

# The Chamber of Commerce for Greater Philadelphia Economic Outlook Survey Results

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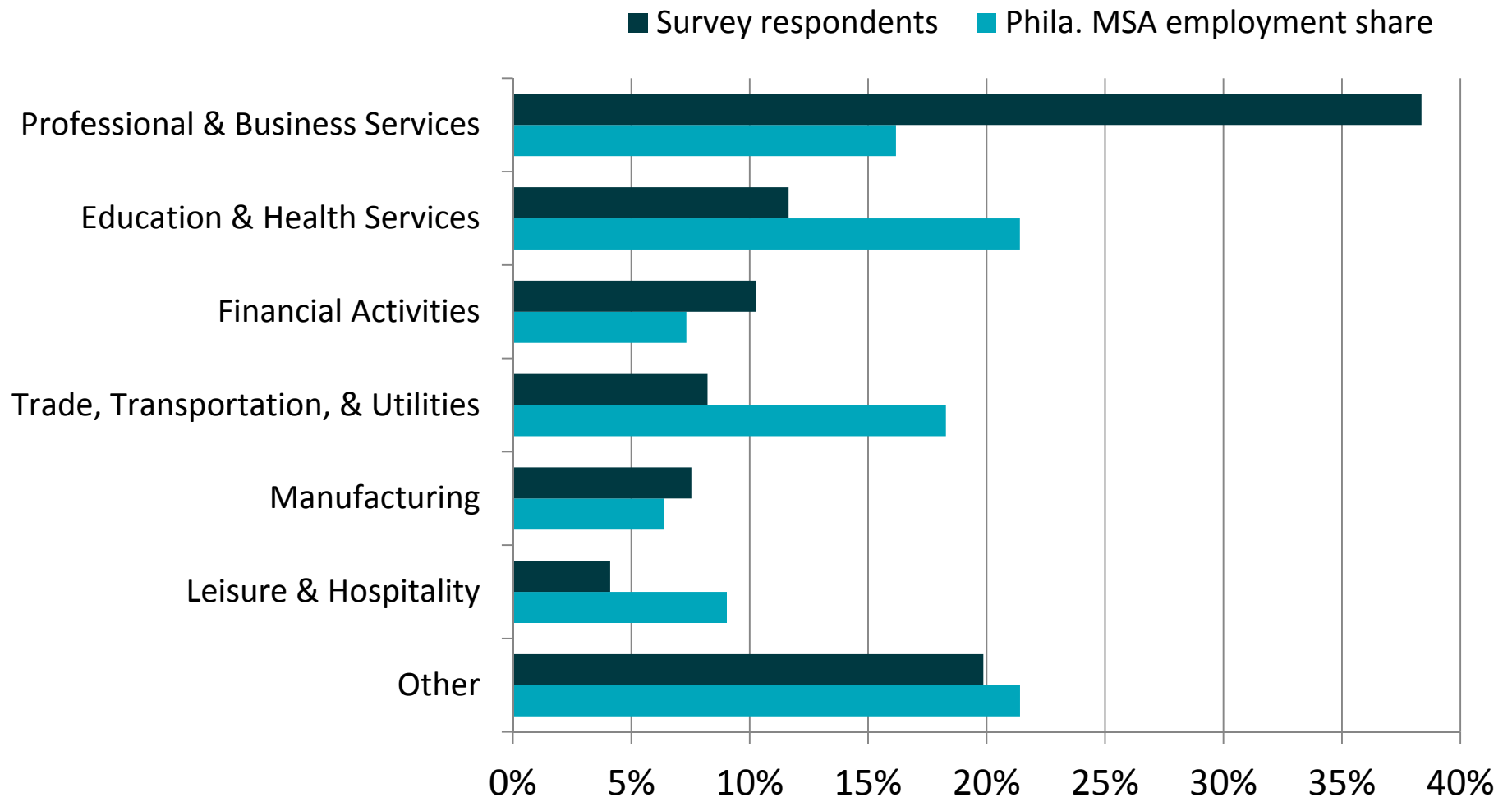
FEDERAL RESERVE BANK OF PHILADELPHIA

*\* 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

## Respondent Distribution



Source: Survey results; Bureau of Labor Statistics

Notes: Survey conducted from Dec. 1 to 15, 2016. Other category includes Information; Construction, Natural Resources, and Logging; Government; and Other Services sectors.



# DIFFUSION INDEXES

What is your assessment of changes in business activity  
for your company?

2016 Compared with 2015

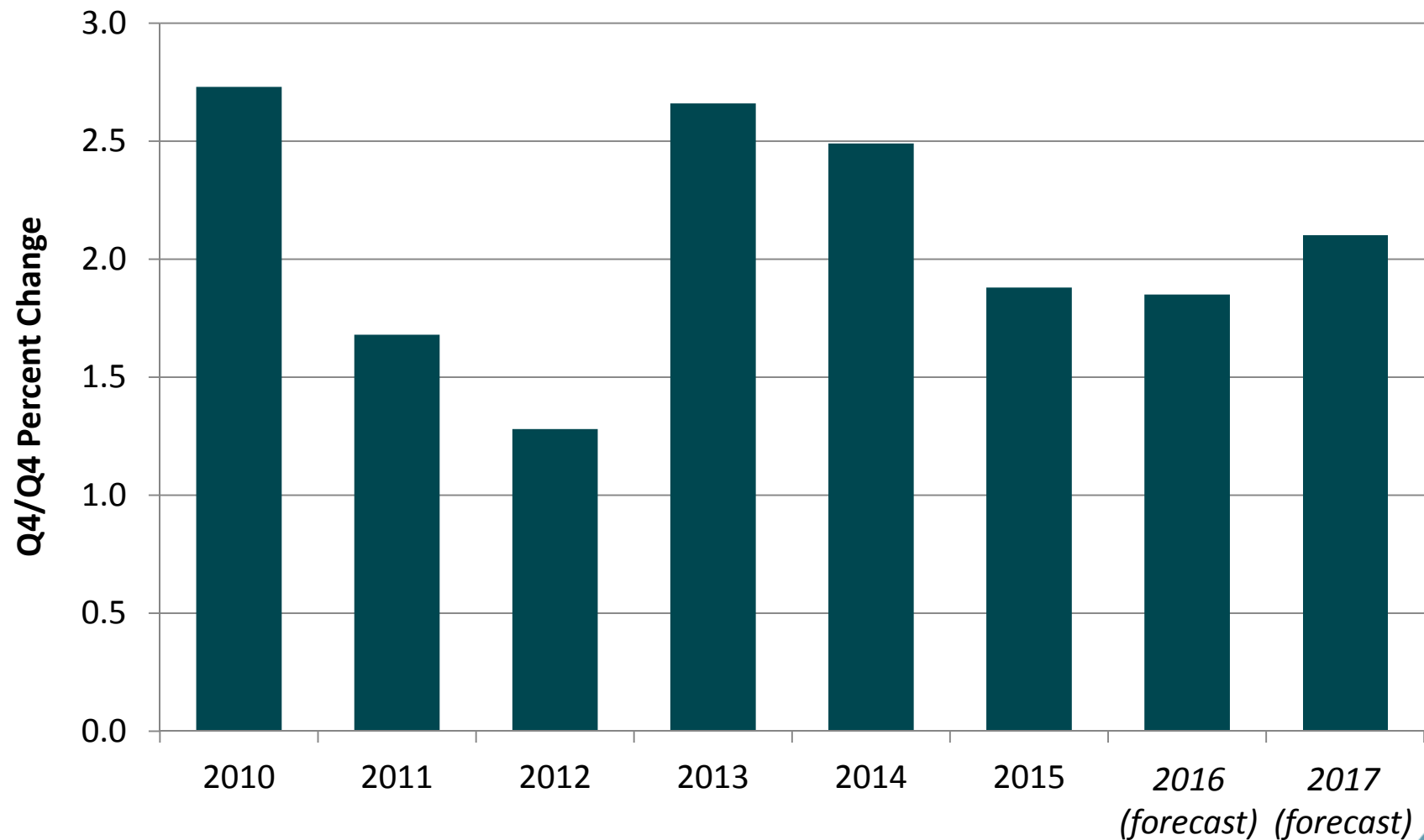
Significantly Lower	Slightly Lower	Same	Slightly Higher	Significantly Higher
<b>6.2%</b>	<b>12.3%</b>	<b>15.1%</b>	<b>42.5%</b>	<b>18.5%</b>

$$(42.5 + 18.5) - (12.3 + 6.2)$$

$$\text{Diffusion Index} = 42.5$$



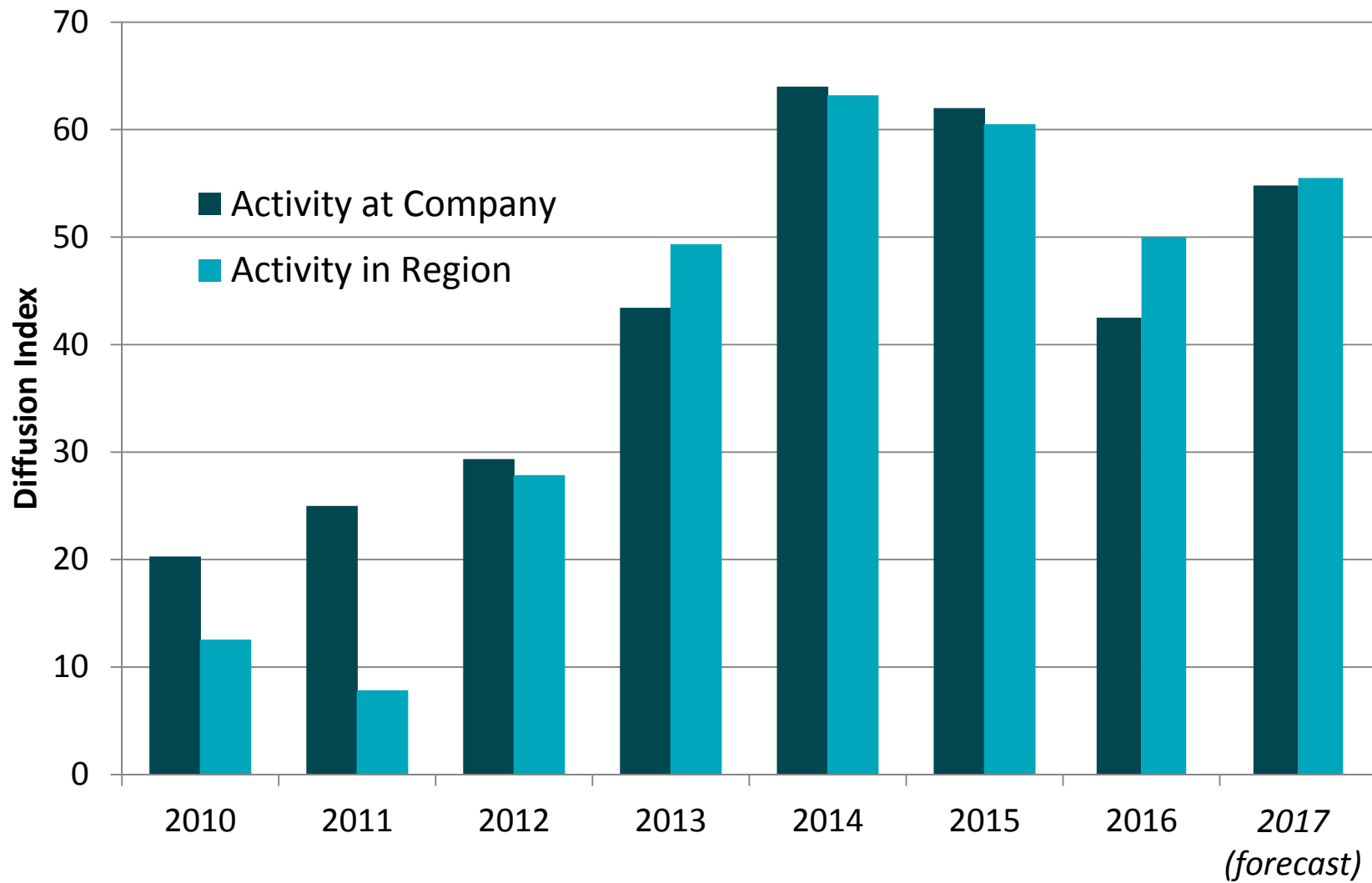
# REAL GROSS DOMESTIC PRODUCT — U.S.



Source: Bureau of Economic Analysis via Haver Analytics; FOMC Summary of Economic Projections, December 14, 2016



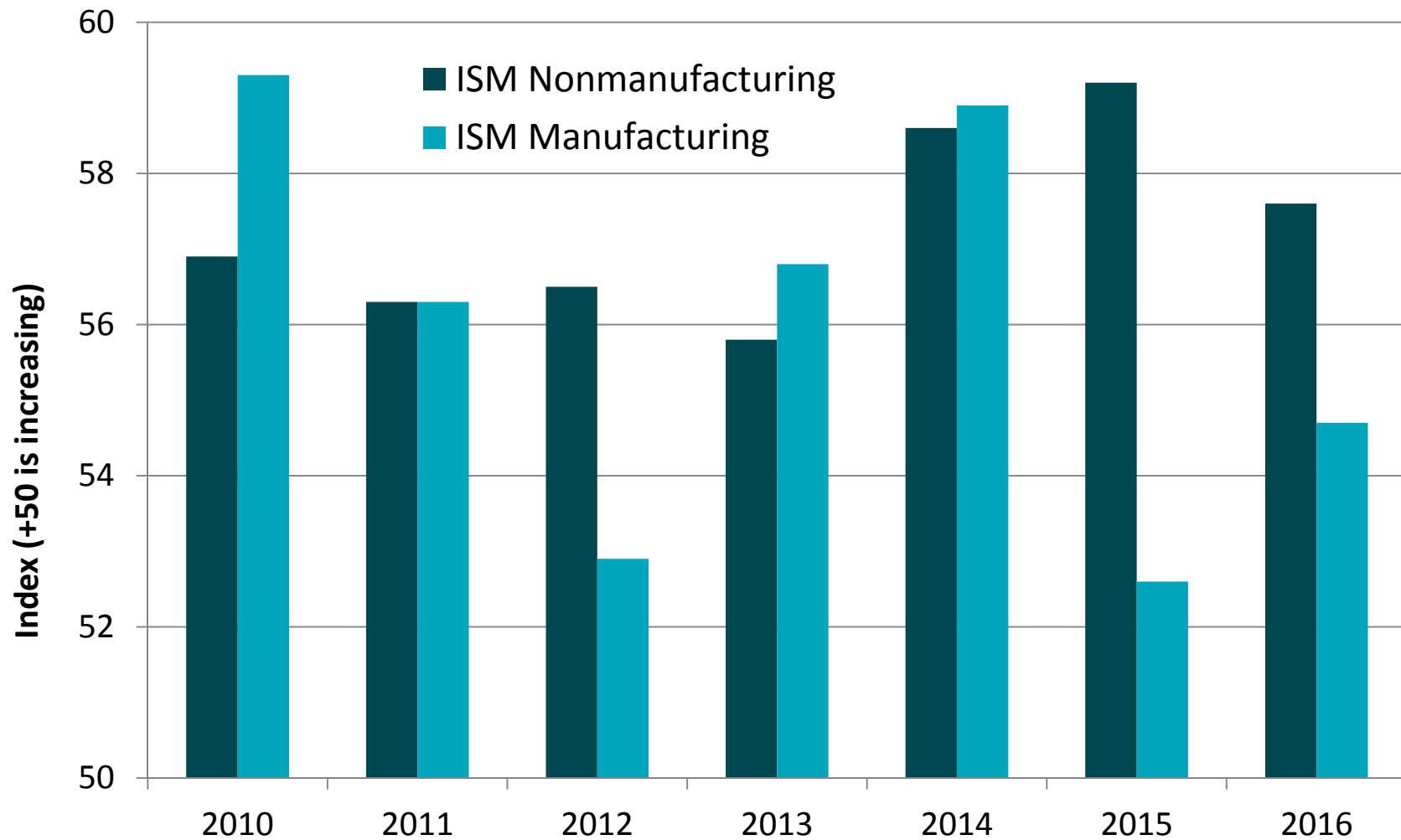
# SURVEY RESPONSE — BUSINESS ACTIVITY



Source: Survey Results



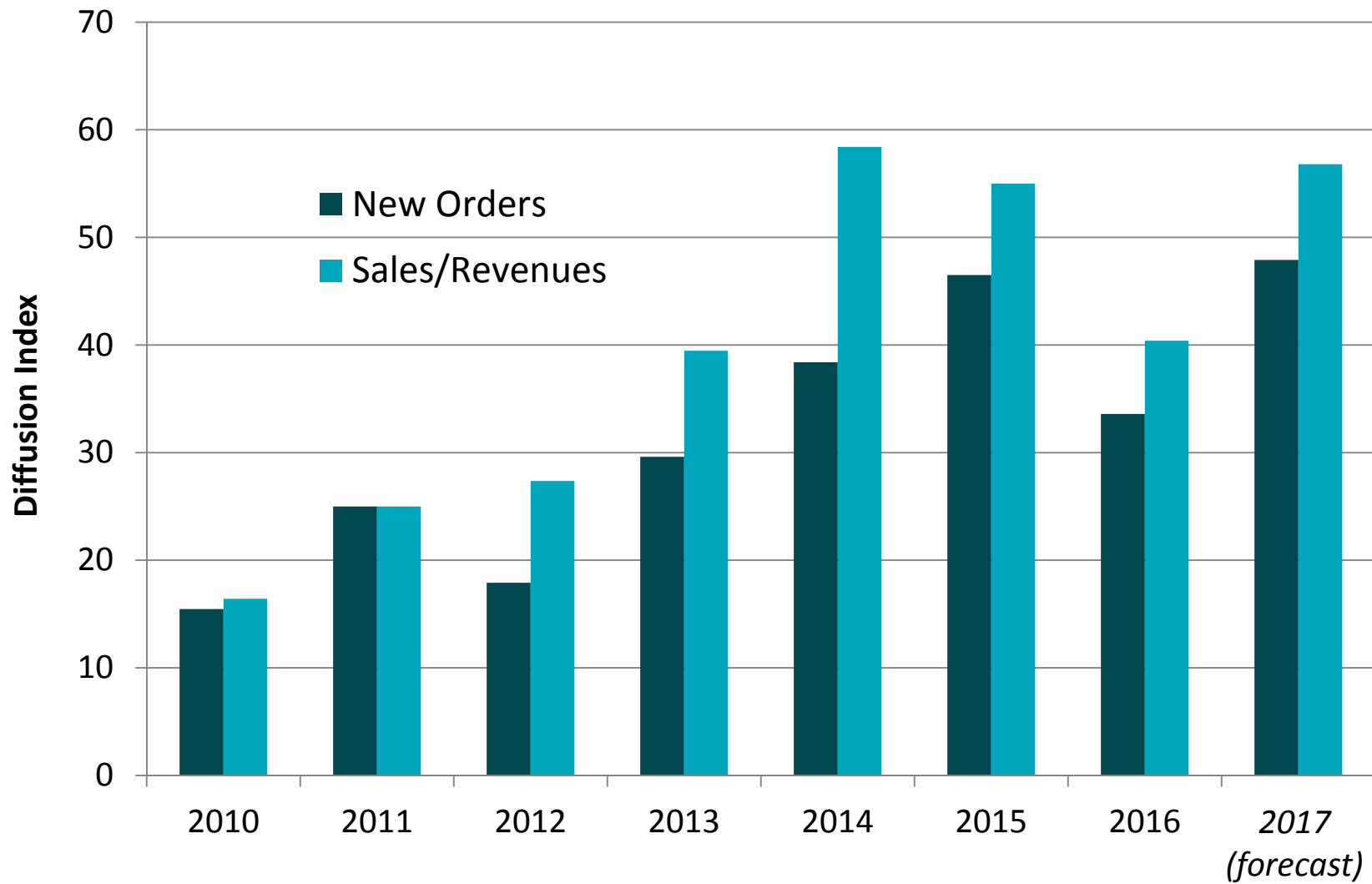
# NEW ORDERS — U.S.



Source: Institute for Supply Management (ISM) via Haver Analytics



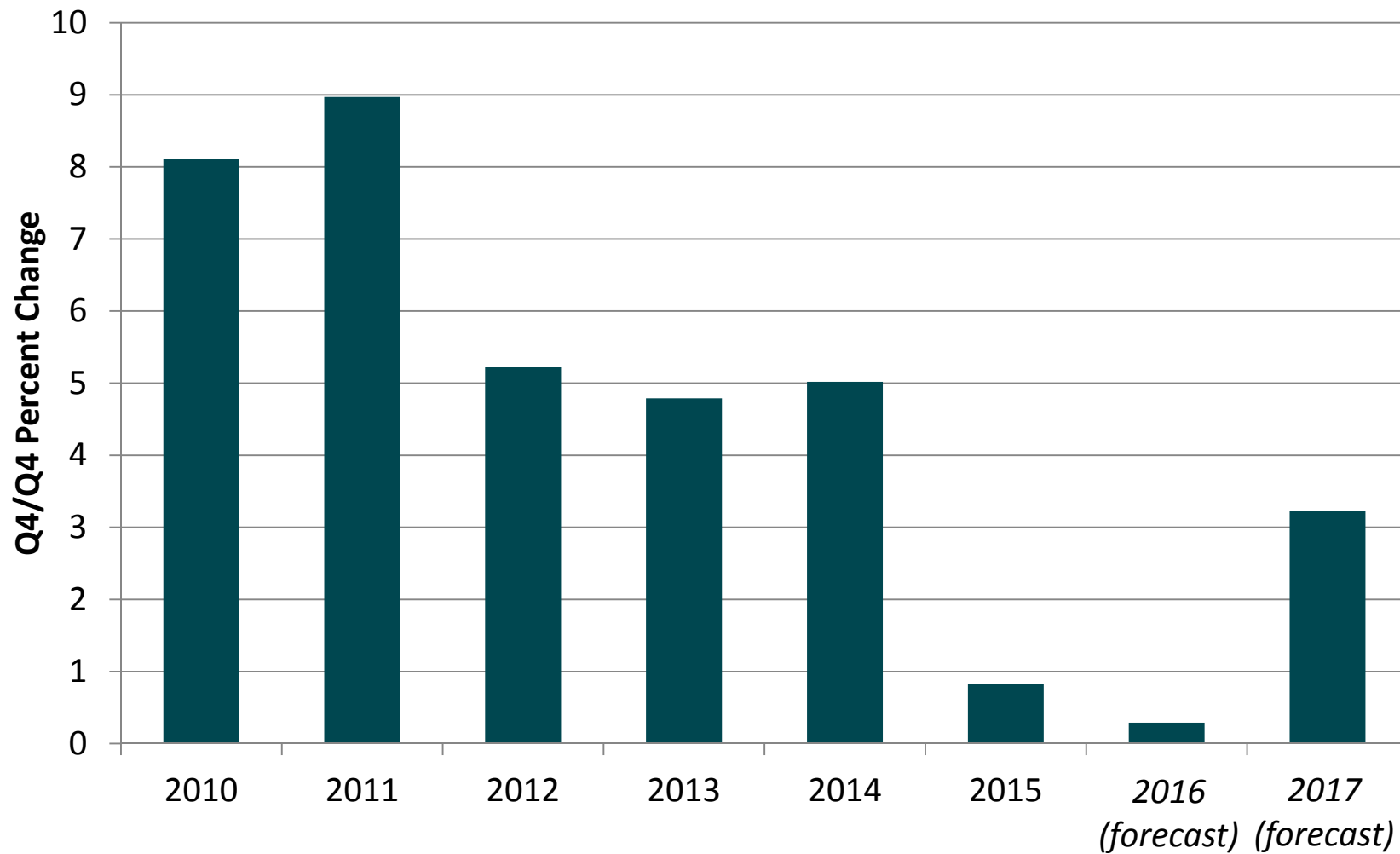
# SURVEY RESPONSE — NEW ORDERS AND SALES



Source: Survey Results



# NONRESIDENTIAL INVESTMENT — U.S.

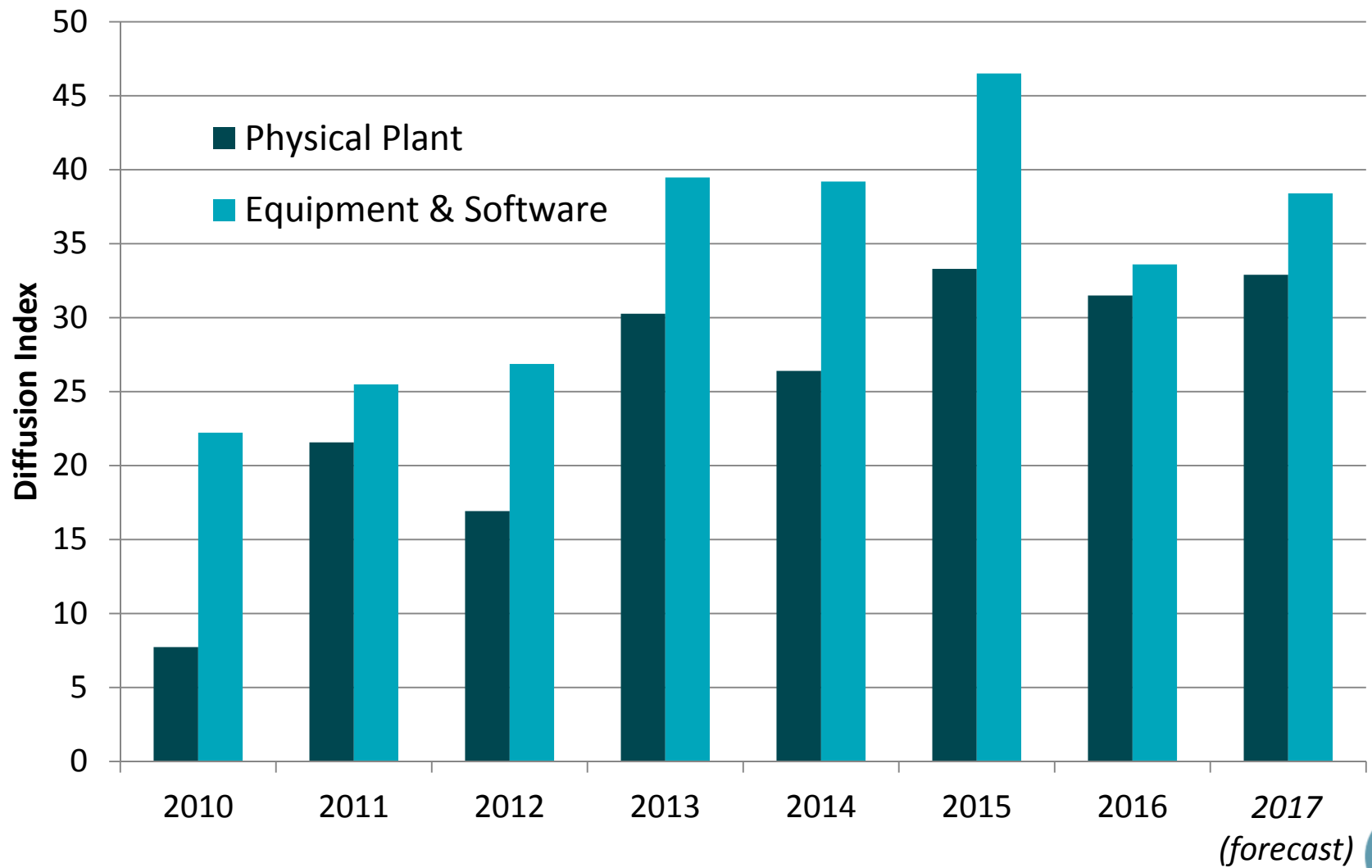


Sources: Bureau of Economic Analysis via Haver Analytics; Federal Reserve Bank of Philadelphia Fourth Quarter 2016 Survey of Professional Forecasters





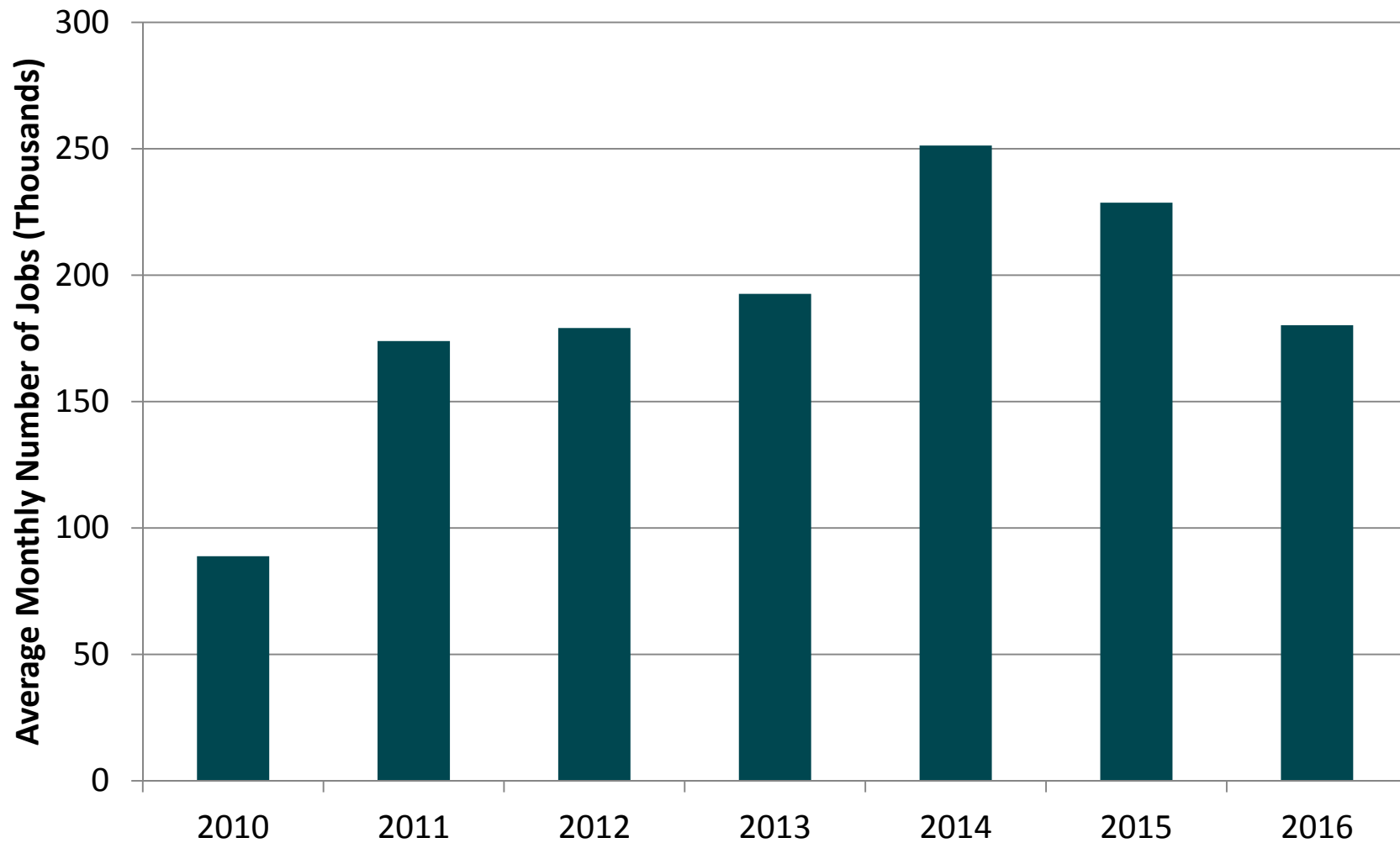
# SURVEY RESPONSE — CAPITAL EXPENDITURES



Source: Survey Results



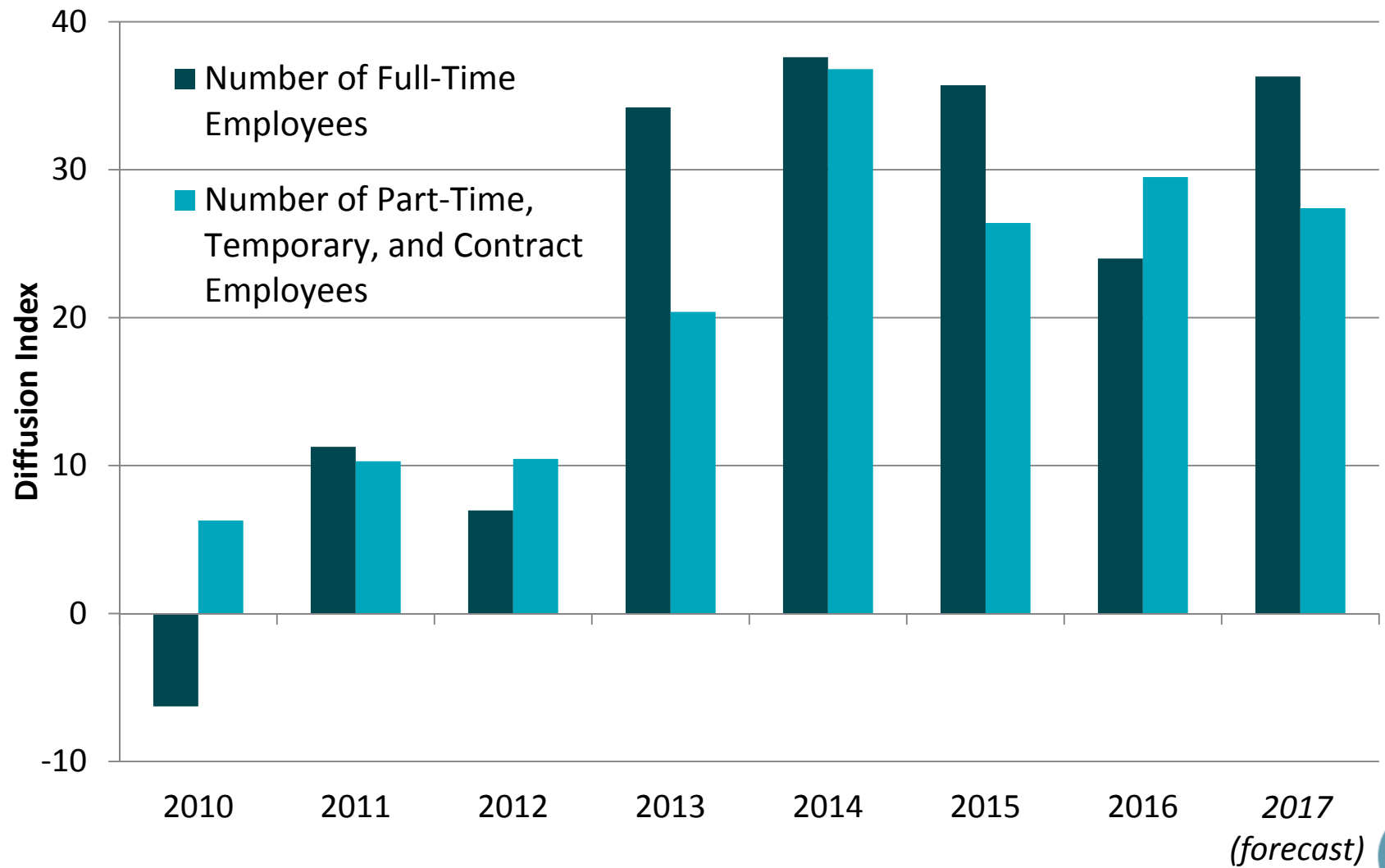
# NONFARM JOB GROWTH — U.S.



Source: Bureau of Labor Statistics via Haver Analytics



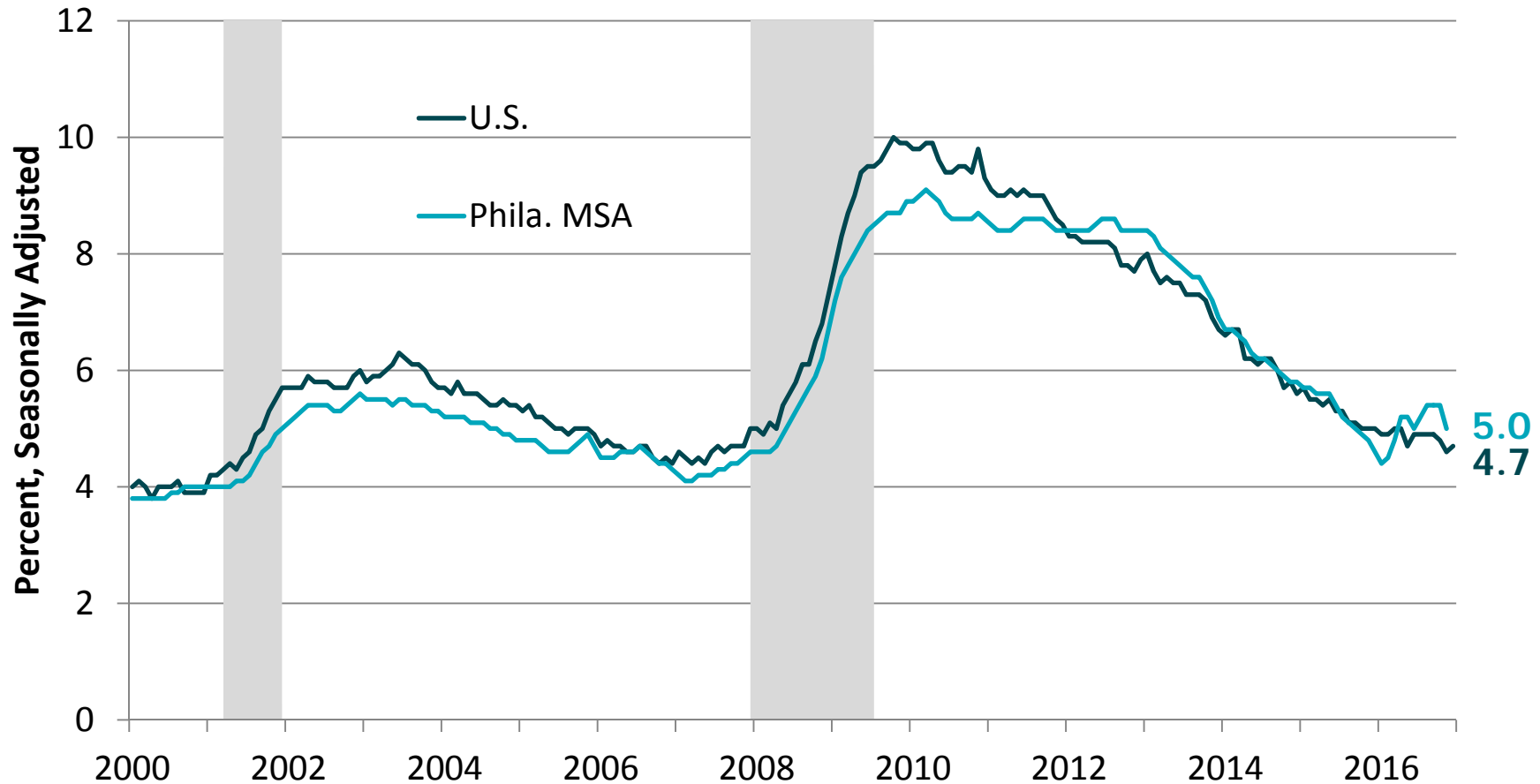
# SURVEY RESPONSE — HIRING



Source: Survey Results



# NATIONAL AND REGIONAL UNEMPLOYMENT

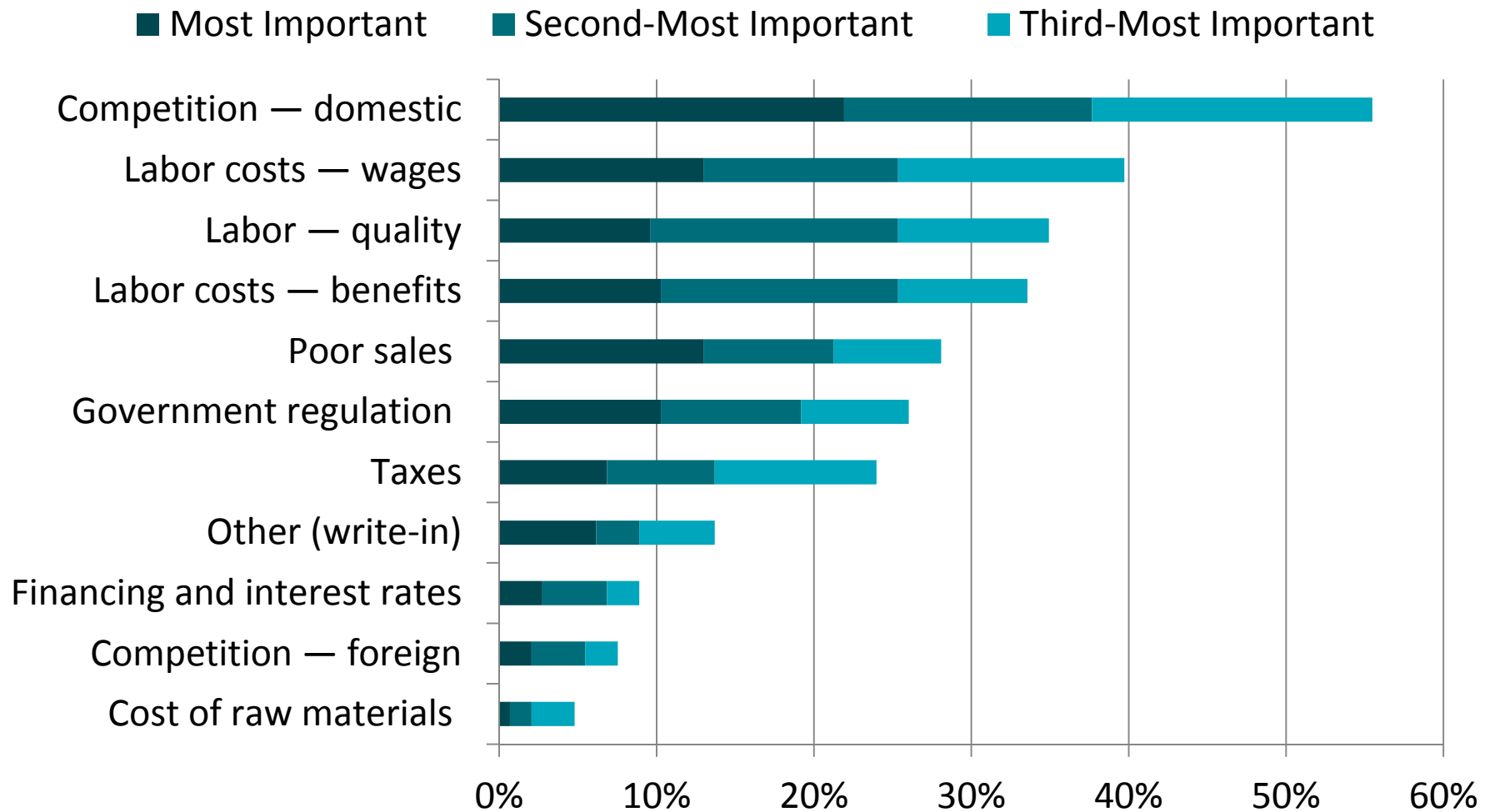


Source: Bureau of Labor Statistics via Haver Analytics

Last month plotted: December 2016 for U.S. and November 2016 for Philadelphia-Camden-Wilmington Metropolitan Statistical Area (MSA)



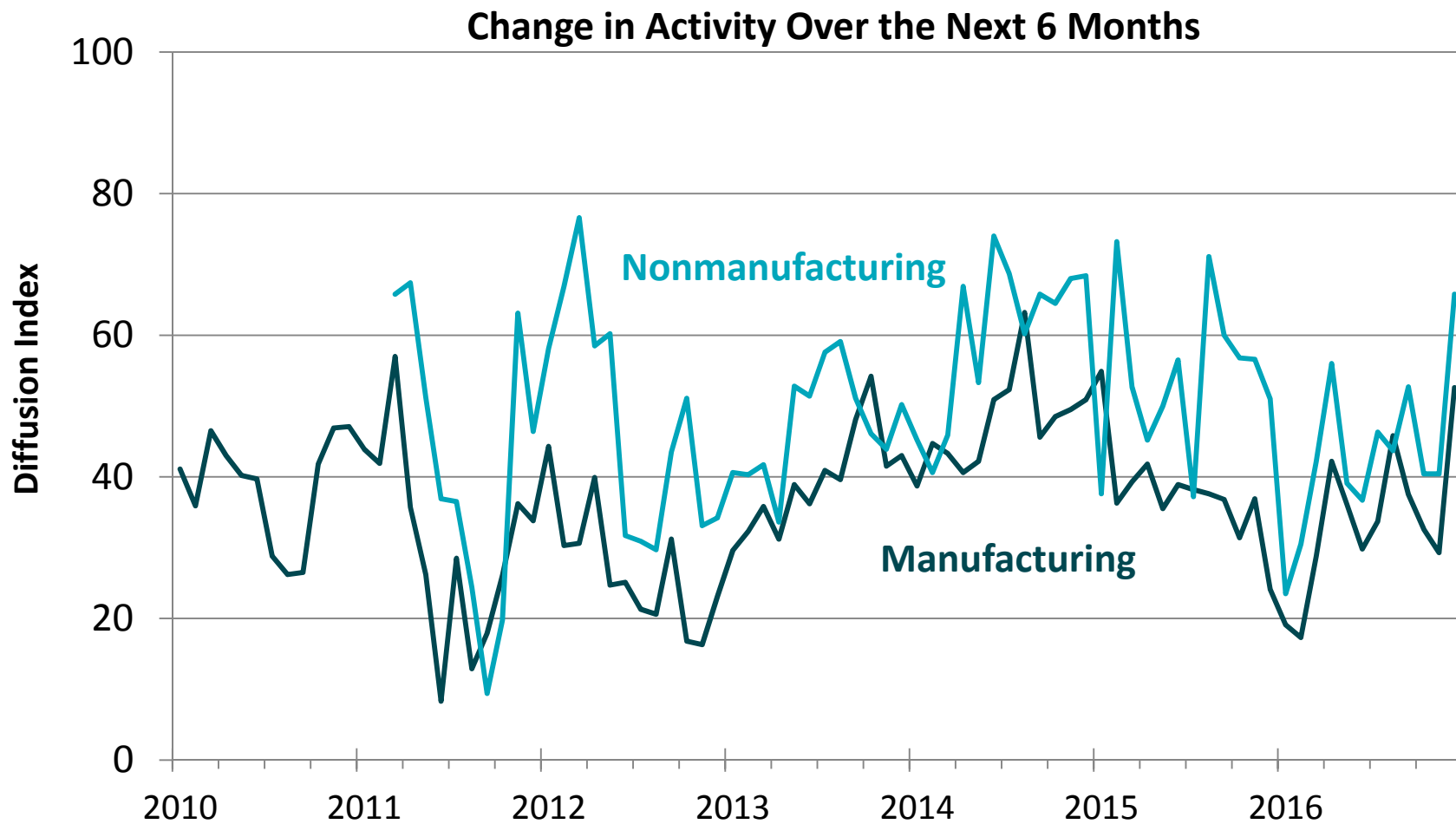
# BIGGEST PROBLEMS FACING CHAMBER MEMBERS FOR 2017



Source: Survey Results



# PHILADELPHIA FED MONTHLY BUSINESS OUTLOOK SURVEYS



Source: Federal Reserve Bank of Philadelphia  
Last month plotted: December 2016



# TO PARTICIPATE IN OUR SURVEYS

E-mail us at [phil.surveys@philadelphiafed.org](mailto:phil.surveys@philadelphiafed.org)

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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>								
2016 compared with 2015	1.4%	9.6%	20.5%	53.4%	7.5%	2.7%	4.8%	50.0
2017 compared with 2016	0.7%	5.5%	19.9%	54.1%	7.5%	4.1%	8.2%	55.5
<b>2. For your COMPANY:</b>								
2016 compared with 2015	6.2%	12.3%	15.1%	42.5%	18.5%		5.5%	42.5
2017 compared with 2016	2.1%	6.8%	16.4%	48.6%	15.1%	2.1%	8.9%	54.8
<b>B. Specific company performance measures:</b>								
<b>1. New Orders</b>								
2016 compared with 2015	4.1%	12.3%	13.0%	39.0%	11.0%	11.6%	8.9%	33.6
2017 compared with 2016	0.7%	6.2%	12.3%	43.8%	11.0%	12.3%	13.7%	47.9
<b>2. Sales or Revenues</b>								
2016 compared with 2015	5.5%	13.0%	17.8%	46.6%	12.3%	0.7%	4.1%	40.4
2017 compared with 2016	1.4%	4.8%	19.9%	48.6%	14.4%	1.4%	9.6%	56.8
<b>3. Unfilled Orders</b>								
2016 compared with 2015	1.4%	4.8%	17.1%	7.5%	2.7%	28.8%	37.7%	4.1
2017 compared with 2016	0.7%	2.1%	19.9%	7.5%	2.7%	28.8%	38.4%	7.5
<b>4. Inventories (Finished Goods or Goods for Sale)</b>								
2016 compared with 2015		2.7%	14.4%	6.8%	0.7%	32.2%	43.2%	4.8
2017 compared with 2016	0.7%	2.1%	13.0%	6.8%	0.7%	33.6%	43.2%	4.8
<b>5. Prices Paid</b>								
2016 compared with 2015		3.4%	37.0%	37.0%	1.4%	7.5%	13.7%	34.9
2017 compared with 2016		2.7%	26.0%	47.9%	1.4%	7.5%	14.4%	46.6
<b>6. Prices Received</b>								
2016 compared with 2015	0.7%	10.3%	37.0%	32.2%	1.4%	6.2%	12.3%	22.6
2017 compared with 2016	1.4%	10.3%	32.2%	33.6%	2.1%	6.8%	13.7%	24.0
<b>7. Number of Employees-- Full-time Permanent</b>								
2016 compared with 2015	1.4%	15.1%	35.6%	34.9%	5.5%	0.7%	6.8%	24.0
2017 compared with 2016	1.4%	9.6%	28.8%	44.5%	2.7%	1.4%	11.6%	36.3



# APPENDIX – SURVEY RESULTS

<b>8. Number of Employees--Part-time, Temporary, and Contract</b>								
2016 compared with 2015	1.4%	4.1%	48.6%	31.5%	3.4%	4.1%	6.8%	29.5
2017 compared with 2016	2.1%	5.5%	42.5%	31.5%	3.4%	4.1%	11.0%	27.4
<b>9. Average Hours Worked Per Week</b>								
2016 compared with 2015	0.7%	4.8%	52.7%	30.8%	3.4%	2.1%	5.5%	28.8
2017 compared with 2016		4.1%	47.9%	33.6%	2.7%	2.1%	9.6%	32.2
<b>10. Wage and Benefit Costs</b>								
2016 compared with 2015	0.7%	3.4%	21.2%	63.0%	6.8%		4.8%	65.8
2017 compared with 2016		0.7%	19.2%	61.0%	9.6%	0.7%	8.9%	69.9
<b>11. Capital Expenditures--Physical Plant</b>								
2016 compared with 2015	1.4%	2.7%	39.0%	28.1%	7.5%	8.2%	13.0%	31.5
2017 compared with 2016	0.7%	4.8%	30.8%	30.1%	8.2%	8.2%	17.1%	32.9
<b>12. Capital Expenditures--Equipment and Software</b>								
2016 compared with 2015	1.4%	4.1%	44.5%	34.2%	4.8%	1.4%	9.6%	33.6
2017 compared with 2016		3.4%	39.7%	32.9%	8.9%	2.1%	13.0%	38.4

<b>C. What are the three most important problems your business is facing at this time?</b>			
	<b>Most Important Problem</b>	<b>Second-Most Important Problem</b>	<b>Third-Most Important Problem</b>
Labor costs--wages	13.0%	12.3%	14.4%
Labor costs--benefits	10.3%	15.1%	8.2%
Labor--quality	9.6%	15.8%	9.6%
Financing and interest rates	2.7%	4.1%	2.1%
Cost of raw materials	0.7%	1.4%	2.7%
Competition--foreign	2.1%	3.4%	2.1%
Competition--domestic	21.9%	15.8%	17.8%
Poor sales	13.0%	8.2%	6.8%
Government regulation	10.3%	8.9%	6.8%
Taxes	6.8%	6.8%	10.3%
Other (write-in)	6.2%	2.7%	4.8%
No response	3.4%	5.5%	14.4%

