

BUSINESS OUTLOOK SURVEY

Summary of Returns

September 1971

This Summary of Returns reports on the September 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.

Area executives are somewhat more optimistic about the business outlook than they were before the President announced his new economic policies. The latest Business Outlook Survey shows that for September, approximately four out of five manufacturers polled in the Third Federal Reserve District anticipate an expanding economy a half a year ahead. The August Survey, conducted prior to the new economic initiatives, found less than three out of four respondents optimistic about the longer term outlook.

However, the change in economic strategy appears to be having little effect on what area executives currently see happening in their own firms. The table below compares the percentage of respondents realizing increases in sales and new orders before and after the President's announcements. The table shows that the new policies are having almost

	August	September	Change
Sales	44.0	46.5	+ 2.5
New Orders	46.0	44.2	- 1.8

no impact on current sales and new orders of area firms.

In short, although area businessmen are more optimistic in general about the economic outlook, they have yet to see any direct impact of the new economic policy on their own firms. A "wait-and-see" attitude seems to be the dominant mood.

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INDICATOR	August vs. July			September vs. August			October vs. September			Six Months From Now vs. September		
	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?	16.3	55.8	27.9	2.3	46.5	51.2	2.3	39.5	58.1	2.3	18.6	79.1
COMPANY BUSINESS INDICATORS												
New Orders	20.9	41.9	37.2	9.3	46.5	44.2	4.7	41.9	53.5	7.0	25.6	67.4
Shipments	18.6	46.5	34.9	4.7	48.8	46.5	4.7	44.2	51.2	7.0	32.6	60.5
Unfilled Orders	27.9	51.2	18.6	14.0	58.1	25.6	9.3	62.8	25.6	9.3	41.9	46.5
Delivery Time	2.3	83.7	11.6	2.3	74.4	18.6	4.7	86.0	7.0	7.0	74.4	16.3
Inventories	25.6	51.2	23.3	23.3	51.2	25.6	18.6	55.8	25.6	14.0	51.2	34.9
Prices Paid	0.0	72.1	25.6	0.0	86.0	11.6	0.0	88.4	9.3	0.0	34.9	62.8
Prices Received	4.7	76.7	16.3	0.0	97.7	0.0	0.0	95.3	2.3	7.0	39.5	51.2
Number of Employees	16.3	62.8	16.3	18.6	67.4	11.6	11.6	72.1	14.0	9.3	60.5	27.9
Average Employee Workweek	9.3	69.8	16.3	7.0	79.1	9.3	0.0	83.7	11.6	4.7	81.4	9.3
Capital Expenditures										11.6	48.8	34.9

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