

FEDERAL RESERVE BANK  
OF  
PHILADELPHIA



Research Department

BUSINESS OUTLOOK SURVEY  
Summary of Returns  
October 1968

This Summary of Returns reports on the October 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 Third District is expected to continue at present high levels through November. This short-term outlook of "no change" from previous levels continues to be the predominant opinion expressed by manufacturing executives reporting in the October Business Outlook Survey. Looking back to September, events suggest that actual business activity fell short of anticipations. This might account for the qualified optimism experienced regarding October business prospects.

Looking ahead, early 1969 now appears much brighter to manufacturers. The survey indicates that two out of five are anticipating an increase in the general level of business during the first quarter of the new year. This up-turn rests on the belief that there will be an improvement in both new orders and shipments. A large percentage -- one out of three -- however, still believes that business in early 1969 will continue to hold at present levels. No significant change of attitude toward inflationary tendencies was reported in the October survey and expectations are still toward increases in prices paid.

Durable goods manufacturers continue to have a brighter outlook for the future than do nondurable producers, who tend toward an attitude of "no change." This is perhaps because durable goods producers now see the economy remaining buoyant and believe the general business level will now go even higher than previously anticipated.

## BUSINESS OUTLOOK SURVEY

### SUMMARY TABLE OF RETURNS

October 1968

INDICATOR	September vs. August			October vs. September			November vs. October			Six Months From Now vs. October		
	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase
<b>GENERAL BUSINESS CONDITIONS</b>												
What is your evaluation of the level of general business activity?	12	53	33	18	56	25	16	63	19	18	35	44
<b>COMPANY BUSINESS INDICATORS</b>												
New Orders	21	33	42	11	42	42	16	60	19	18	30	44
Shipments	19	37	42	16	37	44	14	60	23	18	33	42
Unfilled Orders	18	51	25	16	49	25	18	51	23	19	46	23
Delivery Time	5	72	18	12	70	9	12	74	7	14	67	9
Inventories	39	33	28	33	53	14	28	51	21	30	37	30
Prices Paid	0	61	35	0	65	32	2	70	25	2	25	68
Prices Received	5	70	23	4	72	23	5	77	16	7	51	39
Number of Employees	14	67	16	12	67	18	4	79	14	12	56	26
Average Employee Work Week	7	72	16	9	81	7	7	84	4	12	70	12
Capital Expenditures										12	44	28

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