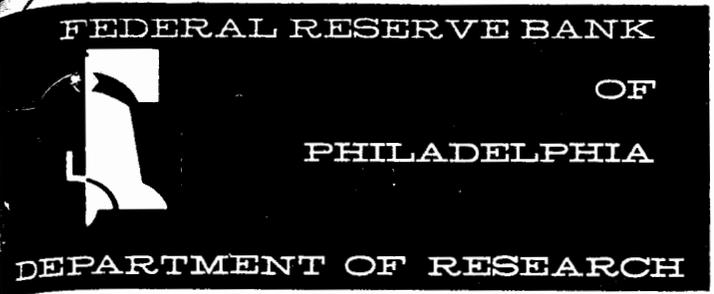


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BUSINESS OUTLOOK SURVEY
Summary of Returns
February 1973

This Summary of Returns reports on the February 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 is moving ahead on a broad front, according to area executives. This month's Business Outlook Survey of large manufacturers in the Third Federal Reserve District reveals that the number of respondents experiencing increases in unfilled orders exceeds the number reporting decreases by a larger margin than it has in over two years. And, more than six times as many firms polled are registering gains in sales and new orders as are experiencing decreases. Virtually none of the respondents foresee a decrease in these key variables in the immediate future.

Looking ahead six months, more than three out of four firms surveyed report that they expect increases in general business activity. Moreover, two-thirds of the executives polled predict sales and new orders in their own firms will be higher a half a year from now. As a result of this optimism about the future, over forty percent of the respondents expect to increase the size of their labor force in the next six months.

Although most businessmen foresee immediate and continued gains for the regional economy, many of them also expect prices to rise. Over sixty percent of the executives contacted expect to pay and to receive higher prices a half a year ahead.

In short, respondents to this month's survey generally are optimistic about both sales and employment prospects in the regional economy during the immediate weeks ahead and into the summer. However, most executives expect rising prices to accompany the business expansion.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

INDICATOR	February vs. January			Six Months From Now vs. February		
	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS						
What is your evaluation of the level of general business activity?	2.2	57.8	37.8	6.7	13.3	77.8
COMPANY BUSINESS INDICATORS						
New Orders	4.4	62.2	31.1	11.1	17.8	68.9
Shipments	4.4	62.2	33.3	11.1	24.4	64.4
Unfilled Orders	11.1	60.0	26.7	11.1	42.2	44.4
Delivery Time	2.2	88.9	6.7	13.3	71.1	13.3
Inventories	13.3	55.6	31.1	11.1	40.0	48.9
Prices Paid	0.0	64.4	35.6	2.2	24.4	73.3
Prices Received	0.0	77.8	22.2	2.2	33.3	64.4
Number of Employees	4.4	75.6	20.0	2.2	55.6	42.2
Average Employee Workweek	4.4	86.7	6.7	11.1	66.7	22.2
Capital Expenditures				8.9	35.6	55.6

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