

FEDERAL RESERVE BANK

OF

PHILADELPHIA

DEPARTMENT OF RESEARCH

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BUSINESS OUTLOOK SURVEY
Summary of Returns
April 1973

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 is continuing its upward course according to area businessmen. The latest Business Outlook Survey of large manufacturers in the Third Federal Reserve District shows that approximately four times as many firms are chalking up increases in new orders and sales as are reporting decreases. And, this trend is expected to continue through the immediate weeks ahead.

Area manufacturers also expect business to remain brisk through the summer. Three out of five executives canvassed predict an increase in the level of regional business activity into the fourth quarter of 1973. Over half of the firms surveyed foresee gains in new orders and sales in the coming six months.

As a result of the continuing business expansion, the employment picture for the regional economy remains bright. Almost a third of the businesses contacted report taking on additional employees. In addition, three times as many of the firms canvassed are boosting the length of their average work-week as are decreasing it. And, these improvements on the employment front are expected to continue through the summer months.

Area executives are less optimistic about the outlook for prices. Two-thirds of the respondents report that their costs are currently edging

upward. And, over 80 percent expect to be paying higher prices six months down the road.

In short, area manufacturers remain confident that the current economic expansion will continue. And, as a result, they expect payrolls to grow. However, most feel inflationary pressures will continue to plague the regional economy through the summer.

BUSINESS OUTLOOK SURVEY

SUMMARY OF RETURNS

APRIL 1973

INDICATOR	April vs. March			Six Months From Now vs. April		
	Decrease	No Change	Increase	Decrease	No Change	Increase
GENERAL BUSINESS CONDITIONS						
What is your evaluation of the level of general business activity?	0.0	39.6	60.4	8.3	29.2	60.4
COMPANY BUSINESS INDICATORS						
New Orders	10.4	37.5	47.9	8.3	29.2	58.3
Shipments	12.5	33.3	52.1	8.3	25.0	64.6
Unfilled Orders	12.5	47.9	31.3	16.7	41.7	33.3
Delivery Time	14.6	60.4	18.8	20.8	56.3	14.6
Inventories	14.6	37.5	43.8	16.7	37.5	43.8
Prices Paid	2.1	29.2	66.7	2.1	12.5	83.3
Prices Received	2.1	52.1	43.8	2.1	29.2	64.6
Number of Employees	4.2	64.6	31.3	6.3	66.7	25.0
Average Employee Workweek	4.2	81.3	12.5	8.3	75.0	14.6
Capital Expenditures				6.3	50.0	43.8

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