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BUSINESS OUTLOOK SURVEY  
Summary of Returns  
March 1974

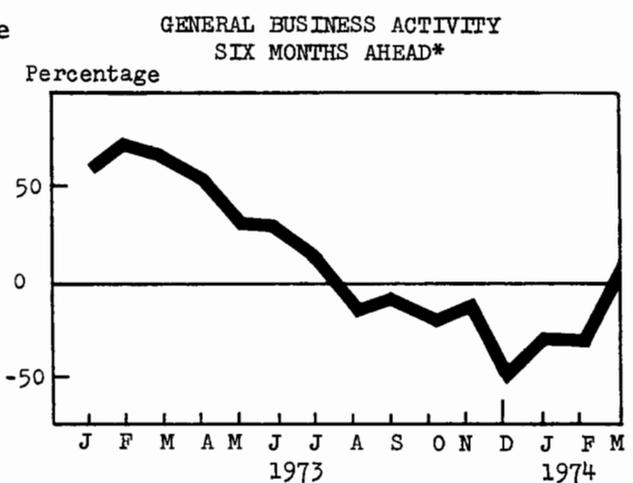


This Summary of Returns reports on the March responses to the Business Outlook Survey conducted by the Federal Reserve Bank of Philadelphia. Its purpose is to provide an insight into Third District business conditions. The survey sample polls manufacturing firms with 500 or more employees.

Business activity in the regional economy remains soft according to area executives. The latest Business Outlook Survey of manufacturers in the Third Federal Reserve District indicates new orders, shipments and unfilled orders are almost unchanged from February's level. Consequently, the employment picture is also holding steady. Eight out of ten firms surveyed expect to maintain the current number in their workforce through March and seven out of ten do not anticipate altering the length of the average workweek.

Looking ahead six months, regional executives are far more optimistic about general business conditions than they have been since December. As the chart shows, in December the number of businessmen expecting declines in the level of industrial activity six months ahead far outstripped those expecting increases. However, as of our latest survey a third of the respondents see at least no change and one out of three expect business activity to pick up by September.

Despite their buoyancy regarding business activity six months ahead, District executives are still concerned about the inflation problem.



\* (Percentage of respondents expecting an increase minus those expecting a decrease).

More than three-quarters of businessmen report they expect to pay more for raw materials and receive higher prices for finished goods by September.

In summary, manufacturers see a leveling off in business activity in the short run but do voice some optimism for the longer term outlook. However, they also foresee inflationary pressures continuing to plague the regional economy.

### BUSINESS OUTLOOK SURVEY

#### SUMMARY OF RETURNS MARCH

#### INDICATOR

March vs. February			Six Months from Now vs. March		
Decrease	No Change	Increase	Decrease	No Change	Increase

#### GENERAL BUSINESS CONDITIONS

	Decrease	No Change	Increase	Decrease	No Change	Increase
What is your evaluation of the level of general business activity?	17.8	68.9	13.3	31.3	35.6	33.3

#### COMPANY BUSINESS INDICATORS

	Decrease	No Change	Increase	Decrease	No Change	Increase
New Orders	17.8	60.0	20.0	31.1	33.3	33.3
Shipments	8.9	55.6	35.6	24.4	48.9	26.7
Unfilled Orders	26.7	51.1	17.8	33.3	42.2	20.0
Delivery Time	2.2	68.9	24.4	20.0	57.8	17.8
Inventories	24.4	44.4	31.1	37.8	42.2	20.0
Prices Paid	0.0	8.9	91.1	4.4	6.7	86.7
Prices Received	0.0	51.1	48.9	0.0	17.8	82.2
Number of Employees	8.9	80.0	11.1	13.3	66.7	20.0
Average Employee Workweek	6.7	73.3	13.3	11.1	82.2	4.4
Capital Expenditures				4.4	48.9	40.0

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