

Miss Turnbull



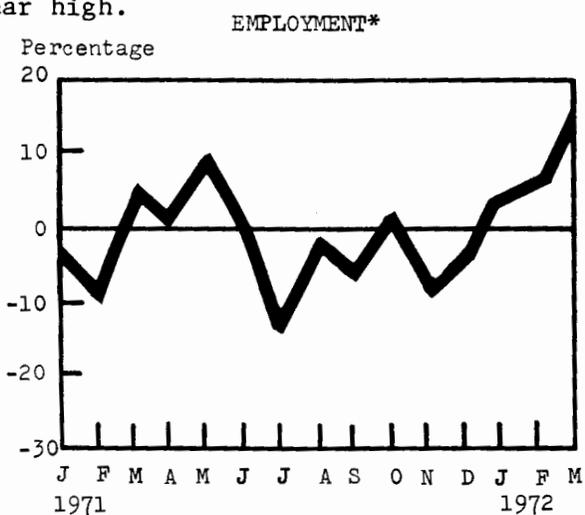
BUSINESS OUTLOOK SURVEY
 Summary of Returns
 March 1972

This Summary of Returns reports on the March 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 regional economy is expanding at an increased tempo, according to responses received from area businessmen. The latest Business Outlook Survey of large manufacturers in the Third Federal Reserve District shows several important economic indicators reaching three-year highs in March. For example, the number of firms registering increases in new orders is outpacing those experiencing declines by the widest margin in over three years. Likewise, the spread between the number reporting a step-up in the overall business climate and those reporting a decrease is at a three-year peak. Furthermore, the difference between those recording sales increases and decreases is also near a three-year high.

Looking beyond the immediate period, three out of four regional manufacturers canvassed anticipate an increase in general business activity during the next six months. Nearly two-thirds expect sales and new orders to be higher six months from now.

The increased business activity is having a favorable impact on employment at area firms. The chart shows the percentage of respondents that enlarged their work force



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

in March minus the percentage that trimmed payrolls. A solid upward trend in employment appears to be developing. This measure of employment has been rising for the past four months, the longest continuous upswing since early 1969. And like other indicators this month, it also stands at a three-year high.

In summary, area respondents believe the regional economy looks better in March than it has for several months. As a result of the quickening pace of the economy, payrolls are now expanding at a more rapid rate. And area executives are optimistic about what lies ahead for business during the next half year.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

MARCH 1972

INDICATOR	February vs. January			March vs. February			April vs. March			Six Months From Now vs. March		
	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?	11.4	45.5	40.9	2.3	43.2	50.0	0.0	50.0	45.5	0.0	25.0	72.7
COMPANY BUSINESS INDICATORS												
New Orders	20.5	43.2	34.1	6.8	40.9	47.7	6.8	50.0	38.6	4.5	29.5	63.6
Shipments	22.7	36.4	38.6	6.8	45.5	43.2	11.4	47.7	36.4	2.3	34.1	61.4
Unfilled Orders	18.2	47.7	29.5	13.6	47.7	31.8	9.1	63.6	18.2	4.5	34.1	54.5
Delivery Time	4.5	75.0	13.6	2.3	86.4	4.5	4.5	86.4	2.3	4.5	65.9	25.0
Inventories	22.7	54.5	18.2	20.5	63.6	11.4	20.5	63.6	11.4	6.8	43.2	47.7
Prices Paid	0.0	68.2	27.3	0.0	70.5	25.0	0.0	65.9	29.5	0.0	27.3	70.5
Prices Received	2.3	86.4	6.8	6.8	75.0	13.6	2.3	70.5	22.7	2.3	34.1	61.4
Number of Employees	4.5	75.0	18.2	2.3	75.0	18.2	2.3	75.0	18.2	4.5	50.0	43.2
Average Employee Workweek	4.5	70.5	18.2	2.3	81.8	9.1	4.5	77.3	11.4	2.3	72.7	20.5
Capital Expenditures										11.4	50.0	36.4

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