

Greater Philadelphia Chamber of Commerce Economic Outlook Survey Results

February 6, 2014

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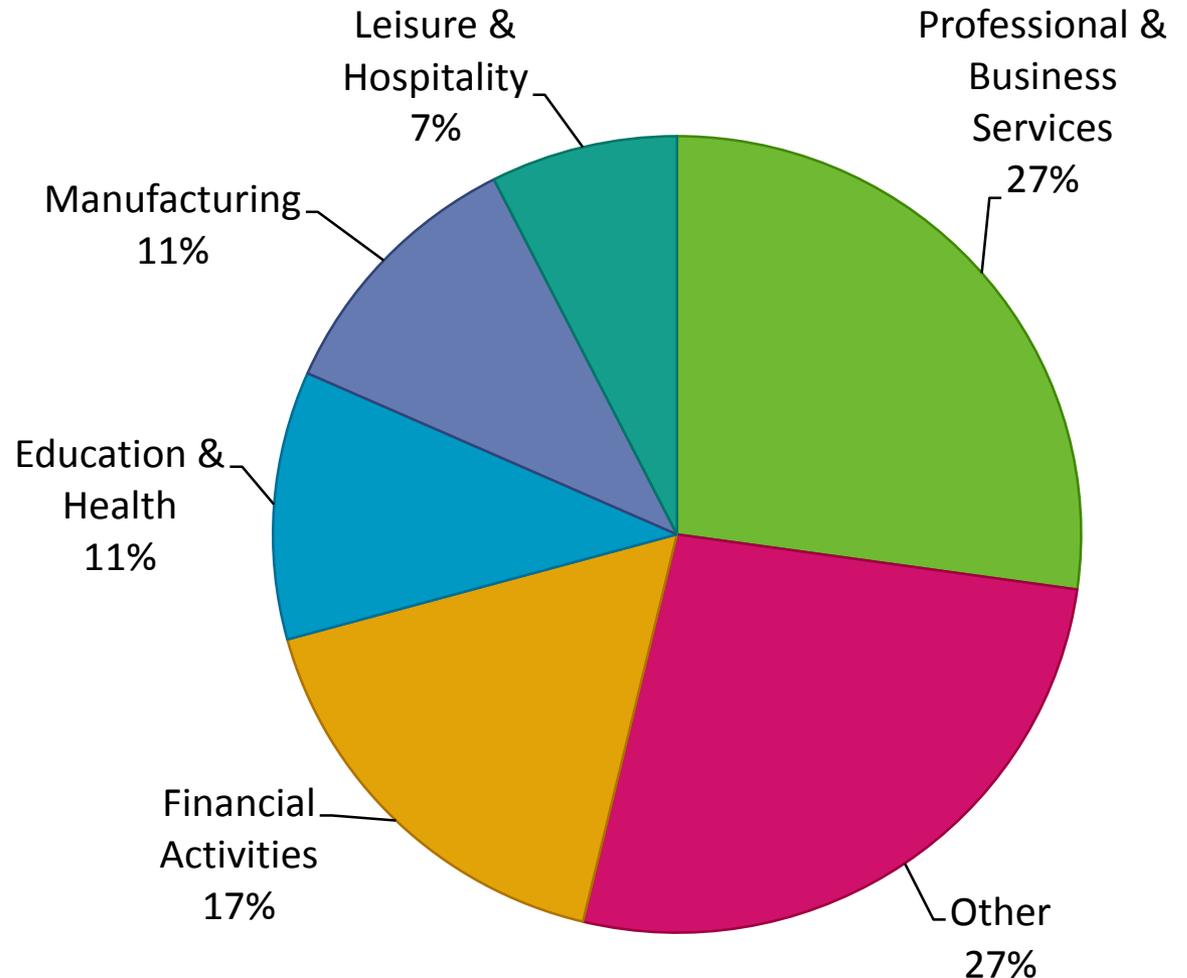
FEDERAL RESERVE BANK OF PHILADELPHIA



** The views expressed today are my own and not necessarily those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.*

Economic Outlook Survey Sample

- Conducted from Dec. 4, 2013 to Dec. 18, 2013
- Total Responses = 152
- Results presented as “Diffusion Index”



Diffusion Indexes

What is your assessment of changes in business conditions for the region?

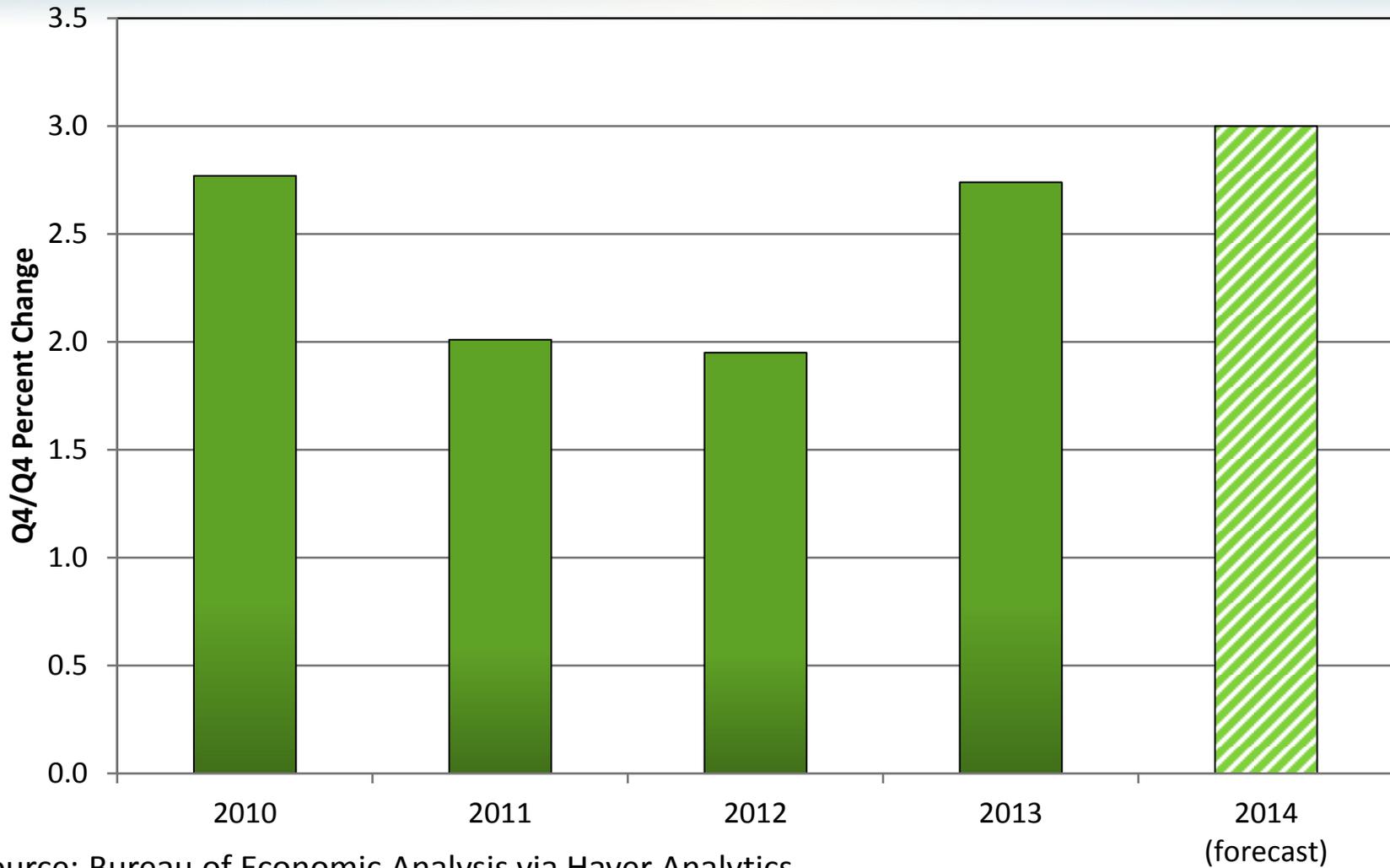
2013 Compared with 2012

Significantly Lower	Slightly Lower	Same	Slightly Higher	Significantly Higher
5.0%	15.0%	20.0%	40.0%	10.0%



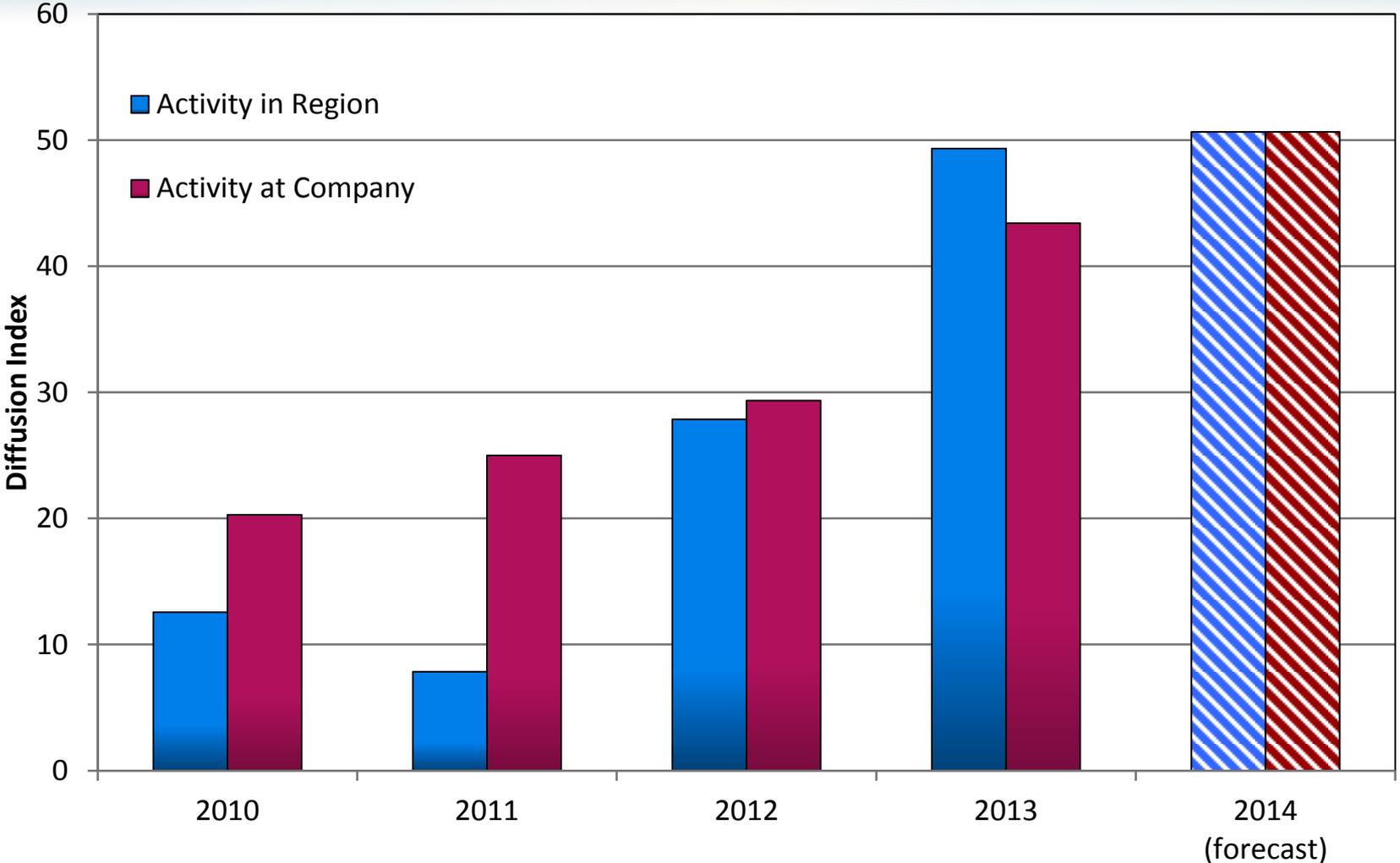
Diffusion Index = 30.0

Real Gross Domestic Product



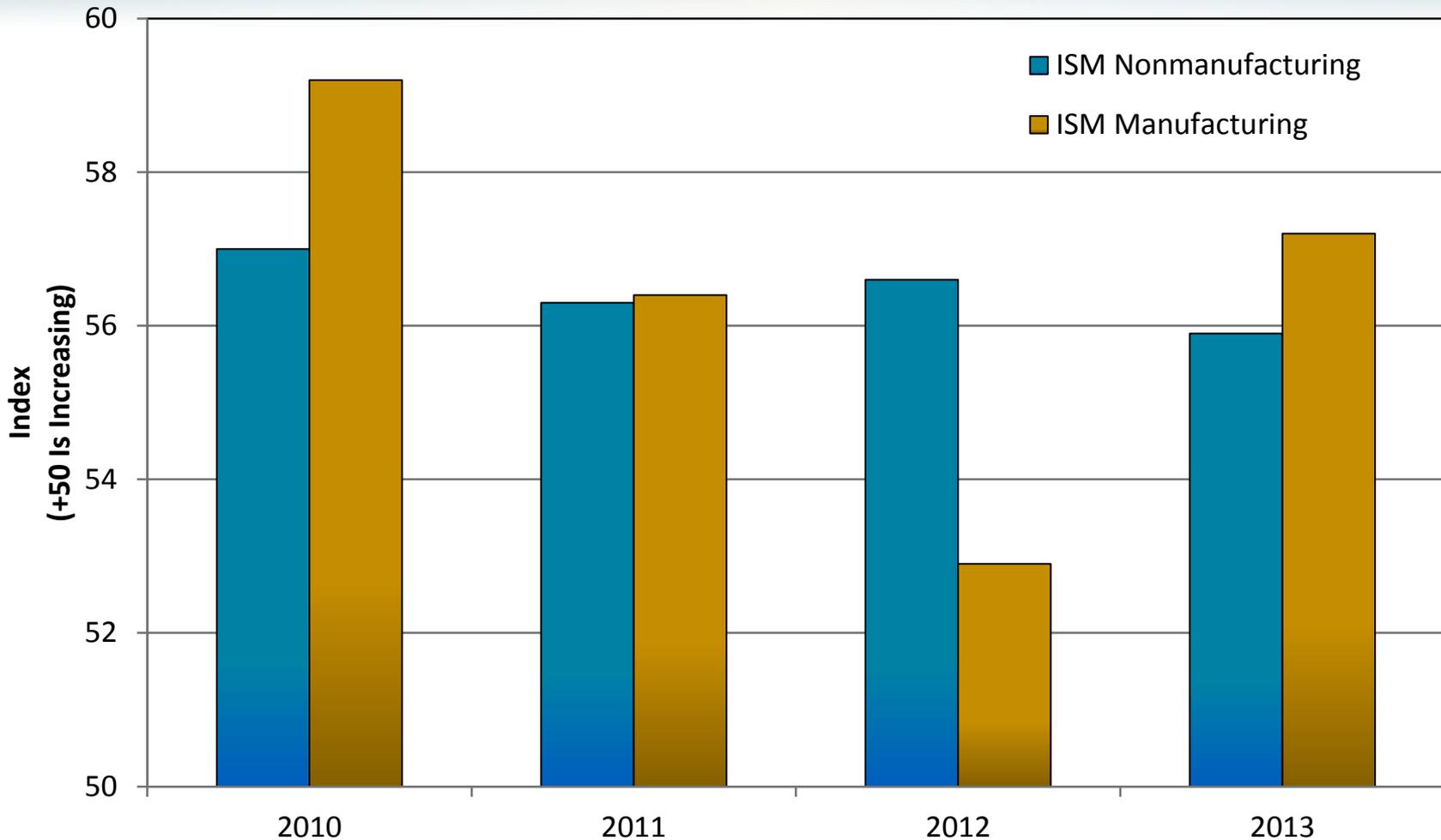
Source: Bureau of Economic Analysis via Haver Analytics,
FOMC Summary of Economic Projections – Dec. 18, 2013

Survey Response – Business Activity



Source: Survey Results

New Orders – Nationwide



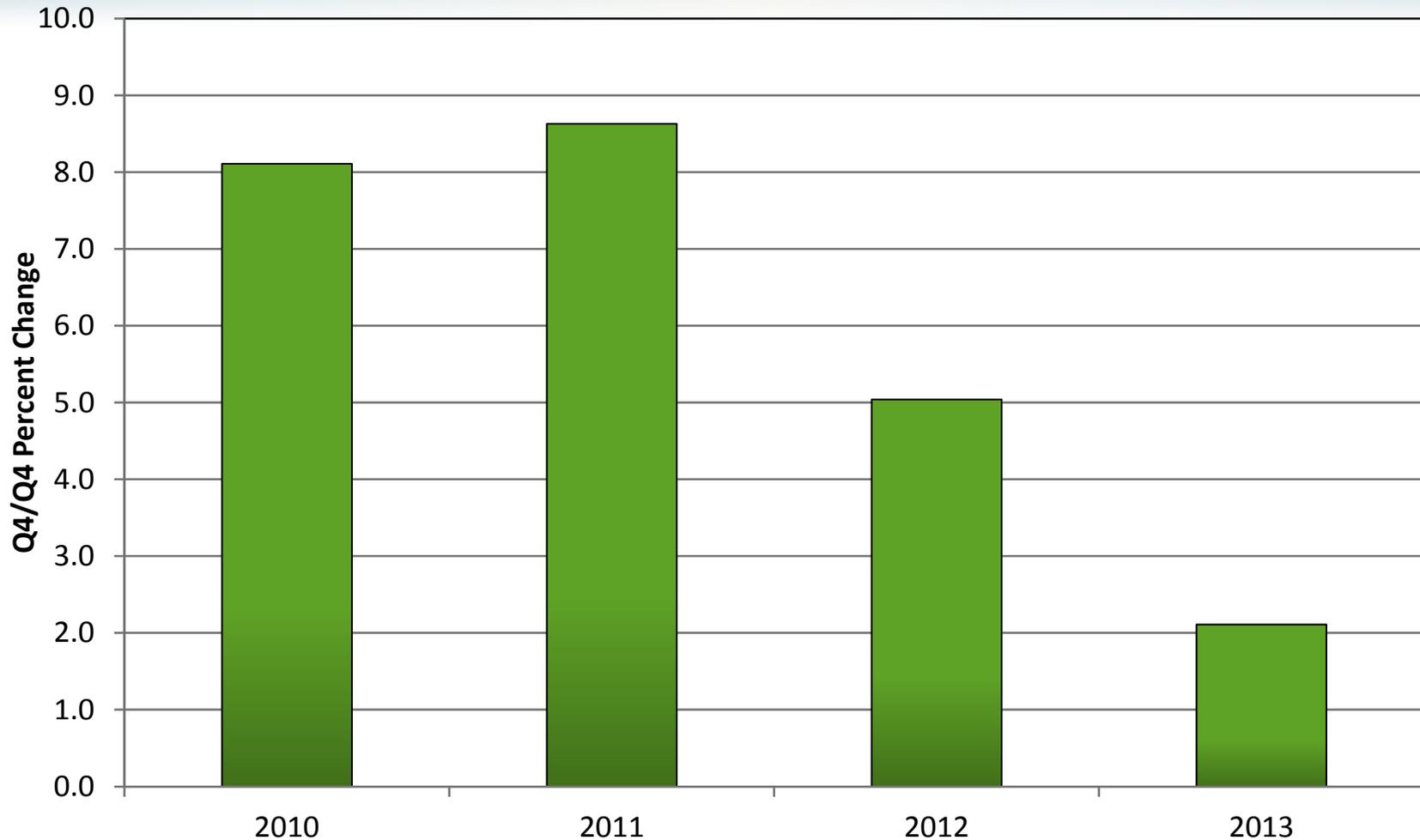
Source: Institute for Supply Management via Haver Analytics

Survey Response – Orders and Sales



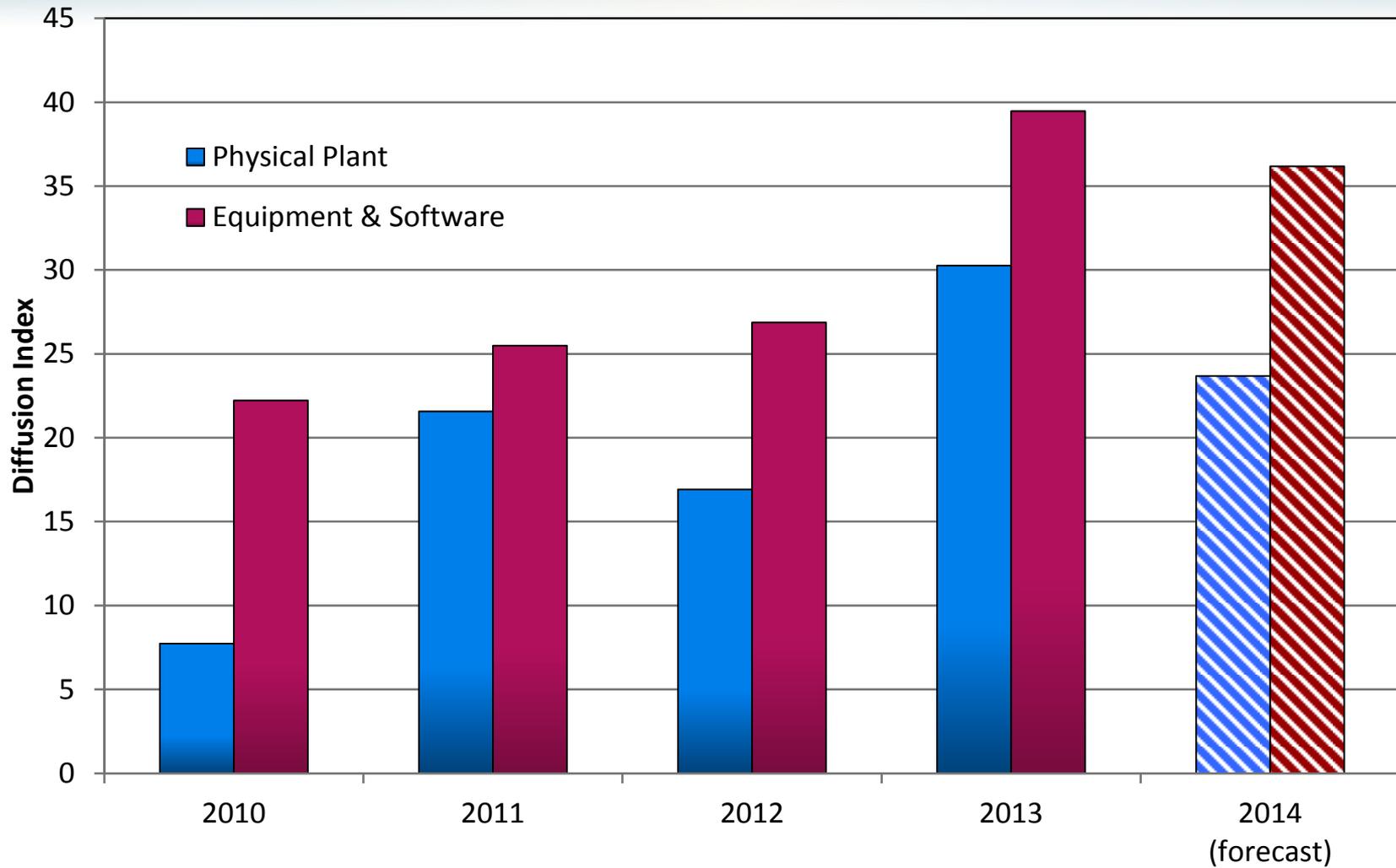
Source: Survey Results

Nonresidential Investment – Nationwide



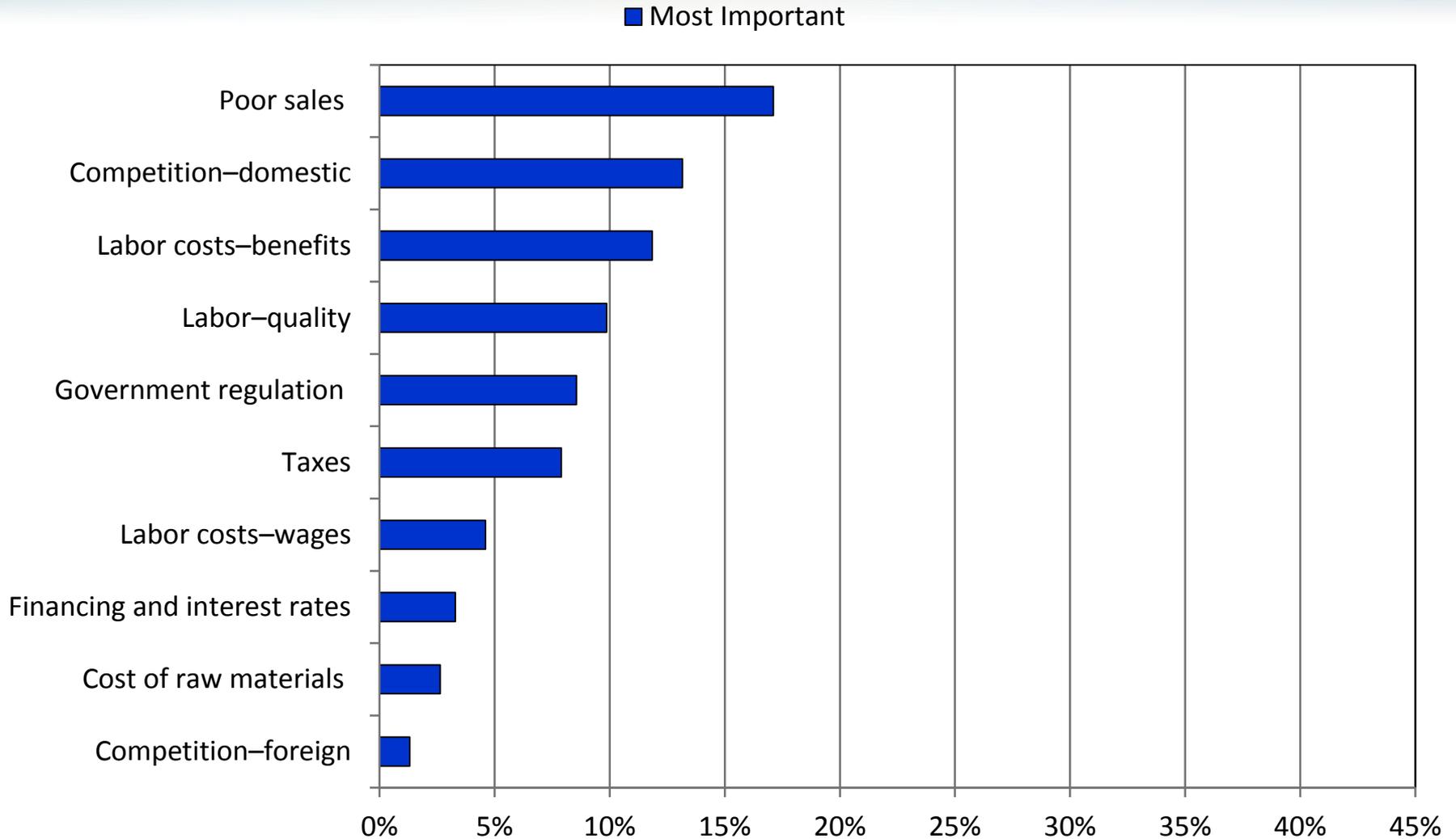
Source: Bureau of Economic Analysis via Haver Analytics

Survey Response – Capital Expenditures



Source: Survey Results

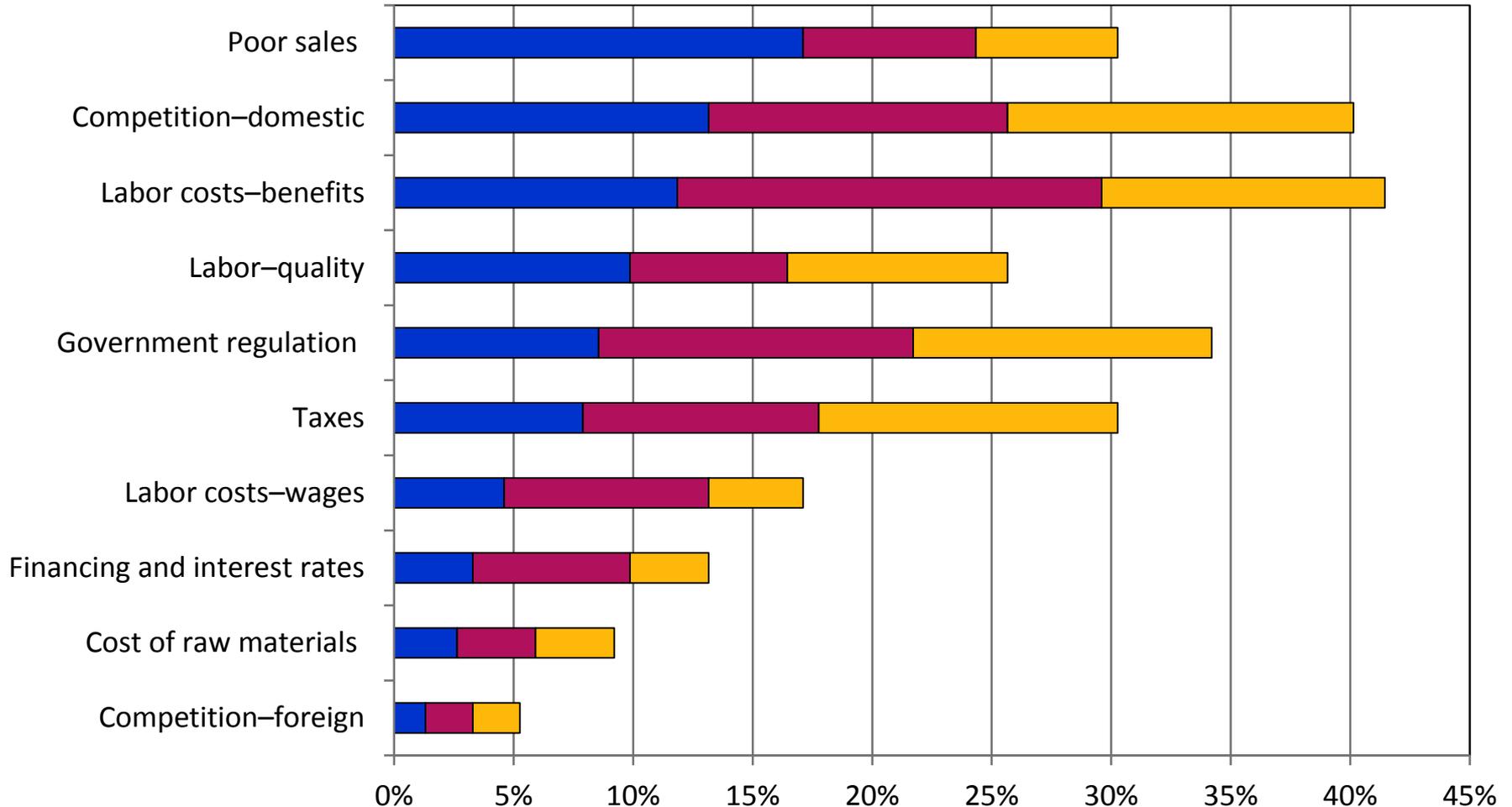
Biggest Problems Facing GPCC Members



Source: Survey Results

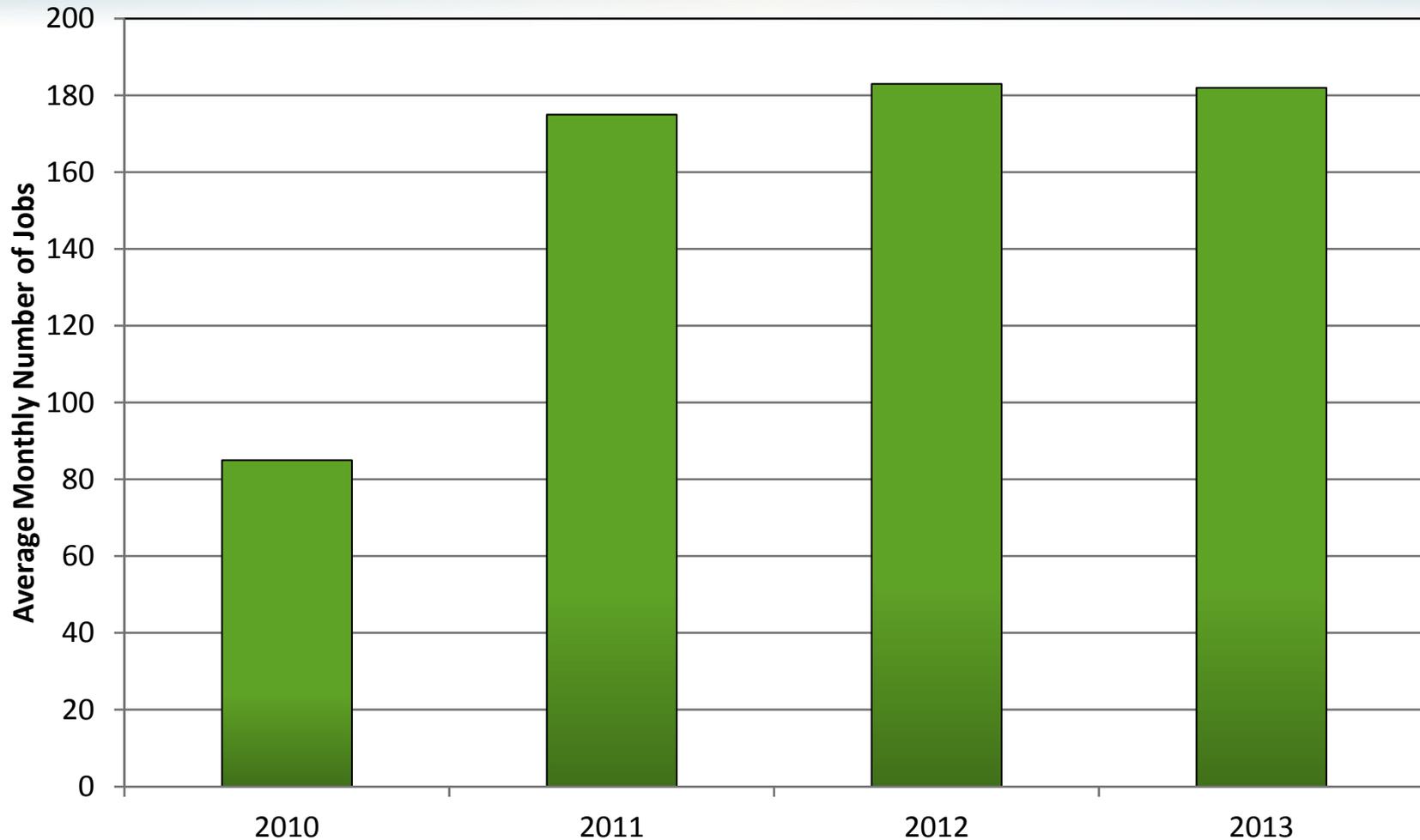
Biggest Problems Facing GPCC Members

■ Most Important ■ Second-Most Important ■ Third-Most Important



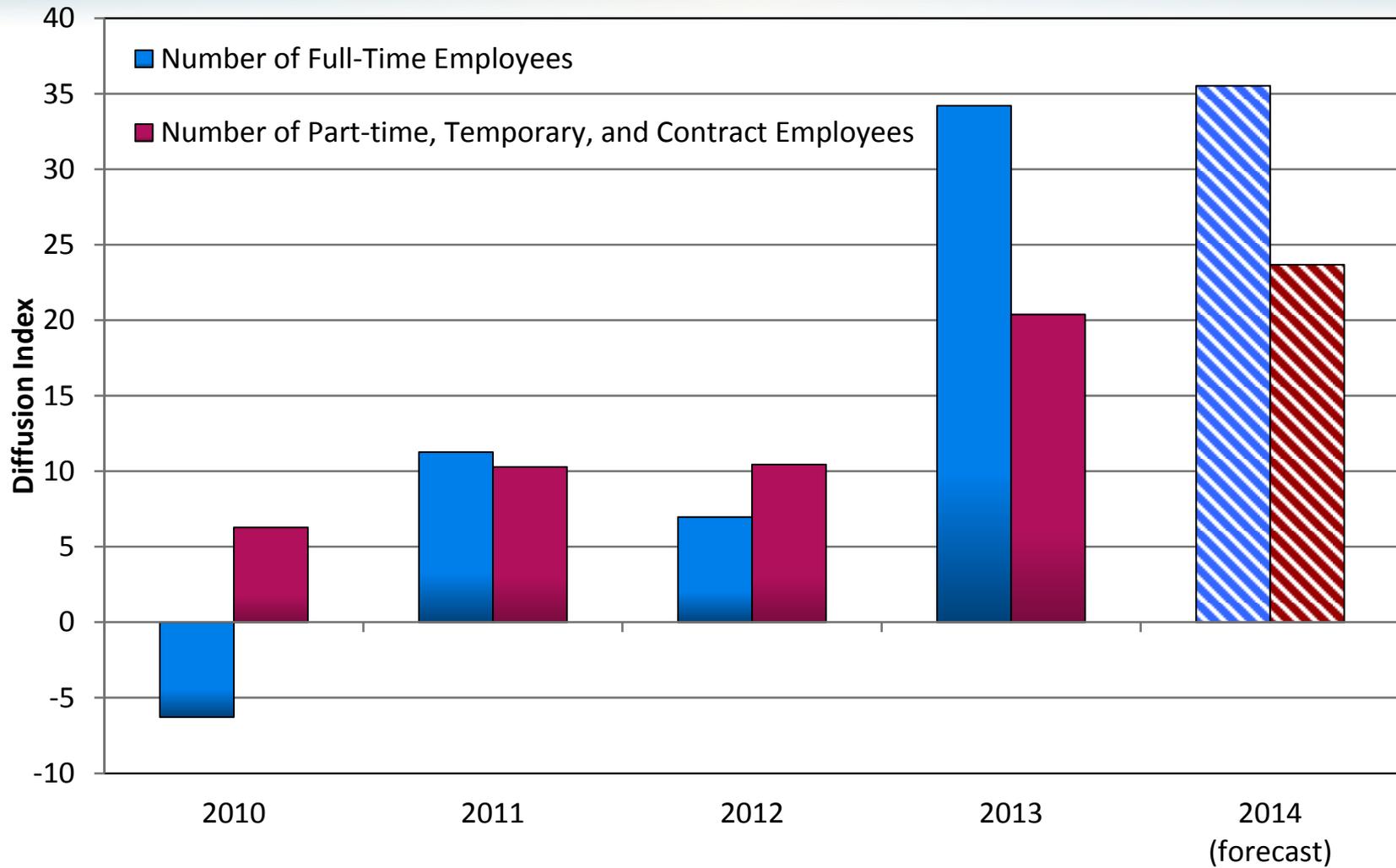
Source: Survey Results

Nonfarm Job Growth – Nationwide



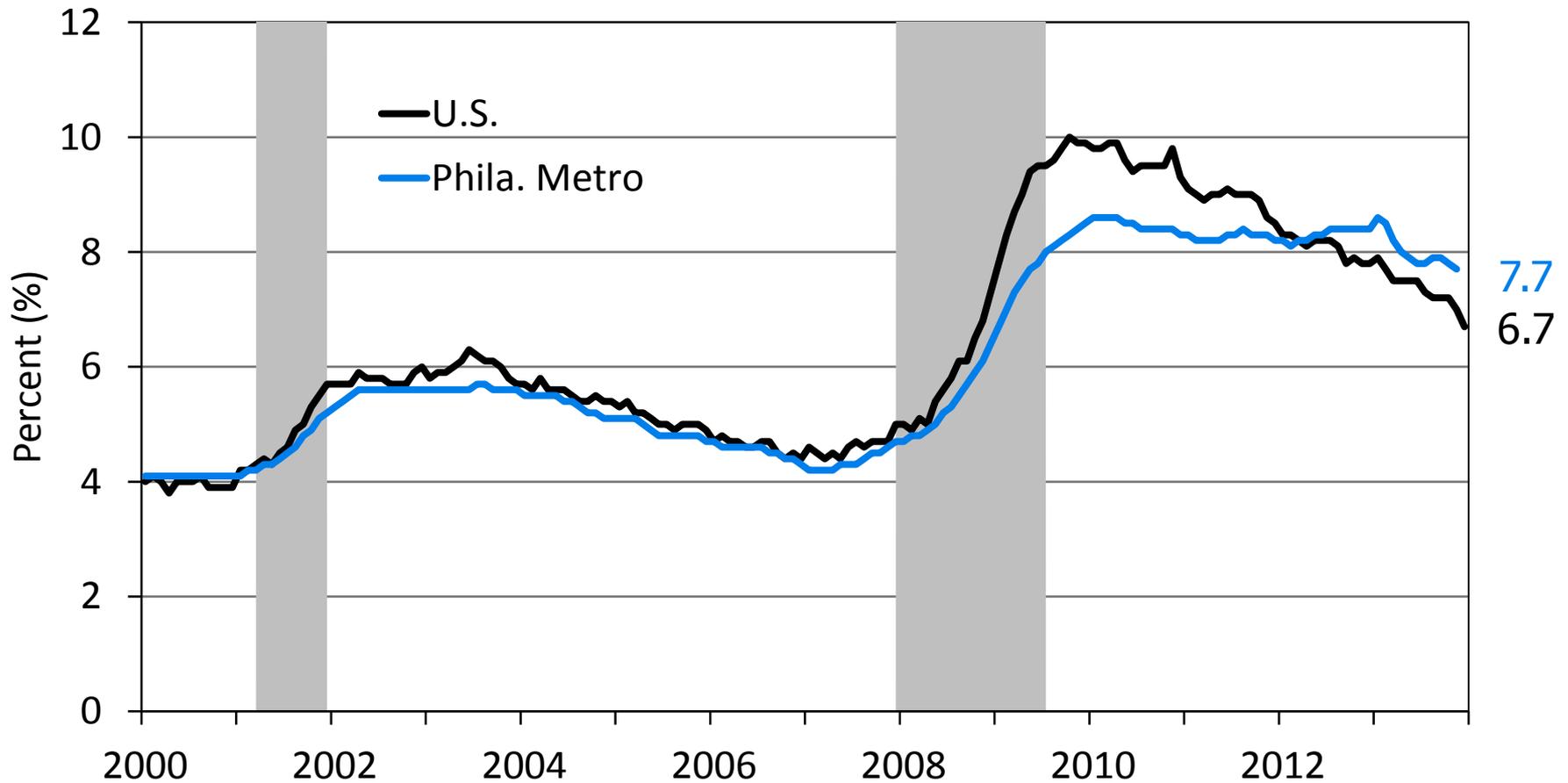
Source: Bureau of Labor Statistics via Haver Analytics

Survey Response – Hiring



Source: Survey Results

National & Regional Unemployment



Source: Bureau of Labor Statistics via Haver Analytics

Last Point Plotted: December 2013 for U.S. and November 2013 for Philadelphia Metro

Business Outlook Survey

Change in Activity over the Next 6 Months



Source: Federal Reserve Bank of Philadelphia
Last Point Plotted: January 2014

To participate in our surveys

<http://philadelphiafedresearch.org/surveyparticipationform.htm>

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For online access to our latest data and research, go to:
<http://www.philadelphiafed.org/research-and-data/>

Appendix – Survey Results

	Significantly lower	Slightly lower	Same	Slightly higher	Significantly higher	Not applicable	No response	Diffusion Index
A. What is your assessment of changes in business conditions: (General activity)								
1. For the REGION:								
2013 compared with 2012	4.61%	9.87%	19.74%	61.18%	2.63%	1.32%	0.66%	49.34
2014 compared with 2013	1.97%	9.21%	21.71%	54.61%	7.24%	2.63%	2.63%	50.66
2. For your COMPANY:								
2013 compared with 2012	7.89%	11.84%	15.13%	52.63%	10.53%	0.66%	1.32%	43.42
2014 compared with 2013	1.97%	11.18%	18.42%	48.03%	15.79%	1.97%	2.63%	50.66
B. Specific company performance measures:								
1. New Orders								
2013 compared with 2012	7.89%	5.92%	16.45%	30.26%	13.16%	11.84%	14.47%	29.61
2014 compared with 2013	1.97%	9.21%	14.47%	39.47%	8.55%	11.84%	14.47%	36.84
2. Sales or Revenues								
2013 compared with 2012	8.55%	12.50%	13.16%	46.05%	14.47%	3.95%	1.32%	39.47
2014 compared with 2013	3.29%	9.87%	15.13%	50.00%	14.47%	4.61%	2.63%	51.32
3. Unfilled Orders								
2013 compared with 2012	1.97%	5.26%	13.82%	6.58%	2.63%	27.63%	42.11%	1.97
2014 compared with 2013	1.97%	4.61%	14.47%	4.61%	1.97%	28.29%	44.08%	0.00
4. Inventories (Finished Goods or Goods for Sale)								
2013 compared with 2012	0.66%	5.92%	13.16%	5.92%	1.32%	28.29%	44.74%	0.66
2014 compared with 2013	0.66%	5.92%	13.82%	5.92%	0.00%	28.29%	45.39%	-0.66
5. Prices Paid								
2013 compared with 2012	2.63%	7.24%	19.74%	47.37%	1.97%	7.24%	13.82%	39.47
2014 compared with 2013	1.97%	5.26%	19.74%	46.71%	2.63%	9.21%	14.47%	42.11
6. Prices Received								
2013 compared with 2012	2.63%	9.87%	29.61%	33.55%	0.66%	7.24%	16.45%	21.71
2014 compared with 2013	1.97%	8.55%	25.00%	38.16%	0.00%	7.89%	18.42%	27.63
7. Number of Employees—Full-time Permanent								
2013 compared with 2012	3.95%	9.87%	33.55%	43.42%	4.61%	1.32%	3.29%	34.21
2014 compared with 2013	1.32%	5.92%	42.11%	39.47%	3.29%	2.63%	5.26%	35.53
8. Number of Employees—Part-time, Temporary, and Contract								
2013 compared with 2012	3.29%	9.21%	42.76%	28.95%	3.95%	2.63%	9.21%	20.39
2014 compared with 2013	1.32%	6.58%	46.05%	28.29%	3.29%	3.95%	10.53%	23.68

Appendix – Survey Results

	Significantly lower	Slightly lower	Same	Slightly higher	Significantly higher	Not applicable	No response	Diffusion Index
9. Average Hours Worked Per Week								
2013 compared with 2012	1.32%	4.61%	47.37%	35.53%	4.61%	0.00%	6.58%	34.21
2014 compared with 2013	0.66%	3.29%	50.66%	34.21%	1.97%	1.32%	7.89%	32.24
10. Wage and Benefit Costs								
2013 compared with 2012	0.66%	1.97%	21.71%	63.16%	5.26%	1.32%	5.92%	65.79
2014 compared with 2013	0.66%	2.63%	17.11%	62.50%	7.89%	2.63%	6.58%	67.11
11. Capital Expenditures–Physical Plant								
2013 compared with 2012	0.00%	5.26%	30.26%	25.66%	9.87%	11.84%	17.11%	30.26
2014 compared with 2013	1.97%	7.24%	25.00%	21.71%	11.18%	11.84%	21.05%	23.68
12. Capital Expenditures–Equipment and Software								
2013 compared with 2012	0.00%	7.24%	34.21%	40.13%	6.58%	3.29%	8.55%	39.47
2014 compared with 2013	0.66%	7.24%	32.89%	34.21%	9.87%	3.95%	11.18%	36.18

C. What are the three most important problems your business is facing at this time?

	Most Important Problem	Second-Most Important Problem	Third-Most Important Problem
Poor sales	17.11%	7.24%	5.92%
Competition–domestic	13.16%	12.50%	14.47%
Labor costs–benefits	11.84%	17.76%	11.84%
Other (write-in)	11.18%	2.63%	1.32%
Labor–quality	9.87%	6.58%	9.21%
Government regulation	8.55%	13.16%	12.50%
No response	8.55%	9.87%	19.74%
Taxes	7.89%	9.87%	12.50%
Labor costs–wages	4.61%	8.55%	3.95%
Financing and interest rates	3.29%	6.58%	3.29%
Cost of raw materials	2.63%	3.29%	3.29%
Competition–foreign	1.32%	1.97%	1.97%