

October 2025

Note: Survey responses were collected from October 6 to October 13.

Manufacturing activity in the region was mixed, according to the firms responding to the October *Manufacturing Business Outlook Survey*. The survey's index for current general activity fell significantly and turned negative, more than offsetting last month's increase. The shipments index declined but remained positive, while the new orders index rose. The employment index ticked down but continued to reflect overall increases in employment. Both price indexes moved higher and remain elevated. The survey's future indicators suggest widespread expectations for growth over the next six months.

Current Indicators Are Mixed

The diffusion index for current general activity dropped 36 points to -12.8 in October, its lowest reading since April (see Chart 1). Twenty-five percent of the firms reported decreases in general activity this month (up from 17 percent last month), while 12 percent reported increases (down from 40 percent); 58 percent reported no change (up from 43 percent). The shipments index fell 20 points but remained positive at 6.0. Meanwhile, the new orders index rose 6 points to 18.2.

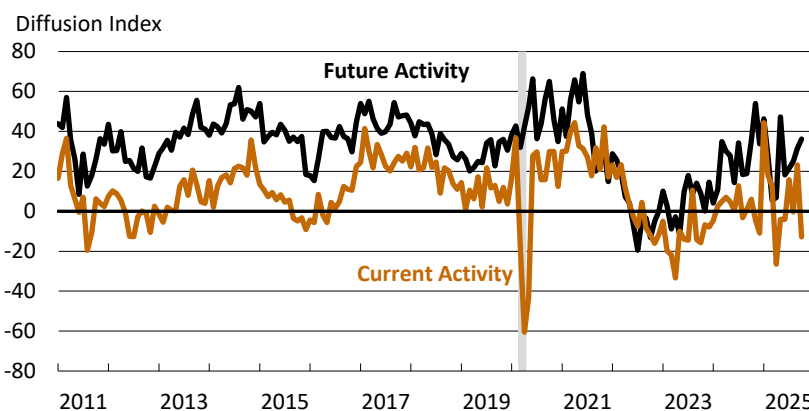
On balance, the firms continued to report overall increases in employment this month, and the employment index ticked down 1 point to 4.6. Almost 12 percent of the firms reported increases, while 7 percent reported decreases; 81 percent of the firms reported no change in employment levels. The average workweek index declined to 12.8 from 14.9 in September.

Firms Report Higher-than-Average Overall Price Increases

The prices paid index rose 3 points to 49.2 in October, following last month's fall from a multiyear high (see Chart 2). Over 49 percent of the firms reported increases in input prices, while none reported decreases; 51 percent reported no change. The current prices received index rose 8 points to 26.8 after declining last month. Almost 28 percent of the firms reported

Chart 1. Current and Future General Activity Indexes

January 2011 to October 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 received for their own goods, 1 percent reported decreases, and 70 percent reported no change. Both price indexes are above their nonrecession averages.

Firms Anticipate Higher Capital Expenditures Next Year

In this month's special question, manufacturers were asked about their plans for different categories of capital expenditures next year (see Special Question on page 3). Almost 36 percent of the firms expect to increase total capital spending, compared with 19 percent expecting to decrease total spending; 45 percent expect total spending to stay the same. When this question was asked last year, the share of firms expecting to increase spending (52 percent) exceeded the share of firms expecting to decrease spending (21 percent). Expectations for higher capital expenditures were most widespread for computer and related hardware, noncomputer equipment, and software. However, at least half the firms expect capital expenditures to stay the same across all categories, except noncomputer equipment.

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The next *Manufacturing Business Outlook Survey* will be released on November 20, 2025.

The diffusion index for future general activity rose 5 points to 36.2 in October (see Chart 1). The share of firms expecting increases in activity over the next six months (47 percent) exceeded the share expecting decreases (11 percent); 35 percent expect no change. The future new orders index rose 7 points to 49.8, its highest reading since January, and the future shipments index jumped 17 points to 48.4. Expectations for employment remained widespread but were relatively unchanged at 21.4. Both future price indexes declined but remained elevated compared with their long-run averages. The future prices paid index declined 10 points to 59.8, and the future prices received index fell 19 points to 45.7. The future capital expenditures index increased 13 points to 25.2, partially offsetting last month's decline. Nearly 30 percent of the firms expected future increases in capital expenditures, while 5 percent expected decreases; 59 percent expected no change.

Responses to the October *Manufacturing Business Outlook Survey* suggest regional manufacturing activity was mixed this month. The index for current activity dropped significantly and turned negative, more than offsetting last month's increase. The indicator for shipments also declined

The chart displays the Diffusion Index for 'Prices Paid' and 'Prices Received' from 2011 to 2025. The y-axis ranges from -40 to 100. A vertical grey line marks the year 2020. Both series show a sharp decline in 2020 followed by a recovery.

Year	Prices Paid (Diffusion Index)	Prices Received (Diffusion Index)
2011	60	20
2012	20	0
2013	20	10
2014	20	10
2015	0	0
2016	20	10
2017	40	20
2018	60	40
2019	20	10
2020	-10	-10
2021	80	60
2022	40	20
2023	20	10
2024	60	40
2025	50	30

but remained positive, while the new orders index rose for the second consecutive month. The firms continued to indicate overall increases in employment and widespread increases in prices. The survey's broad indicators for future activity suggest that firms continue to expect growth over the next six months. ■

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 October 13, 2025.



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SPECIAL QUESTIONS

Special Question (October 2025)				
Comparing 2026 with 2025, do you expect capital expenditures to be higher, the same, or lower for each of the following categories?				
	Higher (% of reporters)	Same (% of reporters)	Lower (% of reporters)	Diffusion Index
Software	35.5	61.3	3.2	32.3
Noncomputer equipment	43.8	46.9	9.4	34.4
Energy-saving investments	13.3	76.7	10.0	3.3
Computer and related hardware	40.6	56.3	3.1	37.5
Structure	21.9	68.8	9.4	12.5
Other	12.5	87.5	0.0	12.5
Total capital spending	35.5	45.2	19.4	16.1