

September 2025

Note: Survey responses were collected from September 8 to September 15.

Manufacturing activity in the region expanded overall, according to the firms responding to the September *Manufacturing Business Outlook Survey*. The survey's indicators for current general activity, new orders, and shipments all rose, with the former two returning to positive territory. The employment index remained mostly unchanged and continued to reflect overall increases in employment. Both price indexes moderated but remain elevated. The survey's future indicators suggest widespread expectations for growth over the next six months.

### Current Indicators Improve

The diffusion index for current general activity rose 24 points to 23.2 in September, its highest reading since January (see Chart 1). Almost 40 percent of the firms reported increases in general activity this month (up from 30 percent last month), while 17 percent reported decreases (down from 30 percent); 43 percent reported no change (up from 36 percent). The new orders index rose 14 points to 12.4 this month, and the shipments index rose 22 points to 26.1.

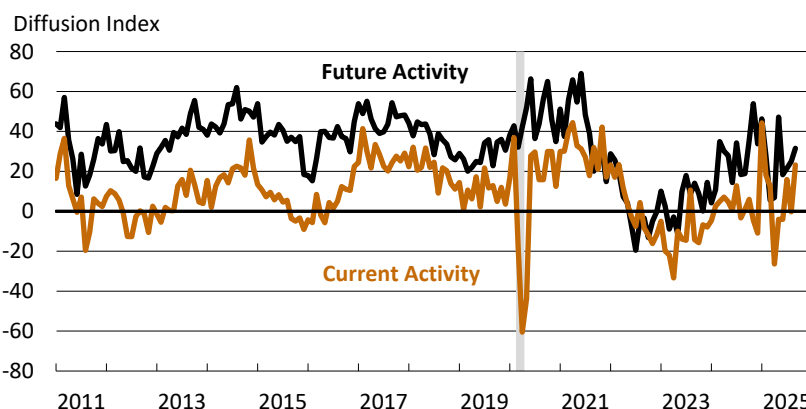
On balance, the firms continued to report overall increases in employment this month, and the employment index was little changed at 5.6. Almost 16 percent of the firms reported increases, while 10 percent reported decreases; 74 percent of the firms reported no change in employment levels. The average workweek index rose 10 points to 14.9.

### Firms Continue to Report Overall Price Increases

The prices paid index fell 20 points to 46.8, down notably from a multiyear high last month (see Chart 2). Nearly 49 percent of the firms reported increases in input prices, while 2 percent reported decreases; 48 percent of the firms reported no change. The current prices received index fell 17 points to 18.8. Almost 20 percent of the firms reported increases in prices received for their own goods, 1 percent reported decreases, and 78 percent reported no change.

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

January 2011 to September 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 Report Higher Production, Little Change in Capacity Utilization

In this month's special questions, the firms were asked to estimate their total production growth for the third quarter ending this month compared with the second quarter of 2025 (see Special Questions on page 3). A higher share of firms reported an increase in production (46 percent) compared with the share reporting a decrease (27 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.

Nearly 86 percent of the firms reported that uncertainty was at least a slight constraint to capacity utilization in the current quarter, and equal shares of firms (57 percent) reported that labor supply and supply chains were at least a slight constraint in the current quarter. Additionally, 18 percent of the firms indicated that labor supply impacts were a significant constraint this quarter. Looking ahead over the next three months, most of the firms expect the impacts of various factors to stay the same. However, one-quarter of

Released: September 18, 2025, 8:30 a.m. ET.

The next *Manufacturing Business Outlook Survey* will be released on October 16, 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 September 15, 2025.

Special Questions (September 2025)		
1. How will your firm's total production for the <b>third quarter of 2025</b> compare with that of the <b>second quarter of 2025</b> ?		
<b>An increase of:</b>	% of firms	Subtotals
10% or more	15.4	% of firms reporting an increase: 46.2
5–10%	7.7	
0–5%	23.1	
No change	26.9	
<b>A decline of:</b>		
0–5%	15.4	% of firms reporting a decrease: 26.9
5–10%	0.0	
10% or more	11.5	

2. Which of the following best characterizes your plant's percentage capacity utilization <b>currently</b> (2025:Q3) and <b>one year ago</b> (2024:Q3)?		
Capacity Utilization Rate	2025:Q3 % of reporters	2024:Q3 % of reporters
Less than 30%	0.0	0.0
30–40%	0.0	4.2
40–50%	3.7	4.2
50–60%	7.4	8.3
60–70%	29.6	16.7
70–80%	29.6	33.3
80–90%	25.9	20.8
90–100%	3.7	12.5
Median Utilization Rate	70–80	70–80

3. In the <b>current quarter</b> , to what degree have the following factors acted as constraints on capacity utilization?					4. Over the <b>next three months</b> , 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 (%)	Improve (%)
Energy markets	85.7	14.3	0.0	0.0	21.4	75.0	3.6
Financial capital	89.3	10.7	0.0	0.0	0.0	89.3	10.7
Labor supply	42.9	25.0	14.3	17.9	14.3	71.4	14.3
Supply chains	42.9	50.0	3.6	3.6	14.3	78.6	7.1
Uncertainty	14.3	28.6	35.7	21.4	25.0	53.6	21.4
Other factors	85.7	7.1	0.0	7.1	0.0	93.8	6.3