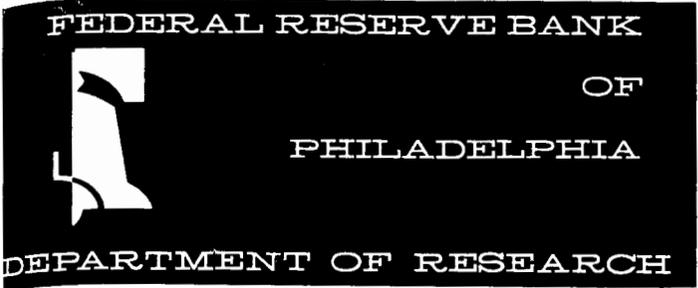


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BUSINESS OUTLOOK SURVEY
Summary of Returns
June 1972

This Summary of Returns reports on the June 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 regional economy is continuing to expand according to area businessmen. The latest Business Outlook Survey of large manufacturers in the Third Federal Reserve District shows that several key indicators remain on an upward trend. In June, for example, about twice as many firms are chalking up advances in new orders and sales as those reporting decreases. Four out of ten businessmen surveyed believe the level of general business activity will be even higher in July than in June.

Area manufacturers are also bullish on the longer term outlook. Eight out of ten respondents expect general business activity in the region to be higher six months from now. Moreover, six out of ten executives believe sales and new orders in their own firms will be at a higher level by the end of the year. As a result of this anticipated business expansion, more than one-third of the firms plan to add employees over the next six months.

Although most businessmen are optimistic about orders and sales, they are not optimistic about the outlook for inflation. Two-

thirds of the respondents expect to be paying higher prices by the end of the year for their manufacturing inputs, while four out of ten forecast an increase in prices received for manufactured goods.

In short, area executives expect the business expansion, underway for the past year and a half, to continue through at least the remainder of the year. They also expect rising employment opportunities, with continuing upward pressure on prices during the months ahead.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

JUNE 1972

INDICATOR	May vs. April			June vs. May			July vs. June			Six Months From Now vs. June		
	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?	2.6	52.6	44.7	5.3	52.6	42.1	5.3	55.3	39.5	5.3	13.2	81.6
COMPANY BUSINESS INDICATORS												
New Orders	15.8	47.4	31.6	13.2	50.0	31.6	15.8	52.6	26.3	10.5	23.7	60.5
Shipments	13.2	52.6	31.6	15.8	50.0	28.9	21.1	52.6	21.1	7.9	26.3	60.5
Unfilled Orders	23.7	42.1	26.3	18.4	52.6	18.4	15.8	57.9	15.8	10.5	28.9	50.0
Delivery Time	0.0	89.5	2.6	2.6	78.9	7.9	2.6	78.9	10.5	2.6	71.1	18.4
Inventories	23.7	52.6	21.1	15.8	57.9	23.7	15.8	57.9	23.7	28.9	28.9	39.5
Prices Paid	0.0	71.1	26.3	0.0	68.4	28.9	0.0	65.8	31.6	0.0	28.9	68.4
Prices Received	0.0	84.2	13.2	0.0	86.8	10.5	0.0	81.6	15.8	2.6	52.6	42.1
Number of Employees	7.9	65.8	23.7	5.3	71.1	21.1	2.6	81.6	13.2	2.6	57.9	36.8
Average Employee Workweek	0.0	81.6	15.8	5.3	86.8	5.3	2.6	89.5	5.3	2.6	68.4	26.3
Capital Expenditures										2.6	44.7	44.7

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