The views expressed today are my own and not necessarily those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.
Other Services is an official BLS designation for any industry in NAICS code 81.
Philadelphia MSA Employment, source: BLS VIS Haver Analytics.
Responses received from 64 members.
SURVEY METHODOLOGY

We asked Chamber members:
What is your assessment of changes in business conditions?
(looking back on 2022 compared with 2021 and looking ahead to 2023 compared with 2022)

In the following areas:

- The Region
- Your Company
- New Orders
- Sales or Revenues
- Prices Paid
- Prices Received
- Number of Employees
- Wage and Benefits Costs
- Capital Expenditures
- COVID Impact

Respondents indicated their assessment by ranking change as Higher, Same, or Lower based on results comparing 2022 to 2021 and their projections comparing 2023 to 2022.

The following presents the findings from the survey administered November 30, 2022 – December 16, 2022.
SURVEY RESPONSE

We asked Chamber members: What is your assessment of changes in business conditions?

For the Region

2022 Compared to 2021

- Higher: 50.0%
- Same: 20.3%
- Lower: 20.3%
- Not Applicable or No Response: 9.4%

2023 Compared to 2022

- Higher: 29.7%
- Same: 23.4%
- Lower: 31.3%
- Not Applicable or No Response: 15.6%

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

For Your Company

2022 Compared to 2021

- Higher: 59.0%
- Same: 14.8%
- Lower: 23.0%
- Not Applicable or No Response: 3.3%

2023 Compared to 2022

- Higher: 39.7%
- Same: 31.0%
- Lower: 24.1%
- Not Applicable or No Response: 5.2%

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members: What is your assessment of changes in business conditions?

New Orders

2022 Compared to 2021

- Higher: 47.6%
- Same: 12.7%
- Lower: 22.2%
- Not Applicable or No Response: 17.5%

2023 Compared to 2022

- Higher: 43.1%
- Same: 20.7%
- Lower: 13.8%
- Not Applicable or No Response: 22.4%

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

Sales or Revenues

2022 Compared to 2021

- Higher: 63.5%
- Same: 12.7%
- Lower: 20.6%
- Not Applicable or No Response: 3.2%

2023 Compared to 2022

- Higher: 47.4%
- Same: 21.1%
- Lower: 21.1%
- Not Applicable or No Response: 10.5%

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

Prices Paid

2022 Compared to 2021
- 82.3% Higher
- 8.1% Same
- 6.5% Lower
- 3.2% Not Applicable or No Response

2023 Compared to 2022
- 71.9% Higher
- 12.3% Same
- 12.3% Lower
- 3.5% Not Applicable or No Response

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

Prices Received

2022 Compared to 2021

- 65.6% Higher
- 16.4% Same
- 6.6% Lower
- 11.5% Not Applicable or No Response

2023 Compared to 2022

- 53.7% Higher
- 22.2% Same
- 5.6% Lower
- 18.5% Not Applicable or No Response

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

Number of Employees — Full-time Permanent

2022 Compared to 2021
- 55.6% Higher
- 30.2% Same
- 12.7% Lower
- 1.6% Not Applicable or No Response

2023 Compared to 2022
- 45.8% Higher
- 32.2% Same
- 15.3% Lower
- 6.8% Not Applicable or No Response

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members: What is your assessment of changes in business conditions?

Number of Employees — Part-time, Temporary, and Contract

2022 Compared to 2021

- Higher: 30.6%
- Same: 33.9%
- Lower: 14.5%
- Not Applicable or No Response: 21.0%

2023 Compared to 2022

- Higher: 20.7%
- Same: 37.9%
- Lower: 13.8%
- Not Applicable or No Response: 27.6%

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

Wage and Benefit Costs

2022 Compared to 2021
- 92.1% Higher
- 3.2% Same
- 4.8% Lower
- 0.0% Not Applicable or No Response

2023 Compared to 2022
- 78.0% Higher
- 11.9% Same
- 10.2% Lower
- 0.0% Not Applicable or No Response

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

Capital Expenditures — Physical Plant

2022 Compared to 2021

- 37.1% Higher
- 38.7% Same
- 4.8% Lower
- 19.4% Not Applicable or No Response

2023 Compared to 2022

- 36.2% Higher
- 31.0% Same
- 6.9% Lower
- 25.9% Not Applicable or No Response

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
What is your assessment of changes in business conditions?

Capital Expenditures — Equipment and Software

2022 Compared to 2021

- Higher: 58.7%
- Same: 30.2%
- Lower: 6.3%
- Not Applicable or No Response: 4.8%

2023 Compared to 2022

- Higher: 49.2%
- Same: 30.5%
- Lower: 10.2%
- Not Applicable or No Response: 10.2%

Source: Survey Results
BIGGEST PROBLEMS FACING CHAMBER MEMBERS FOR 2022?

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:

Over the last 3 months, how has your firm’s headcount changed?

- Reduced headcount by laying off workers.
- Reduced headcount by not attempting to replace workers who had left the firm.
- Maintained the same headcount.
- Increased headcount, but by less than we had anticipated.
- Increased headcount, by at least as much as we anticipated.

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:
Thinking of positions your firm has filled or attempted to fill over the past three months, have you had difficulty hiring workers?

- No, we have been able to hire without difficulty.
- Yes, because of a lack of applicants in general.
- Yes, because of a lack of qualified applicants.
- Yes, because applicants have failed or refused drug tests.
- Yes, because candidates have rejected job offers due to Coronavirus-related health concerns.
- Yes, because candidates have rejected the mix of in-office versus remote work offered by the firm.
- Yes, because candidates are not willing to accept the compensation levels we are offering.
- Yes, for reasons not listed above.

Source: Survey Results
SURVEY RESPONSE

We asked Chamber members:

Over the last 3 months, which of the following approaches have you tried to either hire new workers or to retain existing employees?

- Raised wages, signing/retention bonuses, or total compensation offered to new hires or existing employees.
- Focused on retaining and promoting existing employees to reduce the need for new hires.
- Allowed employees to work remotely more often.
- Provided additional training to upgrade existing workers’ skill.
- Hired less-qualified workers but provided additional training to upgrade their skills.
- Increased non-wage benefits offered to new hires or existing employees.
- Made no changes.
- Other (write-in).

Source: Survey Results
To Participate in Our Surveys:

Email us at phil.surveys@philadelphiafed.org

Manufacturing Business Outlook Survey

ELIF SEN
Senior Regional Economic Analyst
Elif.Sen@phil.frb.org

Non-Manufacturing Business Outlook Survey

DARCELLE BOWRIN-TOUSSAINT
Senior Economic Analyst
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Like us on Facebook
@PhiladelphiaFed
# APPENDIX

## Survey Results

### A: What is your assessment of changes in business conditions? (General Activity)

<table>
<thead>
<tr>
<th></th>
<th>Significantly lower</th>
<th>Slightly lower</th>
<th>Same</th>
<th>Slightly higher</th>
<th>Significantly higher</th>
<th>Not Applicable</th>
<th>No response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. For the REGION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>6.3%</td>
<td>14.1%</td>
<td>20.3%</td>
<td>45.3%</td>
<td>4.7%</td>
<td>0.0%</td>
<td>9.4%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>10.9%</td>
<td>20.3%</td>
<td>23.4%</td>
<td>26.6%</td>
<td>3.1%</td>
<td>1.6%</td>
<td>14.1%</td>
</tr>
<tr>
<td><strong>2. For your COMPANY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>4.9%</td>
<td>18.0%</td>
<td>14.8%</td>
<td>34.4%</td>
<td>24.6%</td>
<td>1.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>8.6%</td>
<td>15.5%</td>
<td>31.0%</td>
<td>31.0%</td>
<td>8.6%</td>
<td>1.7%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

### A: What is your assessment of changes in business conditions? (Specific Measures)

<table>
<thead>
<tr>
<th></th>
<th>Significantly lower</th>
<th>Slightly lower</th>
<th>Same</th>
<th>Slightly higher</th>
<th>Significantly higher</th>
<th>Not Applicable</th>
<th>No response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. New Orders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>4.8%</td>
<td>17.5%</td>
<td>12.7%</td>
<td>31.7%</td>
<td>15.9%</td>
<td>14.3%</td>
<td>3.2%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>3.4%</td>
<td>10.3%</td>
<td>20.7%</td>
<td>25.9%</td>
<td>17.2%</td>
<td>19.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>2. Sales or Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>6.3%</td>
<td>14.3%</td>
<td>12.7%</td>
<td>41.3%</td>
<td>22.2%</td>
<td>0.0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>7.0%</td>
<td>14.0%</td>
<td>21.1%</td>
<td>33.3%</td>
<td>14.0%</td>
<td>3.5%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>3. Prices Paid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>3.2%</td>
<td>0.0%</td>
<td>8.1%</td>
<td>45.2%</td>
<td>37.1%</td>
<td>4.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>1.8%</td>
<td>1.8%</td>
<td>12.3%</td>
<td>45.6%</td>
<td>26.3%</td>
<td>7.0%</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>4. Prices Received</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>4.9%</td>
<td>1.6%</td>
<td>16.4%</td>
<td>44.3%</td>
<td>21.3%</td>
<td>8.2%</td>
<td>3.3%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>1.9%</td>
<td>3.7%</td>
<td>22.2%</td>
<td>42.6%</td>
<td>11.1%</td>
<td>11.1%</td>
<td>7.4%</td>
</tr>
<tr>
<td><strong>5. Number of Employees — Full-time Permanent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>4.8%</td>
<td>7.9%</td>
<td>30.2%</td>
<td>49.2%</td>
<td>6.3%</td>
<td>0.0%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>5.1%</td>
<td>10.2%</td>
<td>32.2%</td>
<td>39.0%</td>
<td>6.8%</td>
<td>5.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>6. Number of Employees – Part-time, Temporary, and Contract</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>4.8%</td>
<td>9.7%</td>
<td>33.9%</td>
<td>22.6%</td>
<td>8.1%</td>
<td>16.1%</td>
<td>4.8%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>3.4%</td>
<td>10.3%</td>
<td>37.9%</td>
<td>17.2%</td>
<td>3.4%</td>
<td>22.4%</td>
<td>5.2%</td>
</tr>
<tr>
<td><strong>7. Wage and Benefit Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>0.0%</td>
<td>0.0%</td>
<td>3.2%</td>
<td>49.2%</td>
<td>42.9%</td>
<td>1.6%</td>
<td>3.2%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>0.0%</td>
<td>0.0%</td>
<td>11.9%</td>
<td>57.6%</td>
<td>20.3%</td>
<td>6.8%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>8. Capital Expenditures — Physical Plant</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>1.6%</td>
<td>3.2%</td>
<td>38.7%</td>
<td>16.1%</td>
<td>21.0%</td>
<td>14.5%</td>
<td>4.8%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>5.2%</td>
<td>1.7%</td>
<td>31.0%</td>
<td>20.7%</td>
<td>15.5%</td>
<td>22.4%</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>9. Capital Expenditures — Equipment and Software</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 compared with 2021</td>
<td>1.6%</td>
<td>4.8%</td>
<td>30.2%</td>
<td>44.4%</td>
<td>14.3%</td>
<td>3.2%</td>
<td>1.6%</td>
</tr>
<tr>
<td>2023 compared with 2022</td>
<td>1.7%</td>
<td>8.5%</td>
<td>30.5%</td>
<td>39.0%</td>
<td>10.2%</td>
<td>6.8%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>
## C: What are the three most important problems your business is facing at this time?

<table>
<thead>
<tr>
<th>Problem</th>
<th>First-Most Important</th>
<th>Second-Most Important</th>
<th>Third-Most Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor costs — wages</td>
<td>4.7%</td>
<td>17.2%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Labor costs — benefits</td>
<td>3.1%</td>
<td>7.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Labor — quality</td>
<td>6.3%</td>
<td>14.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Labor — availability</td>
<td>20.3%</td>
<td>9.4%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Financing and interest rates</td>
<td>10.9%</td>
<td>10.9%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Cost of raw materials</td>
<td>3.1%</td>
<td>6.3%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Supply chain issues</td>
<td>10.9%</td>
<td>6.3%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Competition — foreign</td>
<td>0.0%</td>
<td>3.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Competition — domestic</td>
<td>7.8%</td>
<td>1.6%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Firm solvency concerns due to COVID-19</td>
<td>1.6%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Poor sales</td>
<td>12.5%</td>
<td>3.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Government regulation</td>
<td>0.0%</td>
<td>3.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Taxes</td>
<td>3.1%</td>
<td>4.7%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other (write-in)</td>
<td>12.5%</td>
<td>4.7%</td>
<td>6.3%</td>
</tr>
<tr>
<td>No response</td>
<td>3.1%</td>
<td>7.8%</td>
<td>12.7%</td>
</tr>
</tbody>
</table>

## D. Over the last 3 months, how has your firm’s headcount changed?

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced headcount by laying off workers.</td>
<td>9.4%</td>
</tr>
<tr>
<td>Reduced headcount by not attempting to replace workers who had left the firm.</td>
<td>20.3%</td>
</tr>
<tr>
<td>Maintained the same headcount.</td>
<td>29.7%</td>
</tr>
<tr>
<td>Increased headcount, but by less than we had anticipated.</td>
<td>28.1%</td>
</tr>
<tr>
<td>Increased headcount, by at least as much as we anticipated.</td>
<td>20.3%</td>
</tr>
</tbody>
</table>
### Appendix

**Survey Results**

#### E: Thinking of positions your firm has filled or attempted to fill over the past three months, have you had difficulty hiring workers?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, we have been able to hire without difficulty.</td>
<td>28.6%</td>
</tr>
<tr>
<td>Yes, because of a lack of applicants in general.</td>
<td>30.6%</td>
</tr>
<tr>
<td>Yes, because of a lack of qualified applicants.</td>
<td>49.0%</td>
</tr>
<tr>
<td>Yes, because applicants have failed or refused drug tests.</td>
<td>2.0%</td>
</tr>
<tr>
<td>Yes, because candidates have rejected job offers due to Coronavirus-related health concerns.</td>
<td>0.0%</td>
</tr>
<tr>
<td>Yes, because candidates have rejected the mix of in-office versus remote work offered by the firm.</td>
<td>14.3%</td>
</tr>
<tr>
<td>Yes, because candidates are not willing to accept the compensation levels we are offering.</td>
<td>34.7%</td>
</tr>
<tr>
<td>Yes, for reasons not listed above.</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

#### F. Over the last 3 months, which of the following approaches have you tried to either hire new workers or to retain existing employees?

<table>
<thead>
<tr>
<th>Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raised wages, signing/retention bonuses, or total compensation offered to new hires or existing employees.</td>
<td>60.9%</td>
</tr>
<tr>
<td>Increased non-wage benefits offered to new hires or existing employees.</td>
<td>21.9%</td>
</tr>
<tr>
<td>Allowed employees to work remotely more often.</td>
<td>45.3%</td>
</tr>
<tr>
<td>Hired less-qualified workers but provided additional training to upgrade their skills.</td>
<td>23.4%</td>
</tr>
<tr>
<td>Provided additional training to upgrade existing workers’ skill.</td>
<td>26.6%</td>
</tr>
<tr>
<td>Focused on retaining and promoting existing employees to reduce the need for new hires.</td>
<td>50.0%</td>
</tr>
<tr>
<td>Other (write-in).</td>
<td>1.6%</td>
</tr>
<tr>
<td>Made no changes.</td>
<td>17.2%</td>
</tr>
</tbody>
</table>