



BUSINESS OUTLOOK SURVEY
Summary of Returns
September 1976

This Summary of Returns reports on the September 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 region's manufacturing sector is still expanding, but job growth is at a standstill. Four out of 10 executives surveyed indicate that overall business conditions are better than in August. Increases are reported in new orders by about 40 percent of the respondents, and a slightly greater proportion indicate higher levels of shipments. One major barometer showing no increase is inventories, which are unchanged after declining for the past few months.

Despite the continuing gains in manufacturing, employment is at a virtual standstill this month. While the average workweek is fractionally longer in September, the number of employees in manufacturing is unchanged from last month. This is the first time since March that no job growth has been recorded in this sector.

For the longer term, businessmen look for additional gains in economic activity. Of the manufacturers surveyed, 2 out of 3 anticipate better business conditions by March. Specific gains are projected in new orders, shipments, and employment. In addition, spending for plant and equipment is expected to rise during the period. No additional investment is planned, however, in inventories, which are expected to be unchanged from present levels.

On the inflation front, manufacturers report paying and receiving higher prices this month. A little over one-half of the executives in the current survey are paying more for their inputs and one-third are charging more for their output. Over the next half-year, 84 percent expect to be paying more for their supplies and 75 percent anticipate higher prices for their finished products.

In short, manufacturing activity is expanding gradually, but there is no improvement in the job picture over last month. For the longer term, output and employment are expected to expand, but prices will be rising as well.

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SUMMARY OF RETURNS September 1976

INDICATOR	September vs. August			Six Months from Now vs. September		
	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS						
What is your evaluation of the level of general business activity?	11.4	50.0	38.6	0.0	31.8	63.6
COMPANY BUSINESS INDICATORS						
New Orders	18.2	40.9	38.6	4.5	22.7	63.6
Shipments	13.6	40.9	45.5	9.1	25.0	61.4
Unfilled Orders	15.9	52.3	27.3	4.5	40.9	47.7
Delivery Time	9.1	77.3	6.8	11.4	54.5	27.3
Inventories	27.3	40.9	29.5	27.3	38.6	29.5
Prices Paid	0.0	43.2	54.5	0.0	11.4	84.1
Prices Received	4.5	63.6	29.5	2.3	18.2	75.0
Number of Employees	6.8	84.1	9.1	11.4	50.0	34.1
Average Employee Workweek	6.8	75.0	13.6	9.1	59.1	27.3
Capital Expenditures				0.0	56.8	38.6

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