

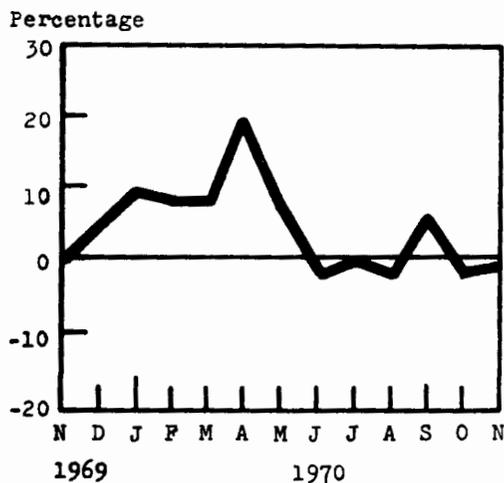
BUSINESS OUTLOOK SURVEY
 Summary of Returns
 November 1970

This Summary of Returns reports on the November 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 level of business activity is expected to remain flat or decrease slightly through the end of this year, according to manufacturers in the Third Federal Reserve District. The latest Business Outlook Survey shows that most area firms polled are experiencing either no change or actual declines in sales and new orders for the month of November. For December, the consensus view is for no change in these key variables. In part, this sluggish performance may reflect the effect of the General Motors strike.

Looking ahead to 1971, however, optimism remains for at least a mild upturn in the economy. More than two out of three executives polled say they expect sales and new orders to be higher for their own firms six months ahead. However, because the pickup in the economy is expected to be slow, area executives are holding the line on capital spending plans. The chart shows the percentage of respondents anticipating an

CAPITAL EXPENDITURE PLANS
 SIX MONTHS AHEAD*



* (Percentage of respondents expecting an increase minus those expecting a decrease)

increase minus those expecting a decrease in capital spending over the next six months. Since November of last year plans for investment outlays trended upward. However, this upward trend was reversed in May. And since June, the number of firms planning a cutback in capital spending outlays six months hence has approximated the number planning a boost.

The outlook for prices remains inflationary; more than 60 per cent of area executives canvassed expect prices to be higher a half a year ahead. In short, area businessmen continue to foresee rising prices, combined with only a modest pickup in business activity during 1971.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

NOVEMBER 1970

INDICATOR	October vs. September			November vs. October			December vs. November			Six Months From Now vs. November		
	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?	30.9	56.4	10.9	23.6	54.5	18.2	10.9	58.2	25.5	3.6	16.4	76.4
COMPANY BUSINESS INDICATORS												
New Orders	29.1	43.6	27.3	25.5	54.5	18.2	21.8	50.9	21.8	5.5	18.2	70.9
Shipments	16.4	50.9	32.7	20.0	63.6	14.5	18.2	60.0	16.4	5.5	18.2	70.9
Unfilled Orders	34.5	45.5	18.2	16.4	70.9	9.1	18.2	65.5	10.9	5.5	41.8	45.5
Delivery Time	14.5	76.4	7.3	10.9	78.2	5.5	9.1	83.6	1.8	3.6	63.6	27.3
Inventories	38.2	41.8	18.2	27.3	54.5	14.5	27.3	58.2	9.1	18.2	50.9	27.3
Prices Paid	1.8	63.6	34.5	0.0	72.7	25.5	0.0	67.3	30.9	1.8	23.6	72.7
Prices Received	5.5	74.5	20.0	3.6	81.8	12.7	3.6	76.4	18.2	0.0	36.4	61.8
Number of Employees	25.5	65.5	7.3	18.2	74.5	3.6	9.1	83.6	3.6	9.1	52.7	30.9
Average Employee Workweek	9.1	83.6	5.5	14.5	78.2	3.6	12.7	80.0	3.6	5.5	61.8	27.3
Capital Expenditures										27.3	34.5	25.5

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