

FEDERAL RESERVE BANK
OF
PHILADELPHIA



Research Department

BUSINESS OUTLOOK SURVEY
Summary of Returns
November 1968

This Summary of Returns reports on the November 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.

Expectations of "no-change" in the present level of business activity for the next thirty days in the Third District continue to dominate the Business Outlook Survey. This "no-change" outlook expressed by manufacturing executives reporting in the November survey is tempered somewhat from that reported last month. Nearly one-half of the respondents now anticipate a continuation of business activity at present levels while in October three-fifths of them expected no change over the short-term.

The shift in the short-term sentiment is accounted for by a modest drop in new orders and shipments. Perhaps, explaining this weakening is the fact that the business increase anticipated last month by some of the individual respondents did not materialize.

Looking ahead six months, businessmen are even more "bullish" than they were a month ago. A substantial majority of the respondents now anticipate general business activity to be on a higher level in six months than it is at present. Expected upswings in new orders, shipments and unfilled orders reflect the optimism in general conditions.

With demand remaining strong, the outlook for continued inflation persists. A majority of manufacturers now expect to be charging as well as paying higher prices six months hence. The November survey also indicates that price increases are more likely among non-durable goods manufacturers than among producers of durable goods.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

November 1968

INDICATOR	October vs. September			November vs. October			December vs. November			Six Months From Now vs. November		
	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS												
What is your evaluation of the level of general business activity?	12	56	32	20	60	20	28	46	26	16	22	62
COMPANY BUSINESS INDICATORS												
New Orders	18	42	38	18	48	32	34	36	28	20	22	56
Shipments	14	40	46	24	40	36	34	30	36	22	24	54
Unfilled Orders	18	50	30	28	50	20	28	52	16	22	40	34
Delivery Time	8	78	14	16	74	10	14	78	8	22	68	10
Inventories	36	36	28	16	46	38	20	42	38	20	42	36
Prices Paid	2	56	38	2	68	26	2	76	18	2	24	70
Prices Received	6	58	34	4	72	22	2	78	18	4	38	54
Number of Employees	12	60	26	8	78	12	8	74	16	6	60	32
Average Employee Work Week	12	62	24	6	82	10	12	74	12	16	66	16
Capital Expenditures										6	44	38

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