

MANUFACTURING BUSINESS OUTLOOK SURVEY

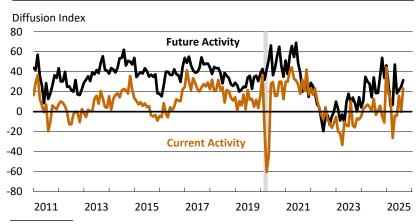
September 2025

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.

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.

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.

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

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the firms expect the impact of uncertainty to worsen over the next three months, and 14 percent expect the labor supply or supply chain impacts to worsen.

Firms Continue to Expect Growth

The diffusion index for future general activity rose 7 points to 31.5 in September (see Chart 1), its highest reading since May. The share of firms expecting increases in activity over the next six months (52 percent) exceeded the share expecting decreases (21 percent); 27 percent expect no change. The future new orders index edged up 3 points to 42.4, while the shipments index fell 9 points to 31.0. Expectations for employment were more widespread as the future employment index rose from 12.7 to

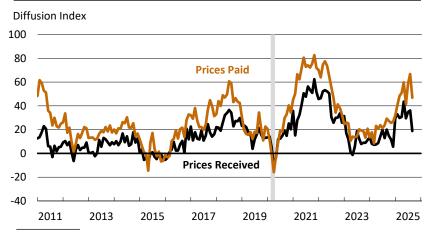
23.7. The future capital expenditures index fell 26 points to 12.5.

Summary

Responses to the September Manufacturing Business Outlook Survey suggest regional manufacturing activity expanded overall this month. The indicators for current activity, new orders, and shipments all rose. The firms indicated overall increases in employment and continued

Chart 2. Current Prices Paid and Prices Received 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.

increases in prices, although both price indexes moderated. The survey's broad indicators for future activity suggest that firms continue to expect growth over the next six months.

MANUFACTURING BUSINESS OUTLOOK SURVEY September 2025	September vs. August				Six Months from Now vs. September					
	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?	-0.3	39.9	43.4	16.7	23.2	25.0	52.2	27.0	20.8	31.5
Company Business Indicators										
New Orders	-1.9	41.7	29.0	29.3	12.4	39.2	59.0	24.3	16.7	42.4
Shipments	4.5	44.0	38.1	17.9	26.1	40.3	51.4	28.3	20.3	31.0
Unfilled Orders	-16.8	15.5	61.3	22.1	-6.6	7.7	24.6	60.8	12.6	12.0
Delivery Times	-5.4	6.5	78.3	9.8	-3.4	4.5	12.3	75.0	11.8	0.5
Inventories	-6.2	27.1	60.8	12.1	15.0	-14.3	23.7	49.6	26.7	-3.0
Prices Paid	66.8	48.8	48.4	2.0	46.8	68.4	70.1	27.9	0.3	69.8
Prices Received	36.1	19.5	78.4	0.7	18.8	48.5	64.8	35.2	0.0	64.8
Number of Employees	5.9	15.8	73.9	10.2	5.6	12.7	30.3	62.6	6.6	23.7
Average Employee Workweek	4.7	22.9	69.1	8.0	14.9	4.3	32.6	55.4	10.1	22.5
Capital Expenditures						38.4	17.0	78.4	4.6	12.5

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 September 15, 2025.



Special Questions (September 2025)						
1. How will your firm's total production for the third quarter of 2025						
compare with that of the second quarter of 2025?						
An increase of:	% of firms	Subtotals				
10% or more	15.4	0/ of figure garanting an increase.				
5-10%	7.7	% of firms reporting an increase: 46.2				
0–5%	23.1	40.2				
No change	26.9					
A decline of:						
0–5%	15.4	0/ of firms reporting a decrease.				
5-10%	0.0	% of firms reporting a decrease: 26.9				
10% or more	11.5	20.9				

2. Which of the following best characterizes your plant's percentage capacity utilization currently (2025:Q3) and one year ago (2024:Q3)?

utilization currently (2023.Q3) and one year ago (2024.Q3):							
Capacity Utilization Rate	2025:Q3	2024:Q3					
Capacity Othization Nate	% of reporters	% 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 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	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	