

Literatus → B. Turnbull



BUSINESS OUTLOOK SURVEY
 Summary of Returns
 December 1972

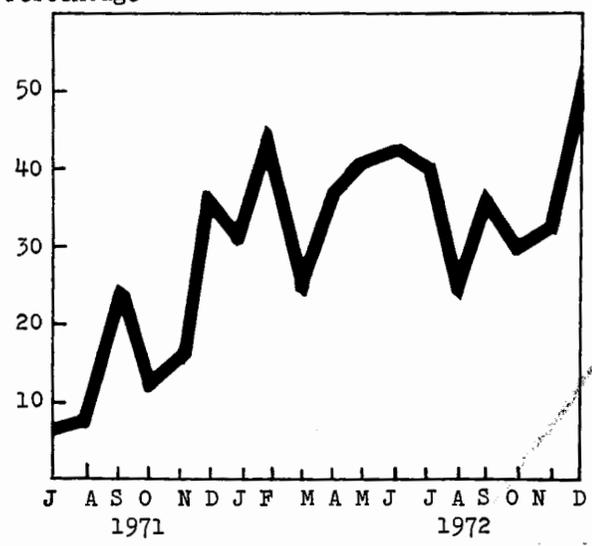
This Summary of Returns reports on the December responses to the Business Outlook Survey conducted by the Federal Reserve Bank of Philadelphia. Its purpose is to provide an insight into Third District business conditions. The survey sample polls manufacturing firms with 500 or more employees.

Much like the national economy, the regional economy shows signs of a healthy expansion. The latest Business Outlook Survey, conducted among large manufacturers in the Third Federal Reserve District, reveals several of the important economic indicators continue to point upward. In December, for example, three-fourths of the responding firms are registering increases or a continuation of previous high levels in their sales and new orders. And a large majority predict this trend in sales and new orders will be repeated in January.

Area manufacturers are also bullish about the prospects for business in the first half of next year. Three out of four executives polled believe the level of general business activity will be higher six months from now. And two-thirds of the respondents foresee increasing sales and new orders a half year ahead for their own firms.

In anticipation of the increased business tempo, plans for capital investment six months from now are continuing at a high level. As the chart shows, the number of business firms intending to boost capital expenditures a

CAPITAL EXPENDITURE PLANS
 Percentage SIX MONTHS AHEAD*



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

half a year ahead outstrips those expecting cutbacks by a wide margin. In fact, the capital expenditure index currently is at its highest level since the Business Outlook Survey was initiated four years ago.

On the price front, most area executives see prices holding the line in the near term. However, about half of the respondents expect prices to be higher a half year ahead.

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 are stepping up their plans for capital expenditures for 1973.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

DECEMBER 1972

INDICATOR	November vs. October			December vs. November			January vs. December			Six Months From Now vs. December		
	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?	3.0	51.5	42.4	9.1	45.5	42.4	6.1	39.4	51.5	0.0	21.2	75.8
COMPANY BUSINESS INDICATORS												
New Orders	3.0	45.5	51.5	24.2	45.5	30.3	9.1	39.4	51.5	0.0	30.3	69.7
Shipments	3.0	45.5	51.5	27.3	39.4	33.3	9.1	36.4	54.5	3.0	27.3	66.7
Unfilled Orders	21.2	51.5	24.2	27.3	48.5	21.2	3.0	66.7	27.3	6.1	42.4	48.5
Delivery Time	3.0	87.9	6.1	3.0	84.8	9.1	6.1	81.8	9.1	9.1	66.7	21.2
Inventories	27.3	57.6	15.2	27.3	57.6	15.2	12.1	51.5	36.4	12.1	42.4	45.5
Prices Paid	0.0	69.7	27.3	0.0	81.8	15.2	0.0	78.8	18.2	0.0	33.3	63.6
Prices Received	3.0	72.7	24.2	3.0	87.9	9.1	3.0	78.8	18.2	6.1	51.5	42.4
Number of Employees	6.1	78.8	15.2	0.0	87.9	12.1	6.1	81.8	12.1	0.0	63.6	36.4
Average Employee Workweek	3.0	78.8	15.2	9.1	75.8	12.1	6.1	69.7	21.2	6.1	69.7	21.2
Capital Expenditures										6.1	36.4	54.5

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