

FEDERAL RESERVE BANK
OF
PHILADELPHIA



Research Department

BUSINESS OUTLOOK SURVEY
Summary of Returns
April 1969

This Summary of Returns reports on the April 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.

The regional economy remains in a posture of strength and the outlook is for continued business expansion, according to manufacturers in the Third Federal Reserve District. The latest Business Outlook Survey shows that four out of ten respondents expect May to be a better month than April and six out of ten anticipate higher levels of business activity six months from now.

The number of manufacturers with rising expectations has remained fairly constant since February. This may suggest that anticipations are now being realized instead of being exceeded as they were earlier in the year. Consequently, manufacturers no longer feel the need to adjust upwards their expectations as they have been doing over the last several months.

This plateau in expectations also may explain a drop-off in the number of respondents foreseeing an increase in the number of employees as well as a lengthening of the workweek. For the first three months of 1969, between 40 and 45 per cent of the respondents indicated that additional employees would be added to their payrolls over the next six months. In the current Survey, only 25 per cent

now expect to hire additional employees during the next half year. Further, expectations for a longer employee workweek have declined nearly a third from what they were in the February and March Surveys. What this tends to suggest is that Third District manufacturers anticipate an expanding economy in the coming months, although the rate of expansion may be less rapid than they were predicting a few Surveys back.

The outlook for prices remains inflationary. Roughly three out of five respondents -- nearly last month's figure -- anticipate higher prices six months hence. Thus, although regional manufacturers may see an easing in the rate of business expansion, they view inflation as an all-year problem.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

April 1969

INDICATOR	March vs. February			April vs. March			May vs. April			Six Months From Now vs. April		
	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?	4.1	53.1	38.8	8.2	55.1	34.7	10.2	46.9	40.8	12.2	24.5	61.2
COMPANY BUSINESS INDICATORS												
New Orders	14.3	42.9	34.7	14.3	36.7	42.9	12.2	36.7	44.9	10.2	32.7	51.0
Shipments	10.2	42.9	40.8	12.9	42.9	40.8	12.2	34.7	49.0	12.2	26.5	57.1
Unfilled Orders	16.3	51.0	22.4	16.3	46.9	28.6	12.2	55.1	24.5	10.2	44.9	36.7
Delivery Time	6.1	79.6	6.1	4.1	81.6	8.2	6.1	75.5	12.2	12.2	61.2	20.4
Inventories	14.3	38.8	42.9	16.3	42.9	38.8	24.5	53.1	20.4	28.6	42.9	26.5
Prices Paid	0.0	51.0	44.9	0.0	51.0	46.9	0.0	53.1	44.9	0.0	32.7	63.3
Prices Received	2.0	69.4	24.5	4.1	71.4	22.4	2.0	75.5	20.4	4.1	55.1	38.8
Number of Employees	4.1	67.3	22.4	2.0	75.5	16.3	0.0	71.4	22.4	8.2	63.3	24.5
Average Employee Workweek	6.1	79.6	4.1	8.2	81.6	2.0	4.1	81.6	6.1	6.1	77.6	8.2
Capital Expenditures										8.2	44.9	38.8

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