



# Greater Philadelphia Chamber of Commerce Economic Outlook Survey Results

January 14, 2015  
Elif Sen

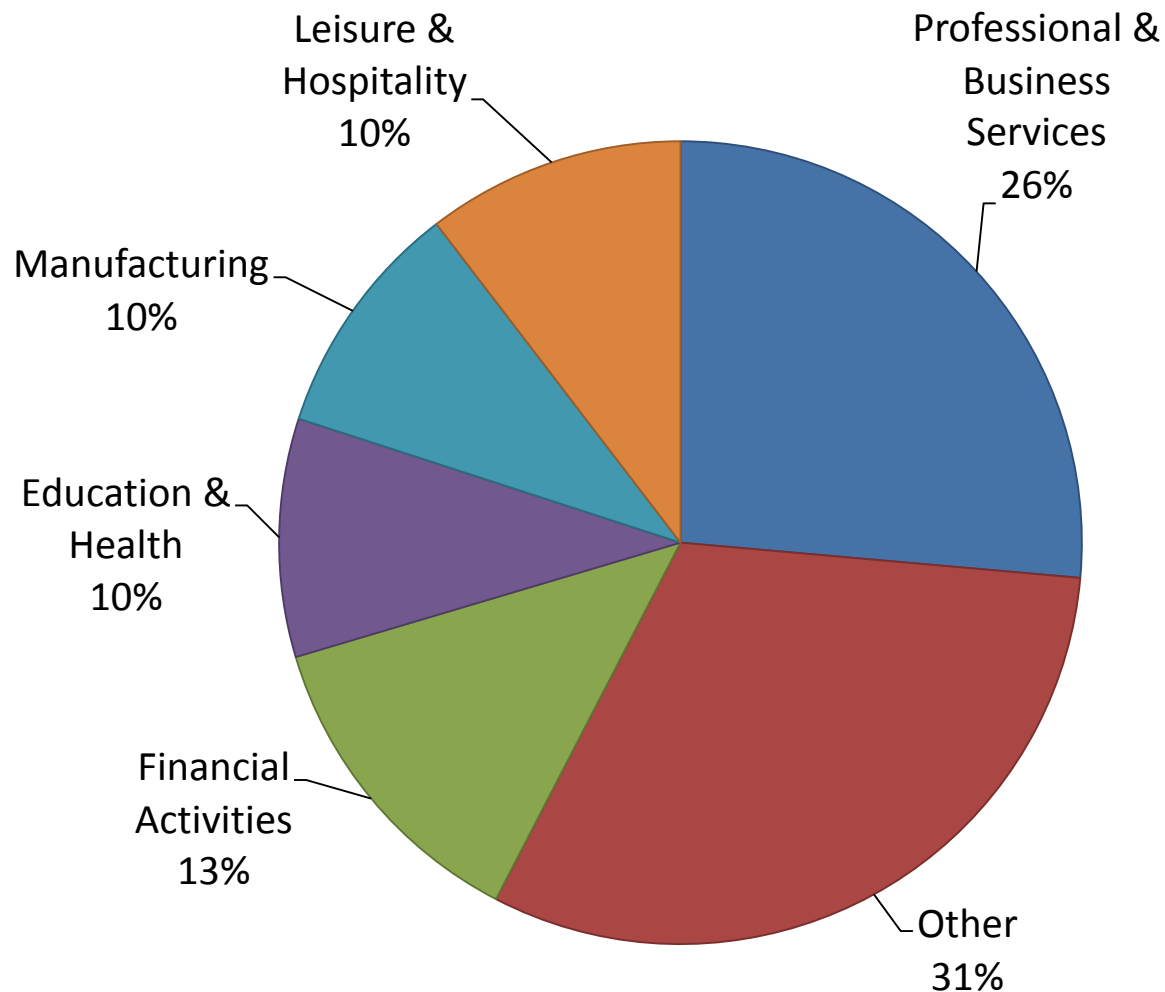
FEDERAL RESERVE BANK OF PHILADELPHIA

*\* The views expressed today are my own and not necessarily those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.*

# Economic Outlook Survey



- Conducted from Dec. 3, 2014, to Dec. 17, 2014
- Total Responses = 125
- Results presented as “Diffusion Index”



# Diffusion Index



What is your assessment of changes in business conditions for the region?

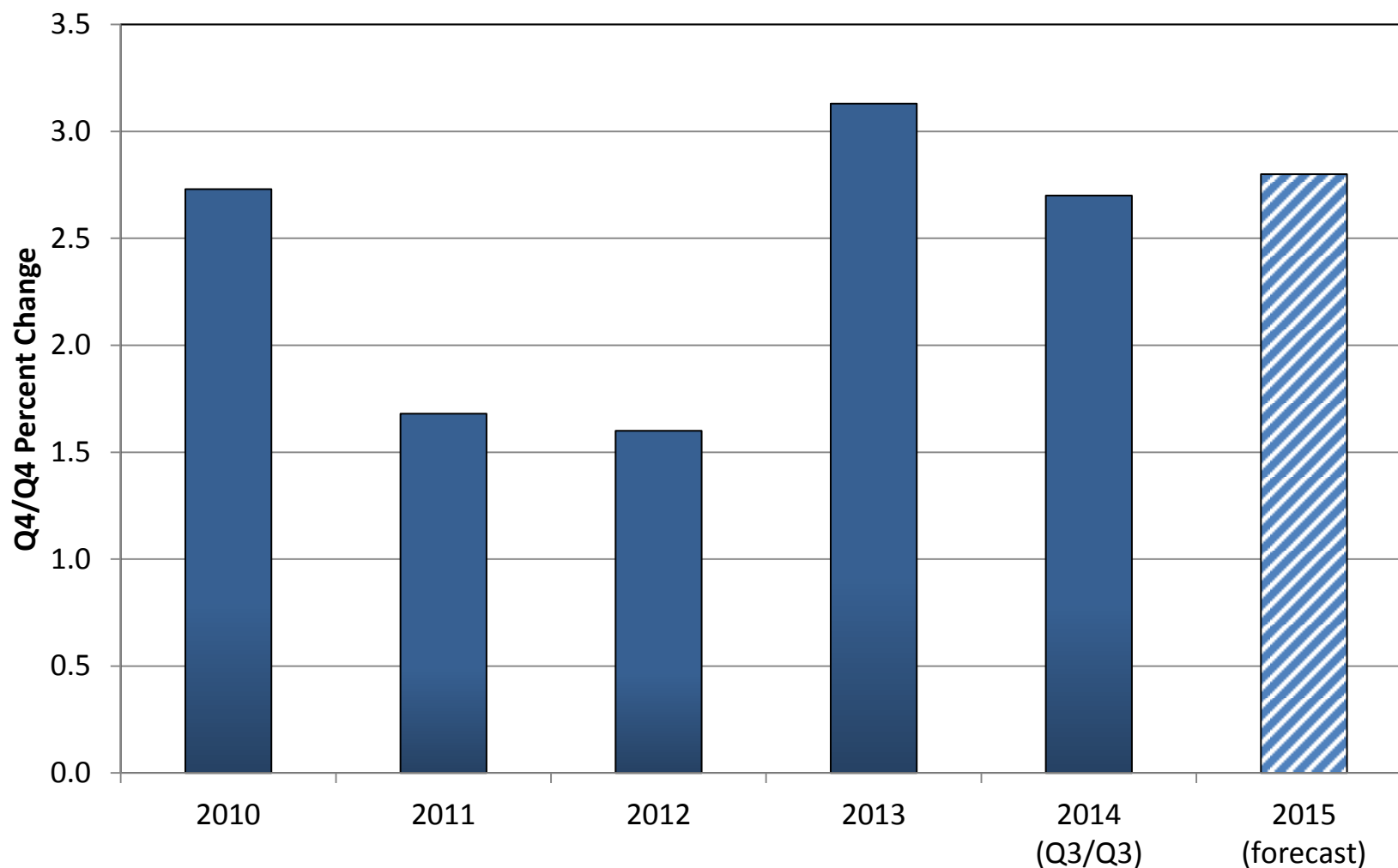
2014 compared with 2013

Significantly Lower	Slightly Lower	Same	Slightly Higher	Significantly Higher
2.4%	8.0%	14.4%	60.8%	12.8%

$$(60.8 + 12.8) - (8.0 + 2.4)$$

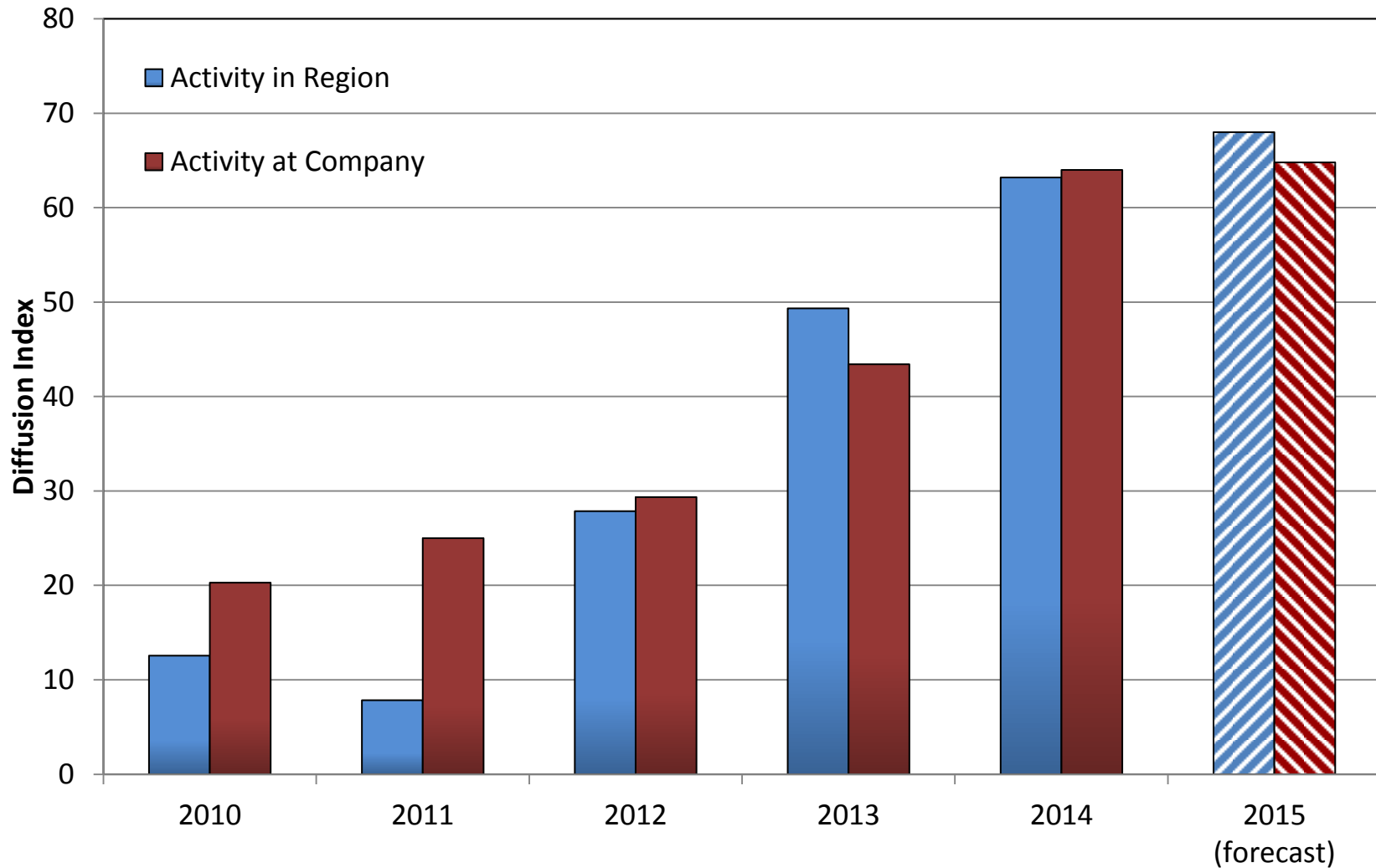
Diffusion Index = 63.2

# Real Gross Domestic Product



Source: Bureau of Economic Analysis via Haver Analytics,  
FOMC Summary of Economic Projections – Dec. 17, 2014

# Survey Response – Business Activity



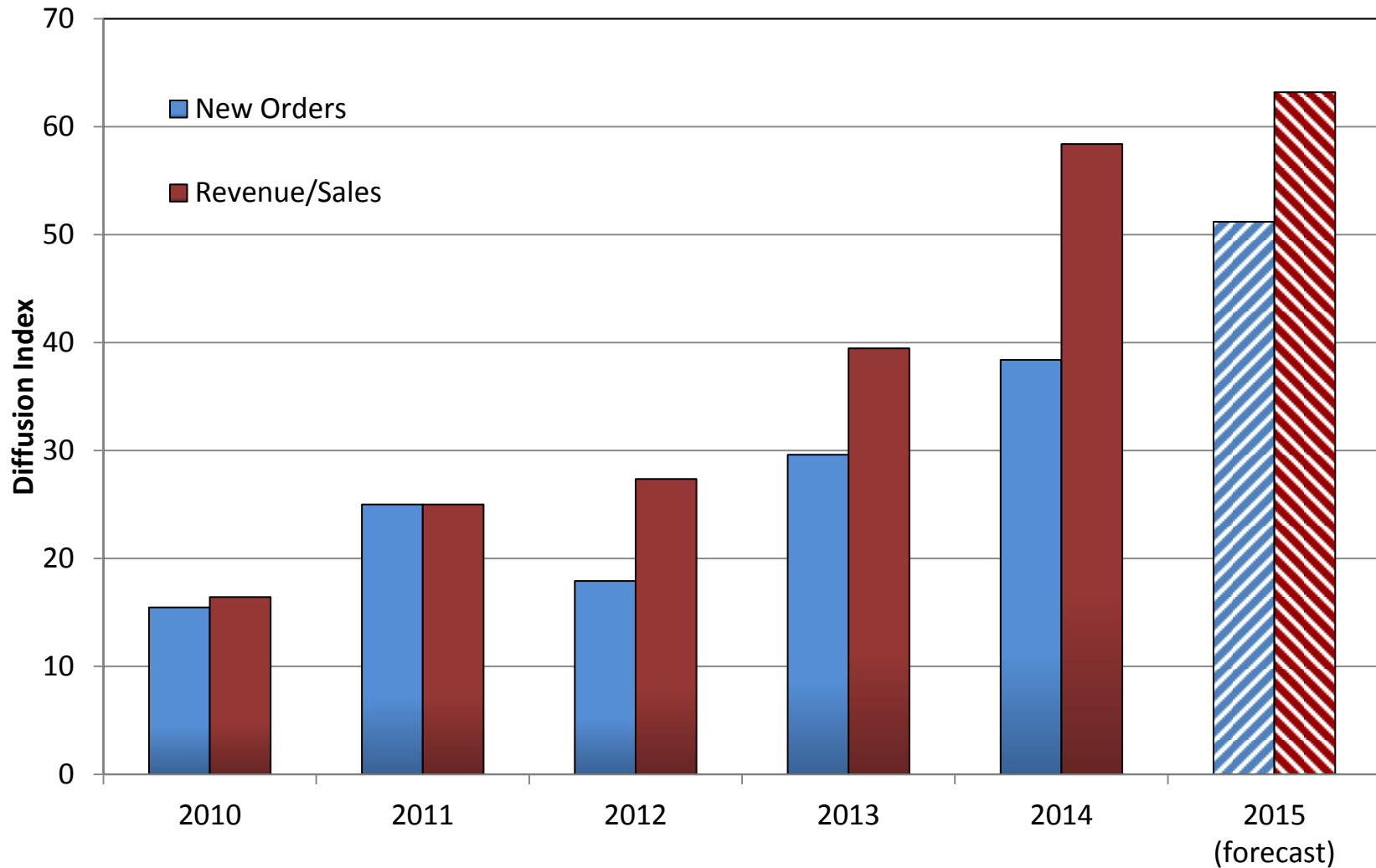
Source: Survey Results

# New Orders – Nationwide



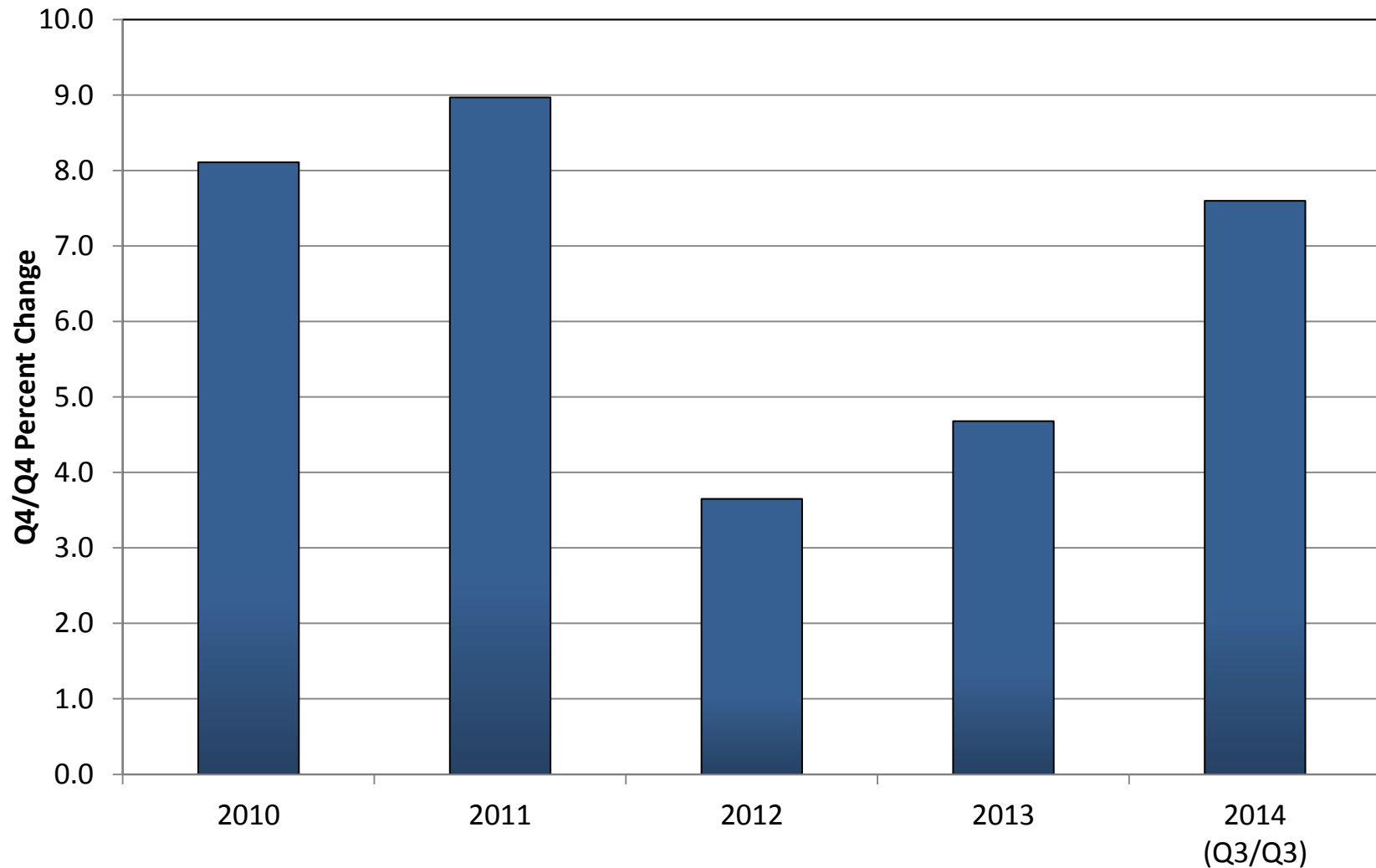
Source: Institute for Supply Management via Haver Analytics

# Survey Response – Orders and Sales



Source: Survey Results

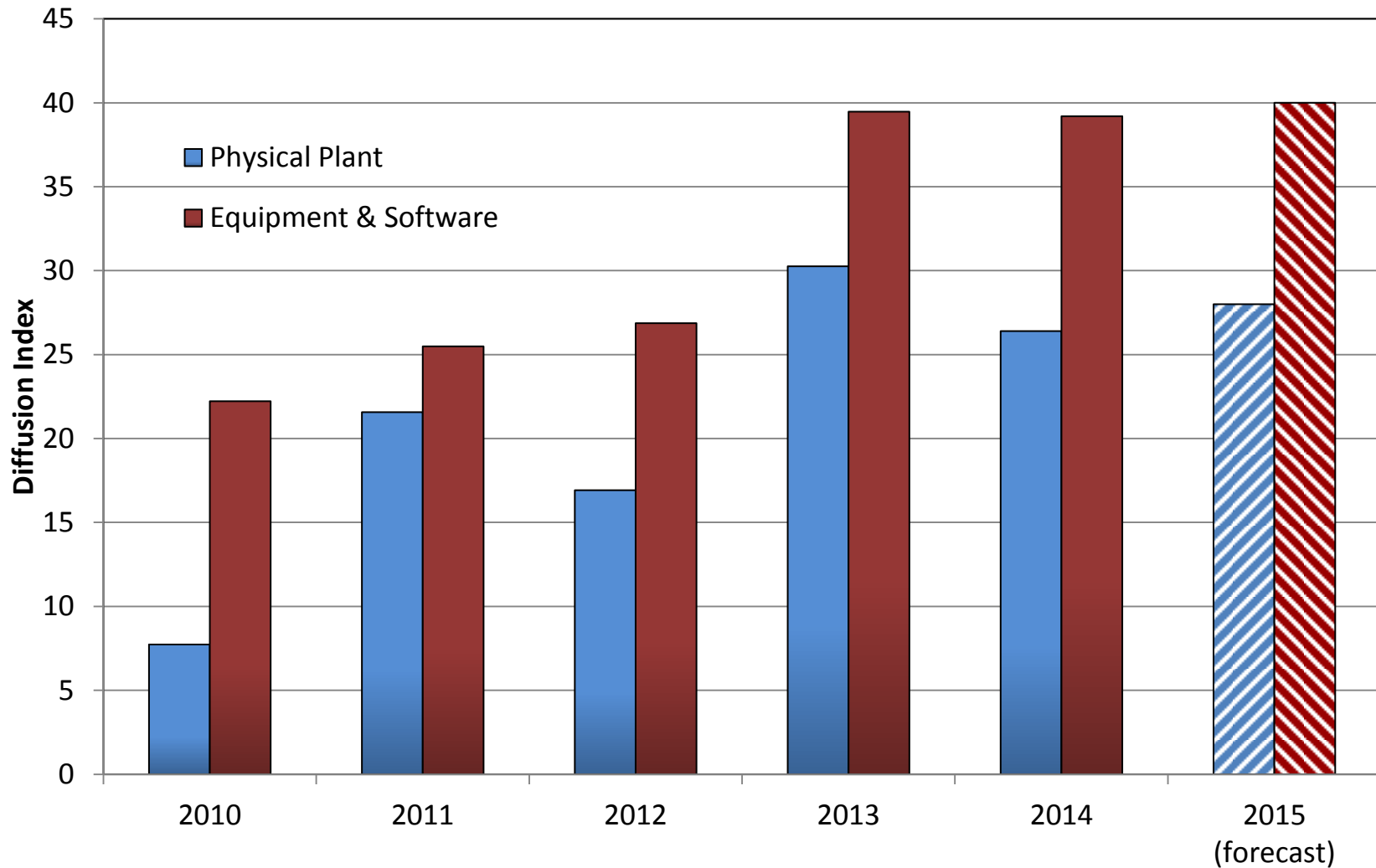
# Nonresidential Investment – Nationwide



Source: Bureau of Economic Analysis via Haver Analytics

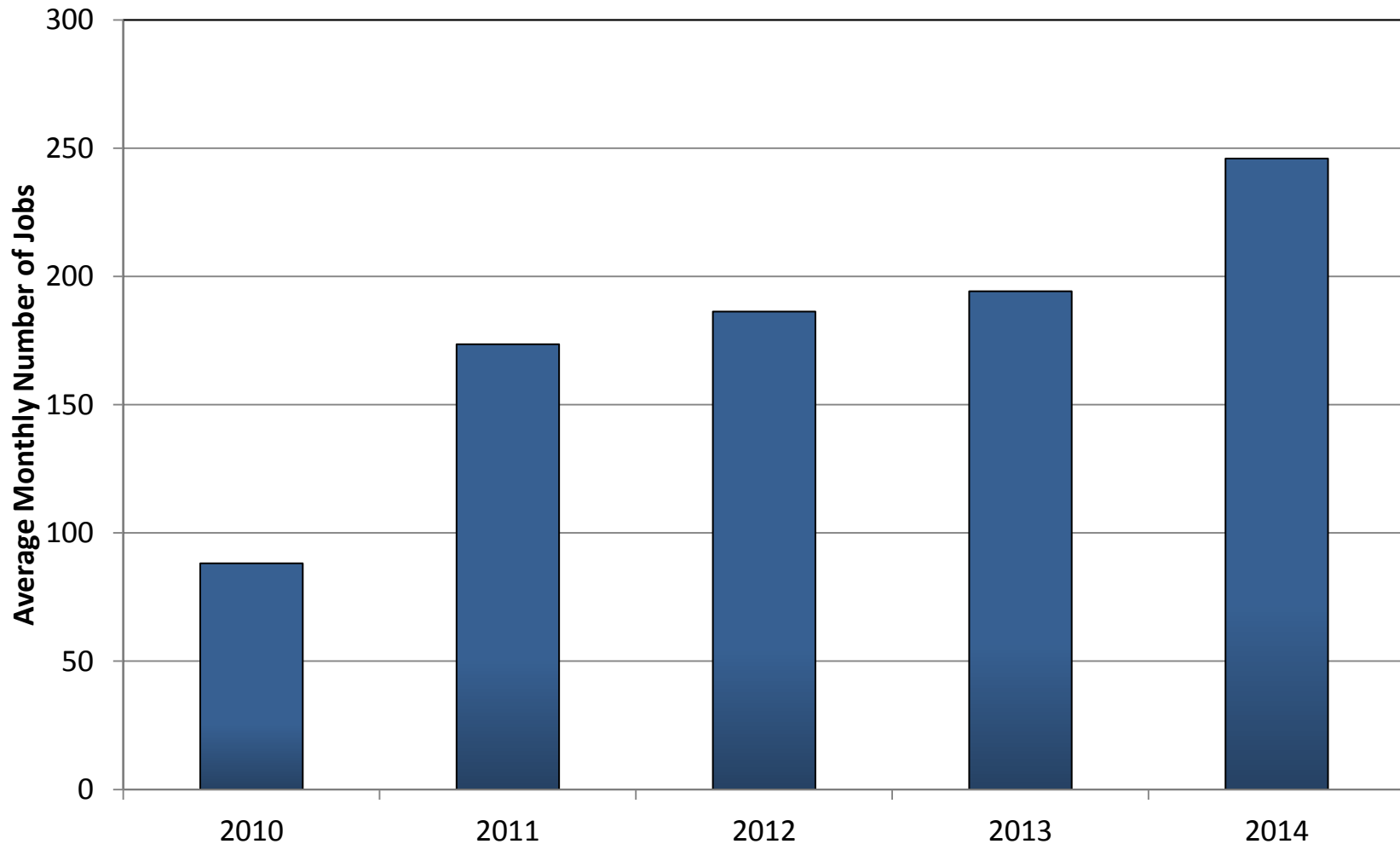


# Survey Response – Capital Expenditures



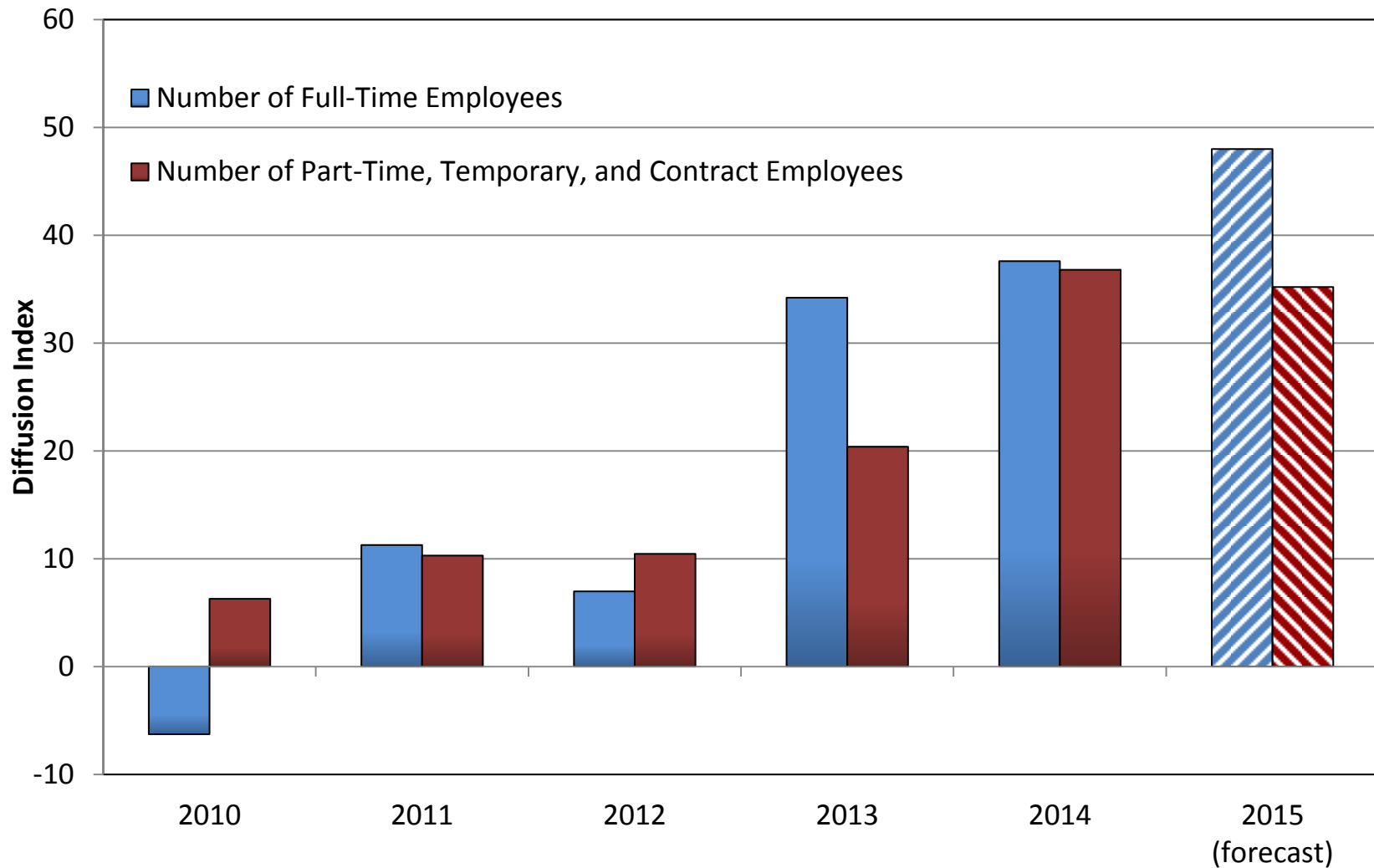
Source: Survey Results

# Nonfarm Job Growth – Nationwide



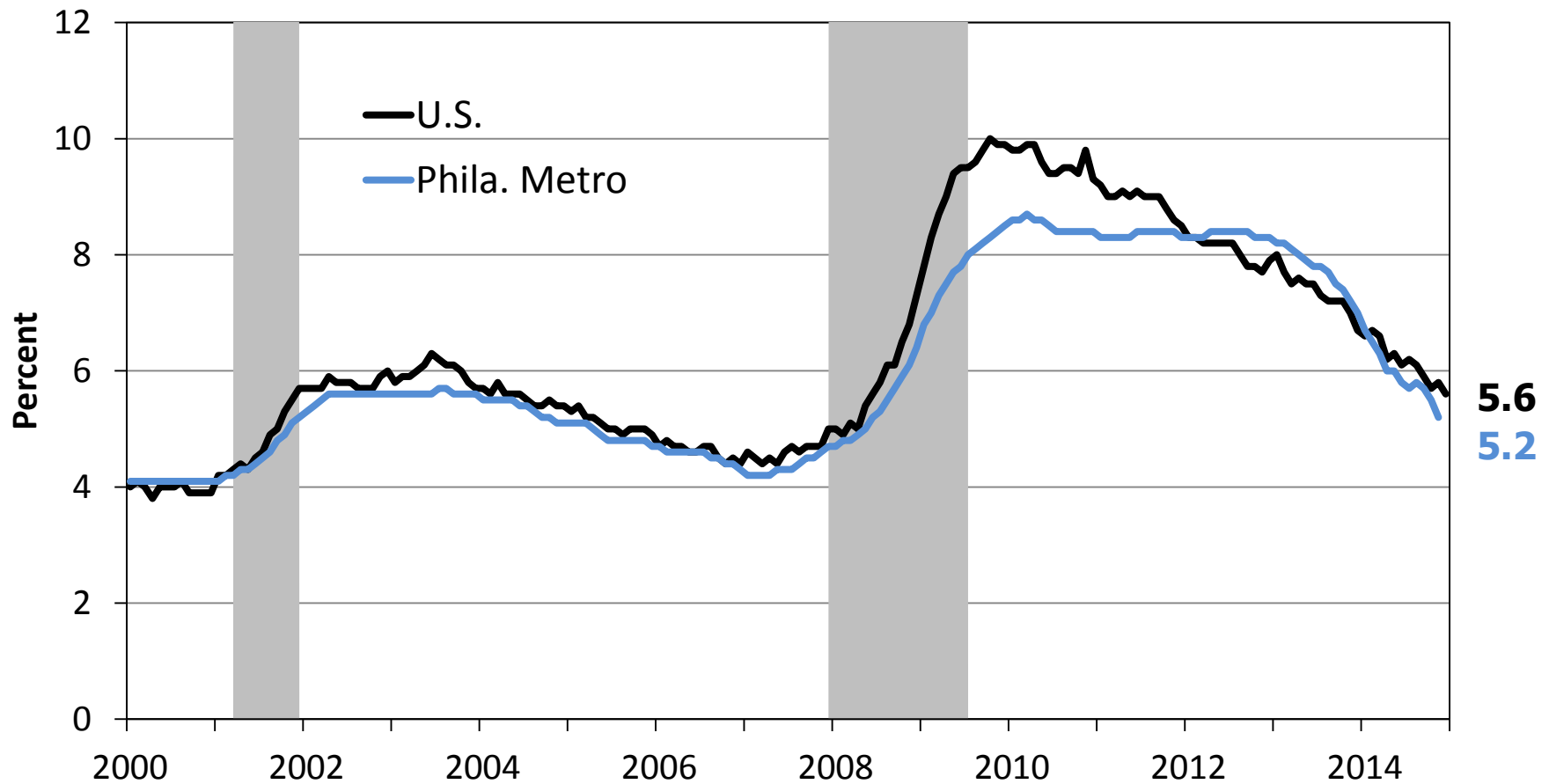
Source: Bureau of Labor Statistics via Haver Analytics

# Survey Response – Hiring



Source: Survey Results

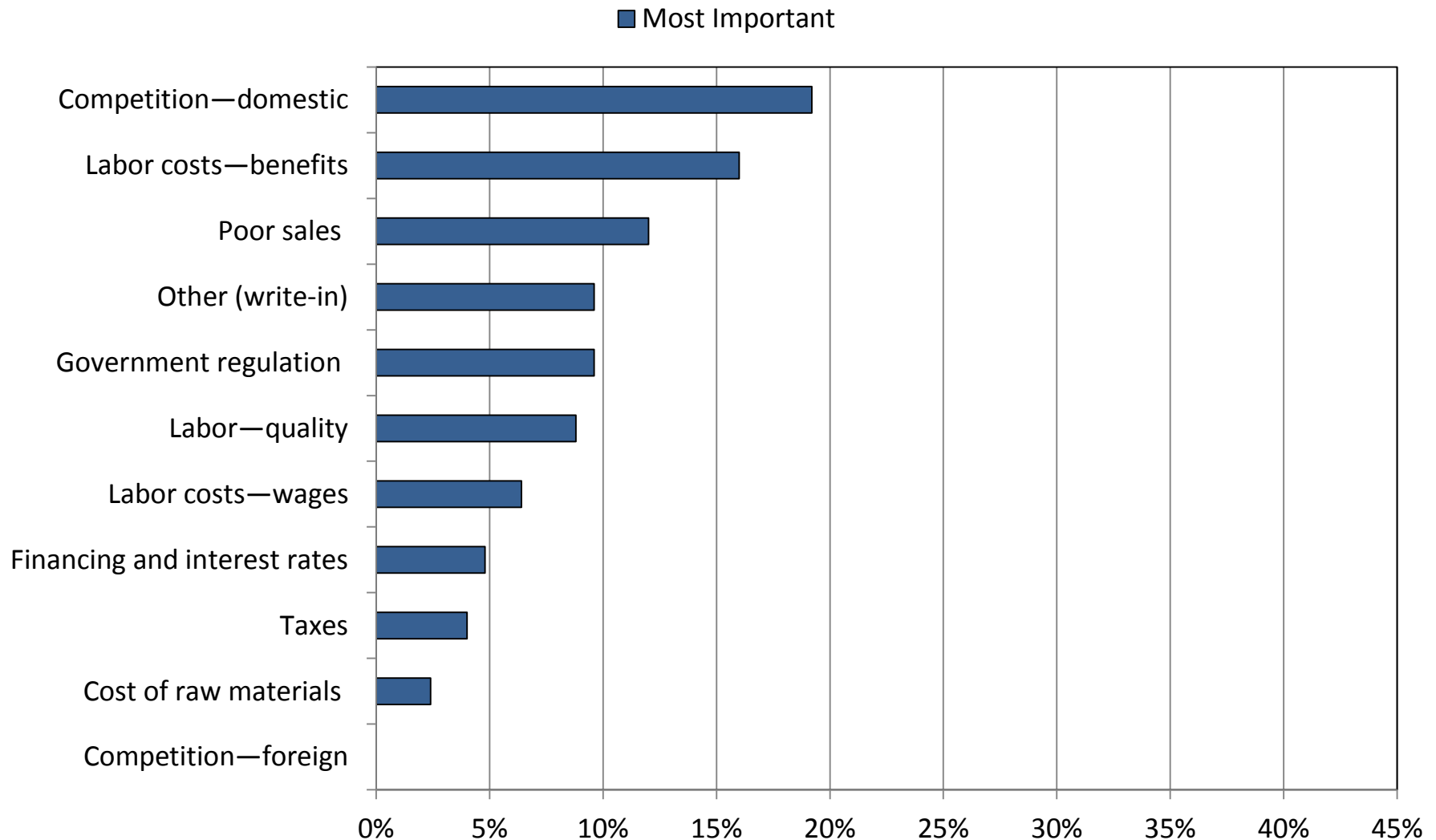
# National & Regional Unemployment



Source: Bureau of Labor Statistics via Haver Analytics

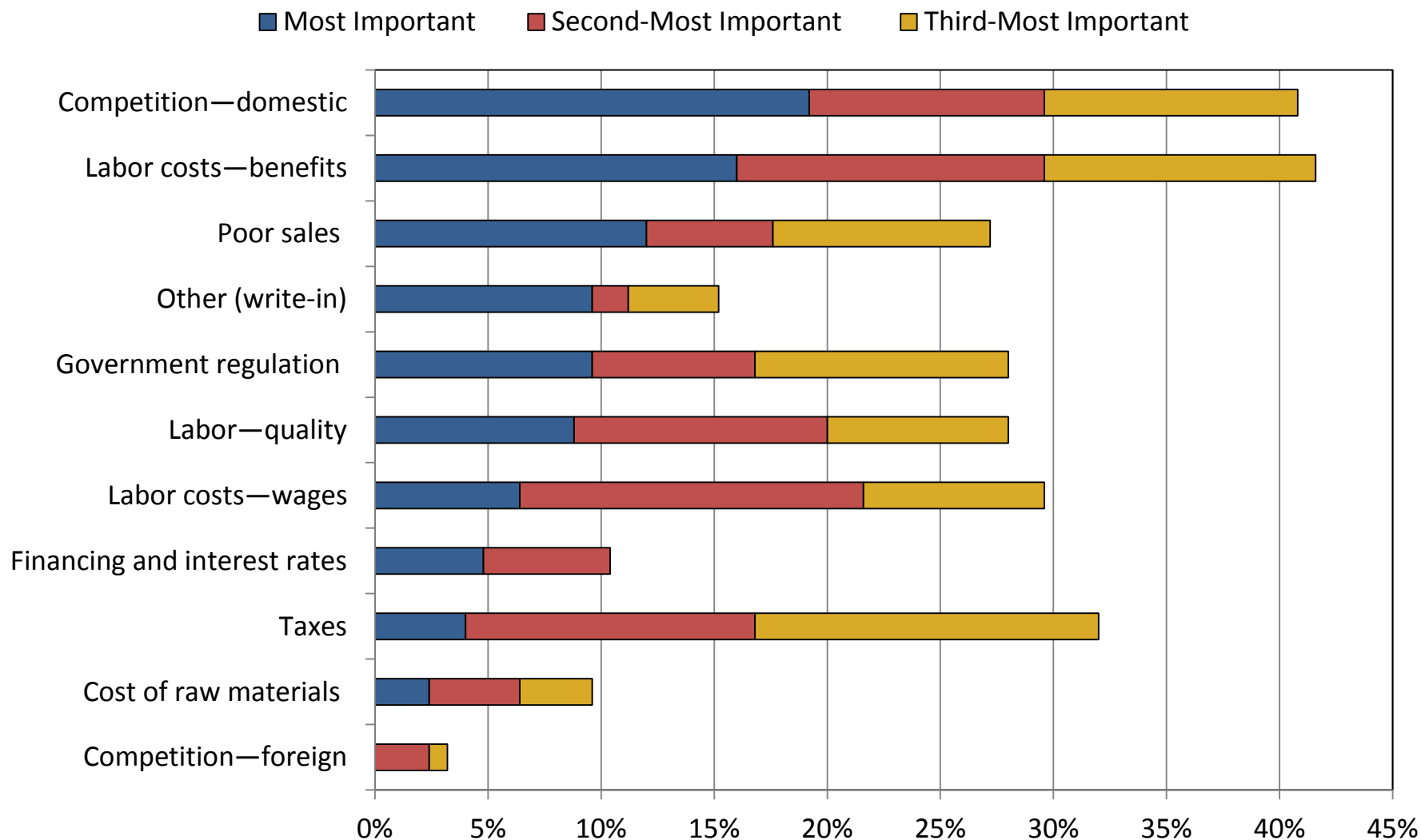
Last month plotted: December 2014 for U.S. and November 2014 for Phila. Metro

# Biggest Problems Facing GPCC Members



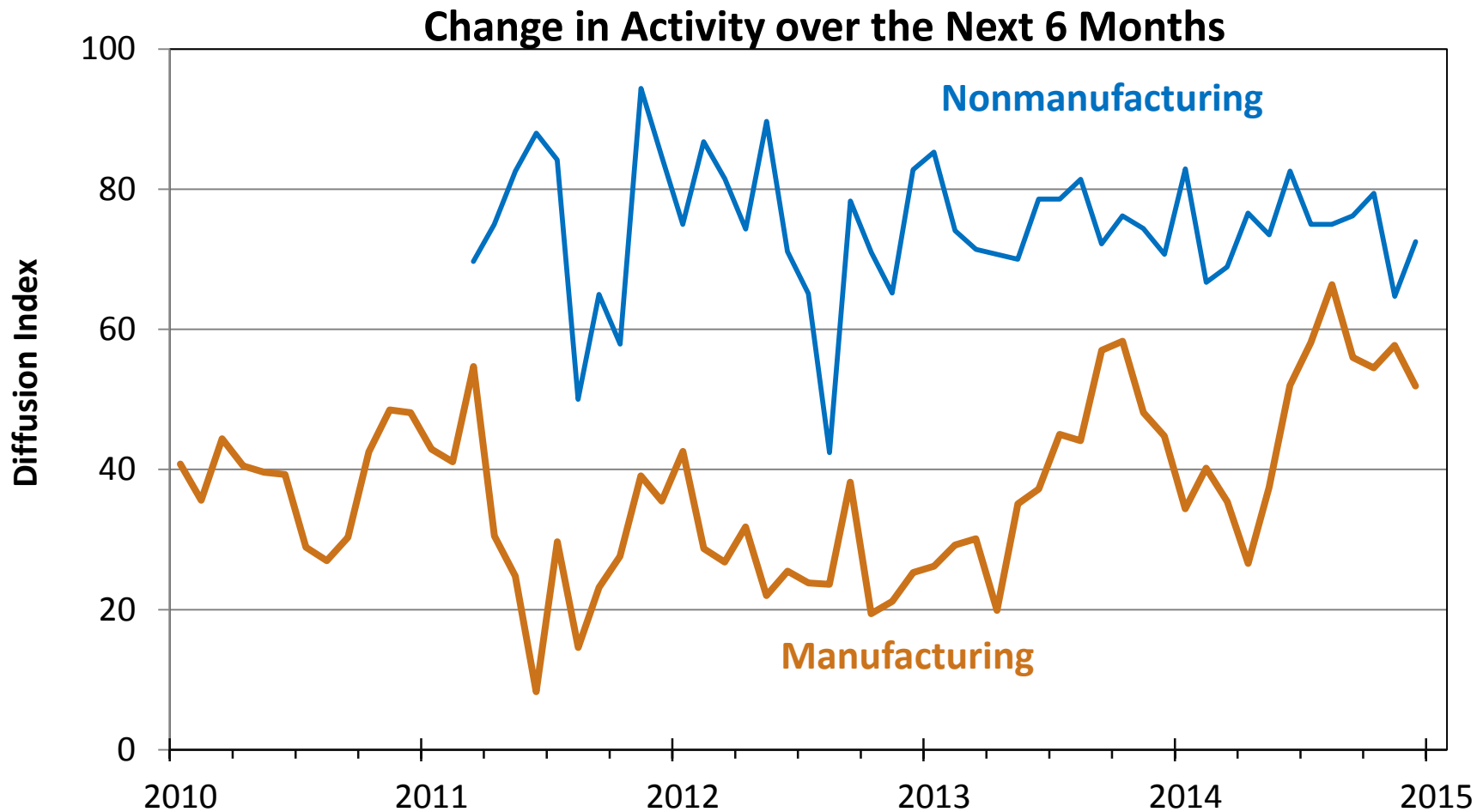
Source: Survey Results

# Biggest Problems Facing GPCC Members



Source: Survey Results

# Philly Fed Business Outlook Surveys



Source: Federal Reserve Bank of Philadelphia

Last month plotted: December 2014

# To Participate in Our Surveys



<http://philadelphiafedresearch.org/surveyparticipationform.htm>

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# Appendix – Survey Results



	Significantly lower	Slightly lower	Same	Slightly higher	Significantly higher	Not applicable	No response	Diffusion Index
<b>A. What is your assessment of changes in business conditions:</b>								
<b>General activity</b>								
<b>1. For the REGION:</b>								
2014 compared with 2013	2.4%	8.0%	14.4%	60.8%	12.8%	0.8%	0.8%	63.2
2015 compared with 2014	2.4%	4.0%	12.0%	63.2%	11.2%	3.2%	4.0%	68.0
<b>2. For your COMPANY:</b>								
2014 compared with 2013	4.0%	8.0%	10.4%	57.6%	18.4%	0.0%	1.6%	64.0
2015 compared with 2014	1.6%	7.2%	11.2%	56.8%	16.8%	1.6%	4.8%	64.8
<b>B. Specific company performance measures:</b>								
<b>1. New Orders</b>								
2014 compared with 2013	4.0%	8.0%	10.4%	36.0%	14.4%	10.4%	16.8%	38.4
2015 compared with 2014	1.6%	1.6%	10.4%	39.2%	15.2%	12.8%	19.2%	51.2
<b>2. Sales or Revenues</b>								
2014 compared with 2013	3.2%	9.6%	12.0%	51.2%	20.0%	0.8%	3.2%	58.4
2015 compared with 2014	2.4%	4.0%	12.8%	55.2%	14.4%	1.6%	9.6%	63.2
<b>3. Unfilled Orders</b>								
2014 compared with 2013	0.8%	6.4%	11.2%	8.0%	2.4%	29.6%	41.6%	3.2
2015 compared with 2014	0.8%	4.8%	10.4%	8.0%	2.4%	31.2%	42.4%	4.8
<b>4. Inventories (Finished Goods or Goods for Sale)</b>								
2014 compared with 2013	1.6%	4.0%	12.0%	5.6%	4.0%	31.2%	41.6%	4.0
2015 compared with 2014	0.0%	4.8%	12.0%	5.6%	4.0%	31.2%	42.4%	4.8
<b>5. Prices Paid</b>								
2014 compared with 2013	0.0%	5.6%	32.8%	34.4%	6.4%	8.8%	12.0%	35.2
2015 compared with 2014	0.0%	4.8%	20.8%	44.0%	4.0%	10.4%	16.0%	43.2
<b>6. Prices Received</b>								
2014 compared with 2013	1.6%	8.8%	35.2%	31.2%	2.4%	6.4%	14.4%	23.2
2015 compared with 2014	1.6%	6.4%	28.0%	32.0%	4.0%	8.8%	19.2%	28.0
<b>7. Number of Employees--Full-time Permanent</b>								
2014 compared with 2013	0.0%	11.2%	38.4%	44.8%	4.0%	0.0%	1.6%	37.6
2015 compared with 2014	0.8%	5.6%	32.8%	49.6%	4.8%	1.6%	4.8%	48.0
<b>8. Number of Employees--Part-time, Temporary, and Contract</b>								
2014 compared with 2013	0.0%	2.4%	44.0%	33.6%	5.6%	6.4%	8.0%	36.8
2015 compared with 2014	0.8%	4.8%	34.4%	35.2%	5.6%	7.2%	12.0%	35.2

# Appendix – Survey Results



	Significantly lower	Slightly lower	Same	Slightly higher	Significantly higher	Not applicable	No response	Diffusion Index
<b>9. Average Hours Worked Per Week</b>								
2014 compared with 2013	0.0%	4.0%	47.2%	40.0%	5.6%	0.0%	3.2%	41.6
2015 compared with 2014	0.8%	3.2%	50.4%	28.0%	6.4%	2.4%	8.8%	30.4
<b>10. Wage and Benefit Costs</b>								
2014 compared with 2013	0.0%	0.8%	24.8%	59.2%	12.0%	0.8%	2.4%	70.4
2015 compared with 2014	0.0%	0.0%	17.6%	57.6%	15.2%	2.4%	7.2%	72.8
<b>11. Capital Expenditures--Physical Plant</b>								
2014 compared with 2013	0.0%	6.4%	34.4%	21.6%	11.2%	9.6%	16.8%	26.4
2015 compared with 2014	0.8%	3.2%	34.4%	24.0%	8.0%	10.4%	19.2%	28.0
<b>12. Capital Expenditures--Equipment and Software</b>								
2014 compared with 2013	0.0%	5.6%	36.8%	36.0%	8.8%	3.2%	9.6%	39.2
2015 compared with 2014	1.6%	5.6%	28.0%	36.0%	11.2%	4.8%	12.8%	40.0

## C. What are the three most important problems your business is facing at this time?

	Most Important Problem	Second-Most Important Problem	Third-Most Important Problem
Labor costs--wages	6.4%	15.2%	8.0%
Labor costs--benefits	16.0%	13.6%	12.0%
Labor--quality	8.8%	11.2%	8.0%
Financing and interest rates	4.8%	2.4%	0.0%
Cost of raw materials	2.4%	10.4%	3.2%
Competition--foreign	0.0%	5.6%	0.8%
Competition--domestic	19.2%	7.2%	11.2%
Poor sales	12.0%	12.8%	9.6%
Government regulation	9.6%	1.6%	11.2%
Taxes	4.0%	10.4%	15.2%
Other (write-in)	9.6%	0.0%	4.0%
No response	7.2%	0.0%	16.8%