

Greater Philadelphia Chamber of Commerce Economic Outlook Survey Results

February 3, 2016

Elif Sen

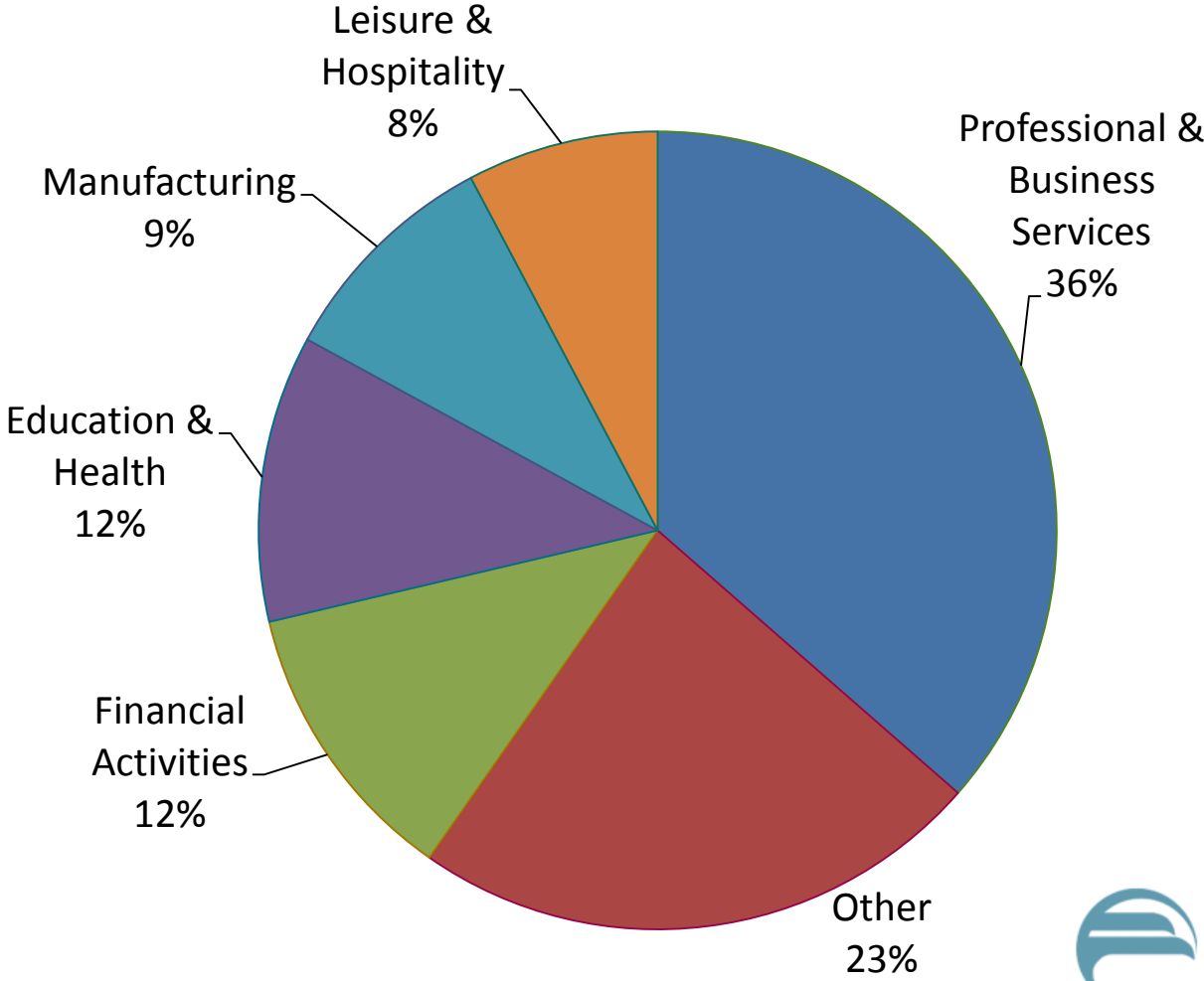
Senior Economic Analyst

FEDERAL RESERVE BANK OF PHILADELPHIA



ECONOMIC OUTLOOK SURVEY

- Conducted from Dec. 2 to 16, 2015
- 129 total responses
- Results presented as “Diffusion Index”



DIFFUSION INDEXES

What is your assessment of changes in business conditions for the region?

2015 Compared with 2014

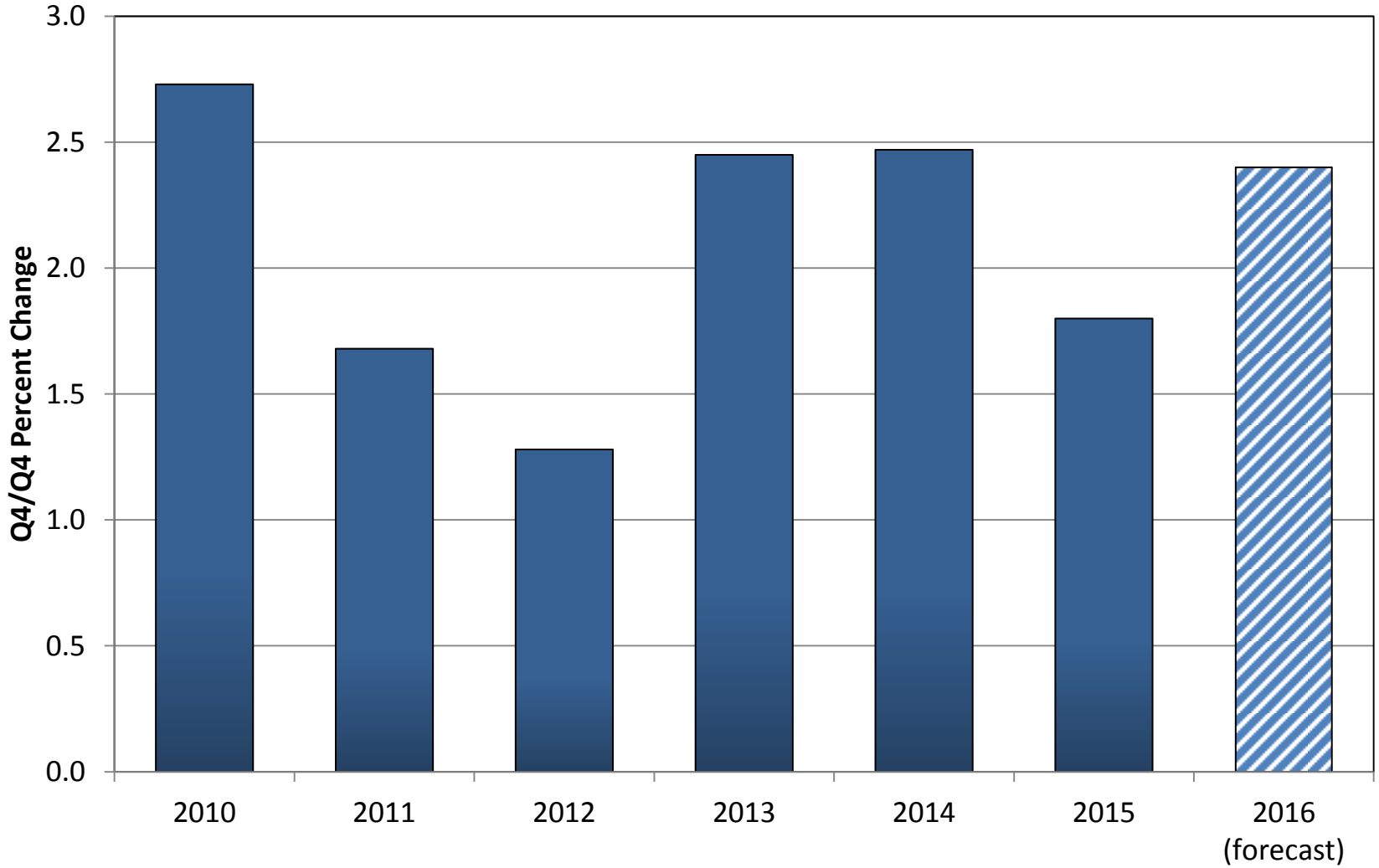
Significantly Lower	Slightly Lower	Same	Slightly Higher	Significantly Higher
0.0%	9.3%	15.5%	63.6%	6.2%

$$(63.6 + 6.2) - (9.3 + 0.0)$$

$$\text{Diffusion Index} = 60.5$$



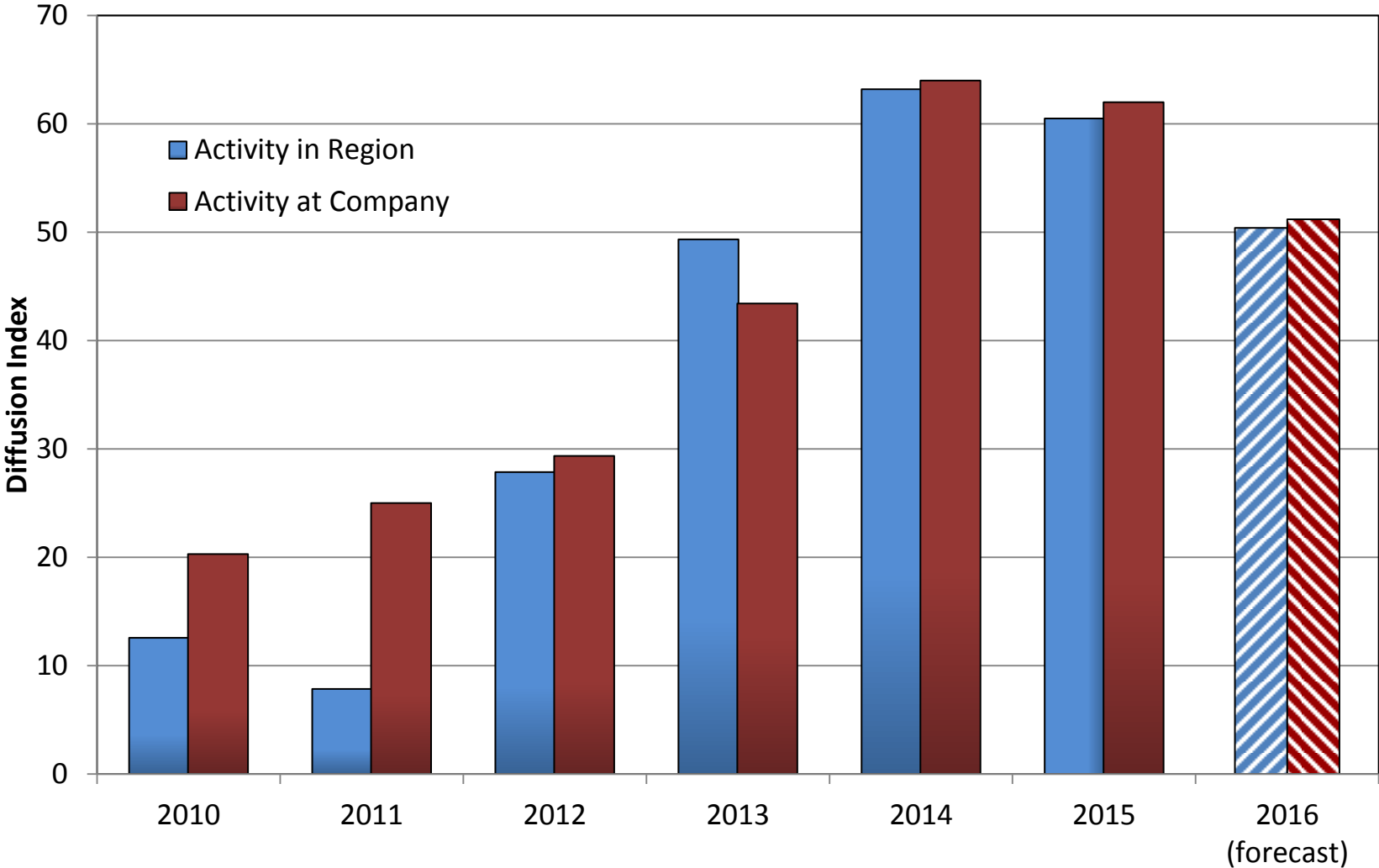
REAL GROSS DOMESTIC PRODUCT — U.S.



Source: Bureau of Economic Analysis via Haver Analytics,
FOMC Summary of Economic Projections, December 16, 2015



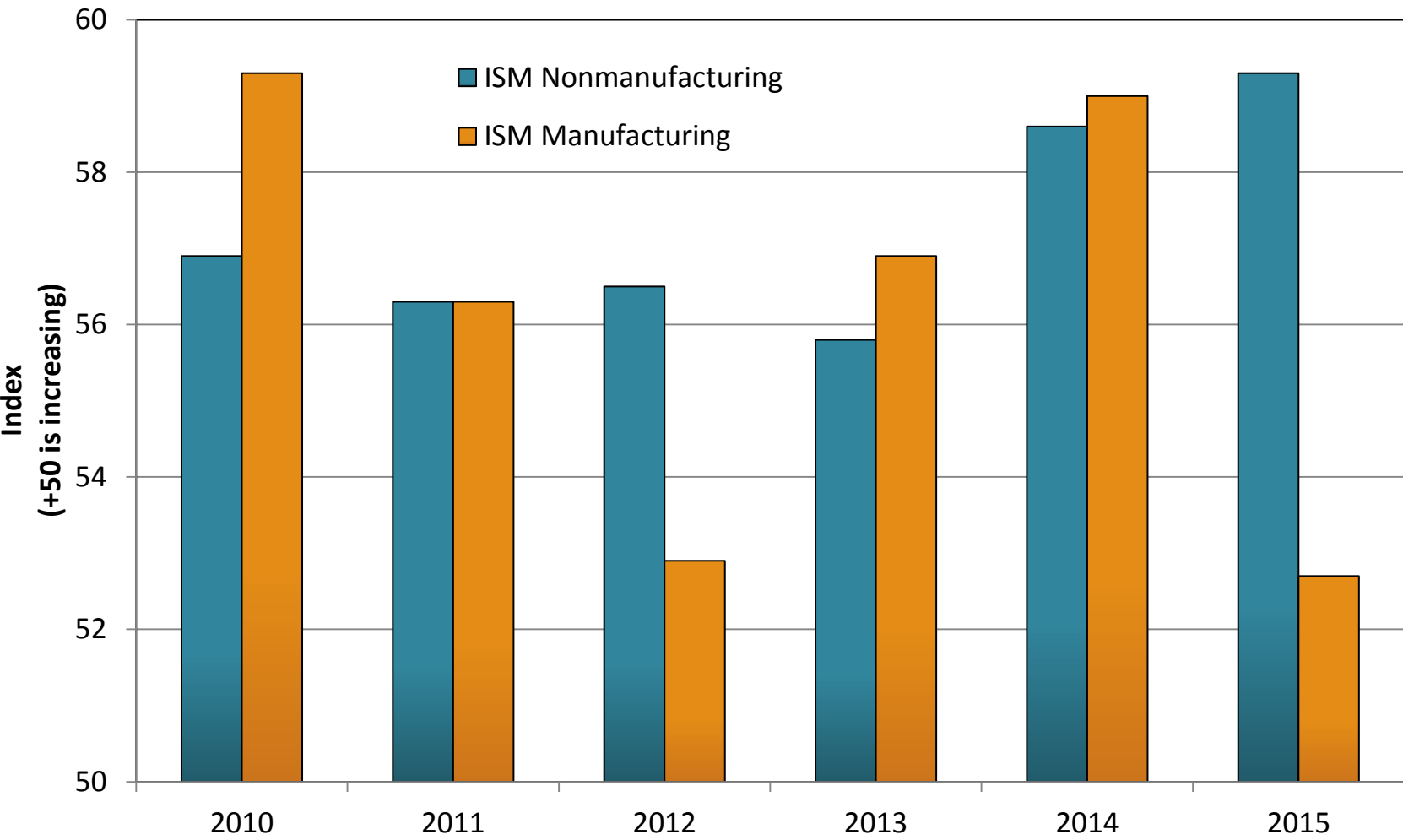
SURVEY RESPONSE — BUSINESS ACTIVITY



Source: Survey Results



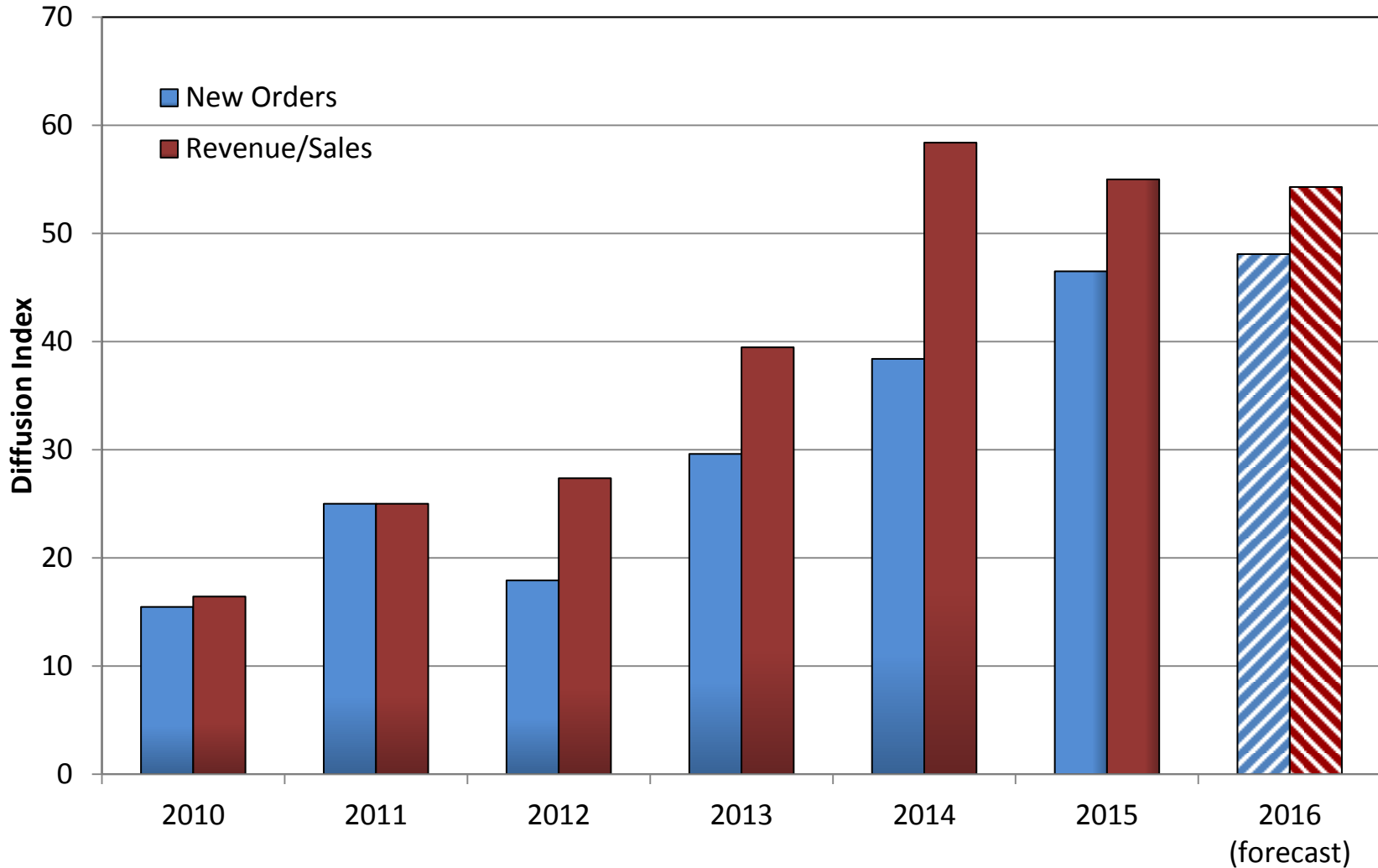
NEW ORDERS — U.S.



Source: Institute for Supply Management (ISM) via Haver Analytics



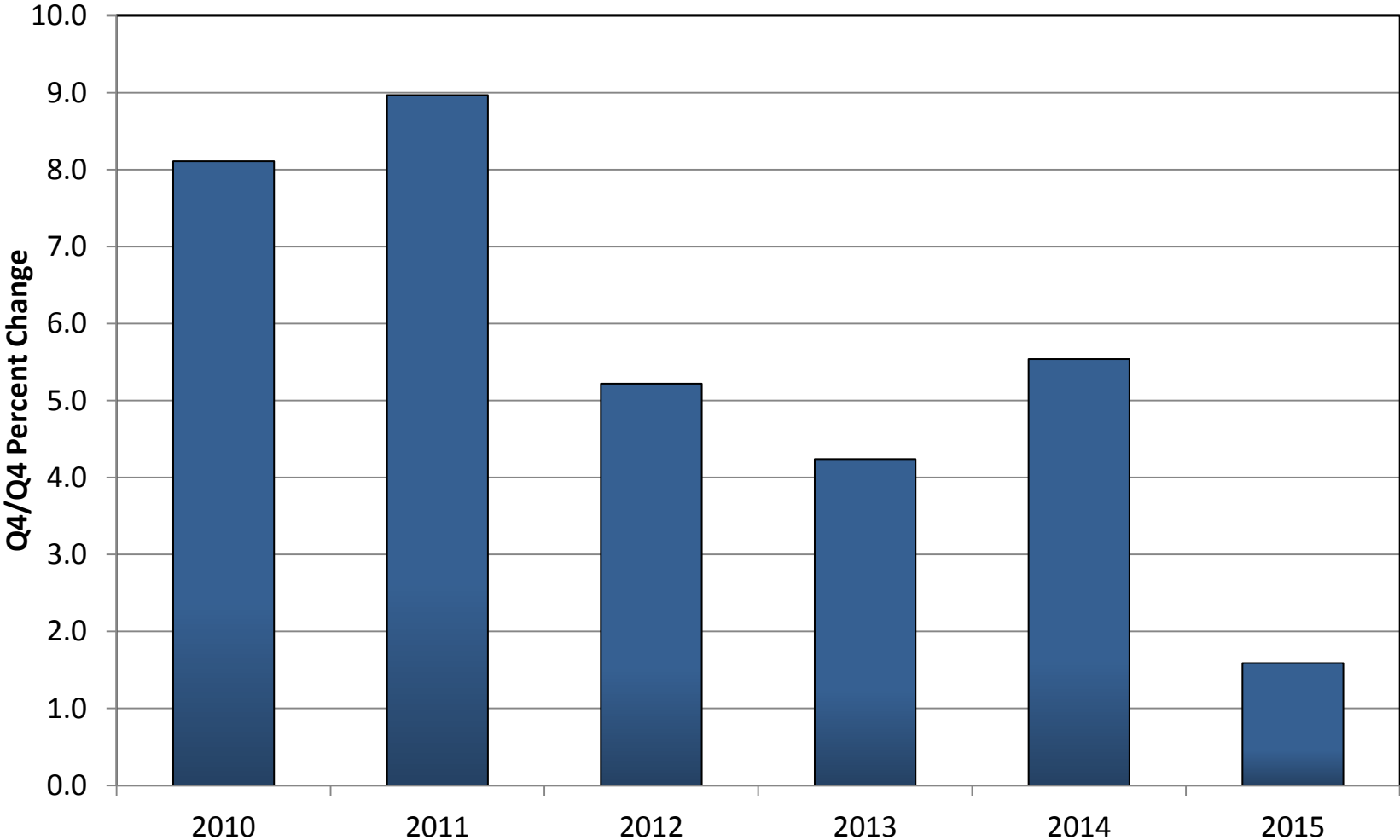
SURVEY RESPONSE — NEW ORDERS AND SALES



Source: Survey Results



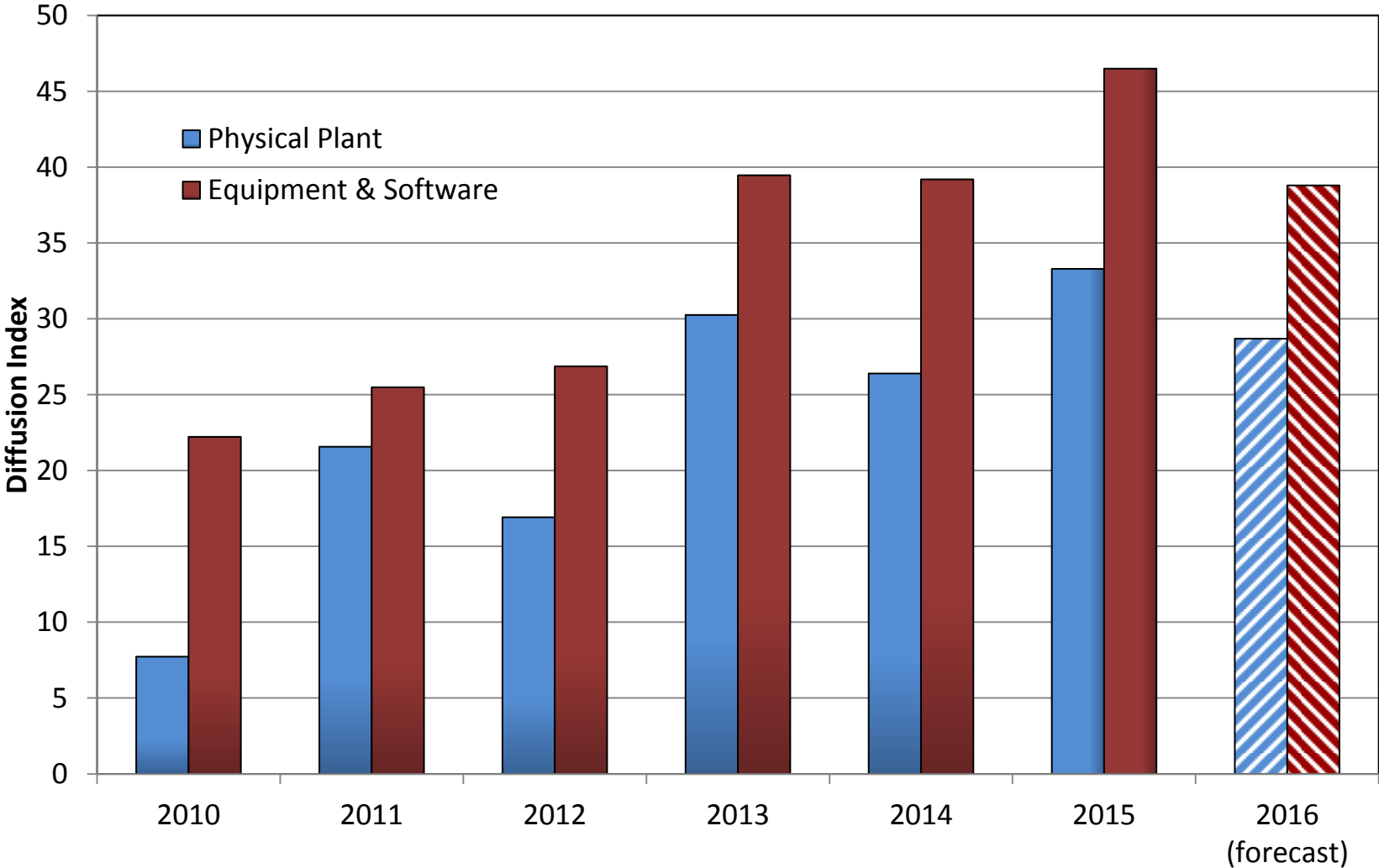
NONRESIDENTIAL INVESTMENT — U.S.



Source: Bureau of Economic Analysis via Haver Analytics



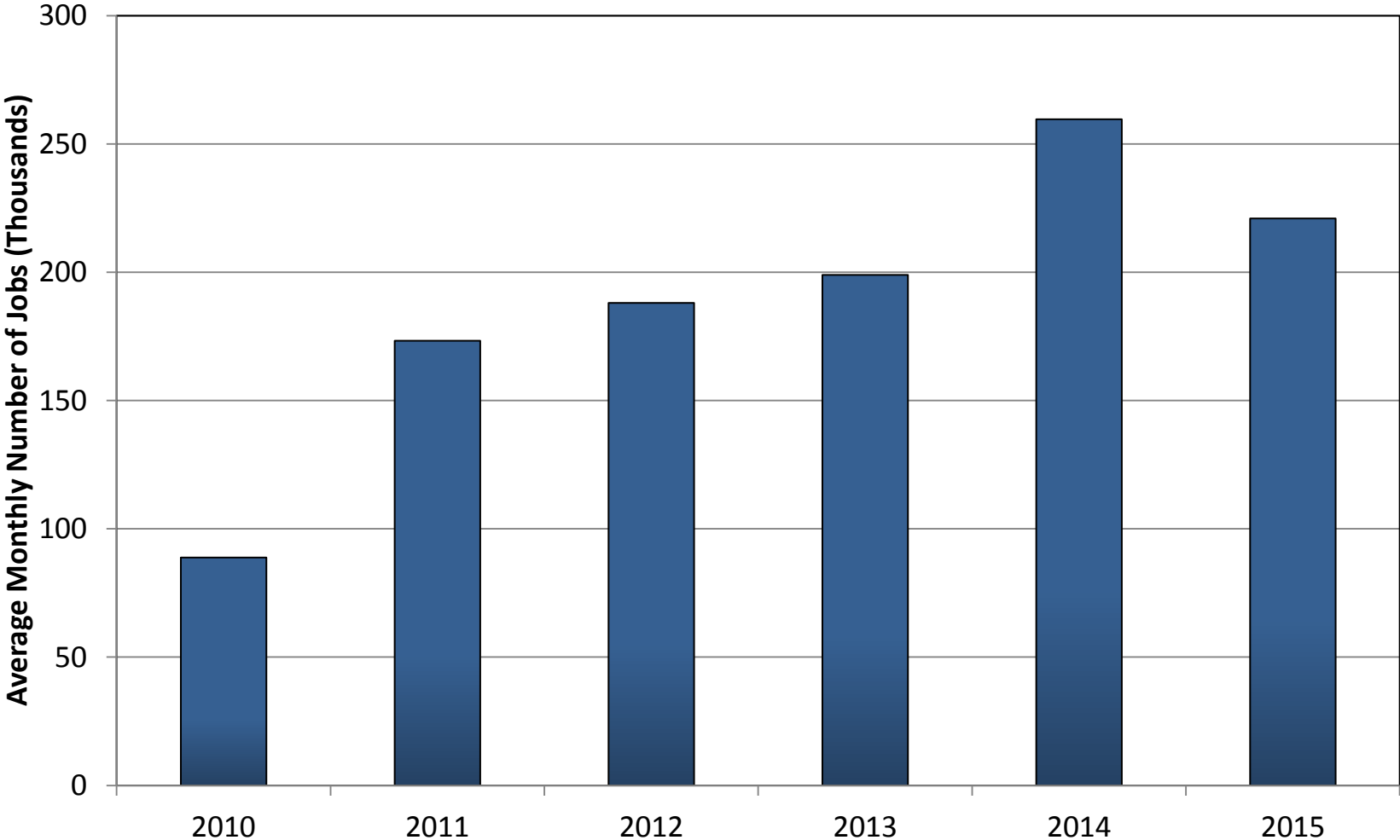
SURVEY RESPONSE — CAPITAL EXPENDITURES



Source: Survey Results



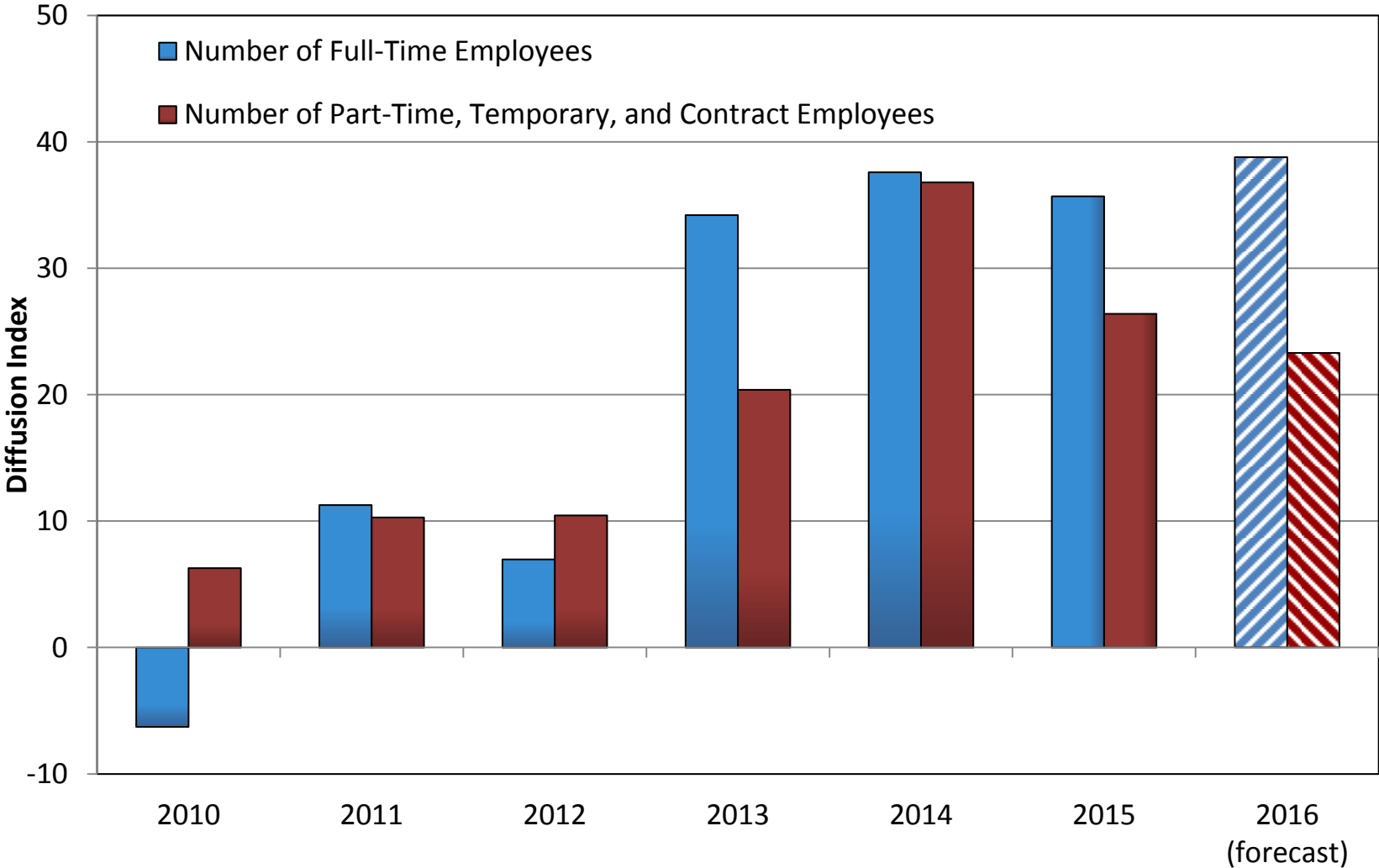
NONFARM JOB GROWTH — U.S.



Source: Bureau of Labor Statistics via Haver Analytics



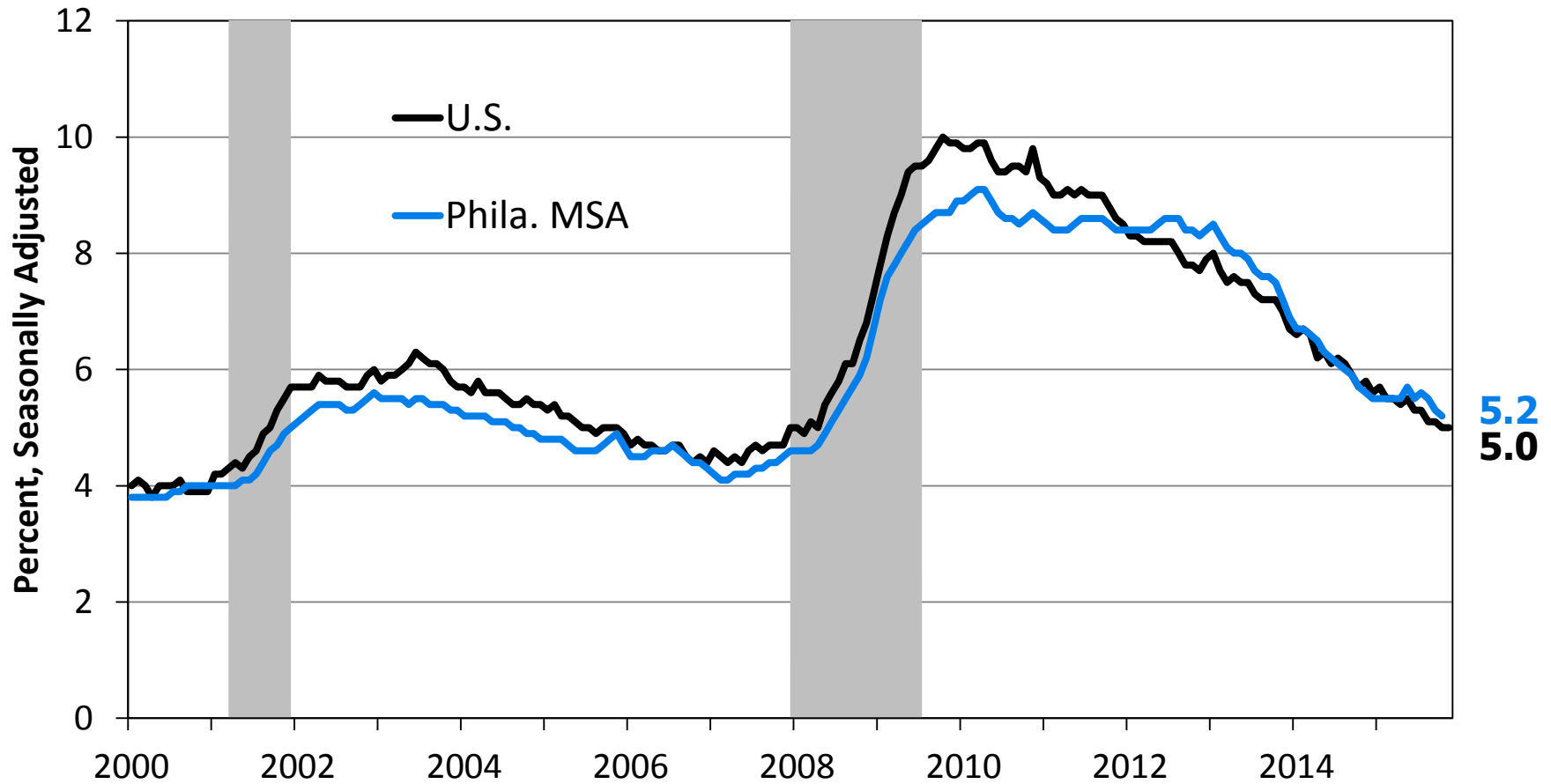
SURVEY RESPONSE — HIRING



Source: Survey Results



NATIONAL AND REGIONAL UNEMPLOYMENT

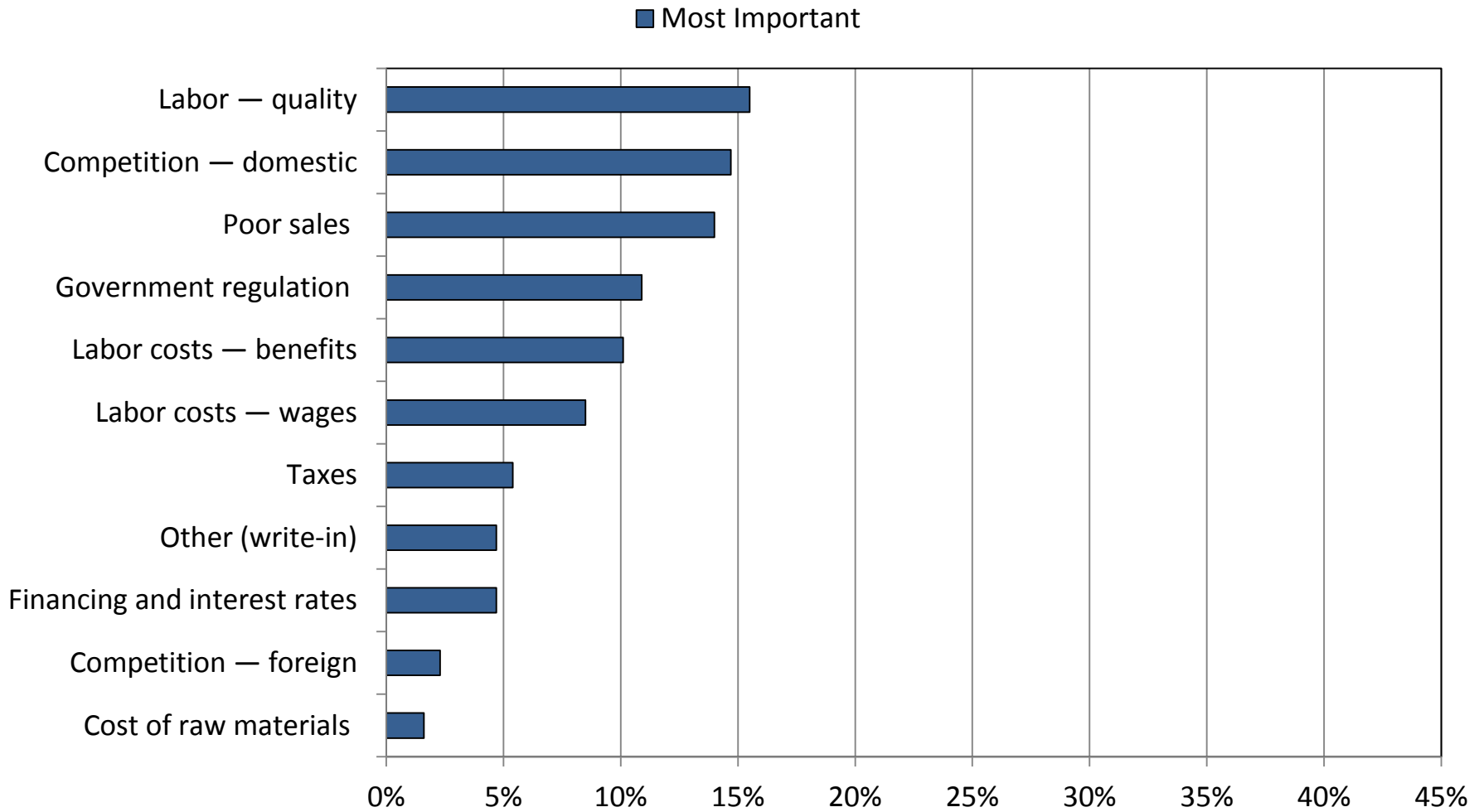


Source: Bureau of Labor Statistics via Haver Analytics

Last month plotted: December 2015 for U.S. and November 2015 for Philadelphia-Camden-Wilmington Metropolitan Statistical Area (MSA)



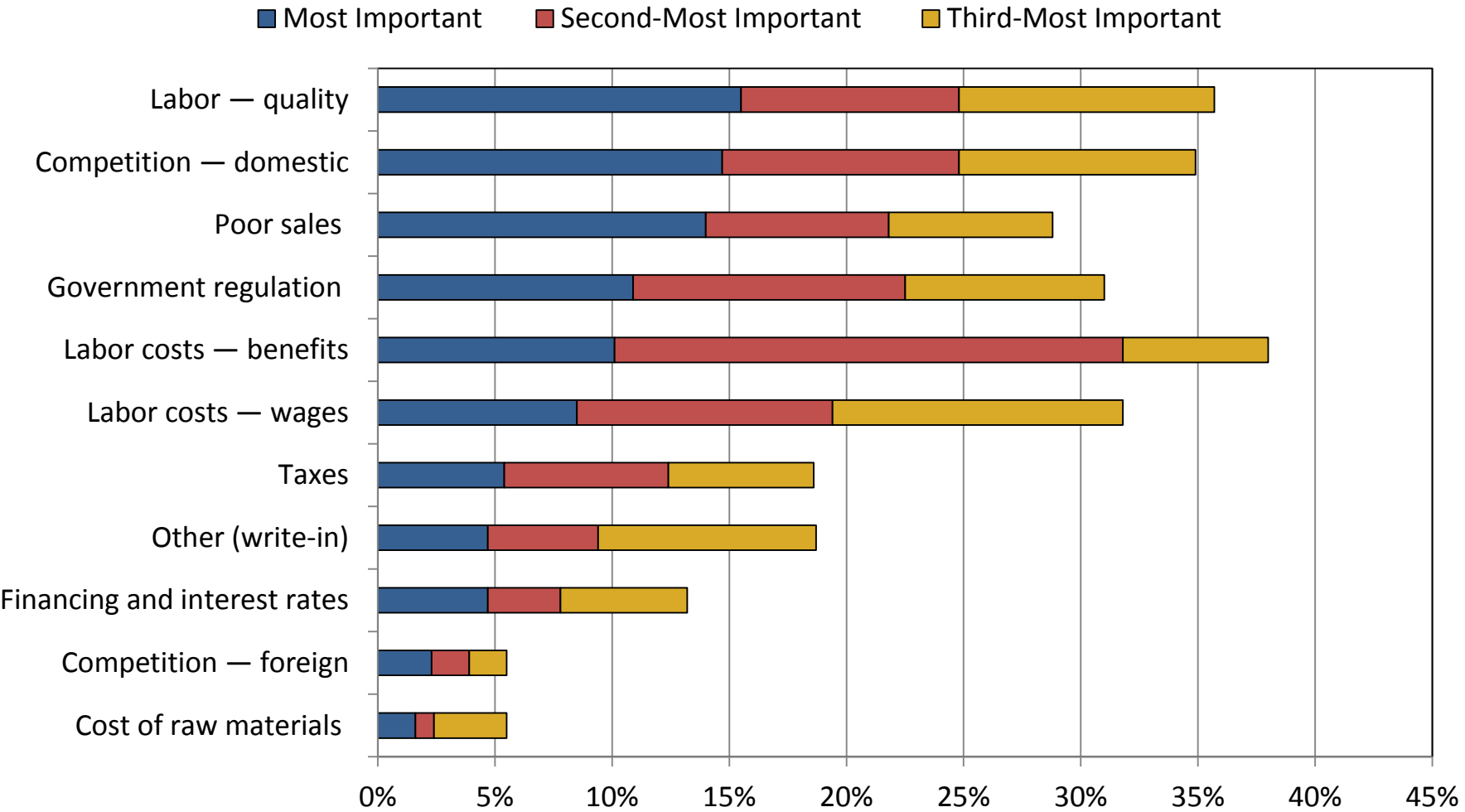
BIGGEST PROBLEMS FACING GPCC MEMBERS



Source: Survey Results



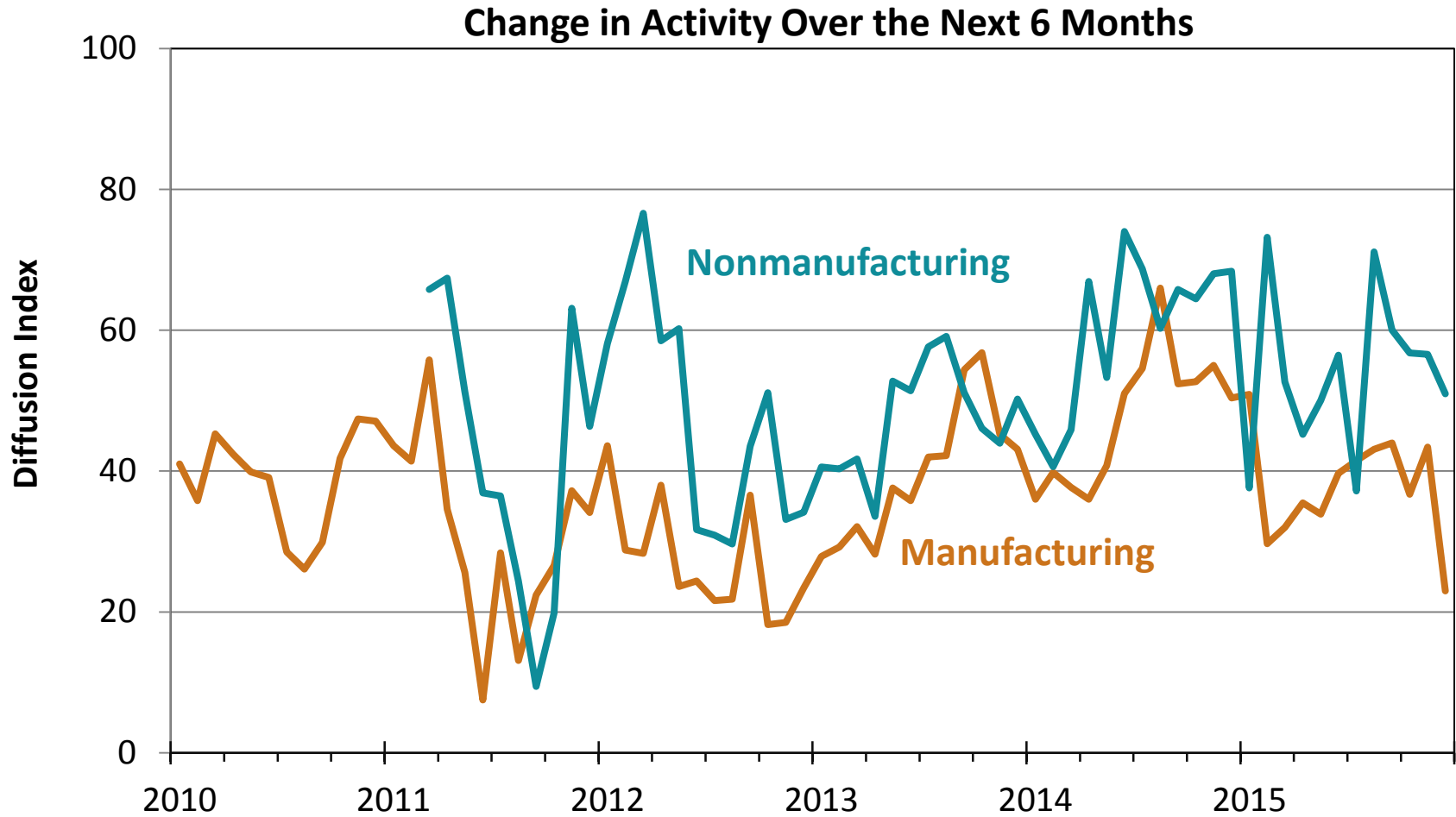
BIGGEST PROBLEMS FACING GPCC MEMBERS



Source: Survey Results



PHILADELPHIA FED BUSINESS OUTLOOK SURVEYS



Source: Federal Reserve Bank of Philadelphia
Last month plotted: December 2015



TO PARTICIPATE IN OUR SURVEYS

E-mail us at phil.surveys@philadelphiafed.org

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APPENDIX — SURVEY RESULTS

	Significantly Lower	Slightly Lower	Same	Slightly Higher	Significantly Higher	Not Applicable	No Response	Diffusion Index
A. What is your assessment of changes in business conditions?								
General Activity								
1. For the REGION								
2015 compared with 2014	0.0%	9.3%	15.5%	63.6%	6.2%	0.8%	4.7%	60.5
2016 compared with 2015	0.8%	7.8%	22.5%	51.2%	7.8%	0.8%	9.3%	50.4
2. For Your COMPANY								
2015 compared with 2014	2.3%	9.3%	10.9%	47.3%	26.4%	0.8%	3.1%	62.0
2016 compared with 2015	1.6%	11.6%	12.4%	48.1%	16.3%	1.6%	8.5%	51.2
B. Specific Company Performance Measures								
1. New Orders								
2015 compared with 2014	3.9%	7.8%	12.4%	42.6%	15.5%	12.4%	5.4%	46.5
2016 compared with 2015	0.8%	7.8%	11.6%	39.5%	17.1%	13.2%	10.1%	48.1
2. Sales or Revenues								
2015 compared with 2014	3.9%	12.4%	9.3%	45.0%	26.4%	0.8%	2.3%	55.0
2016 compared with 2015	0.8%	12.4%	10.9%	50.4%	17.1%	1.6%	7.0%	54.3
3. Unfilled Orders								
2015 compared with 2014	1.6%	4.7%	17.1%	8.5%	5.4%	30.2%	32.6%	7.8
2016 compared with 2015	0.0%	4.7%	21.7%	5.4%	4.7%	30.2%	33.3%	5.4
4. Inventories (Finished Goods or Goods for Sale)								
2015 compared with 2014	0.8%	3.9%	15.5%	9.3%	1.6%	31.8%	37.2%	6.2
2016 compared with 2015	0.8%	4.7%	17.1%	6.2%	2.3%	32.6%	36.4%	3.1
5. Prices Paid								
2015 compared with 2014	1.6%	3.1%	30.2%	41.1%	1.6%	6.2%	16.3%	38.0
2016 compared with 2015	0.0%	4.7%	25.6%	38.8%	7.8%	6.2%	17.1%	41.9
6. Prices Received								
2015 compared with 2014	0.0%	7.0%	30.2%	34.9%	3.1%	7.0%	17.8%	31.0
2016 compared with 2015	0.0%	7.8%	26.4%	36.4%	3.1%	7.8%	18.6%	31.8
7. Number of Employees — Full-Time Permanent								
2015 compared with 2014	0.8%	9.3%	37.2%	38.8%	7.0%	0.8%	6.2%	35.7
2016 compared with 2015	0.0%	5.4%	41.1%	38.0%	6.2%	0.8%	8.5%	38.8



APPENDIX – SURVEY RESULTS

8. Number of Employees – Part-Time, Temporary, and Contract								
2015 compared with 2014	0.8%	7.0%	47.3%	31.0%	3.1%	3.9%	7.0%	26.4
2016 compared with 2015	1.6%	6.2%	47.3%	27.1%	3.9%	3.9%	10.1%	23.3
9. Average Hours Worked per Week								
2015 compared with 2014	0.8%	3.9%	55.8%	30.2%	3.9%	2.3%	3.1%	29.5
2016 compared with 2015	0.8%	2.3%	54.3%	24.0%	7.0%	3.1%	8.5%	27.9
10. Wage and Benefit Costs								
2015 compared with 2014	1.6%	1.6%	18.6%	69.0%	6.2%	0.0%	3.1%	72.1
2016 compared with 2015	0.8%	1.6%	14.0%	62.0%	14.0%	0.8%	7.0%	73.6
11. Capital Expenditures – Physical Plant								
2015 compared with 2014	1.6%	3.9%	30.2%	31.8%	7.0%	10.1%	15.5%	33.3
2016 compared with 2015	1.6%	6.2%	26.4%	26.4%	10.1%	10.9%	18.6%	28.7
12. Capital Expenditures – Equipment and Software								
2015 compared with 2014	0.0%	3.1%	34.1%	41.1%	8.5%	2.3%	10.9%	46.5
2016 compared with 2015	1.6%	3.9%	33.3%	34.1%	10.1%	2.3%	14.7%	38.8

C. What are the three most important problems your business is facing at this time?

	Most Important Problem	Second-Most Important Problem	Third-Most Important Problem
Labor costs – wages	8.5%	10.9%	12.4%
Labor costs – benefits	10.1%	21.7%	6.2%
Labor – quality	15.5%	9.3%	10.9%
Financing and interest rates	4.7%	3.1%	5.4%
Cost of raw materials	1.6%	0.8%	3.1%
Competition – foreign	2.3%	1.6%	1.6%
Competition – domestic	14.7%	10.1%	10.1%
Poor sales	14.0%	7.8%	7.0%
Government regulation	10.9%	11.6%	8.5%
Taxes	5.4%	7.0%	6.2%
Other (write-in)	4.7%	4.7%	9.3%
No response	7.8%	11.6%	19.4%

