

June 2025

Note: Survey responses were collected from June 9 to June 16.

Manufacturing activity in the region remained weak, according to the firms responding to the June *Manufacturing Business Outlook Survey*. The survey's indicator for current general activity remained slightly negative, unchanged from May. The new orders index fell but remained positive, and the shipments index improved, turning positive; both readings remain below their nonrecession averages. The employment index turned negative and fell to its lowest value since May 2020. Both price indexes moderated but remain elevated. The survey's future indicators suggest less widespread expectations for growth over the next six months.

Current Indicators Are Mixed

The diffusion index for current general activity remained unchanged at -4.0 in June (see Chart 1). Almost 25 percent of the firms reported increases in general activity this month (up from 19 percent last month), while 28 percent reported decreases (up from 23 percent); 44 percent reported no change (down from 58 percent). The new orders index fell 5 points to 2.3 this month, and the shipments index rose 21 points to 8.3, its first positive reading since March.

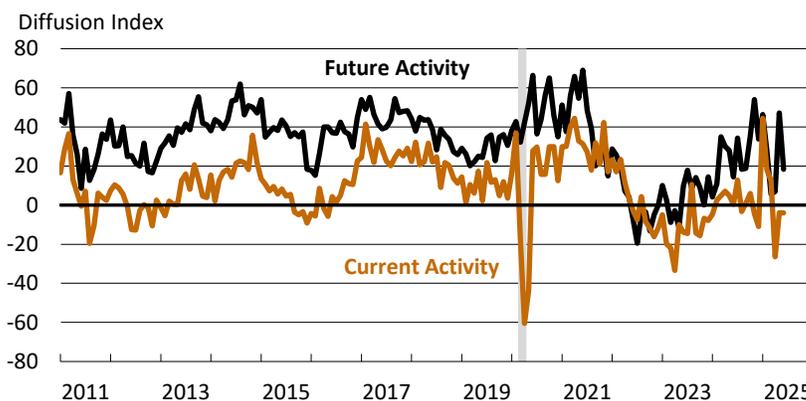
The firms reported overall decreases in employment, and the employment index fell from 16.5 to -9.8 this month, its lowest reading since May 2020. More than 10 percent of the firms reported increases, while 20 percent reported decreases; 69 percent of the firms reported no change in employment levels. The average workweek index fell 4 points to -1.6.

Firms Continue to Report Overall Price Increases

The prices paid index fell 18 points to 41.4, its lowest reading since February (see Chart 2). Over 41 percent of the firms reported increases in input prices, while none reported decreases; 58 percent of the firms reported no change. The current prices received index fell 14 points to 29.5. More than 32 percent of the firms reported increases in prices received for

Chart 1. Current and Future General Activity Indexes

January 2011 to June 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.

their own goods, 3 percent reported decreases, and 65 percent reported no change.

Firms Report Lower Production, Little Change in Capacity Utilization

In this month's special questions, the firms were asked to estimate their total production growth for the second quarter ending this month compared with the first quarter of 2025 (see Special Questions on page 3). A higher share of firms reported a decrease in production (41 percent) compared with the share reporting an increase (33 percent). Regarding firms' capacity utilization for the current quarter and one year ago, the median current capacity utilization rate reported among the responding firms was unchanged at 70 to 80 percent.

Over 74 percent of the firms reported that uncertainty was at least a slight constraint to capacity utilization in the current quarter, and almost 56 percent of the firms cited labor supply as a constraint. Additionally, 24 percent of the firms indicated that supply chain impacts were at least a slight constraint this quarter, with 8 percent categorizing the

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impact as moderate and 12 percent categorizing it as significant. Looking ahead over the next three months, most of the firms expect the impacts of various factors to stay the same. However, one-third of the firms expect the impact of uncertainty to worsen over the next three months, and 26 percent expect supply chain impacts to worsen.

Expectations for Growth Are Less Widespread

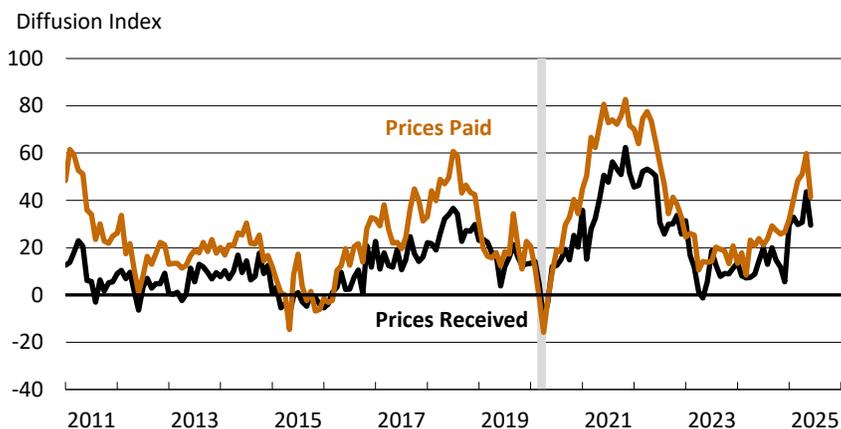
The diffusion index for future general activity fell 29 points to 18.3 in June after rising 40 points last month (see Chart 1). The share of firms expecting increases in activity over the next six months (45 percent) exceeded the share expecting decreases (27 percent); 19 percent expect no change. Similarly, the future new orders index dropped 28 points to 22.1, and the shipments index fell 23 points to 27.9. The firms continue to expect overall increases in employment, and the future employment index edged up from 23.0 to 24.6. The future capital expenditures index fell 13 points to 14.5.

Summary

Responses to the June *Manufacturing Business Outlook Survey* suggest regional manufacturing activity remained weak overall this month. The indicator for current activity

Chart 2. Current Prices Paid and Prices Received Indexes

January 2011 to June 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.

remained negative, while the indexes for new orders and shipments were positive but low. The firms indicated overall decreases in employment and continued increases in prices, although both price indexes moderated. The survey's broad indicators for future activity suggest less widespread expectations for growth over the next six months. ■

MANUFACTURING BUSINESS OUTLOOK SURVEY June 2025	June vs. May					Six Months from Now vs. June				
	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?	-4.0	24.5	43.6	28.4	-4.0	47.2	45.1	19.0	26.8	18.3
Company Business Indicators										
New Orders	7.5	26.1	50.1	23.8	2.3	49.7	50.1	21.7	28.0	22.1
Shipments	-13.0	28.4	51.6	20.0	8.3	51.1	49.1	29.1	21.2	27.9
Unfilled Orders	4.9	20.1	68.7	10.8	9.3	3.3	29.0	60.7	10.1	18.9
Delivery Times	-9.2	16.5	79.9	2.8	13.6	8.3	28.8	67.0	4.2	24.5
Inventories	9.7	16.1	68.1	12.5	3.6	5.3	27.2	47.3	23.7	3.6
Prices Paid	59.8	41.4	58.1	0.0	41.4	61.6	68.9	29.8	0.0	68.9
Prices Received	43.6	32.2	65.2	2.6	29.5	50.0	56.3	39.8	3.8	52.5
Number of Employees	16.5	10.5	68.6	20.3	-9.8	23.0	35.1	54.1	10.5	24.6
Average Employee Workweek	2.0	10.3	77.6	12.0	-1.6	22.2	20.7	72.1	7.3	13.4
Capital Expenditures	--	--	--	--	--	27.0	25.2	64.0	10.8	14.5

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 June 16, 2025.

Special Questions (June 2025)		
1. How will your firm's total production for the second quarter of 2025 compare with that of the first quarter of 2025 ?		
An increase of:	% of firms	Subtotals
10% or more	7.4	% of firms reporting an increase: 33.3
5–10%	7.4	
0–5%	18.5	
No change	25.9	
A decline of:		
0–5%	3.7	% of firms reporting a decrease: 40.7
5–10%	22.2	
10% or more	14.8	

2. Which of the following best characterizes your plant's percentage capacity utilization currently (2025:Q2) and one year ago (2024:Q2)?		
Capacity Utilization Rate	2025:Q2 % of reporters	2024:Q2 % of reporters
Less than 30%	0.0	0.0
30–40%	0.0	3.7
40–50%	3.7	3.7
50–60%	11.1	3.7
60–70%	25.9	18.5
70–80%	37.0	25.9
80–90%	14.8	25.9
90–100%	7.4	18.5
Median Utilization Rate	70–80	70–80

	3. In the current quarter , to what degree have the following factors acted as constraints on capacity utilization?				4. Over the next three months , how do you expect the impacts of the following factors as constraints on capacity utilization to change?		
		Not at all (%)	Slightly (%)	Moderately (%)	Significantly (%)	Worsen (%)	Stay the same (%)
Energy markets	92.6	3.7	0.0	3.7	11.5	80.8	7.7
Financial capital	74.1	14.8	7.4	3.7	11.1	81.5	7.4
Labor supply	44.4	29.6	11.1	14.8	18.5	70.4	11.1
Supply chains	56.0	24.0	8.0	12.0	25.9	66.7	7.4
Uncertainty	25.9	14.8	22.2	37.0	33.3	48.1	18.5
Other factors	60.0	20.0	13.0	6.7	8.3	91.7	0.0