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BUSINESS OUTLOOK SURVEY
Summary of Returns
January 1972

This Summary of Returns reports on the January 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.

The year-old business expansion, which slowed somewhat during the last quarter of 1971, appears to have resumed its upward course. The latest Business Outlook Survey among large manufacturers in the Third Federal Reserve District shows a healthy gain in a number of important economic indicators. In January, for example, approximately seven times as many responding firms are registering increases in new orders and sales as are posting decreases.

Looking beyond the immediate period, regional manufacturers are in an optimistic frame of mind. Three out of four executives canvassed foresee an increase in general business activity at least through the middle of the year. In addition, more than two-thirds expect sales and new orders to be higher six months from now. In anticipation of the increased business tempo, the number of firms planning a boost in payrolls during the next six months outstrips the number planning a cutback by a ratio of six to one. It has been almost two years since hiring intentions have been as bullish. Despite these stepped-up hiring plans, however, the unemployment rate could still remain sticky if the number of new workers entering the labor force comes close to offsetting the number of newly created jobs.

On the price front, the figures are mixed. Although prices were generally steady during the past three months, about one-fourth of those canvassed did report price increases for January.

In summary, most economic indicators for the current month look better than they have for some time. And area executives on the whole are optimistic about what lies ahead for business during the next half year.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

JANUARY 1972

INDICATOR	December vs. November			January vs. December			February vs. January			Six Months From Now vs. January		
	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?	13.3	53.3	31.1	6.7	46.7	42.2	4.4	51.1	40.0	4.4	15.6	75.6
COMPANY BUSINESS INDICATORS												
New Orders	20.0	51.1	28.9	4.4	51.1	42.2	6.7	46.7	44.4	4.4	22.2	71.1
Shipments	24.4	53.3	22.2	6.7	48.9	42.2	4.4	55.6	37.8	8.9	22.2	66.7
Unfilled Orders	22.2	55.6	20.0	8.9	66.7	20.0	6.7	57.8	28.9	11.1	35.6	48.9
Delivery Time	2.2	82.2	8.9	0.0	84.4	11.1	0.0	82.2	13.3	6.7	60.0	28.9
Inventories	31.1	53.3	13.3	17.8	57.8	20.0	13.3	60.0	22.2	20.0	37.8	37.8
Prices Paid	2.2	71.1	24.4	0.0	71.1	26.7	0.0	60.0	37.8	0.0	26.7	71.1
Prices Received	4.4	75.6	17.8	4.4	71.1	22.2	2.2	80.0	15.6	2.2	40.0	55.6
Number of Employees	6.7	86.7	6.7	6.7	80.0	11.1	2.2	82.2	11.1	6.7	51.1	40.0
Average Employee Workweek	6.7	80.0	8.9	4.4	77.8	13.3	2.2	80.0	11.1	4.4	55.6	33.3
Capital Expenditures										6.7	51.1	37.8

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