

April 2025

Note: Survey responses were collected from April 7 to April 14.

Manufacturing activity in the region declined this month, according to the firms responding to the April *Manufacturing Business Outlook Survey*. The survey's indicators for general activity, new orders, and shipments all fell and turned negative. The employment index registered a near-zero reading, suggesting steady employment conditions. Both price indexes continue to suggest overall price increases. The future activity indicators continue to suggest subdued expectations for growth over the next six months.

### Current Indicators Deteriorate

The diffusion index for current general activity dropped 39 points to -26.4 in April, its lowest reading since April 2023 (see Chart 1). Nearly 39 percent of the firms reported decreases in general activity this month, while 13 percent reported increases; 41 percent reported no change. The index for new orders also fell sharply, from 8.7 in March to -34.2 this month, its lowest reading since April 2020. The current shipments index decreased 11 points to -9.1 this month.

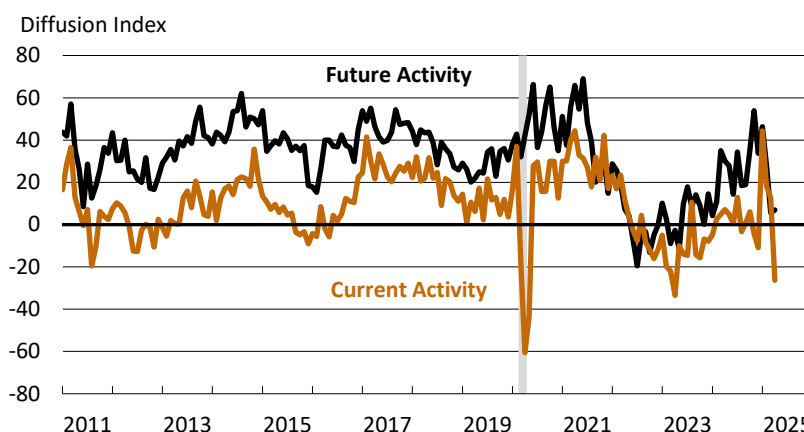
The firms reported mostly steady employment overall, as the employment index fell 20 points to 0.2 in April. Most firms (84 percent) reported no change in employment, while small, nearly identical shares reported increases and decreases (6 percent). The average workweek index fell sharply, from 8.7 to -12.7.

### Firms Continue to Report Overall Price Increases

The prices paid index edged up from 48.3 to 51.0, its highest reading since July 2022 (see Chart 2). Almost 54 percent of the firms reported increases in input prices, while 3 percent reported decreases; 36 percent reported no change. The current prices received index ticked up 1 point to 30.7. Almost 31 percent of the firms reported increases in the prices of their own goods, none reported decreases, and 64 percent reported no change.

**Chart 1. Current and Future General Activity Indexes**

January 2011 to April 2025



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

### Firms Continue to Expect Increases for Wages

In this month's special questions, the firms were asked about changes in wages and compensation over the past three months, as well as their updated expectations for changes in various input and labor costs for the current year (see Special Questions on page 3). More than 38 percent of the firms indicated wages and compensation costs had increased over the past three months, 59 percent reported no change, and 3 percent reported decreases. Over half of the firms (53 percent) reported not having made changes to their 2025 plan for wages and compensation since the beginning of the year; 41 percent indicated they plan to increase wages and compensation, while 6 percent indicated they plan to decrease wages and compensation.

The firms still expect cost increases across most categories of expenses in 2025. The responses indicate a median expected increase of 3 to 4 percent for wages, unchanged from when this question was last asked in January, and an increase of 4 to 5 percent for total compensation (wages plus benefits), up from 3 to 4 percent in January. Additionally, the firms' median expected change in costs for other raw

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The next *Manufacturing Business Outlook Survey* will be released on May 15, 2025.

- (1) Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease.
- (2) All data are seasonally adjusted.
- (3) Percentages may not sum to 100 because of rounding, omission by respondents, or both.
- (4) Survey results reflect data received through April 14, 2025.

**Special Questions (April 2025)****1. How have wages and compensation changed at your firm over the past three months?**

	Percent (%)
Increased	38.2
No change	58.8
Decreased	2.9

**2. Since the beginning of the year, have you adjusted your plan for wage rates and compensation packages for 2025?**

	Percent (%)
Yes, and we are planning to increase wage rates and compensation packages.	40.6
Yes, and we are planning to decrease wage rates and compensation packages.	6.3
No, we have not made changes to wage rates and compensation packages.	53.1

**3. What percentage change in costs do you now expect for the following categories over all of 2025?\***

	Energy (%)	Other Raw Materials (%)	Intermediate Goods (%)	Wages (%)	Health Benefits (%)	Nonhealth Benefits (%)	Wages + Health Benefits + Nonhealth Benefits (%)
Decline of more than 1%	13.3	0.0	0.0	3.2	9.7	3.3	6.9
No change	43.3	6.5	23.1	19.4	9.7	30.0	3.4
Increase of 1–2%	0.0	0.0	0.0	3.2	6.5	10.0	6.9
Increase of 2–3%	10.0	6.5	15.4	9.7	9.7	20.0	3.4
Increase of 3–4%	10.0	32.3	19.2	41.9	22.6	13.3	27.6
Increase of 4–5%	6.7	25.8	19.2	22.6	12.9	20.0	20.7
Increase of 5–7.5%	3.3	9.7	3.8	0.0	6.5	3.3	13.8
Increase of 7.5–10%	3.3	9.7	7.7	0.0	16.1	0.0	3.4
Increase of 10–12.5%	6.7	0.0	3.8	0.0	0.0	0.0	3.4
Increase of more than 12.5%	3.3	9.7	7.7	0.0	6.5	0.0	10.3
<b>Median Expected Change</b>	<b>-1–1%</b>	<b>4–5%</b>	<b>3–4%</b>	<b>3–4%</b>	<b>3–4%</b>	<b>2–3%</b>	<b>4–5%</b>
Median Expected Change (Jan. 2025)	1–2%	2–3%	1–3%	3–4%	3–4%	2–3%	3–4%

\*The firms responded to more detailed changes than shown in the provided ranges.