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BUSINESS OUTLOOK SURVEY
Summary of Returns
July 1972

This Summary of Returns reports on the July 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.

Area businessmen remain optimistic about the regional economy. The latest Business Outlook Survey among large manufacturers in the Third Federal Reserve District shows that while most of the key business indicators displayed no significant change from their June levels, they are expected to resume their upward course next month. For example, over 40 percent of the area executives polled foresee increases in sales and new orders for August. In anticipation of this boost in sales more than twice as many respondents are planning inventory increases as are planning decreases next month.

Looking ahead to next year, area executives expect business to remain brisk. Eight out of ten manufacturers canvassed predict an increase in the level of regional business activity at least through the first month of 1973. Moreover, almost two-thirds expect new orders and sales in their own firms to be growing a half year ahead. As a result of this continuing expansion, the number of firms planning boosts in payrolls during the next six months outstrips the number planning cutbacks by a ratio of three to one.

Area businessmen split on the outlook for inflation.

Half of the responding executives foresee prices holding the line through January while the remainder expect prices to climb.

However, only last February almost 75 percent felt prices were bound to escalate.

In summary, area manufacturers remain optimistic about sales and employment prospects in the regional economy during the forthcoming month and into the beginning of the new year. Yet many expect some upward pressure on prices to continue into 1973.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

JULY 1972

INDICATOR	June vs. May			July vs. June			August vs. July			Six Months From Now vs. July		
	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?	7.9	60.5	31.6	7.9	65.8	23.7	5.3	47.4	42.1	2.6	18.4	76.3
COMPANY BUSINESS INDICATORS												
New Orders	23.7	50.0	23.7	18.4	44.7	28.9	2.6	44.7	42.1	5.3	26.3	63.2
Shipments	21.1	50.0	26.3	21.1	60.5	10.5	5.3	42.1	42.1	5.3	26.3	63.2
Unfilled Orders	23.7	42.1	28.9	15.8	57.9	15.8	5.3	50.0	31.6	5.3	36.8	50.0
Delivery Time	2.6	81.6	7.9	2.6	73.7	13.2	5.3	73.7	7.9	7.9	57.9	26.3
Inventories	15.8	55.3	23.7	23.7	55.3	13.2	10.5	57.9	21.1	15.8	34.2	44.7
Prices Paid	0.0	71.1	23.7	0.0	71.1	21.1	0.0	68.4	21.1	0.0	44.7	50.0
Prices Received	0.0	84.2	10.5	0.0	73.7	18.4	0.0	76.3	13.2	2.6	55.3	36.8
Number of Employees	15.8	63.2	18.4	5.3	84.2	2.6	2.6	65.8	21.1	10.5	47.4	36.8
Average Employee Workweek	10.5	73.7	7.9	2.6	76.3	10.5	2.6	65.8	15.8	5.3	60.5	26.3
Capital Expenditures										2.6	44.7	42.1

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