

MANUFACTURING BUSINESS OUTLOOK SURVEY

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

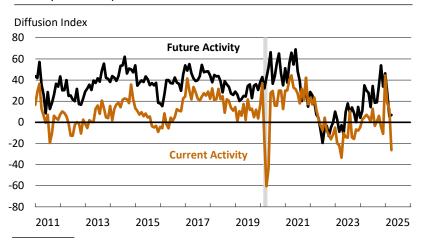
The diffusion index for current general activity dropped 39 points to -26.4 in April, its lowest reading since April 2023 (see Chart 1). Nearly 39 percent of the firms reported decreases in general activity this month, while 13 percent reported increases; 41 percent reported no change. The index for 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 IndexesJanuary 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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materials and intermediate goods both rose relative to January.

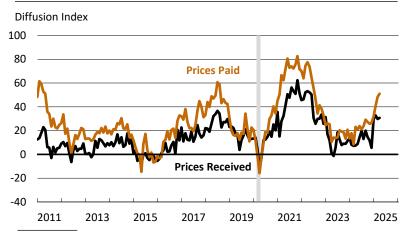
Future Indicators Remain Positive but Low

The diffusion index for future general activity ticked up 1 point to 6.9 in April, after declining 22 points in March (see Chart 1). Nearly 36 percent of the firms expect an increase in activity over the next six months, exceeding the 29 percent that expect a decrease; 25 percent expect no change. The future new orders index increased 4 points to 6.6, and the future shipments index decreased 6 points to 5.0, its lowest reading since June 2024. The firms expect mostly steady employment over the next six months: The future employment index fell 18 points to -0.6, its lowest reading since

February 2016. The firms were roughly evenly split between expecting increases and decreases in future employment (22 percent), and roughly half expect no change. The future prices paid index climbed to 63.1, and the future prices received index jumped 28 points to 67.7, its highest reading since June 2021. The index for future capital expenditures fell 11 points to 2.0. Nearly three-quarters of the firms expect no change in capital spending.

Chart 2. Current Prices Paid and Prices Received 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.

Summary

Responses to the April Manufacturing Business Outlook Survey suggested a decline in regional manufacturing activity this month. The indicators for current activity, new orders, and shipments fell notably and turned negative. The firms indicated overall steady employment, and the current price indexes remained elevated. The survey's broad indicators for future activity were little changed and continued to suggest subdued expectations for growth over the next six months.

MANUFACTURING BUSINESS OUTLOOK SURVEY April 2025	April vs. March					Six Months from Now vs. April				
	Previous Diffusion Index	Increase	No Change	Decrease	Diffusion Index	Previous Diffusion Index	Increase	No Change	Decrease	Diffusion Index
What is your evaluation of the level of general business activity?	12.5	12.5	40.6	38.9	-26.4	5.6	35.9	25.2	29.0	6.9
Company Business Indicators										
New Orders	8.7	10.7	44.4	44.9	-34.2	2.3	35.6	27.3	29.1	6.6
Shipments	2.0	15.4	59.2	24.5	-9.1	11.3	37.1	25.6	32.2	5.0
Unfilled Orders	0.6	13.0	72.8	14.1	-1.1	-0.6	27.5	52.7	16.1	11.4
Delivery Times	4.1	8.7	76.1	11.4	-2.6	3.9	15.8	64.9	15.6	0.2
Inventories	-5.7	16.6	57.7	17.5	-0.9	10.0	23.1	45.2	23.3	-0.2
Prices Paid	48.3	53.8	35.6	2.7	51.0	44.6	63.1	30.1	0.0	63.1
Prices Received	29.8	30.7	64.1	0.0	30.7	39.7	68.1	27.3	0.4	67.7
Number of Employees	19.7	6.0	83.5	5.9	0.2	17.3	21.8	49.7	22.3	-0.6
Average Employee Workweek	8.7	4.9	76.0	17.6	-12.7	0.0	13.7	65.1	14.9	-1.2
Capital Expenditures						13.4	12.2	74.2	10.3	2.0

NOTES:

- (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?				
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
Median Expected	1 10/	4 50/	2 40/	2 40/	2 40/	2.20/	4 50/
Change	-1–1%	4–5%	3–4%	3–4%	3–4%	2–3%	4–5%
Median Expected Change (Jan. 2025)	1–2%	2–3%	1–3%	3–4%	3–4%	2–3%	3–4%
*The firms responded to	more detaile	ed changes th	an shown in the	provided ra	anges.		