

July 2025

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

Manufacturing activity in the region expanded overall this month, according to the firms responding to the July *Manufacturing Business Outlook Survey*. The survey's indicator for general activity returned to positive territory, and the indexes for new orders and shipments both increased this month. All three indexes recorded their highest readings since February. The employment index turned positive, suggesting overall increases in employment. Both price indexes rose after declining last month and continue to suggest overall price increases. The future activity indicators suggest that the firms continue to expect growth over the next six months.

Current Indicators Improve

The diffusion index for current general activity rose 20 points to 15.9 in July, its first positive reading after three negative readings and its highest reading since February (see Chart 1). Nearly 32 percent of the firms reported increases in general activity this month (up from 25 percent last month), while 16 percent reported decreases (down from 28 percent); 49 percent reported no change (up from 44 percent). The index for new orders increased 16 points to 18.4 this month, and the current shipments index increased from 8.3 to 23.7, also their highest readings since February.

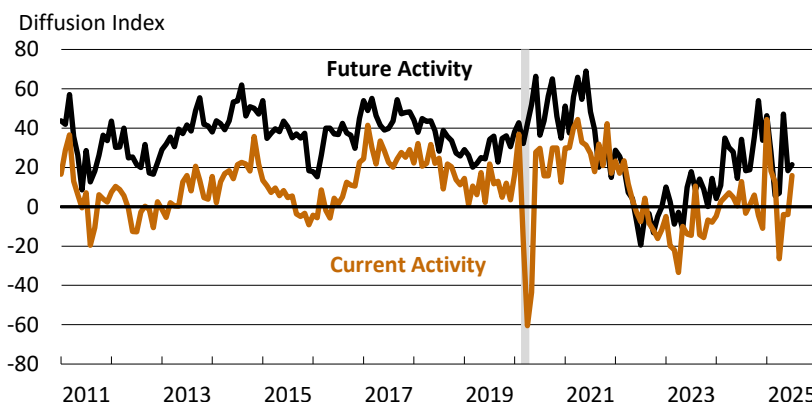
The firms reported overall increases in employment, as the employment index rose 20 points to 10.3 and mostly recovered its decline from last month. Most firms (70 percent) reported no change in employment, 17 percent reported increases, and 7 percent reported decreases. The average workweek index inched up to 0.4.

Firms Continue to Report Overall Price Increases

The prices paid index rose 17 points from 41.4 to 58.8, largely undoing its fall in June (see Chart 2). Almost 61 percent of the firms reported increases in input prices, while 2 percent reported decreases; 31 percent reported no change. The current prices received index increased 5 points

Chart 1. Current and Future General Activity Indexes

January 2011 to July 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.

to 34.8. Almost 35 percent of the firms reported increases in the prices of their own goods, none reported decreases, and 58 percent reported no change.

Firms Continue to Expect Increases in Wages

In this month's special questions, the firms were asked about changes in wage rates and compensation packages 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). Thirty percent of the firms indicated wages and compensation costs had increased over the past three months, 70 percent reported no change, and no firm reported decreases. Sixty-nine percent of the firms reported not having made changes to their 2025 plan for wages and compensation since the beginning of the year, 28 percent indicated they plan to increase wages and compensation, and 3 percent indicated they plan to decrease wages and compensation.

The firms expect cost increases across all categories of expenses in 2025. The responses indicate a median expected increase of 3 to 4 percent for wages, unchanged from April.

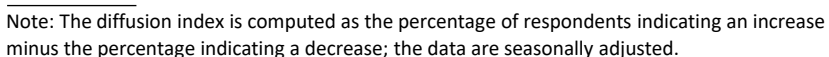
Released: July 17, 2025, 8:30 a.m. ET.

The next *Manufacturing Business Outlook Survey* will be released on August 21, 2025.

Future Indicators Remain Positive

Chart 2. Current Prices Paid and Prices Received Indexes

January 2011 to July 2025



Summary

MANUFACTURING BUSINESS OUTLOOK SURVEY July 2025	July vs. June					Six Months from Now vs. July				
	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	31.7	48.7	15.8	15.9	18.3	41.1	29.9	19.6	21.5
Company Business Indicators										
New Orders	2.3	35.2	42.7	16.8	18.4	22.1	47.9	30.0	17.9	30.0
Shipments	8.3	32.4	51.0	8.8	23.7	27.9	45.1	29.1	21.5	23.6
Unfilled Orders	9.3	16.1	63.8	10.4	5.7	18.9	26.9	61.4	8.5	18.4
Delivery Times	13.6	7.9	75.0	12.6	-4.7	24.5	10.4	79.5	0.0	10.4
Inventories	3.6	20.6	46.4	21.8	-1.3	3.6	23.4	53.8	12.7	10.7
Prices Paid	41.4	60.9	30.8	2.1	58.8	68.9	76.6	19.4	1.2	75.3
Prices Received	29.5	34.8	57.6	0.0	34.8	52.5	60.5	32.7	1.1	59.4
Number of Employees	-9.8	16.9	70.4	6.6	10.3	24.6	25.8	67.4	5.7	20.1
Average Employee Workweek	-1.6	18.4	56.5	18.0	0.4	13.4	17.7	77.1	5.3	12.4
Capital Expenditures	--	--	--	--	--	14.5	22.0	72.9	4.9	17.1

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 July 14, 2025.

Special Questions (July 2025)	
1. How have wages and compensation changed at your firm over the past three months?	
	Percent (%)
Increased	30.0
No change	70.0
Decreased	0.0

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.	27.6
Yes, and we are planning to decrease wage rates and compensation packages.	3.4
No, we have not made changes to wage rates and compensation packages.	69.0

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%	10.3	3.4	3.7	0.0	3.4	0.0	0.0
No change	20.7	13.8	14.8	13.8	10.3	41.4	10.3
Increase of 1–2%	10.3	10.3	14.8	6.9	10.3	3.4	3.4
Increase of 2–3%	13.8	10.3	18.5	20.7	6.9	27.6	17.2
Increase of 3–4%	6.9	20.7	7.4	37.9	10.3	17.2	20.7
Increase of 4–5%	20.7	10.3	18.5	20.7	20.7	6.9	13.8
Increase of 5–7.5%	3.4	10.3	3.7	0.0	10.3	0.0	13.8
Increase of 7.5–10%	0.0	6.9	7.4	0.0	10.3	0.0	3.4
Increase of 10–12.5%	13.8	3.4	7.4	0.0	3.4	3.4	13.8
Increase of more than 12.5%	0.0	10.3	3.7	0.0	13.8	0.0	3.4
Median Expected Change	2–3	3–4	2–3	3–4	4–5	2–3	3–4
Median Expected Change (April 2025)	-1–1	4–5	3–4	3–4	3–4	2–3	4–5

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