

ECONOMIC OUTLOOK



2022 • FORECASTING OUR ECONOMIC FUTURE TOGETHER

SURVEY RESULTS



THE CHAMBER
of Commerce for Greater Philadelphia

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THE CHAMBER OF COMMERCE FOR GREATER PHILADELPHIA

ECONOMIC OUTLOOK

SURVEY RESULTS

January 14, 2022

Patrick T. Harker*

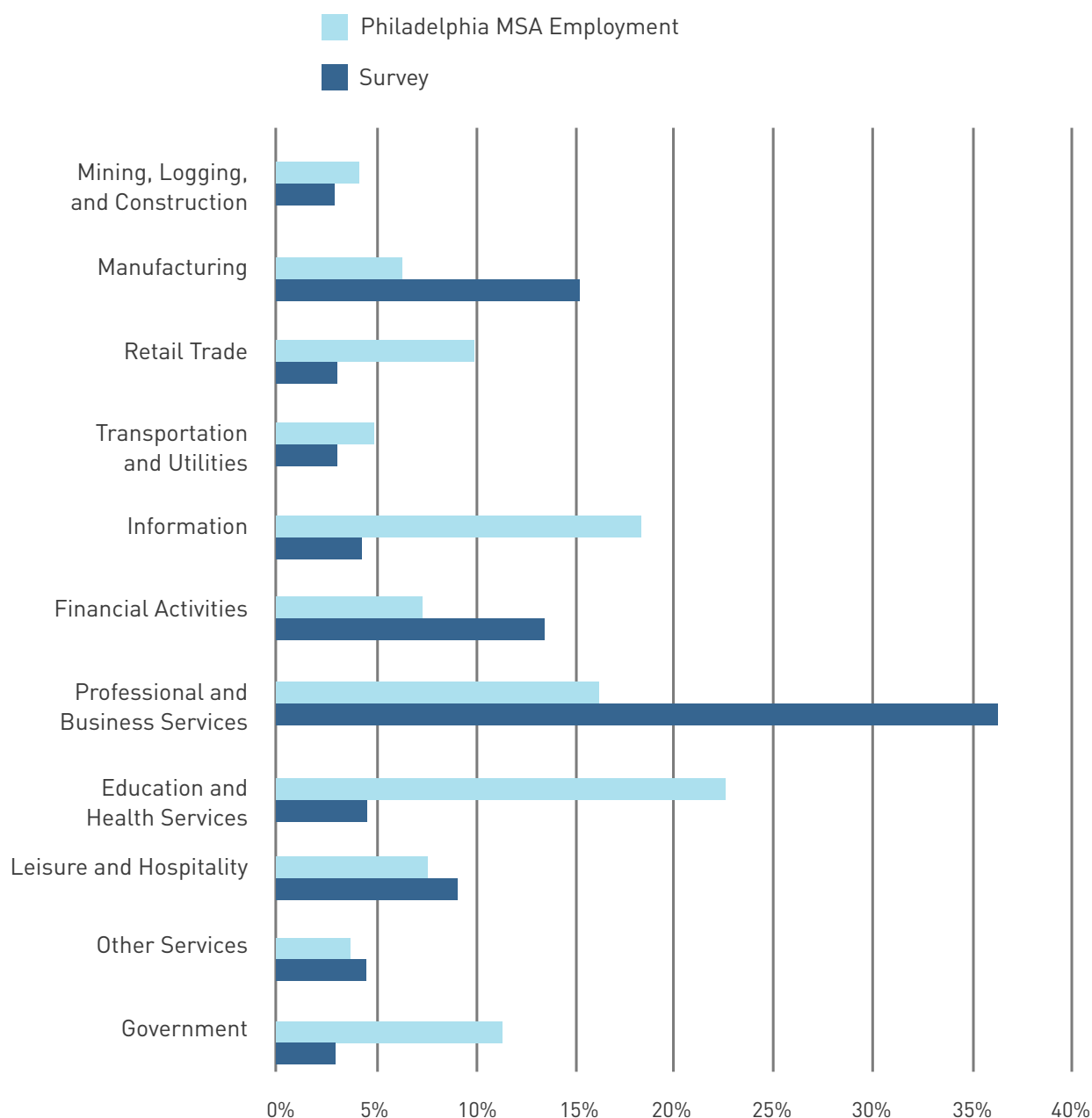


** The views expressed today are my own and not necessarily those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.*



ECONOMIC OUTLOOK SURVEY

RESPONDENT DISTRIBUTION



- Conducted from DEC. 1 to Dec. 17, 2021.
- Other Services is an official BLS designation for any industry in NAICS code 81.
- Philadelphia MSA Employment, source: BLS VIS Haver Analytics.
- Responses received from 66 members.



SURVEY METHODOLOGY

We asked Chamber members:
What is your assessment of changes in business conditions?

Looking back on 2021 compared with 2020 and looking ahead to 2022 compared with 2021.

In the following areas:

- The Region
- Your Company
- New Orders
- Sales or Revenues
- Prices Paid
- Prices Received
- Number of Employees
- Wage and Benefits Costs
- Capital Expenditures
- COVID Impact

Respondents indicated their assessment by ranking change as Higher, Same, or Lower based on results comparing 2021 to 2020 and their projections comparing 2022 to 2021.

The following presents the findings from the survey administered Wednesday, December 1, 2021 – Friday, December 17, 2021.



SURVEY RESPONSE

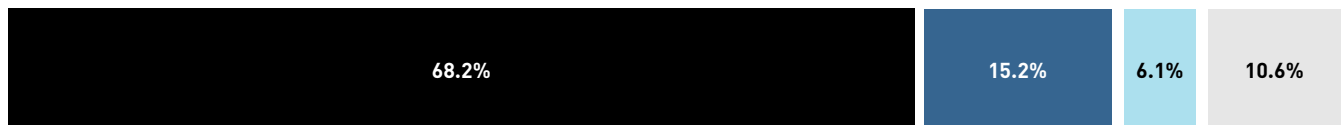
We asked Chamber members:
What is your assessment of changes in business conditions?

FOR THE REGION

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results



SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

FOR YOUR COMPANY

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results

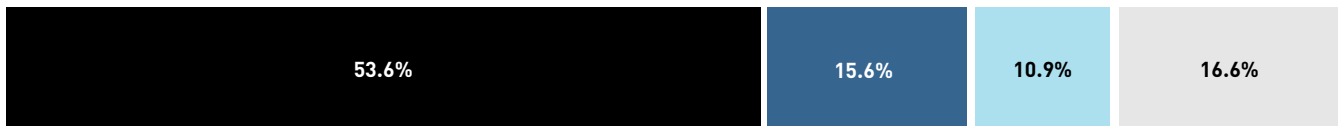


SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

NEW ORDERS

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results



SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

SALES OR REVENUES

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results

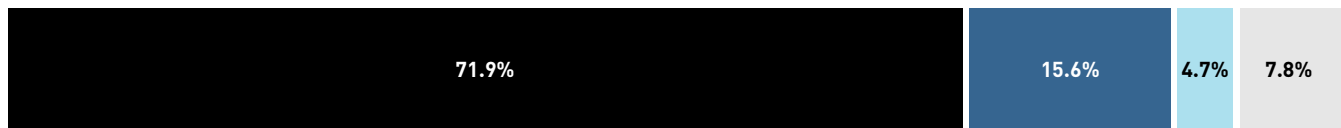


SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

PRICES PAID

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results



SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

PRICES RECEIVED

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results



SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

NUMBER OF EMPLOYEES – FULL-TIME PERMANENT

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results

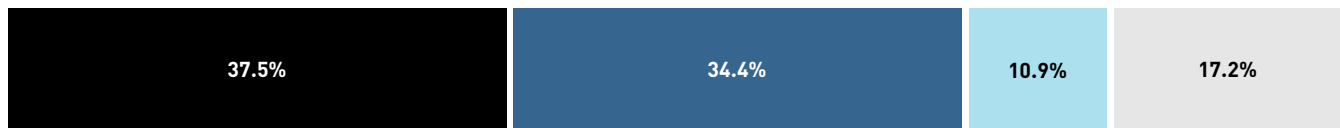


SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

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

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results



SURVEY RESPONSE

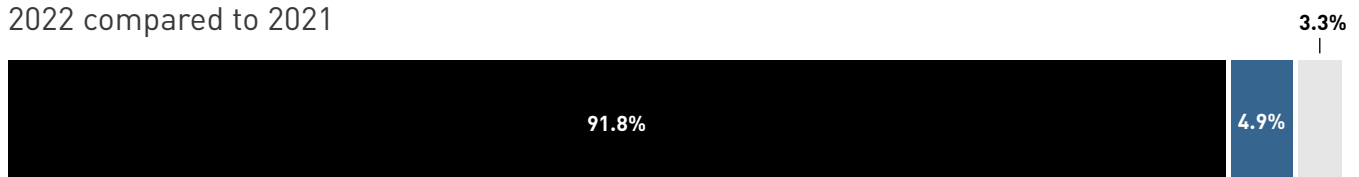
We asked Chamber members:
What is your assessment of changes in business conditions?

WAGES AND BENEFITS COST

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results

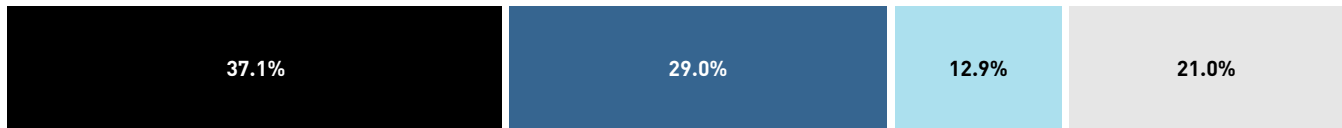


SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

CAPITAL EXPENDITURES - PHYSICAL PLANT

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

Source: Survey Results



SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

CAPITAL EXPENDITURES - EQUIPMENT AND SOFTWARE

2021 compared to 2020



2022 compared to 2021



Higher Same Lower Not Applicable or No Response

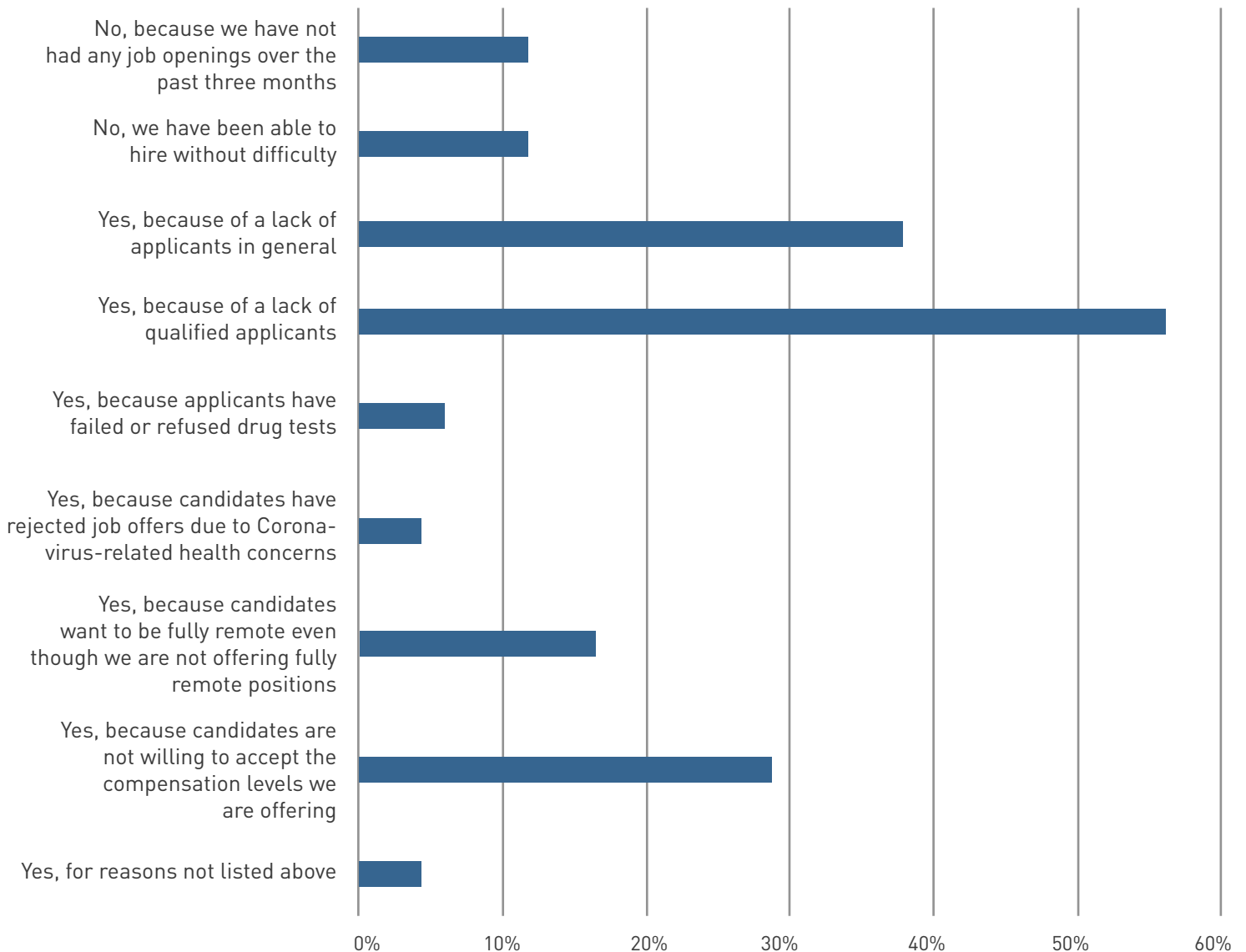
Source: Survey Results



SURVEY RESPONSE

We asked Chamber members:

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



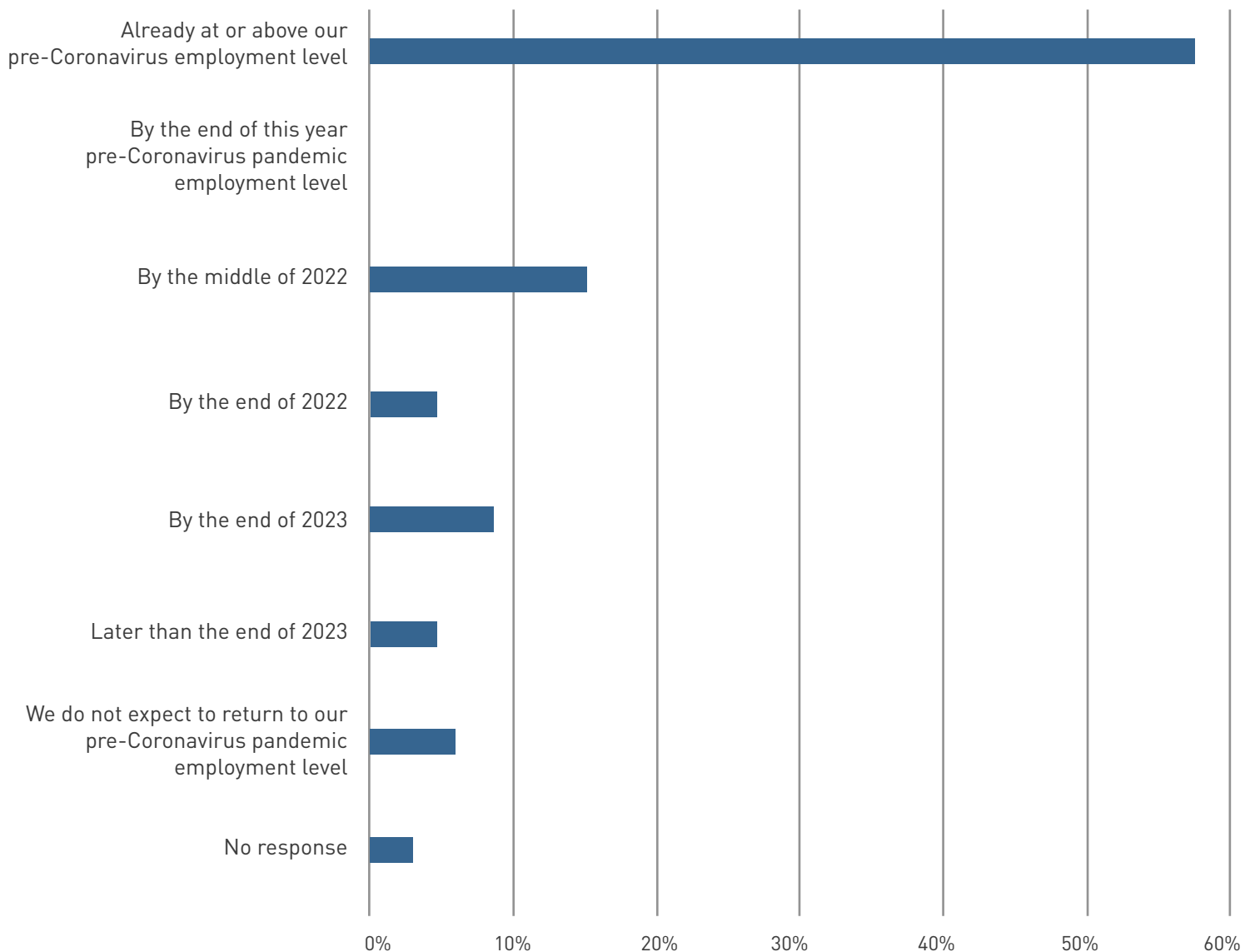
Source: Survey Results



SURVEY RESPONSE

We asked Chamber members:

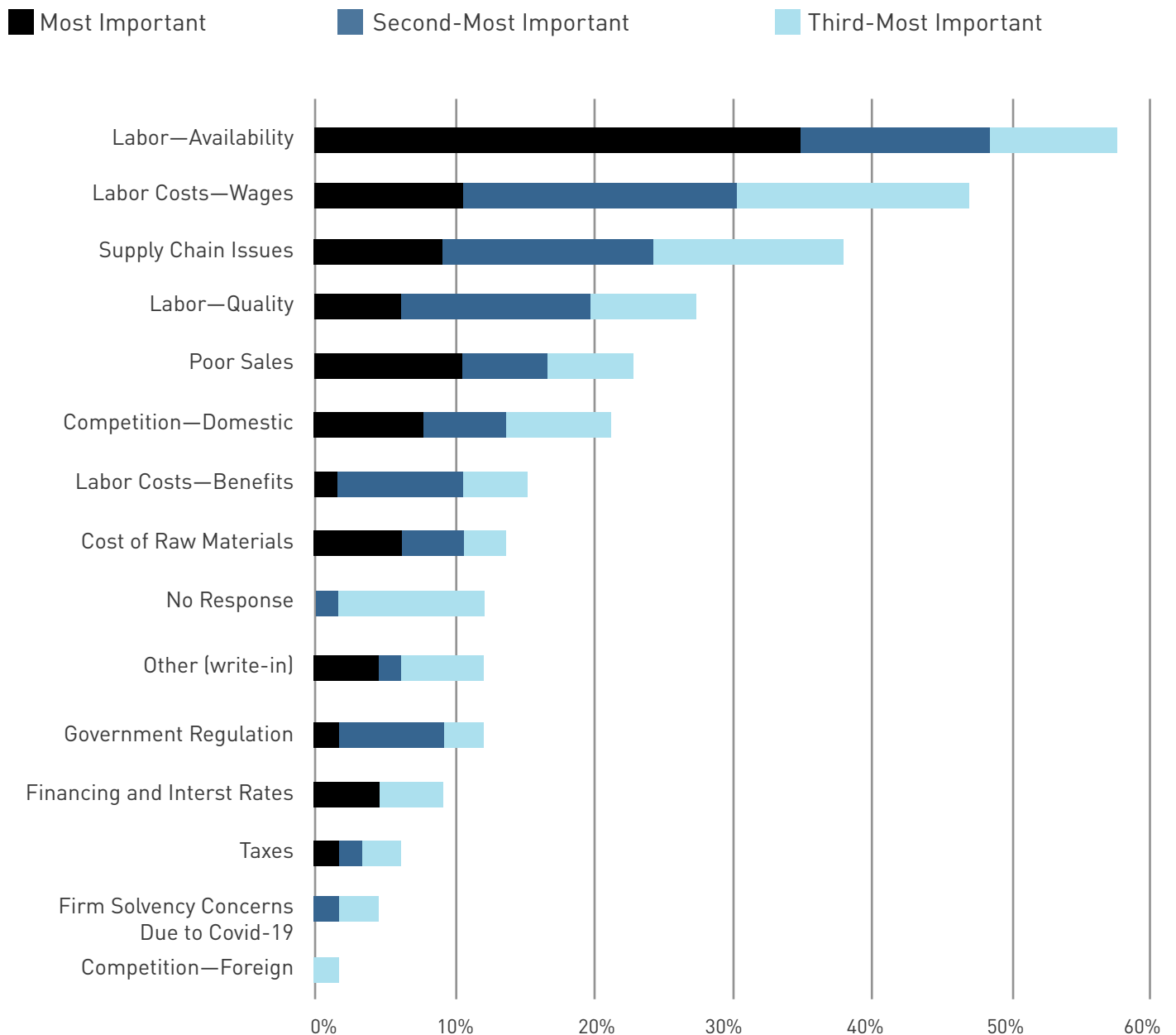
When do you expect you will reach your pre-Coronavirus pandemic employment level (pre-March 2020 employment level)?



Source: Survey Results



BIGGEST PROBLEMS FACING CHAMBER MEMBERS FOR 2022?



Source: Survey Results



TO PARTICIPATE IN OUR SURVEYS:

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APPENDIX

Survey Results

	Significantly lower	Slightly lower	Same	Slightly higher	Significantly higher	Not Applicable	No response
A: WHAT IS THE ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS? (GENERAL ACTIVITY)							
I. FOR THE REGION							
2021 compared with 2020	7.6%	10.6%	12.1%	43.9%	21.2%	0.0%	4.5%
2022 compared with 2021	1.5%	4.5%	15.2%	56.1%	12.1%	3.0%	7.6%
2. FOR YOUR COMPANY							
2021 compared with 2020	4.6%	9.2%	9.2%	32.3%	43.1%	0.0%	1.5%
2022 compared with 2021	1.5%	4.6%	16.9%	36.9%	35.4%	3.1%	1.5%
B. SPECIFIC COMPANY PERFORMANCE MEASURES							
I. NEW ORDERS							
2021 compared with 2020	3.1%	7.8%	15.6%	28.1%	28.1%	15.6%	1.6%
2022 compared with 2021	0.0%	6.6%	14.8%	31.1%	27.9%	14.8%	4.9%
2. SALES OR REVENUES							
2021 compared with 2020	12.3%	6.2%	7.7%	27.7%	44.6%	1.5%	0.0%
2022 compared with 2021	4.9%	4.9%	11.5%	45.9%	26.2%	1.6%	4.9%
3. PRICES PAID							
2021 compared with 2020	1.6%	3.1%	15.6%	42.2%	29.7%	4.7%	3.1%
2022 compared with 2021	0.0%	1.7%	15.3%	45.8%	28.8%	5.1%	3.4%
4. PRICES RECEIVED							
2021 compared with 2020	0.0%	4.8%	34.9%	38.1%	11.1%	6.3%	4.8%
2022 compared with 2021	0.0%	1.7%	26.7%	53.3%	10.0%	5.0%	3.3%
5. NUMBER OF EMPLOYEES – FULL-TIME PERMANENT							
2021 compared with 2020	6.5%	14.5%	37.1%	24.2%	17.7%	0.0%	0.0%
2022 compared with 2021	0.0%	6.7%	30.0%	45.0%	15.0%	0.0%	3.3%
6. NUMBER OF EMPLOYEES – PART-TIME, TEMPORARY, AND CONTRACT							
2021 compared with 2020	6.3%	4.7%	34.4%	31.3%	6.3%	12.5%	4.7%
2022 compared with 2021	1.7%	3.4%	36.2%	34.5%	6.9%	10.3%	6.9%
7. WAGE AND BENEFIT COSTS							
2021 compared with 2020	0.0%	0.0%	19.4%	54.8%	24.2%	0.0%	1.6%
2022 compared with 2021	0.0%	0.0%	4.9%	60.7%	31.1%	0.0%	3.3%
8. CAPITAL EXPENDITURES – PHYSICAL PLANT							
2021 compared with 2020	1.6%	11.3%	29.0%	25.8%	11.3%	14.5%	6.5%
2022 compared with 2021	1.7%	5.2%	34.5%	25.9%	12.1%	13.8%	6.9%



APPENDIX

Survey Results

9. CAPITAL EXPENDITURES – EQUIPMENT AND SOFTWARE							
2021 compared with 2020	4.6%	1.5%	33.8%	40.0%	13.8%	3.1%	3.1%
2022 compared with 2021	1.6%	4.8%	32.3%	41.9%	11.3%	3.2%	4.8%

	Most Important Problem	Second-Most Important Problem	Third-Most Important Problem
C: WHAT ARE THE THREE MOST IMPORTANT PROBLEMS YOUR BUSINESS IS FACING AT THIS TIME?			
Labor costs—wages	10.6%	19.7%	16.7%
Labor costs—benefits	1.5%	9.1%	4.5%
Labor—quality	6.1%	13.6%	7.6%
Labor—availability	34.8%	13.6%	9.1%
Financing and interest rates	4.5%	0.0%	4.5%
Cost of raw materials	6.1%	4.5%	3.0%
Supply chain issues	9.1%	15.2%	13.6%
Competition—foreign	0.0%	0.0%	1.5%
Competition—domestic	7.6%	6.1%	7.6%
Firm solvency concerns due to COVID-19	1.5%	0.0%	3.0%
Poor sales	10.6%	6.1%	6.1%
Government regulation	1.5%	1.5%	3.0%
Taxes	1.5%	1.5%	3.0%
Other (write-in)	4.5%	1.5%	10.6%
No response	0.0%	1.5%	10.6%



APPENDIX

Survey Results

D: THINKING OF POSITIONS YOUR FIRM HAS FILLED OR ATTEMPTED TO FILL OVER THE PAST THREE MONTHS, HAVE YOU HAD DIFFICULTY HIRING WORKERS?	
No, because we have not had any job openings over the past three months.	12.1%
No, we have been able to hire without difficulty.	12.1%
Yes, because of a lack of applicants in general.	37.9%
Yes, because of a lack of qualified applicants.	56.1%
Yes, because applicants have failed or refused drug tests.	6.1%
Yes, because candidates have rejected job offers due to Coronavirus-related health concerns.	4.5%
Yes, because candidates want to be fully remote even though we are not offering fully remote positions.	16.7%
Yes, because candidates are not willing to accept the compensation levels we are offering.	28.8%
Yes, for reasons not listed above.	4.5%

E: WHEN DO YOU EXPECT YOU WILL REACH YOUR PRE-CORONAVIRUS PANDEMIC EMPLOYMENT LEVEL (PRE-MARCH 2020 EMPLOYMENT LEVEL)?	
Already at or above our pre-Coronavirus employment level	57.6%
By the end of this year	0.0%
By the middle of 2022	15.2%
By the end of 2022	4.5%
By the end of 2023	9.1%
Later than the end of 2023	4.5%
We do not expect to return to our pre-Coronavirus pandemic employment level	6.1%
Yes, because candidates are not willing to accept the compensation levels we are offering.	28.8%
No response	3.0%



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