



Forecasting Our Economic Future Together • 2023

# SURVEY RESULTS

TITLE SPONSOR



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# ECONOMIC OUTLOOK



## SURVEY RESULTS

January 13, 2023

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Patrick T. Harker\*

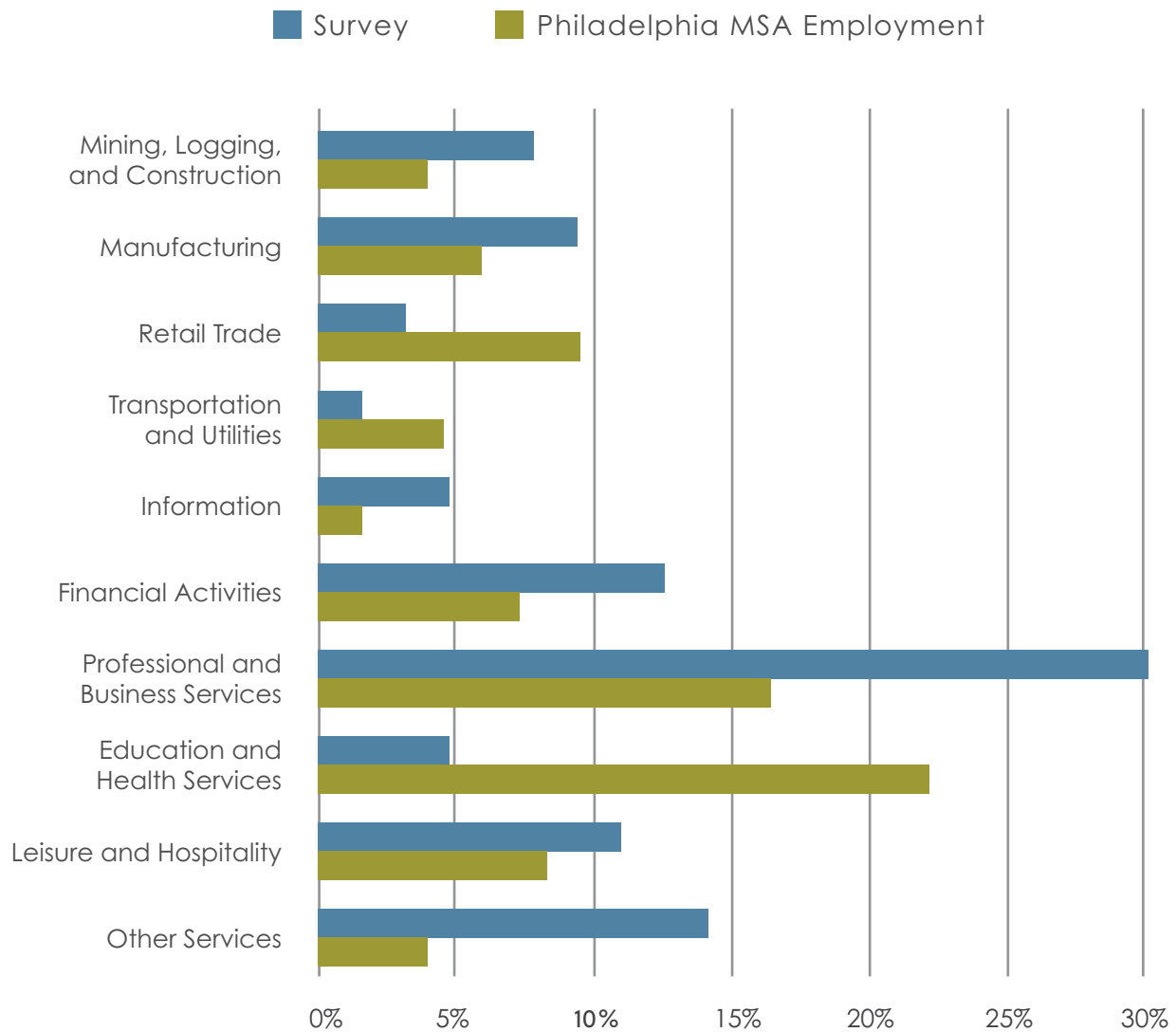


*\* The views expressed today are my own and not necessarily those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.*



# SURVEY METHODOLOGY

## Respondent Distribution



- Conducted from November 30, 2022 – December 16, 2022.
- 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 64 members.

# SURVEY METHODOLOGY

We asked Chamber members:

## What is your assessment of changes in business conditions?

(looking back on 2022 compared with 2021 and looking ahead to 2023 compared with 2022)

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### 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

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*Respondents indicated their assessment by ranking change as Higher, Same, or Lower based on results comparing 2022 to 2021 and their projections comparing 2023 to 2022.*

*The following presents the findings from the survey administered November 30, 2022 – December 16, 2022.*



# SURVEY RESPONSE

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

## For the Region

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response



# SURVEY RESPONSE

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

## For Your Company

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response

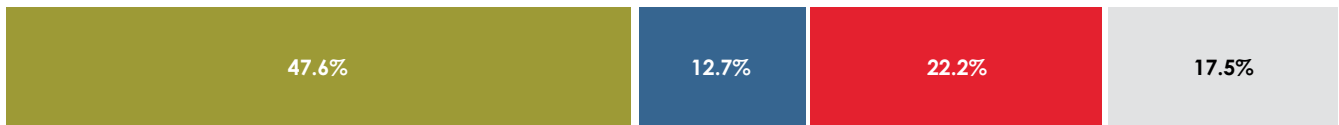


# SURVEY RESPONSE

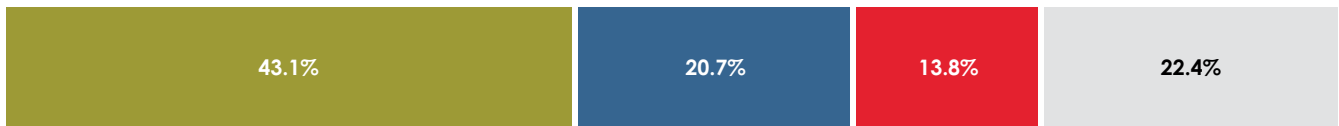
We asked Chamber members:  
**What is your assessment of changes in business conditions?**

## New Orders

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response



# SURVEY RESPONSE

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

## Sales or Revenues

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response





# SURVEY RESPONSE

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

## Prices Paid

2022 Compared to 2021



2023 Compared to 2022



Higher
  Same
  Lower
  Not Applicable or No Response



# SURVEY RESPONSE

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

## Prices Received

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response

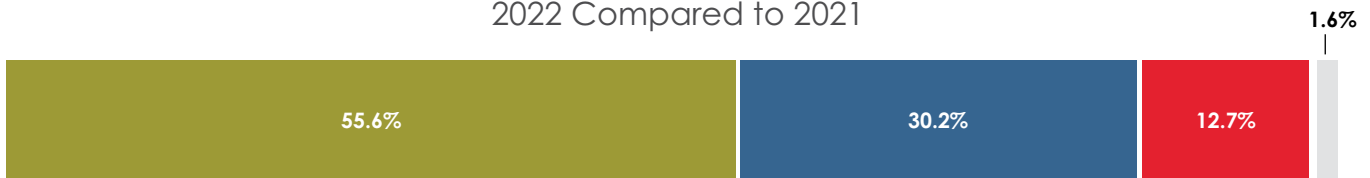


# SURVEY RESPONSE

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

## Number of Employees — Full-time Permanent

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response



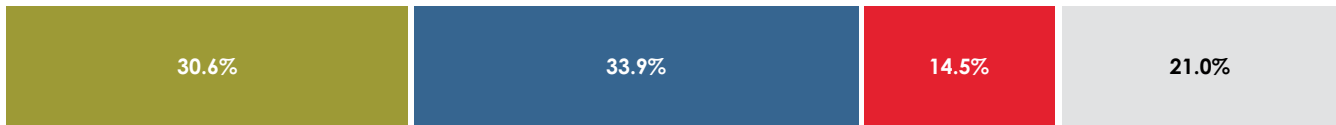
Source: Survey Results

# SURVEY RESPONSE

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

## Number of Employees — Part-time, Temporary, and Contract

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response

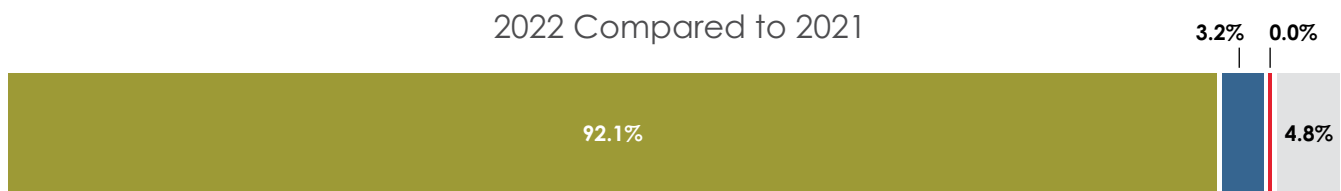


Source: Survey Results

# SURVEY RESPONSE

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

## Wage and Benefit Costs



Higher Same Lower Not Applicable or No Response



# SURVEY RESPONSE

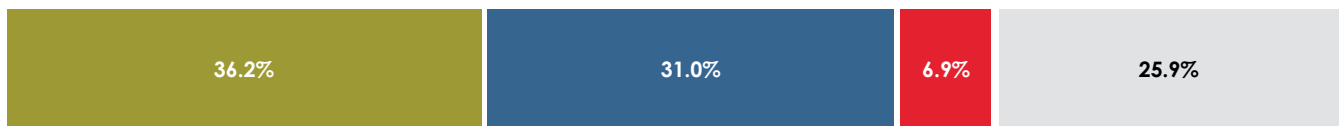
We asked Chamber members:  
**What is your assessment of changes in business conditions?**

## Capital Expenditures — Physical Plant

2022 Compared to 2021



2023 Compared to 2022



Higher Same Lower Not Applicable or No Response



# SURVEY RESPONSE

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

## Capital Expenditures — Equipment and Software

2022 Compared to 2021



2023 Compared to 2022



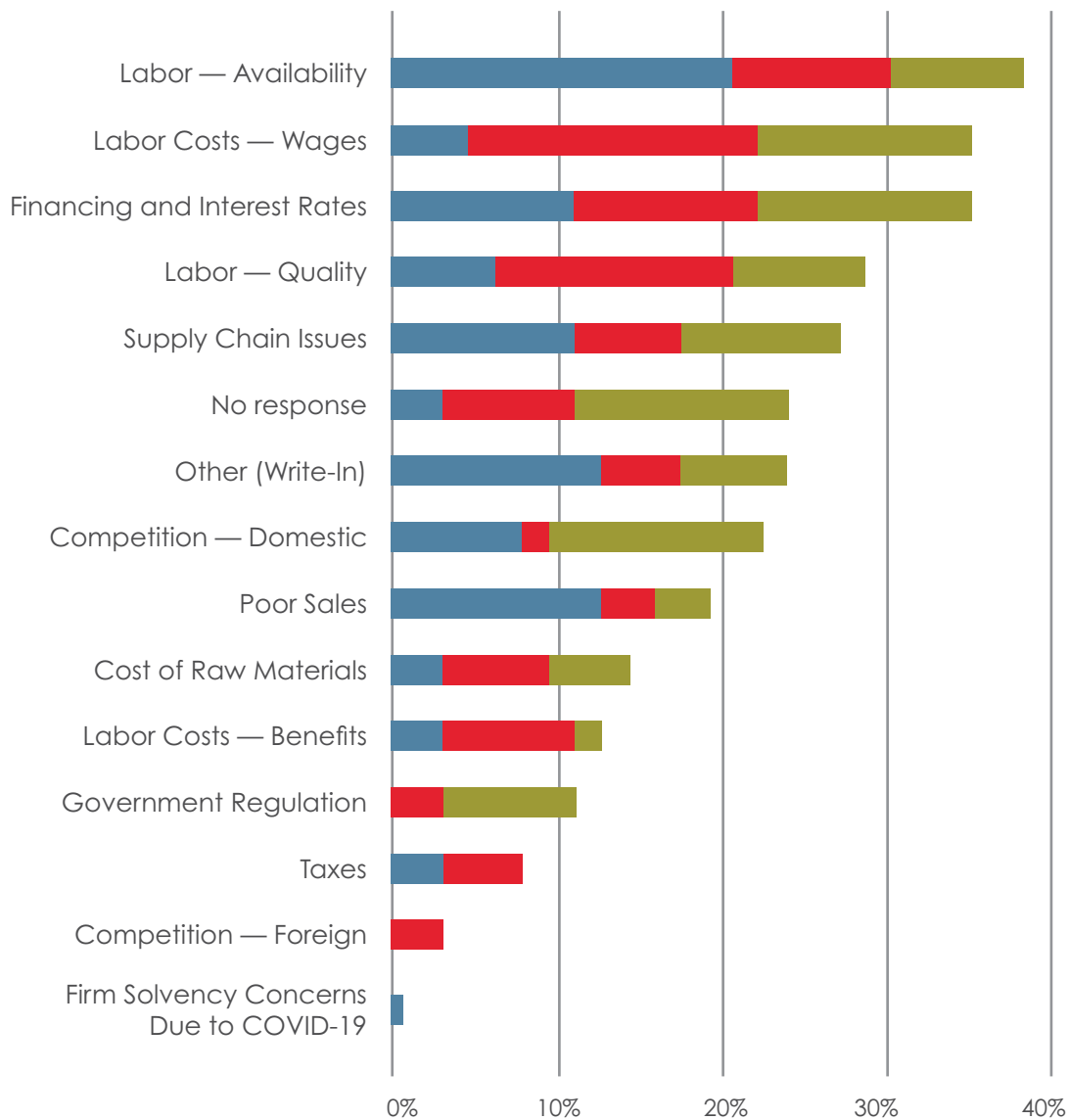
Higher Same Lower Not Applicable or No Response



Source: Survey Results

# BIGGEST PROBLEMS FACING CHAMBER MEMBERS FOR 2022?

■ Most Important     
 ■ Second-Most Important     
 ■ Third-Most Important

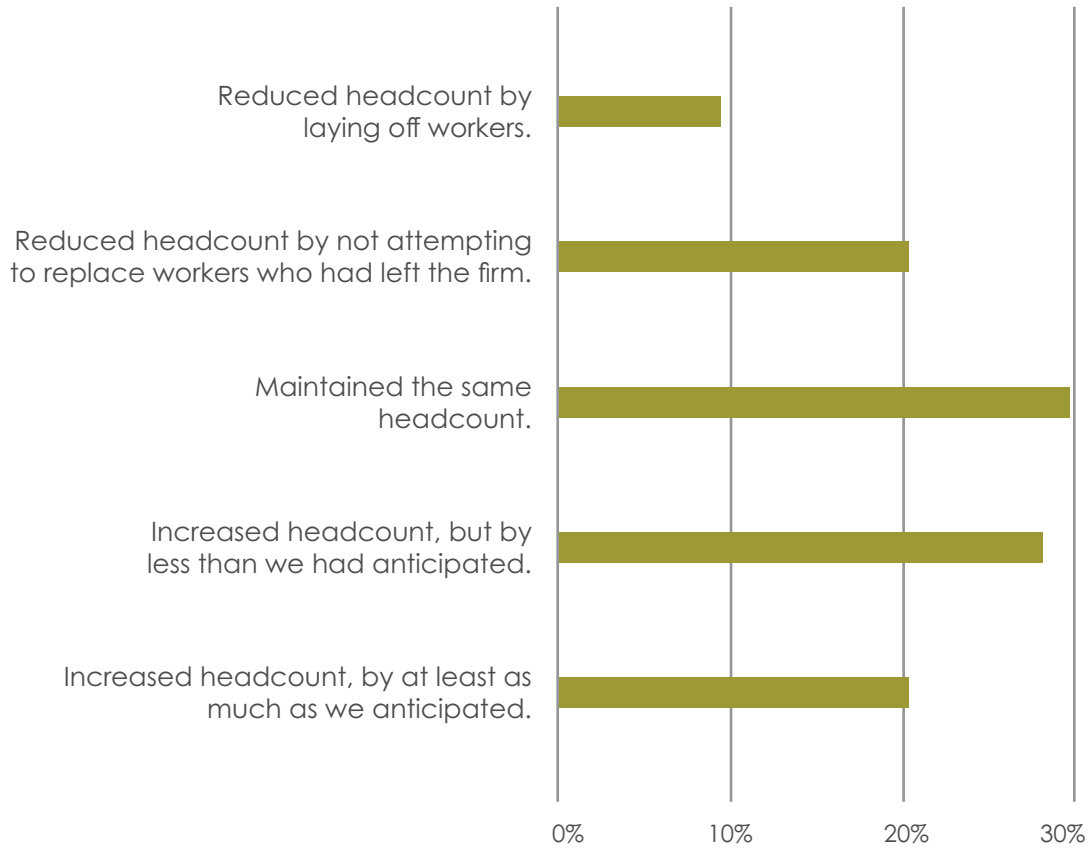


Source: Survey Results



# SURVEY RESPONSE

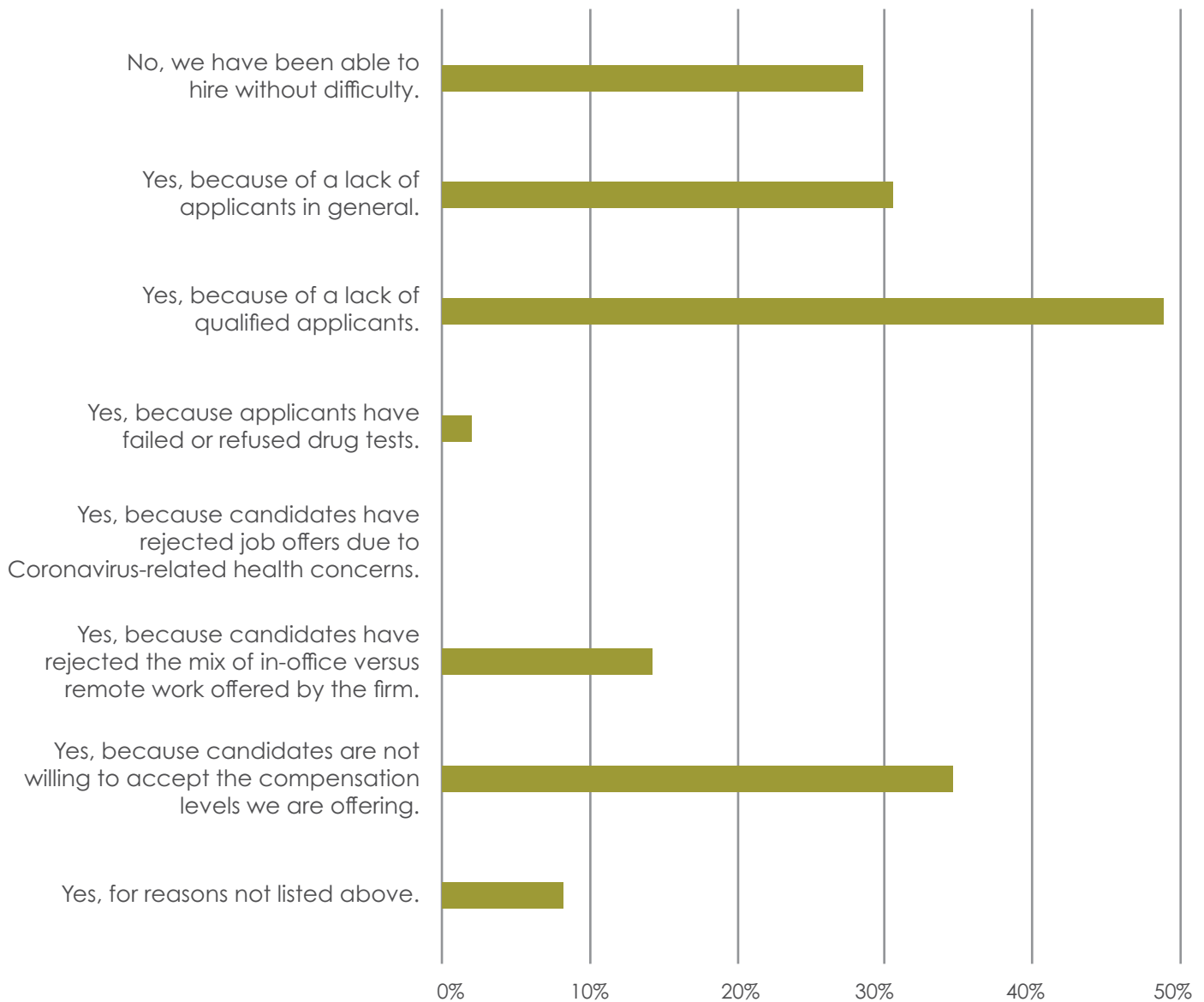
We asked Chamber members:  
**Over the last 3 months,  
how has your firm's headcount changed?**



# SURVEY RESPONSE

We asked Chamber members:

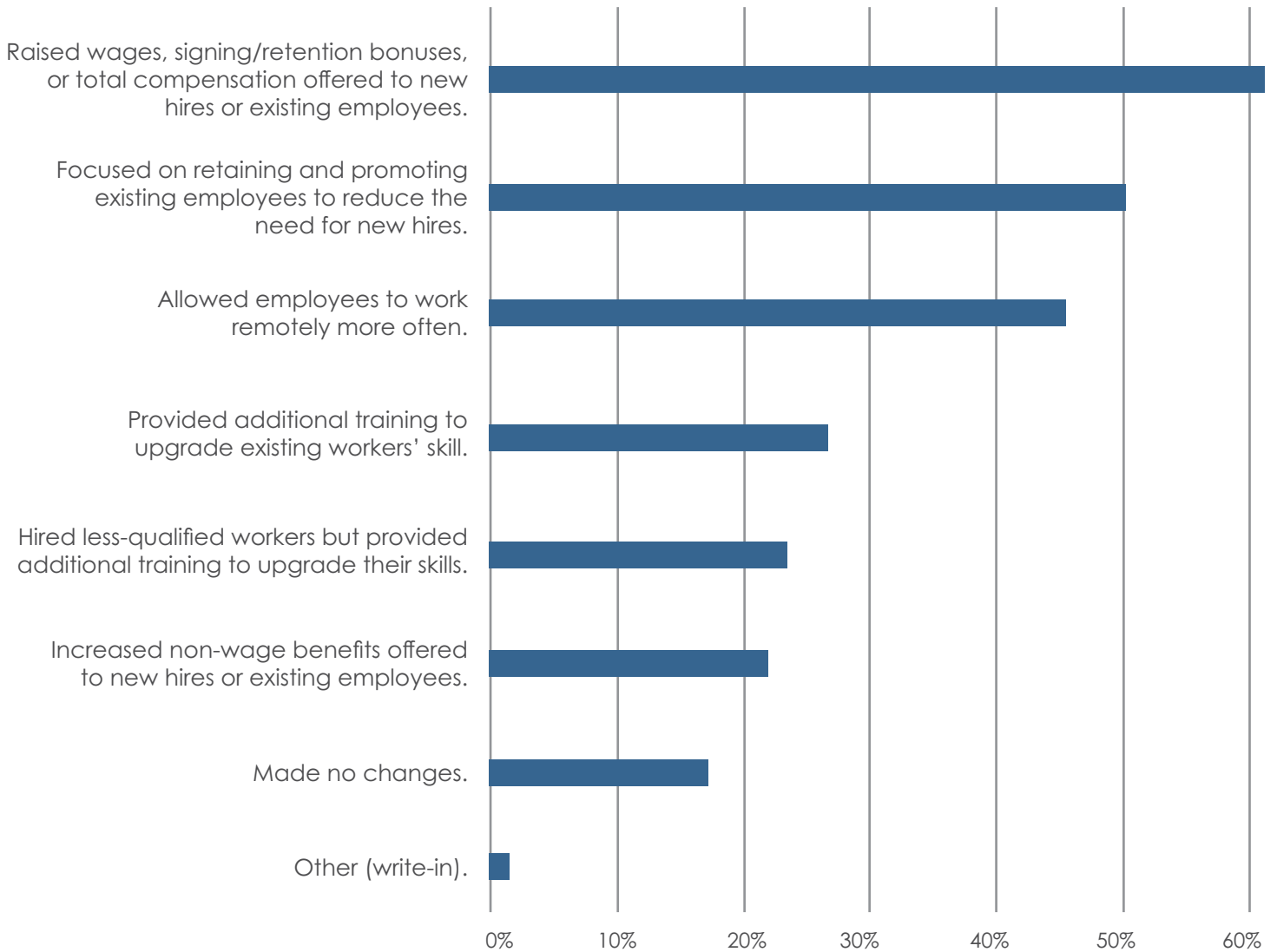
**Thinking of positions your firm has filled or attempted to fill over the past three months, have you had difficulty hiring workers?**



Source: Survey Results

# SURVEY RESPONSE

We asked Chamber members:  
**Over the last 3 months, which of the following approaches have you tried to either hire new workers or to retain existing employees?**



## To Participate in Our Surveys:

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Email us at [phil.surveys@philadelphiafed.org](mailto:phil.surveys@philadelphiafed.org)

Manufacturing  
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Non-Manufacturing  
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# APPENDIX

## Survey Results

	Significantly lower	Slightly lower	Same	Slightly higher	Significantly higher	Not Applicable	No response
<b>A: What is your assessment of changes in business conditions? (General Activity)</b>							
1. For the REGION							
2022 compared with 2021	6.3%	14.1%	20.3%	45.3%	4.7%	0.0%	9.4%
2023 compared with 2022	10.9%	20.3%	23.4%	26.6%	3.1%	1.6%	14.1%
2. For your COMPANY							
2022 compared with 2021	4.9%	18.0%	14.8%	34.4%	24.6%	1.6%	1.6%
2023 compared with 2022	8.6%	15.5%	31.0%	31.0%	8.6%	1.7%	3.4%
<b>A: What is your assessment of changes in business conditions? (Specific Measures)</b>							
1. New Orders							
2022 compared with 2021	4.8%	17.5%	12.7%	31.7%	15.9%	14.3%	3.2%
2023 compared with 2022	3.4%	10.3%	20.7%	25.9%	17.2%	19.0%	3.4%
2. Sales or Revenues							
2022 compared with 2021	6.3%	14.3%	12.7%	41.3%	22.2%	0.0%	3.2%
2023 compared with 2022	7.0%	14.0%	21.1%	33.3%	14.0%	3.5%	7.0%
3. Prices Paid							
2022 compared with 2021	3.2%	0.0%	8.1%	45.2%	37.1%	4.8%	1.6%
2023 compared with 2022	1.8%	1.8%	12.3%	45.6%	26.3%	7.0%	5.3%
4. Prices Received							
2022 compared with 2021	4.9%	1.6%	16.4%	44.3%	21.3%	8.2%	3.3%
2023 compared with 2022	1.9%	3.7%	22.2%	42.6%	11.1%	11.1%	7.4%
5. Number of Employees — Full-time Permanent							
2022 compared with 2021	4.8%	7.9%	30.2%	49.2%	6.3%	0.0%	1.6%
2023 compared with 2022	5.1%	10.2%	32.2%	39.0%	6.8%	5.1%	1.7%
6. Number of Employees – Part-time, Temporary, and Contract							
2022 compared with 2021	4.8%	9.7%	33.9%	22.6%	8.1%	16.1%	4.8%
2023 compared with 2022	3.4%	10.3%	37.9%	17.2%	3.4%	22.4%	5.2%
7. Wage and Benefit Costs							
2022 compared with 2021	0.0%	0.0%	3.2%	49.2%	42.9%	1.6%	3.2%
2023 compared with 2022	0.0%	0.0%	11.9%	57.6%	20.3%	6.8%	3.4%
8. Capital Expenditures — Physical Plant							
2022 compared with 2021	1.6%	3.2%	38.7%	16.1%	21.0%	14.5%	4.8%
2023 compared with 2022	5.2%	1.7%	31.0%	20.7%	15.5%	22.4%	3.4%
9. Capital Expenditures — Equipment and Software							
2022 compared with 2021	1.6%	4.8%	30.2%	44.4%	14.3%	3.2%	1.6%
2023 compared with 2022	1.7%	8.5%	30.5%	39.0%	10.2%	6.8%	3.4%

# APPENDIX

## Survey Results

	Most Important Problem	Second-Most Important Problem	Third-Most Important Problem
<b>C: What are the three most important problems your business is facing at this time?</b>			
Labor costs — wages	4.7%	17.2%	12.7%
Labor costs — benefits	3.1%	7.8%	1.6%
Labor — quality	6.3%	14.1%	7.9%
Labor — availability	20.3%	9.4%	7.9%
Financing and interest rates	10.9%	10.9%	12.7%
Cost of raw materials	3.1%	6.3%	4.8%
Supply chain issues	10.9%	6.3%	9.5%
Competition — foreign	0.0%	3.1%	0.0%
Competition — domestic	7.8%	1.6%	12.7%
Firm solvency concerns due to COVID-19	1.6%	0.0%	0.0%
Poor sales	12.5%	3.1%	3.2%
Government regulation	0.0%	3.1%	7.9%
Taxes	3.1%	4.7%	0.0%
Other (write-in)	12.5%	4.7%	6.3%
No response	3.1%	7.8%	12.7%

<b>D. Over the last 3 months, how has your firm's headcount changed?</b>	
Reduced headcount by laying off workers.	9.4%
Reduced headcount by not attempting to replace workers who had left the firm.	20.3%
Maintained the same headcount.	29.7%
Increased headcount, but by less than we had anticipated.	28.1%
Increased headcount, by at least as much as we anticipated.	20.3%



# APPENDIX

## Survey Results

### E: 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.	28.6%
Yes, because of a lack of applicants in general.	30.6%
Yes, because of a lack of qualified applicants.	49.0%
Yes, because applicants have failed or refused drug tests.	2.0%
Yes, because candidates have rejected job offers due to Coronavirus-related health concerns.	0.0%
Yes, because candidates have rejected the mix of in-office versus remote work offered by the firm.	14.3%
Yes, because candidates are not willing to accept the compensation levels we are offering.	34.7%
Yes, for reasons not listed above.	8.2%

### F. Over the last 3 months, which of the following approaches have you tried to either hire new workers or to retain existing employees?

Raised wages, signing/retention bonuses, or total compensation offered to new hires or existing employees.	60.9%
Increased non-wage benefits offered to new hires or existing employees.	21.9%
Allowed employees to work remotely more often.	45.3%
Hired less-qualified workers but provided additional training to upgrade their skills.	23.4%
Provided additional training to upgrade existing workers' skill.	26.6%
Focused on retaining and promoting existing employees to reduce the need for new hires.	50.0%
Other (write-in).	1.6%
Made no changes.	17.2%



