ECONOMIC OUTLOOK SURVEY RESULTS

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*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 RESULTS
RESPONDENT DISTRIBUTION

- Conducted from Nov. 28 to Dec. 12, 2018 | Responses received from 113 members
- Other category includes Information; Construction, Natural Resources, and Logging; Government; and Other Services sectors.
WE ASKED CHAMBER MEMBERS:
WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS
LOOKING BACK ON 2018 COMPARED WITH 2017
AND LOOKING AHEAD TO 2019 COMPARED WITH 2018?

In the following areas:

- General Activity in the Region
- General Activity at your Company
- Sales or Revenues
- Prices Paid
- Prices Received
- Number of Employees
- Wage and Benefits Costs
SURVEY RESPONSE
WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS?

In the Region

2018 compared with 2017
- Higher: 59.8%
- Same: 26.8%
- Lower: 9.8%
- Not Applicable or No Response: 3.6%

2019 compared with 2018
- Higher: 49.1%
- Same: 25.9%
- Lower: 17.0%
- Not Applicable or No Response: 8.0%

Source: Survey Results
SURVEY RESPONSE
WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS?

At your Company

- **2018 compared with 2017**
  - Higher: 59.8%
  - Same: 20.5%
  - Lower: 16.1%
  - Not Applicable or No Response: 3.6%

- **2019 compared with 2018**
  - Higher: 61.6%
  - Same: 23.2%
  - Lower: 8.9%
  - Not Applicable or No Response: 6.3%

Source: Survey Results
SURVEY RESPONSE
WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS?

Sales or Revenues

2018 compared with 2017
- Higher: 65.2%
- Same: 10.7%
- Lower: 18.8%
- Not Applicable or No Response: 5.3%

2019 compared with 2018
- Higher: 67.9%
- Same: 14.3%
- Lower: 7.1%
- Not Applicable or No Response: 10.7%

Source: Survey Results
SURVEY RESPONSE
WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS?

Prices Paid

2018 compared with 2017
- Higher: 42.0%
- Same: 34.8%
- Lower: 19.6%
- Not Applicable or No Response: 3.6%

2019 compared with 2018
- Higher: 46.4%
- Same: 27.7%
- Lower: 23.2%

Source: Survey Results
SURVEY RESPONSE
WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS?

Prices Received

2018 compared with 2017
- Higher: 37.5%
- Same: 34.8%
- Lower: 8.0%
- Not Applicable or No Response: 19.7%

2019 compared with 2018
- Higher: 42.0%
- Same: 31.3%
- Lower: 4.5%
- Not Applicable or No Response: 22.2%

Source: Survey Results
**SURVEY RESPONSE**

**WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS?**

**Number of Employees – Full-time Permanent**

<table>
<thead>
<tr>
<th>2018 compared with 2017</th>
<th>2019 compared with 2018</th>
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<tbody>
<tr>
<td>Higher</td>
<td>53.6%</td>
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<tr>
<td>Same</td>
<td>26.8%</td>
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<tr>
<td>Lower</td>
<td>16.1%</td>
</tr>
<tr>
<td>Not Applicable or No Response</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Source: Survey Results
SURVEY RESPONSE
WHAT IS YOUR ASSESSMENT OF CHANGES IN BUSINESS CONDITIONS?

Wage and Benefits Cost

- 2018 compared with 2017:
  - Higher: 73.2%
  - Same: 17.0%
  - Lower: 5.3%
  - Not Applicable or No Response: 4.5%

- 2019 compared with 2018:
  - Higher: 72.3%
  - Same: 14.3%
  - Lower: 9.8%
  - Not Applicable or No Response: 3.6%

Source: Survey Results
BIGGEST PROBLEMS FACING CHAMBER MEMBERS FOR 2019

- Labor Costs - Wages
- Labor - Quality
- Competition - Domestic
- Labor Costs - Benefits
- Government Regulation
- Taxes
- Poor Sales
- Other (Write-In)
- Financing and Interest Rates
- Cost of Raw Materials
- Competition - Foreign

0% 10% 20% 30% 40% 50%