

# STATE OF THE ECONOMY

JANUARY 14, 2026

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SURVEY RESULTS

TITLE SPONSOR



CO-SPONSORS



# STATE OF THE ECONOMY

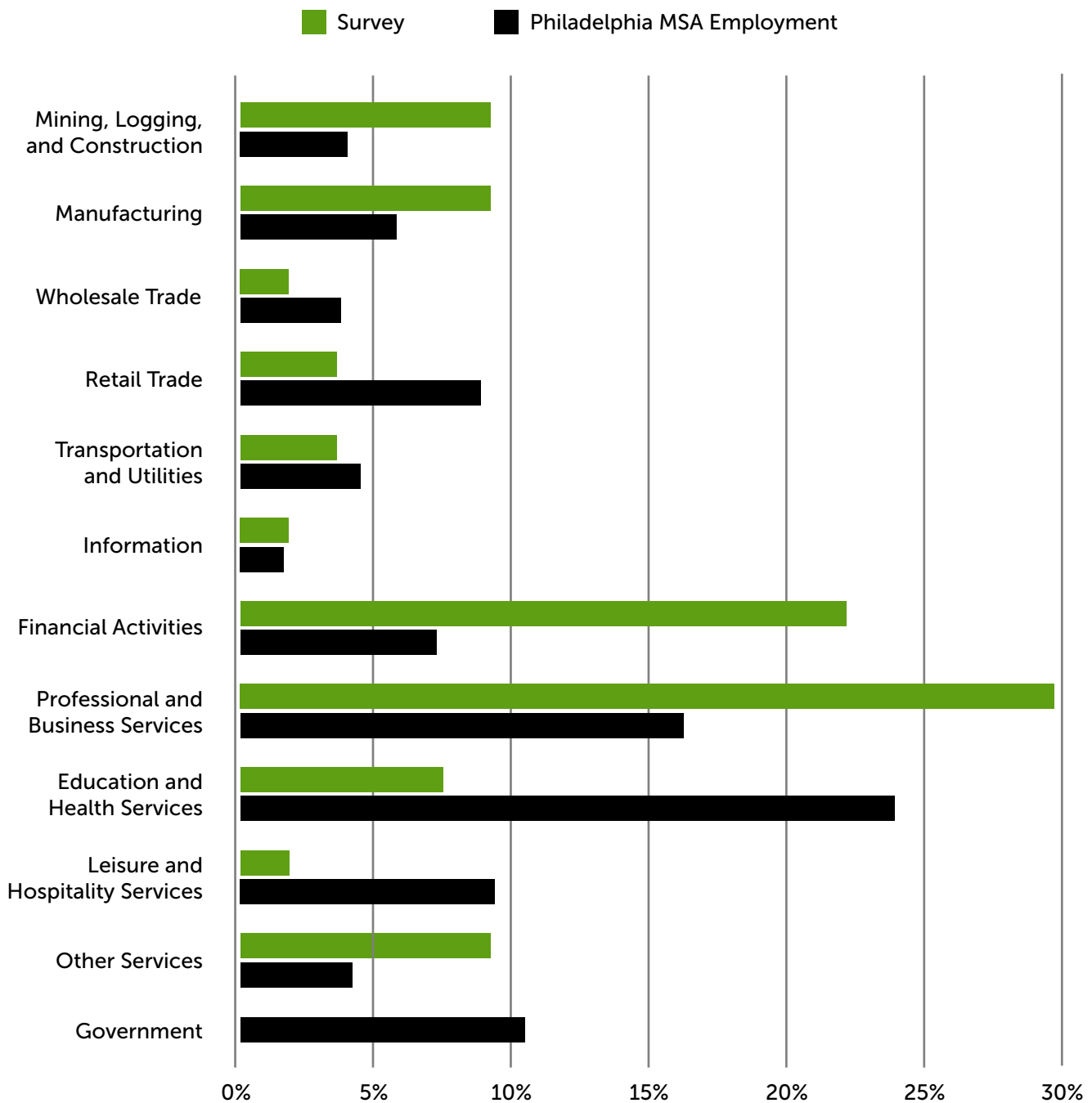
## SURVEY RESULTS

Conducted by the  
Federal Reserve Bank of Philadelphia  
from November 6–24, 2025



# SURVEY DEMOGRAPHICS

## RESPONDENT DISTRIBUTION – SECTOR



- Conducted from November 6–24, 2025.
- Other Services is an official BLS designation for any industry in NAICS code 81.



- Philadelphia MSA Employment, source: BLS via Haver Analytics.
- Responses received from 54 respondents.





# SURVEY METHODOLOGY

## We asked respondents:

What is your assessment of changes in business conditions  
in the following areas?

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## AREAS OF INTEREST

- The Region
- Your Company
- New Orders
- Sales or Revenues
- Prices Paid
- Prices Received
- Number of Employees
- Wage and Benefits Costs
- Capital Expenditures
- Headcount Changes
- Difficulty Hiring Workers
- Reasons for Losses
- Plans for Physical Operations
- Artificial Intelligence Usage

*(Looking back on 2025 compared with 2024 and looking ahead to 2026 compared with 2025)*

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*Respondents indicated their assessment by ranking change as Higher, Same, or Lower based on results comparing 2025 to 2024 and their projections comparing 2025 to 2026.*

*The following presents the findings from the survey administered from November 6–24, 2025.*

# SURVEY RESPONSE

**We asked respondents:**

What is your assessment of changes in business conditions?

## FOR THE REGION

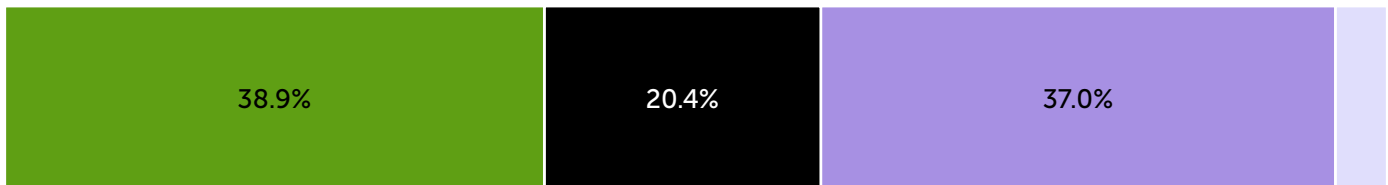
2025 Compared With 2024

3.7%  
|



2026 Compared With 2025

3.7%  
|



 Higher  Same  Lower  Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

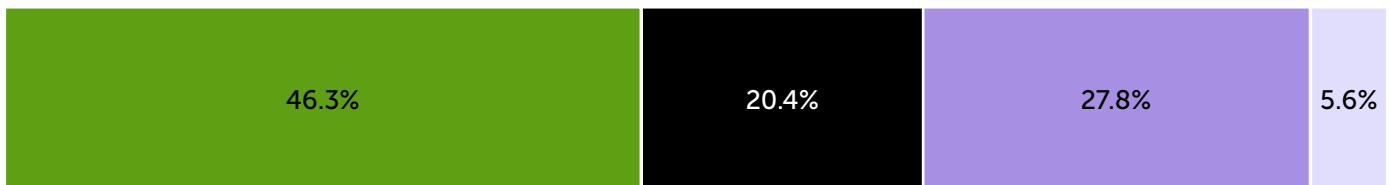
# SURVEY RESPONSE

**We asked respondents:**

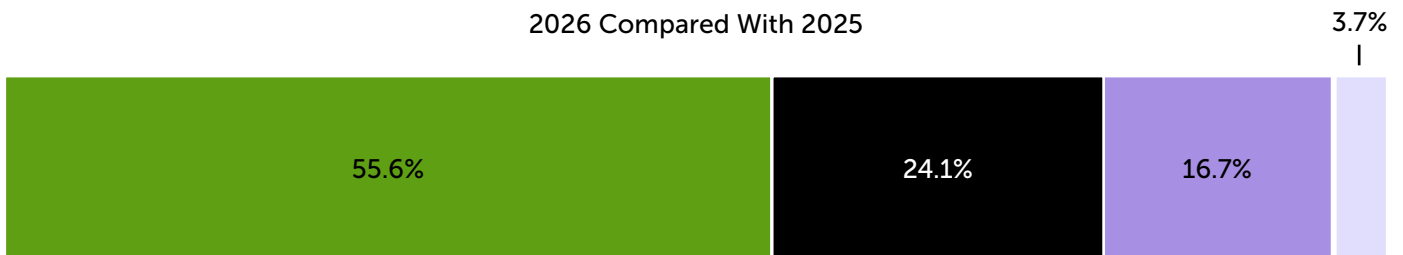
What is your assessment of changes in business conditions?

## FOR YOUR COMPANY

2025 Compared With 2024



2026 Compared With 2025



Higher Same Lower Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

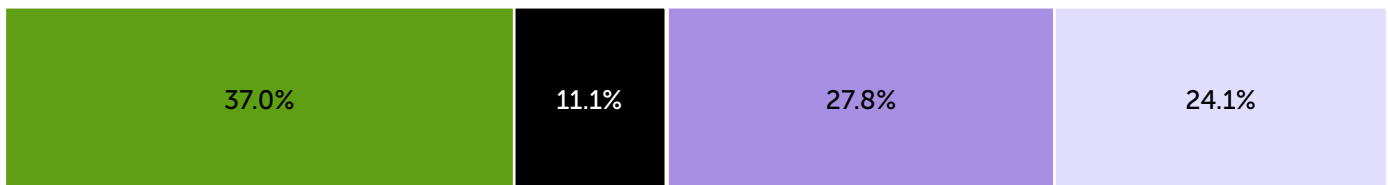
# SURVEY RESPONSE

**We asked respondents:**

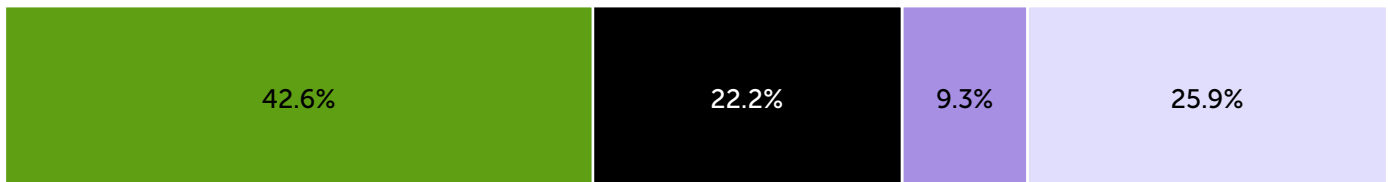
What is your assessment of changes in business conditions?

## NEW ORDERS

2025 Compared With 2024



2026 Compared With 2025



Higher Same Lower Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

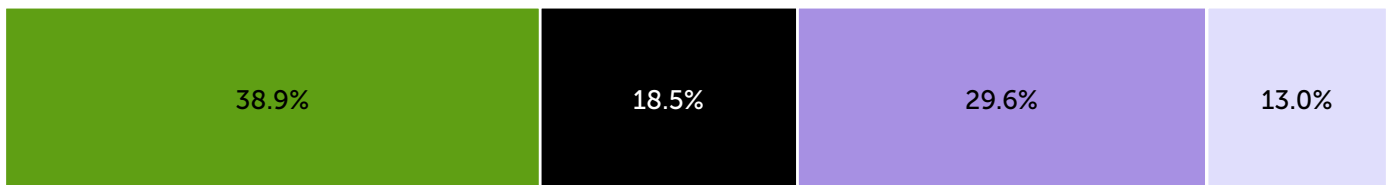
# SURVEY RESPONSE

**We asked respondents:**

What is your assessment of changes in business conditions?

## SALES OR REVENUES

2025 Compared With 2024



2026 Compared With 2025



 Higher  Same  Lower  Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results



# SURVEY RESPONSE

**We asked respondents:**

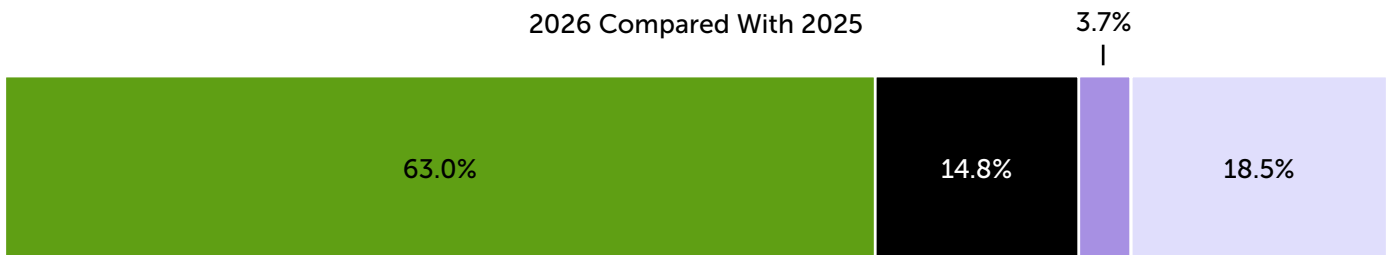
What is your assessment of changes in business conditions?

## PRICES PAID

2025 Compared With 2024



2026 Compared With 2025



 Higher  Same  Lower  Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

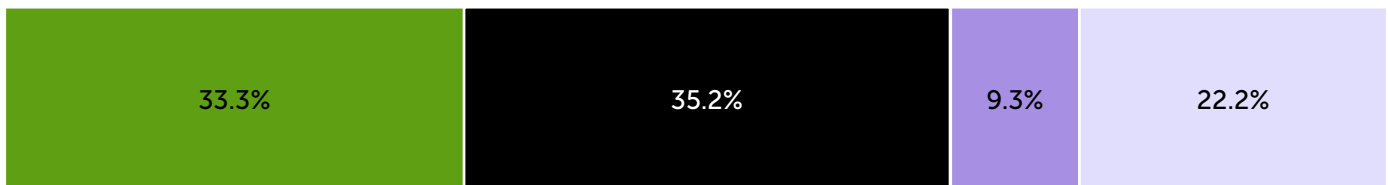
# SURVEY RESPONSE

**We asked respondents:**

What is your assessment of changes in business conditions?

## PRICES RECEIVED

2025 Compared With 2024



2026 Compared With 2025



 Higher  Same  Lower  Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

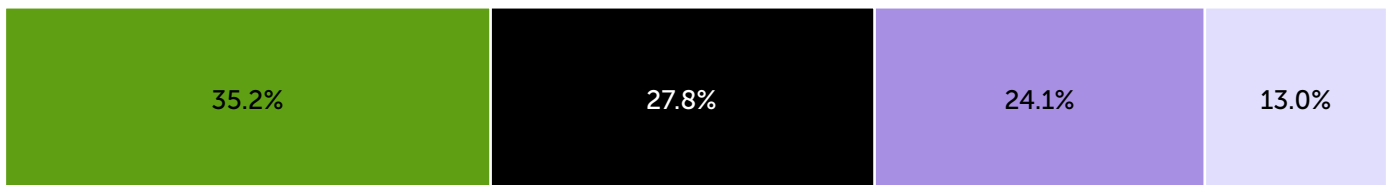
# SURVEY RESPONSE

**We asked respondents:**

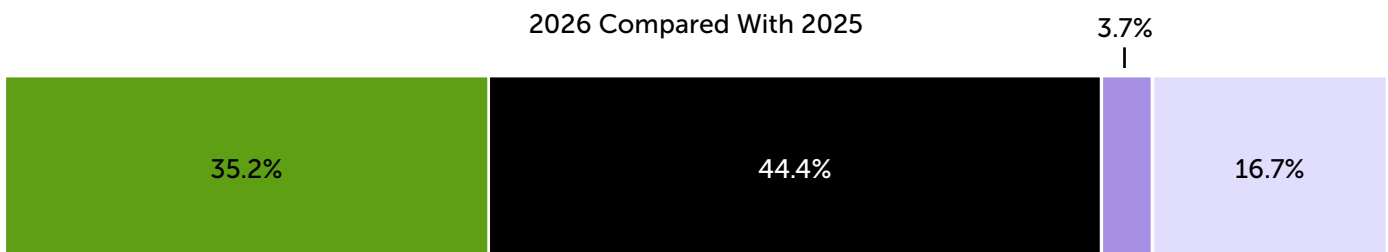
What is your assessment of changes in business conditions?

## NUMBER OF EMPLOYEES — FULL-TIME PERMANENT

2025 Compared With 2024



2026 Compared With 2025



Higher Same Lower Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

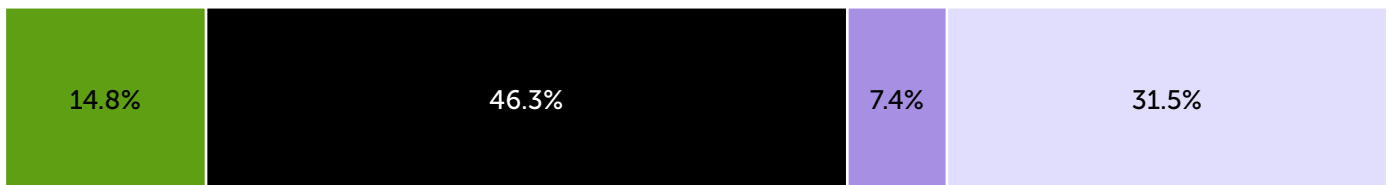
# SURVEY RESPONSE

**We asked respondents:**

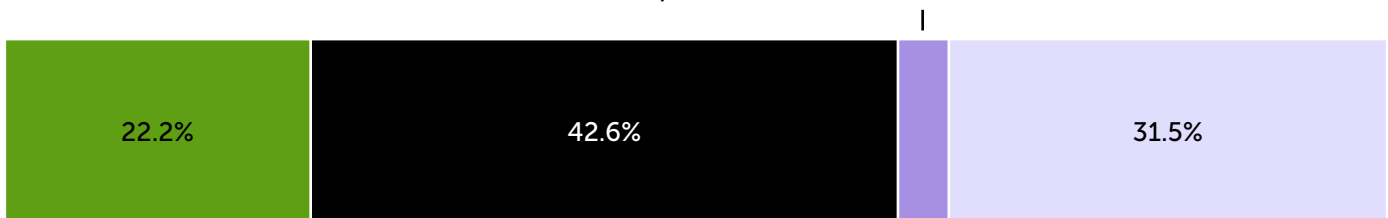
What is your assessment of changes in business conditions?

## NUMBER OF EMPLOYEES – PART-TIME, TEMPORARY, AND CONTRACT

2025 Compared With 2024



2026 Compared With 2025



Higher Same Lower Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

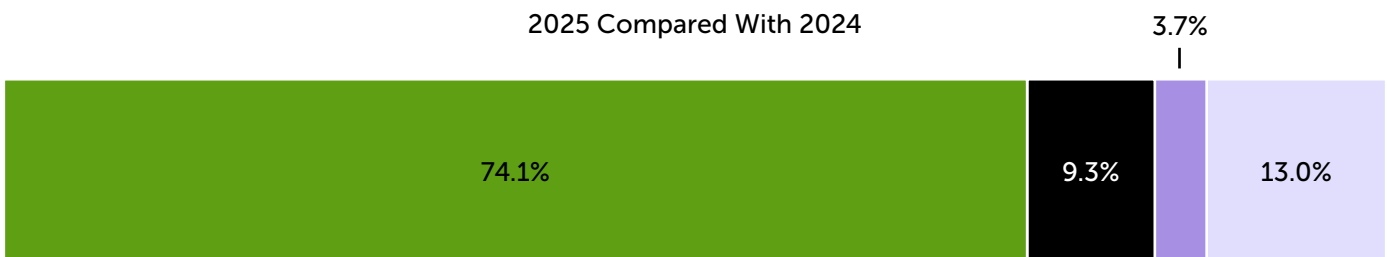
# SURVEY RESPONSE

**We asked respondents:**

What is your assessment of changes in business conditions?

## WAGE AND BENEFIT COSTS

2025 Compared With 2024



2026 Compared With 2025



Higher Same Lower Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results



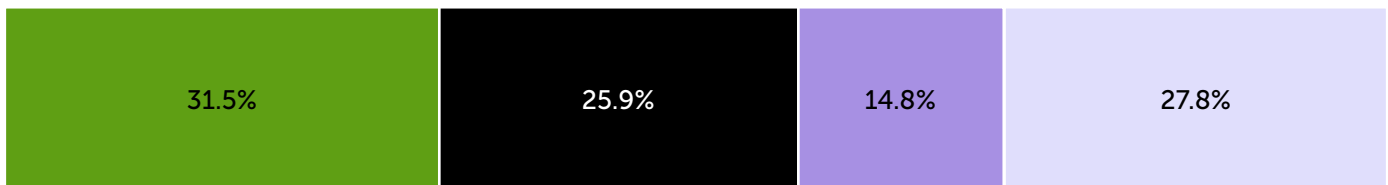
# SURVEY RESPONSE

**We asked respondents:**

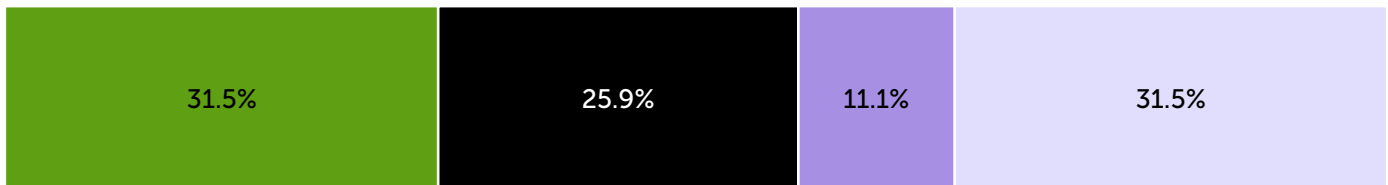
What is your assessment of changes in business conditions?

## CAPITAL EXPENDITURES — PHYSICAL PLANT

2025 Compared With 2024



2026 Compared With 2025



Higher Same Lower Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

# SURVEY RESPONSE

**We asked respondents:**

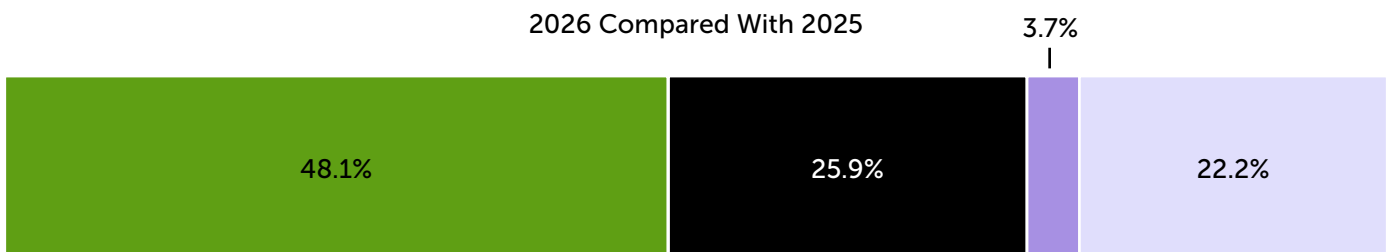
What is your assessment of changes in business conditions?

## CAPITAL EXPENDITURES — EQUIPMENT AND SOFTWARE

2025 Compared With 2024



2026 Compared With 2025



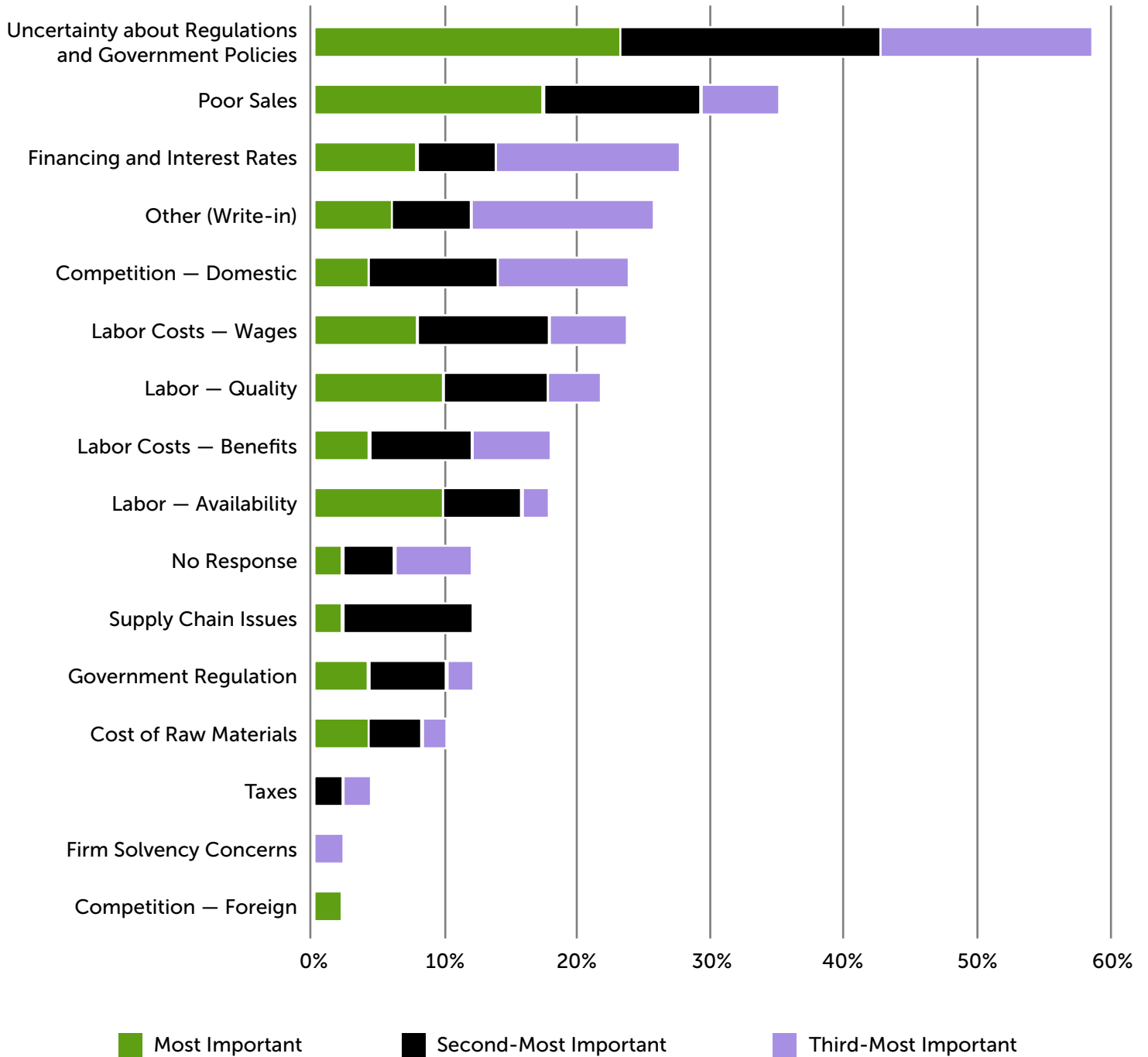
Higher Same Lower Not Applicable or No Response

[Click to Return to Areas of Interest](#)



Source: Philadelphia Fed Survey Results

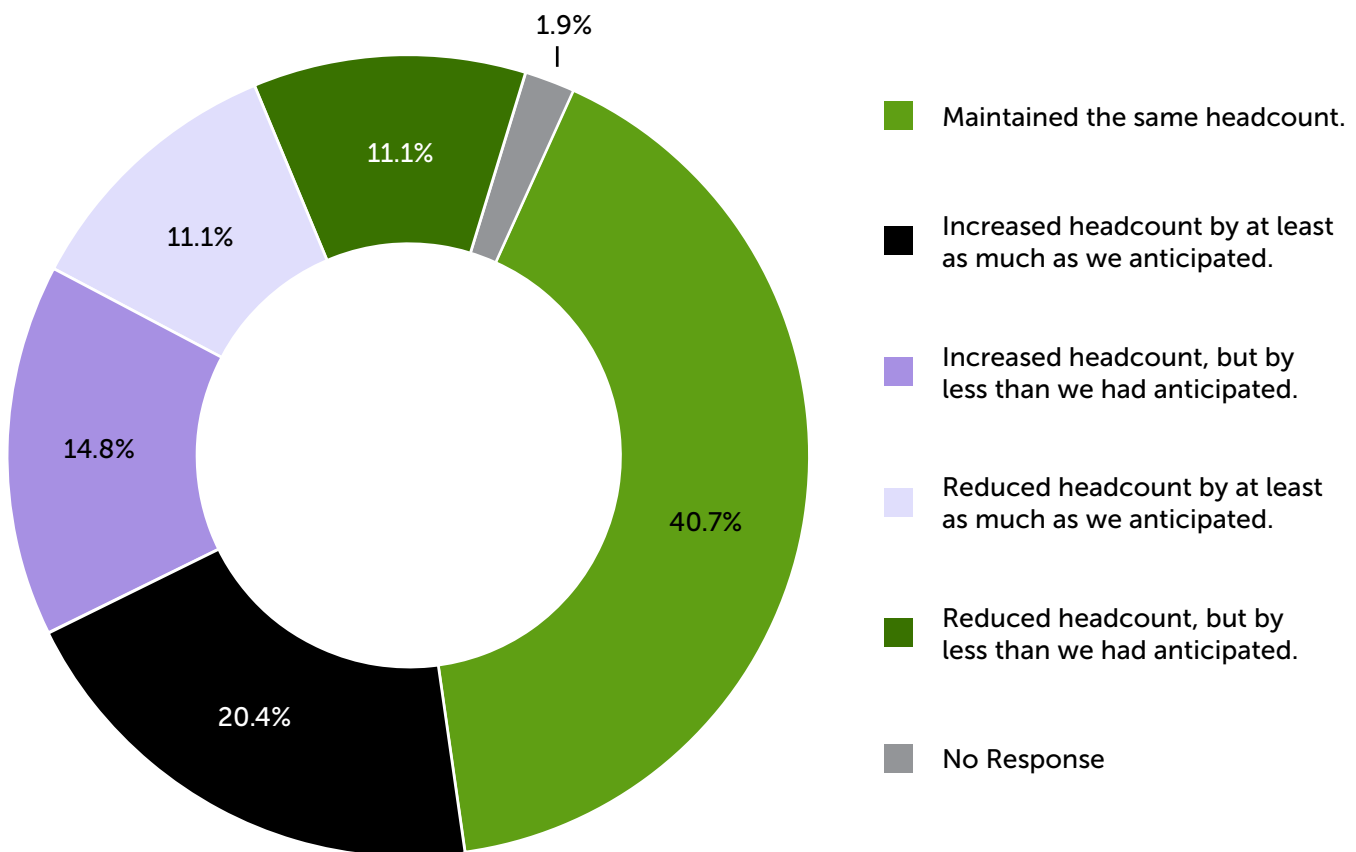
# BIGGEST PROBLEMS FACED BY RESPONDENTS IN 2025?



# SURVEY RESPONSE

## We asked respondents:

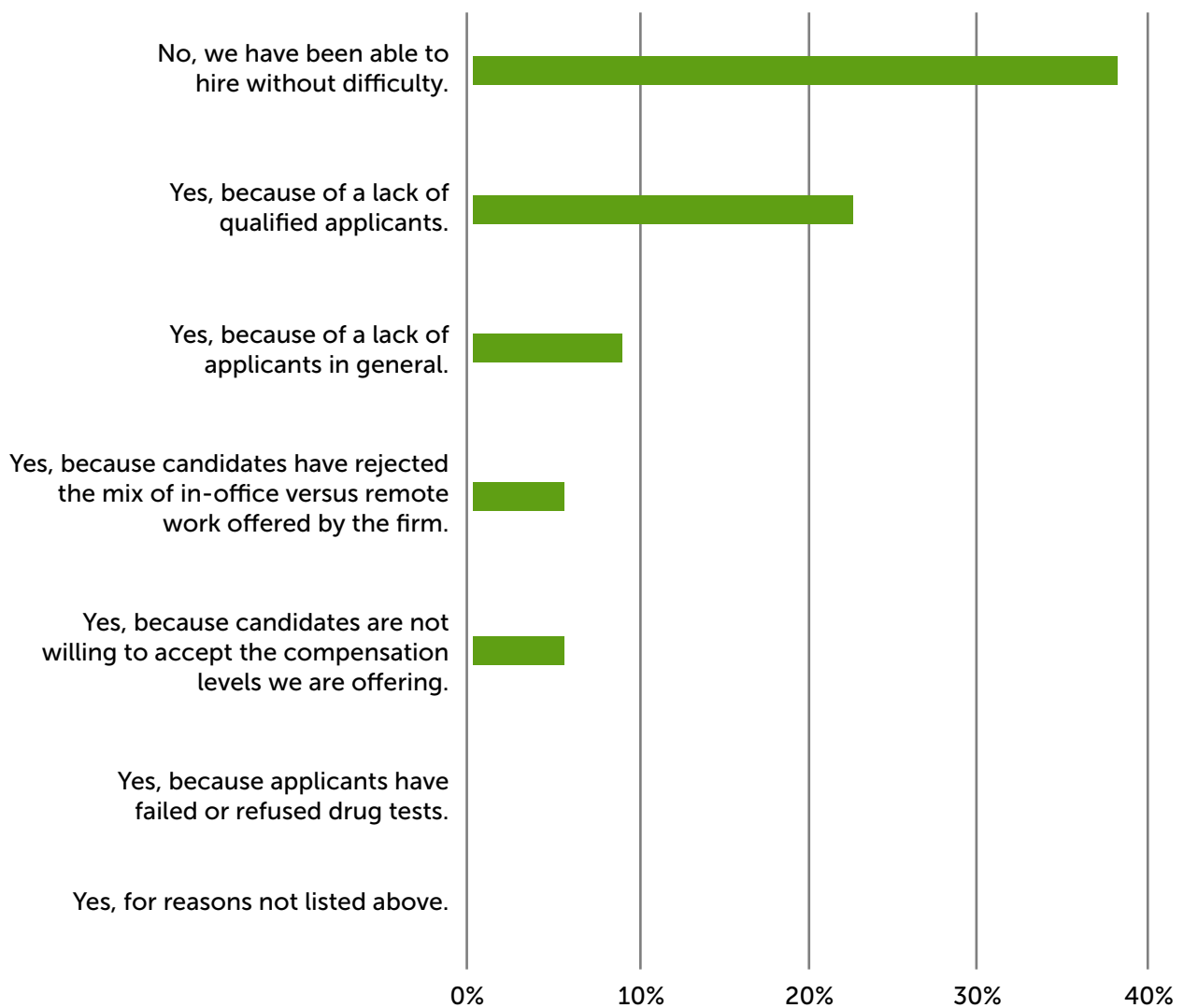
Over the last three months,  
how has your firm's headcount changed?



# SURVEY RESPONSE

## We asked respondents:

Thinking of positions your firm has filled or attempted to fill over the past three months, have you had difficulty hiring workers?



[Click to Return to Areas of Interest](#)



*Data shown as a share of total respondents. The respondents were able to choose multiple answers.*

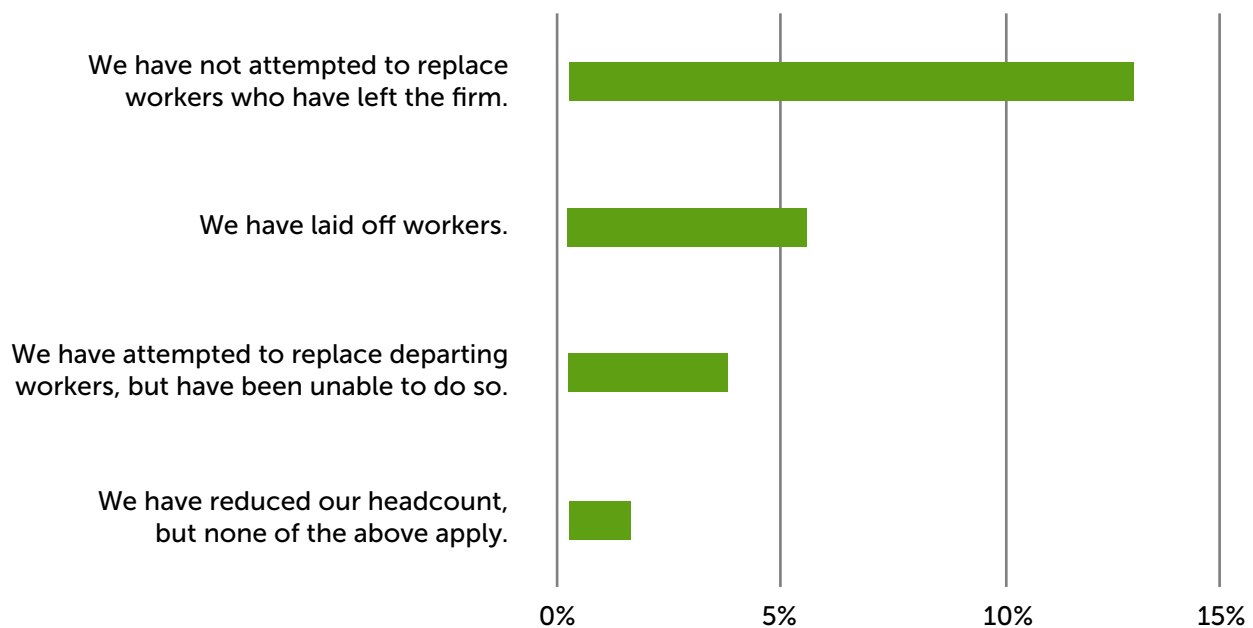
*Source: Philadelphia Fed Survey Results*



# SURVEY RESPONSE

## We asked respondents:

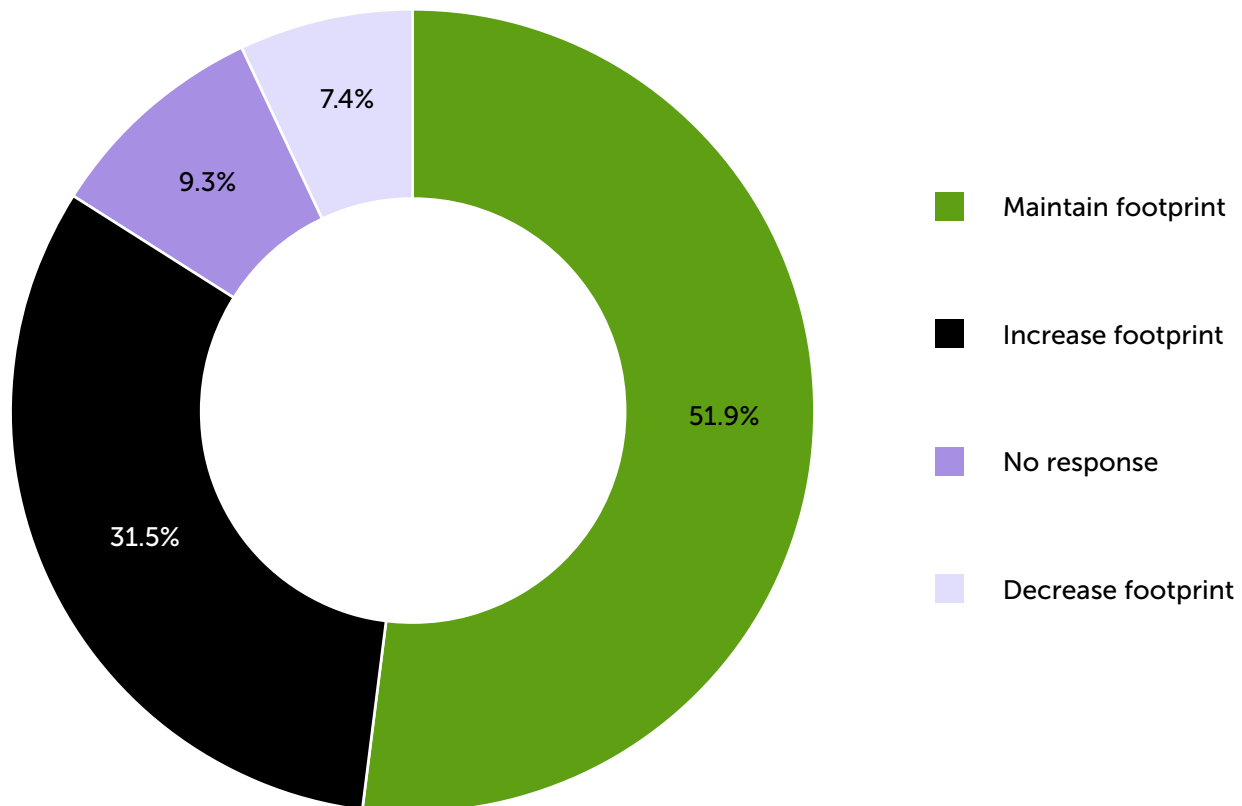
For firms that decreased headcount, which of the following ways has your firm's headcount been reduced?



# SURVEY RESPONSE

## We asked respondents:

Over the next 12 months, what are your company's plans for its current physical operations in Greater Philadelphia?

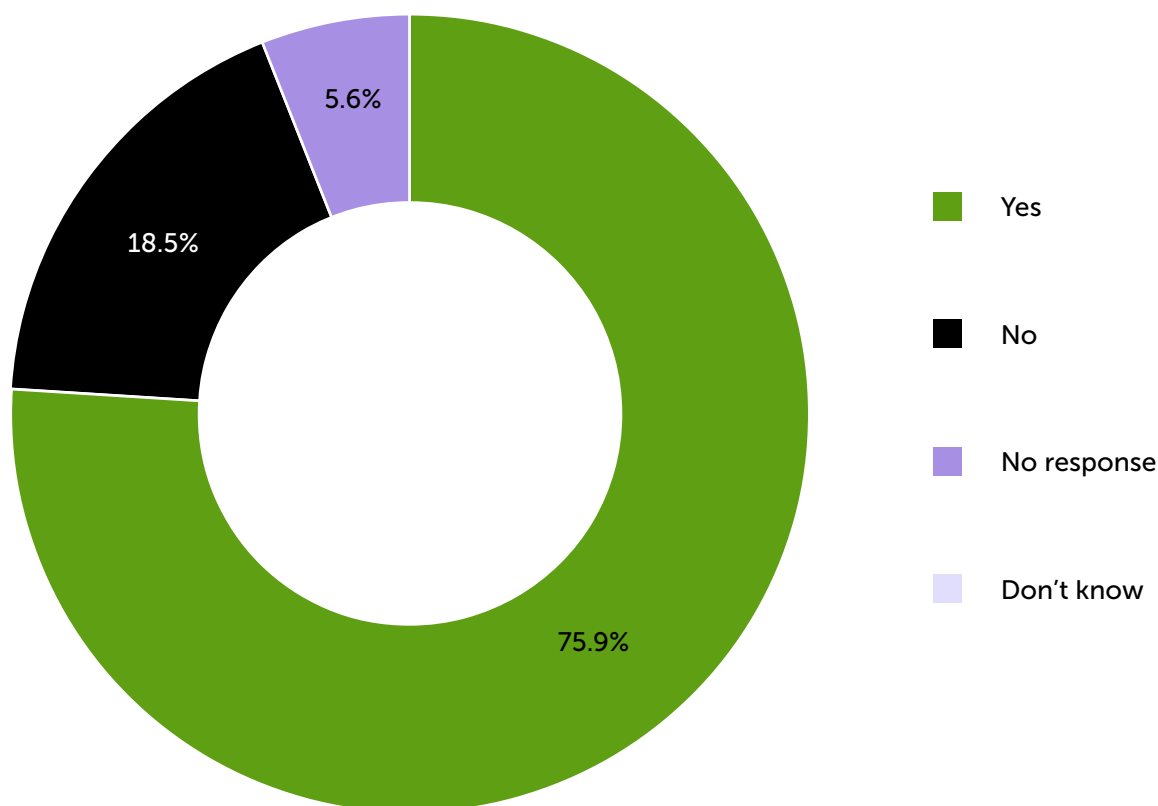


# SURVEY RESPONSE

## We asked respondents:

Is your firm currently using artificial intelligence (AI)?

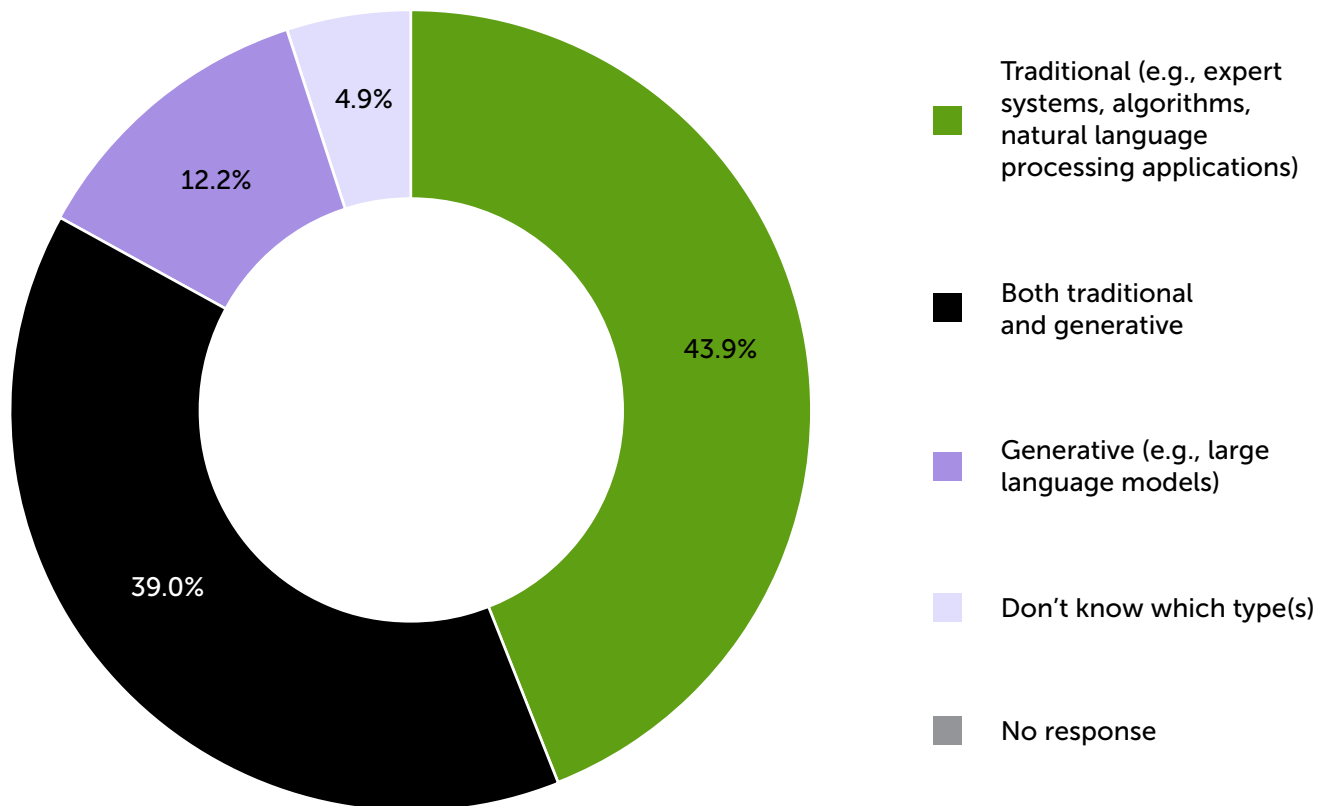
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# SURVEY RESPONSE

## We asked respondents:

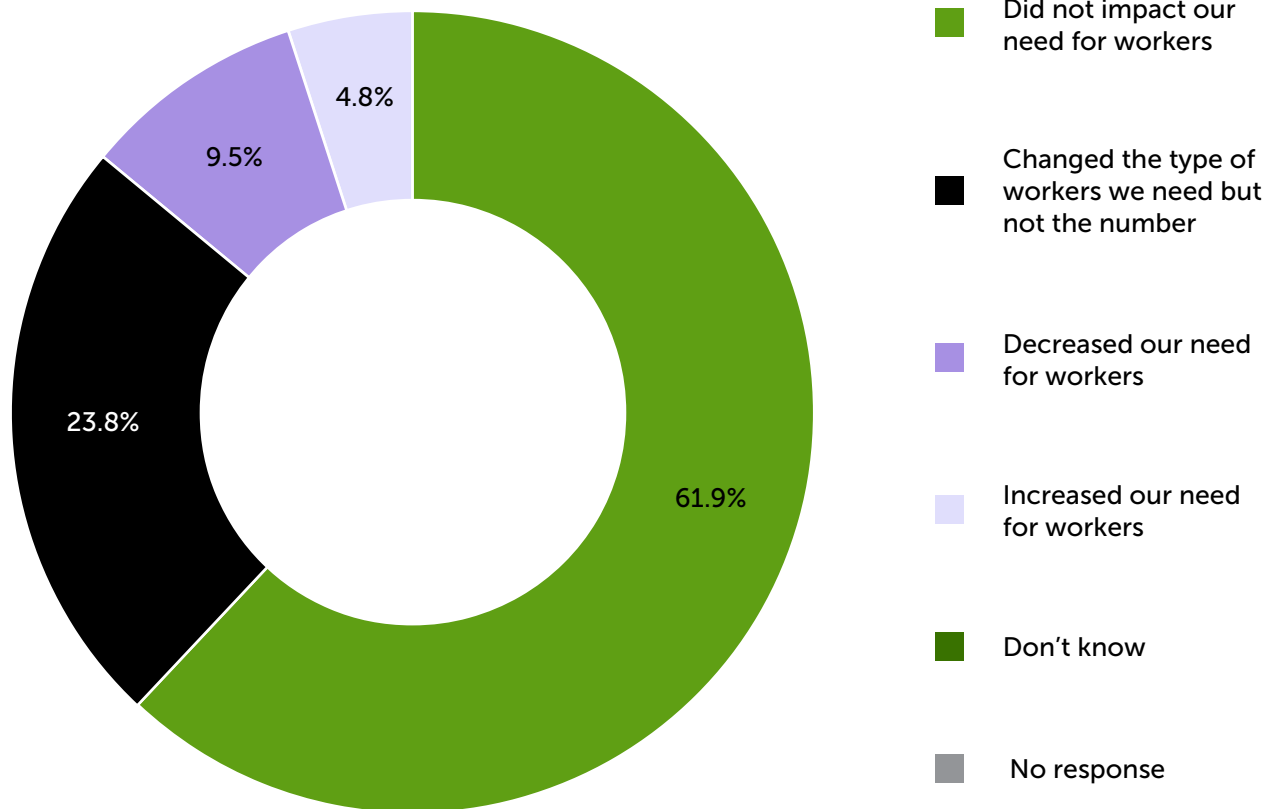
If your firm is currently using AI,  
which type(s) of AI is your firm currently using?



# SURVEY RESPONSE

## We asked respondents:

If your firm is currently using generative AI or both traditional and generative AI, on net, how has the use of generative AI affected employment at your firm?



[Click to Return to Areas of Interest](#)



Data shown as a share of respondents who selected "Both traditional and generative" or "Generative" for the previous question.

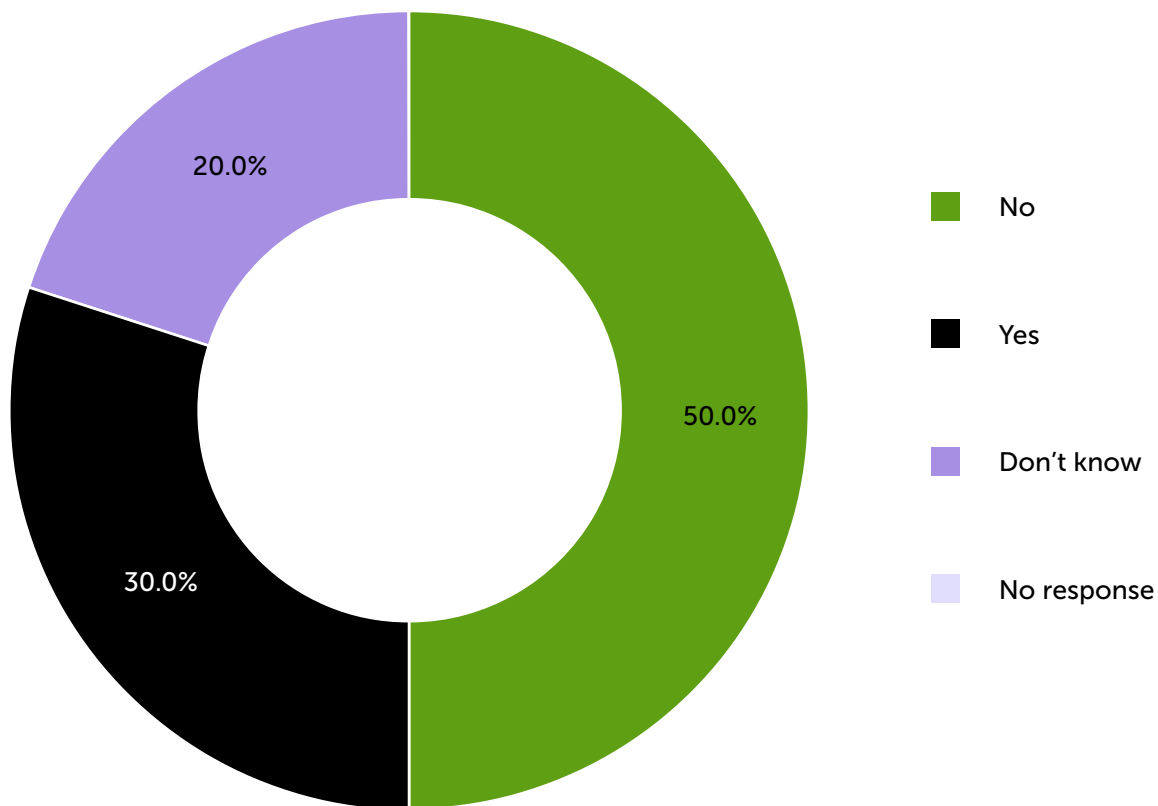
Source: Philadelphia Fed Survey Results



# SURVEY RESPONSE

## We asked respondents:

If your firm is currently not using AI,  
is your firm planning to use AI in the next 12 months?



# PHILADELPHIA FED CONTACT INFORMATION:

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For more information about this year's survey, please contact:

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*Ryo.Tashiro@phil.frb.org*

## PHILADELPHIA FED SURVEYS:

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Philadelphia Fed regional economic analysts track the health of state and metro economies within and beyond the Third District. Their surveys, econometric models, and other analyses inform the public and advise policymakers about monetary policy, regional economic development, and other issues.

For more information, visit

[PhiladelphiaFed.org/Regional-Economy](https://PhiladelphiaFed.org/Regional-Economy).

Email [phil.regional.economic.analysis@phil.frb.org](mailto:phil.regional.economic.analysis@phil.frb.org)  
to participate in Philadelphia Fed surveys.



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# APPENDIX

## Survey Results

	Significantly Lower	Slightly Lower	Same	Slightly Higher	Significantly Higher	Not Applicable	No Response
<b>A1: What is your assessment of changes in business conditions? (General Activity)</b>							
<b>1. For the REGION</b>							
2025 Compared With 2024	7.4%	40.7%	25.9%	16.7%	5.6%	0.0%	3.7%
2026 Compared With 2025	16.7%	20.4%	20.4%	31.5%	7.4%	0.0%	3.7%
<b>2. For your COMPANY</b>							
2025 Compared With 2024	18.5%	9.3%	20.4%	42.6%	3.7%	1.9%	3.7%
2026 Compared With 2025	9.3%	7.4%	24.1%	40.7%	14.8%	1.9%	1.9%
<b>A2: What is your assessment of changes in business conditions? (Specific Measures)</b>							
<b>1. New Orders</b>							
2025 Compared With 2024	11.1%	16.7%	11.1%	33.3%	3.7%	11.1%	13.0%
2026 Compared With 2025	3.7%	5.6%	22.2%	37.0%	5.6%	9.3%	16.7%
<b>2. Sales or Revenues</b>							
2025 Compared With 2024	16.7%	13.0%	18.5%	29.6%	9.3%	1.9%	11.1%
2026 Compared With 2025	1.9%	11.1%	22.2%	42.6%	9.3%	0.0%	13.0%
<b>3. Prices Paid</b>							
2025 Compared With 2024	1.9%	5.6%	20.4%	42.6%	13.0%	5.6%	11.1%
2026 Compared With 2025	0.0%	3.7%	14.8%	51.9%	11.1%	3.7%	14.8%
<b>4. Prices Received</b>							
2025 Compared With 2024	1.9%	7.4%	35.2%	27.8%	5.6%	5.6%	16.7%
2026 Compared With 2025	0.0%	5.6%	16.7%	48.1%	3.7%	3.7%	22.2%
<b>5. Number of Employees – Full-time Permanent</b>							
2025 Compared With 2024	3.7%	20.4%	27.8%	29.6%	5.6%	0.0%	13.0%
2026 Compared With 2025	0.0%	3.7%	44.4%	27.8%	7.4%	0.0%	16.7%
<b>6. Number of Employees – Part-time, Temporary, and Contract</b>							
2025 Compared With 2024	0.0%	7.4%	46.3%	13.0%	1.9%	14.8%	16.7%
2026 Compared With 2025	0.0%	3.7%	42.6%	22.2%	0.0%	9.3%	22.2%
<b>7. Wage and Benefit Costs</b>							
2025 Compared With 2024	0.0%	3.7%	9.3%	61.1%	13.0%	0.0%	13.0%
2026 Compared With 2025	0.0%	0.0%	7.4%	59.3%	16.7%	0.0%	16.7%
<b>8. Capital Expenditures – Physical Plant</b>							
2025 Compared With 2024	5.6%	9.3%	25.9%	24.1%	7.4%	14.8%	13.0%
2026 Compared With 2025	1.9%	9.3%	25.9%	22.2%	9.3%	13.0%	18.5%
<b>9. Capital Expenditures – Equipment and Software</b>							
2025 Compared With 2024	1.9%	9.3%	18.5%	40.7%	11.1%	5.6%	13.0%
2026 Compared With 2025	1.9%	1.9%	25.9%	38.9%	9.3%	5.6%	16.7%

# APPENDIX

## Survey Results

	Most Important Problem	Second-Most Important Problem	Third-Most Important Problem
<b>B: What are the three most important problems your business is facing at this time?</b>			
Uncertainty about regulations and government policies	22.6%	19.6%	15.7%
Poor sales	17.0%	11.8%	5.9%
Financing and interest rates	7.5%	5.9%	13.7%
Other (write-in)	5.7%	5.9%	13.7%
Competition—domestic	3.8%	9.8%	9.8%
Labor costs—wages	7.5%	9.8%	5.9%
Labor—quality	9.4%	7.8%	3.9%
Labor costs—benefits	3.8%	7.8%	5.9%
Labor—availability	9.4%	5.9%	2.0%
No response	1.9%	3.9%	5.9%
Supply chain issues	1.9%	0.0%	9.8%
Government regulation	3.8%	5.9%	2.0%
Cost of raw materials	3.8%	3.9%	2.0%
Taxes	0.0%	2.0%	2.0%
Firm solvency concerns	0.0%	0.0%	2.0%
Competition—foreign	1.9%	0.0%	0.0%

<b>CI: Over the last three months, how has your firm's headcount changed?</b>	
Maintained the same headcount.	40.7%
Increased headcount, by at least as much as we anticipated.	20.4%
Increased headcount, but by less than we had anticipated.	14.8%
Reduced headcount, by at least as much as we anticipated.	11.1%
Reduced headcount, but by less than we had anticipated.	11.1%
No response	1.9%

# APPENDIX

## Survey Results

### C2: For firms that increased or maintained headcount, thinking of positions your firm has filled or attempted to fill over the past three months, have you had difficulty hiring workers?

No, we have been able to hire without difficulty.	38.9%
Yes, because of a lack of qualified applicants.	22.2%
Yes, because of a lack of applicants in general.	9.3%
Yes, because candidates have rejected the mix of in-office versus remote work offered by the firm.	5.6%
Yes, because candidates are not willing to accept the compensation levels we are offering.	5.6%
Yes, because applicants have failed or refused drug tests.	0.0%
Yes, for reasons not listed above.	0.0%

### C3: For firms that decreased headcount, which of the following ways has your firm's headcount been reduced?

We have not attempted to replace workers who have left the firm.	13.0%
We have laid off workers.	5.6%
We have attempted to replace departing workers but have been unable to do so.	3.7%
We have reduced our headcount but none of the above apply.	1.9%

### D: Over the next 12 months, what are your company's plans for its current physical operations in Greater Philadelphia?

Maintain footprint	51.9%
Increase footprint	31.5%
No response	9.3%
Decrease footprint	7.4%



# APPENDIX

## Survey Results

### E1: Is your firm currently using artificial intelligence (AI)?

Yes	75.9%
No	18.5%
No response	5.6%
Don't know	0.0%

### E2. If your firm is currently using artificial intelligence (AI), which type(s) of AI is your firm currently using?

Traditional (e.g., expert systems, algorithms, natural language processing applications)	43.9%
Both traditional and generative	39.0%
Generative (e.g., large language models)	12.2%
Don't know which type(s)	4.9%
No response	0.0%

### E3. If your firm is currently using generative AI or both traditional and generative AI, on net, how has the use of generative AI affected employment at your firm?

Did not impact our need for workers	61.9%
Changed the type of workers we need but not the number	23.8%
Decreased our need for workers	9.5%
Increased our need for workers	4.8%
Don't know	0.0%
No response	0.0%

### E4. If your firm is currently not using AI, is your firm planning to use AI in the next 12 months?

No	50.0%
Yes	30.0%
Don't know	20.0%
No response	0.0%

