part of next year. Once the freeze is over, they also anticipate an upward trend for prices.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

OCTOBER 1971

INDICATOR	September vs. August			October vs. September			November vs. October			Six Months From Now vs. October		
	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?	10.6	44.7	42.6	6.4	40.4	48.9	6.4	40.4	46.8	6.4	19.1	68.1
COMPANY BUSINESS INDICATORS												
New Orders	12.8	44.7	40.4	10.6	34.0	48.9	8.5	48.9	36.2	12.8	21.3	59.6
Shipments	10.6	51.1	38.3	14.9	34.0	46.8	10.6	53.2	29.8	8.5	21.3	63.8
Unfilled Orders	19.1	46.8	29.8	10.6	63.8	21.3	10.6	66.0	17.0	17.0	40.4	36.2
Delivery Time	4.3	76.6	14.9	4.3	80.9	10.6	2.1	85.1	6.4	6.4	63.8	23.4
Inventories	31.9	40.4	25.5	23.4	53.2	21.3	17.0	66.0	12.8	19.1	44.7	31.9
Prices Paid	0.0	87.2	8.5	2.1	91.5	2.1	0.0	80.9	12.8	0.0	29.8	63.8
Prices Received	4.3	89.4	2.1	2.1	93.6	0.0	0.0	87.2	6.4	2.1	38.3	53.2
Number of Employees	14.9	57.4	25.5	10.6	70.2	12.8	4.3	85.1	4.3	12.8	51.1	29.8
Average Employee Workweek	10.6	66.0	17.0	8.5	74.5	10.6	2.1	85.1	4.3	4.3	63.8	23.4
Capital Expenditures										10.6	61.7	21.3

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