

summary



BUSINESS OUTLOOK SURVEY
Summary of Returns
November 1971

This Summary of Returns reports on the November responses to the Business Outlook Survey conducted by the Federal Reserve Bank of Philadelphia. Its purpose is to provide an insight into Third District business conditions. The survey sample polls manufacturing firms with 500 or more employees.

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The moderate business expansion which got underway early this year appears to be pausing, at least for a brief time. The latest Business Outlook Survey of manufacturers in the Third Federal Reserve District shows that their overall assessment of business activity is generally one of "no change" from the previous month. When compared with October, most of the key indicators for November, such as new orders and sales, are essentially flat.

However, nearly three-quarters of the executives polled foresee the lull in business activity as being transitory. Looking ahead six months, area businessmen are optimistic about the prospects for their firms. Approximately two out of three anticipate a jump in sales and new orders by next spring. In order to meet the expected gain in business volume, nearly one-fourth of the executives canvassed intend to add employees to their payrolls.

The price freeze apparently is having a favorable impact. Nearly 90 per cent of the respondents report no change in prices for November, and prices are expected to remain fairly steady in December. Furthermore, as shown in the table, the percentage of businessmen expecting price increases six months ahead has dropped substantially since July, the last full month before the price freeze.

	July	November	Change
Prices paid	80.5	61.4	- 19.1
Prices received	65.9	45.5	- 20.4

In summary, a generally optimistic attitude about the future continues to prevail among executives, despite some leveling in business activity at present. In addition, expectations about future price increases have diminished since the inception of the price freeze.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

NOVEMBER 1971

INDICATOR	October vs. September			November vs. October			December vs. November			Six Months From Now vs. November		
	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS												
What is your evaluation of the level of general business activity?	15.9	56.8	25.0	9.1	59.1	29.5	9.1	61.4	27.3	9.1	13.6	72.1
COMPANY BUSINESS INDICATORS												
New Orders	29.5	47.7	20.5	9.1	65.9	20.5	18.2	54.5	22.7	9.1	15.9	70.1
Shipments	27.3	47.7	22.7	11.4	65.9	15.9	20.5	47.7	22.7	11.4	15.9	65.1
Unfilled Orders	20.5	61.4	13.6	15.9	65.9	11.4	18.2	61.4	13.6	9.1	38.6	45.1
Delivery Time	6.8	81.8	4.5	6.8	81.8	4.5	6.8	84.1	2.3	4.5	63.6	25.1
Inventories	15.9	50.0	27.3	20.5	54.5	18.2	20.5	59.1	13.6	15.9	50.0	27.1
Prices Paid	0.0	86.4	6.8	0.0	88.6	6.8	0.0	81.8	13.6	0.0	34.1	61.1
Prices Received	4.5	88.6	2.3	4.5	88.6	2.3	2.3	86.4	6.8	2.3	45.5	45.1
Number of Employees	9.1	81.8	6.8	9.1	86.4	0.0	13.6	81.8	0.0	6.8	63.6	22.1
Average Employee Workweek	2.3	81.8	9.1	4.5	81.8	6.8	9.1	75.0	9.1	6.8	63.6	22.1
Capital Expenditures										9.1	56.8	25.1

NOTE: Items may not add to 100 per cent because of omission by respondents.