

BUSINESS OUTLOOK SURVEY  
Summary of Returns  
April 1970

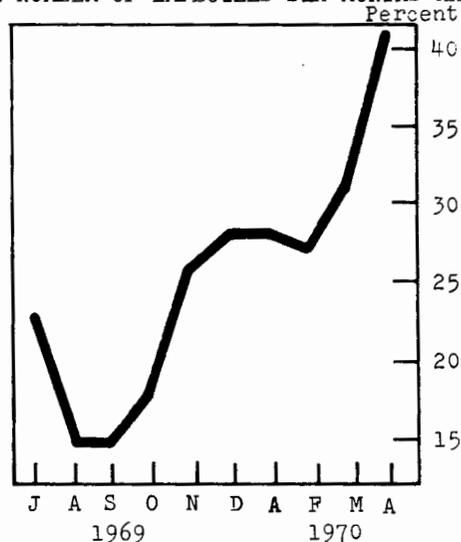
This Summary of Returns reports on the April responses to the Business Outlook Survey conducted by the Federal Reserve Bank of Philadelphia. Its purpose is to provide an insight into Third District business conditions. The Survey sample polls manufacturing firms with 500 or more employees.

The slump in regional business activity is continuing. According to the latest Business Outlook Survey, more than half of the manufacturers polled in the Third Federal Reserve District realized either no change or actual decline in sales and new orders in the month of March. However, survey results show a rise in unfilled orders, indicating some reduction in the pace of the decline. But area executives have not yet reached a consensus as to whether or not the current business slump has bottomed out.

There is, however, a definite bullish consensus with respect to the longer term outlook, according to survey returns. Almost three out of four responding manufacturers say they expect the level of general business activity and new orders for their own firms to be higher six months from now.

Optimism for the longer-run probably accounts for the recent upward trend in hiring plans by area businessmen for later in the year. The chart shows the percentage of respondents expecting to increase the number of employees in their

RESPONDENTS EXPECTING AN INCREASE IN  
THE NUMBER OF EMPLOYEES SIX MONTHS AHEAD



firms six months hence. From July through September of last year, plans for increasing the number of employees trended downward. Since October, however, the downward trend has been reversed. Moreover, survey results indicate that area firms planning to increase the number of employees six months from now outweigh those planning a decrease by a seven to one margin.

On the price front, the consensus outlook is inflationary. More than half the executives polled expect prices to be higher a half a year from now. In short, area businessmen continue to foresee rising prices, and they are optimistic that the business climate will brighten during the second half of the year.

## BUSINESS OUTLOOK SURVEY

### SUMMARY TABLE OF RETURNS

April 1970

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
<b>GENERAL BUSINESS CONDITIONS</b>												
What is your evaluation of the level of general business activity?	27.5	56.9	15.7	23.5	60.8	15.7	11.8	58.8	29.4	2.0	25.5	72.5
<b>COMPANY BUSINESS INDICATORS</b>												
New Orders	21.6	49.0	29.4	19.6	47.1	33.3	9.8	49.0	41.2	3.9	21.6	74.5
Shipments	13.7	43.1	41.2	21.6	49.0	27.5	7.8	45.1	45.1	3.9	25.5	68.6
Unfilled Orders	35.3	47.1	15.7	25.5	60.8	11.8	19.6	62.7	15.7	5.9	43.1	49.0
Delivery Time	9.8	84.3	3.9	3.9	90.2	3.9	5.9	88.2	3.9	5.9	74.5	17.6
Inventories	25.5	54.9	19.6	23.5	49.0	27.5	31.4	49.0	19.6	31.4	35.3	33.3
Prices Paid	2.0	54.9	41.2	0.0	58.8	39.2	0.0	66.7	31.4	2.0	39.2	56.9
Prices Received	5.9	72.5	19.6	3.9	84.3	9.8	2.0	90.2	5.9	3.9	43.1	51.0
Number of Employees	15.7	66.7	15.7	9.8	72.5	15.7	5.9	78.4	13.7	5.9	51.0	41.2
Average Employee Workweek	13.7	72.5	7.8	9.8	80.4	3.9	3.9	88.2	2.0	2.0	68.6	23.5
Capital Expenditures										9.8	54.9	29.4

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