

FEDERAL RESERVE BANK



OF

PHILADELPHIA

DEPARTMENT OF RESEARCH

*February*

BUSINESS OUTLOOK SURVEY  
Summary of Returns  
April 1972

This Summary of Returns reports on the April 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 regional economy remains on an upward course, according to area executives. The latest Business Outlook Survey of large manufacturers in the Third Federal Reserve District shows that several key indicators continue to point upward. In April, for example, about twice as many firms are reporting increases in new orders and sales as those recording decreases. And May should be even better than April since firms expecting increases in new orders and sales outnumber those forecasting decreases by about six to one.

Moreover, area manufacturers are optimistic about the longer run future of the regional economy. Eight out of ten manufacturers polled foresee an increase in general business activity over the next six months. And two-thirds of the respondents expect sales and new orders in their own firms to be higher six months from now. In anticipation of the increased business pace, the number of firms planning boosts in payrolls during the next six months outstrips the number planning cut-backs by a ratio of five to one. For the past half year, employment projections have been on a steady upswing. On the price front, eight out of ten firms report prices unchanged in April. An even greater proportion expects prices in May to be steady.

In short, area businessmen believe the regional economy is continuing to expand. They are optimistic about the immediate weeks ahead as well as six months from now. As a result of this bullish outlook, manufacturers expect larger payrolls six months from now. And some defusing of inflationary pressures appears to be taking place.

## BUSINESS OUTLOOK SURVEY

### SUMMARY OF RETURNS

APRIL 1972

INDICATOR	March vs. February			April vs. March			May vs. April			Six Months From Now vs. April		
	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?	5.1	41.0	51.3	7.7	48.7	43.6	2.6	43.6	53.8	0.0	17.9	82.1
COMPANY BUSINESS INDICATORS												
New Orders	10.3	41.0	43.6	12.8	51.3	30.8	5.1	48.7	41.0	5.1	25.6	64.1
Shipments	15.4	33.3	43.6	20.5	41.0	33.3	7.7	51.3	35.9	2.6	25.6	66.7
Unfilled Orders	15.4	48.7	28.2	17.9	51.3	25.6	12.8	64.1	17.9	7.7	51.3	35.9
Delivery Time	2.6	79.5	10.3	2.6	84.6	7.7	2.6	89.7	2.6	0.0	76.9	17.9
Inventories	25.6	43.6	25.6	28.2	48.7	20.5	23.1	59.0	15.4	25.6	33.3	38.5
Prices Paid	0.0	59.0	35.9	2.6	64.1	30.8	0.0	69.2	28.2	0.0	35.9	61.5
Prices Received	5.1	79.5	7.7	2.6	79.5	12.8	0.0	84.6	10.3	2.6	38.5	53.8
Number of Employees	15.4	69.2	10.3	7.7	82.1	7.7	5.1	84.6	7.7	7.7	48.7	38.5
Average Employee Workweek	7.7	64.1	20.5	10.3	74.4	10.3	5.1	82.1	7.7	2.6	66.7	23.1
Capital Expenditures										5.1	48.7	41.0

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