

Manufacturing Business Outlook Survey

April 2026

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Manufacturing activity in the region continued to grow overall, according to the firms responding to the April *Manufacturing Business Outlook Survey*. The survey's indicators for general activity, new orders, and shipments all moved higher this month. However, the employment index fell and turned negative, suggesting overall declines in employment. Both price indexes rose for the second consecutive month. The firms continue to expect overall growth over the next six months, although most future indicators moved down.

Most Current Indicators Rise

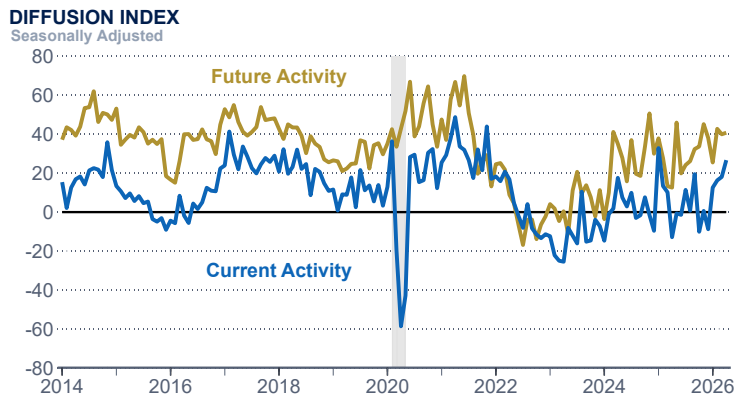
The diffusion index for current general activity rose from 18.1 in March to 26.7 in April, its fourth consecutive increase (see Chart 1). Almost 33 percent of the firms reported increases, exceeding the 6 percent reporting decreases; 62 percent of the firms reported no change in current activity. The current shipments index rose 12 points to 34.0, while the index for current new orders jumped 24 points to 33.0. Almost 41 percent of the firms reported increases in new orders (up from 30 percent last month), 8 percent reported decreases (down from 22 percent), and 49 percent reported no change (up from 48 percent).

The employment index fell 6 points to -5.1 in April. More than 70 percent of the firms reported no change in employment levels this month, but the share reporting decreases (15 percent) exceeded the share reporting increases (10 percent). The average workweek index rose from 2.8 to 7.7.

Price Increases Are More Widespread

Both price indexes remain well above their long-run nonrecession averages and were at their highest readings since August. The prices paid index rose 15 points to 59.3 in April (see Chart 2). More than 61 percent of the firms reported increases in input prices (up from 46 percent last month), while 2 percent reported decreases (up from 1 percent); 37 percent reported no change (down from 53

Chart 1. Current and Future General Activity Indexes
January 2014 to April 2026



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease. Shaded areas indicate NBER recessions.

percent). The current prices received index rose 12 points to 33.5. Almost 34 percent of the firms reported increases in the prices of their own goods, none reported decreases, and 67 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). Forty-six percent of the firms indicated wages and compensation costs had increased over the past three months, 54 percent reported no change, and none reported decreases. Fifty-two percent of the firms reported that they plan to increase wages, and the other 48 percent reported no changes to their 2026 plan for wages and compensation since the beginning of the year.

The firms continue to expect cost increases across all categories of expenses in 2026. Expectations for cost increases across most categories were unchanged from

Note: Survey responses were collected from April 6 to April 13.
The next *Manufacturing Business Outlook Survey* will be released on May 21, 2026.

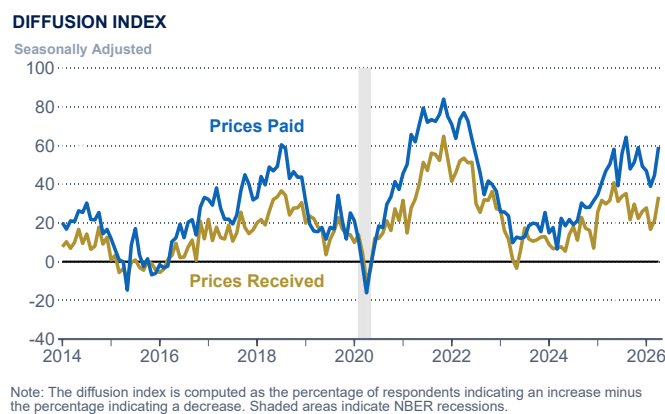
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January but moved up for energy and intermediate goods. The responses indicate a median expected increase of 5 to 7.5 percent for energy, up from 2 to 3 percent in January. Similarly, the firms expect a 3 to 4 percent increase in intermediate goods, up from 2 to 3 percent. The firms continue to expect cost increases of 3 to 4 percent for wages as well as other raw materials and increases of 4 to 5 percent for health benefits and total compensation. Expectations for cost increases for nonhealth benefits remain in the range of 2 to 3 percent.

Most Future Indicators Remain Elevated

The diffusion index for future general activity edged up to 40.8 this month (see Chart 1). Almost 57 percent of the firms expect an increase in activity over the next six months, exceeding the 16 percent that expect a decrease; 25 percent expect no change. The future new orders index decreased 4 points to 45.7, and the future shipments index fell 13 points to 40.8. The firms continue to expect increases in employment over the next six months, but the future employment index moved down 5 points to 35.9. Both future price indexes remained above their long-run averages. The future prices paid index moved down from 53.7 to 50.2, and the future prices received index moved up from 38.4 to 50.2. The index for future capital expenditures rose 9 points to 35.2, its second consecutive increase and highest reading since August.

Chart 2. Current Prices Paid and Prices Received Indexes
January 2014 to April 2026



Summary

Responses to the April *Manufacturing Business Outlook Survey* suggest overall expansion in the region's manufacturing activity. The indicators for current activity, new orders, and shipments all rose this month; however, the firms reported an overall decline in employment, on balance. Price increases were more widespread this month. The survey's broad indicators for future activity continued to suggest expectations for growth over the next six months. ■

MANUFACTURING BUSINESS OUTLOOK SURVEY April 2026	April vs. March					Six Months from Now vs. April				
	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?	18.1	32.6	61.5	5.9	26.7	40.0	56.5	24.7	15.7	40.8
Company Business Indicators										
New Orders	8.6	40.9	49.0	7.9	33.0	49.6	59.1	20.1	13.4	45.7
Shipments	22.2	40.2	48.7	6.3	34.0	53.6	57.1	19.4	16.3	40.8
Unfilled Orders	-4.7	15.7	57.9	25.9	-10.2	15.3	17.7	58.8	21.8	-4.1
Delivery Times	18.9	11.6	78.0	9.9	1.7	-4.7	12.2	75.7	9.5	2.7
Inventories	1.4	12.5	68.2	14.4	-1.9	16.8	23.8	44.2	24.4	-0.7
Prices Paid	44.7	61.4	36.5	2.1	59.3	53.7	61.3	24.5	11.0	50.2
Prices Received	21.2	33.5	66.5	0.0	33.5	38.4	61.9	24.9	11.7	50.2
Number of Employees	0.8	10.1	70.4	15.2	-5.1	40.4	36.2	62.0	0.3	35.9
Average Employee Workweek	2.8	13.9	79.8	6.2	7.7	24.1	30.3	68.9	0.0	30.3
Capital Expenditures	--	--	--	--	--	25.8	35.2	57.1	0.0	35.2

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 April 13, 2026.

MBOS Special Questions

1. How have wages and compensation changed at your firm over the past three months?

	Percent (%)
Increased	46.2
No change	53.8
Decreased	0.0

2. Since the beginning of the year, have you adjusted your plan for wage rates and compensation packages for 2026?

	Percent (%)
Yes, and we are planning to increase wage rates and compensation packages.	52.0
Yes, and we are planning to decrease wage rates and compensation packages.	0.0
No, we have not made changes to wage rates and compensation packages.	48.0

3. What percentage change in costs do you now expect for the following categories over all of 2026?*

	Energy (%)	Other Raw Materials (%)	Intermediate Goods (%)	Wages (%)	Health Benefits (%)	Nonhealth Benefits (%)	Wages + Health Benefits + Nonhealth Benefits (%)
Decline of more than 1%	0.0	4.0	4.5	3.8	0.0	0.0	9.1
No change	0.0	8.0	4.5	7.7	3.8	20.8	4.5
Increase of 1–2%	0.0	4.0	9.1	11.5	7.7	8.3	0.0
Increase of 2–3%	7.7	12.0	18.2	15.4	11.5	25.0	4.5
Increase of 3–4%	15.4	28.0	27.3	46.2	7.7	12.5	27.3
Increase of 4–5%	11.5	28.0	18.2	11.5	26.9	25.0	27.3
Increase of 5–7.5%	15.4	0.0	9.1	3.8	3.8	8.3	13.6
Increase of 7.5–10%	19.2	8.0	4.5	0.0	11.5	0.0	9.1
Increase of 10–12.5%	11.5	4.0	4.5	0.0	7.7	0.0	0.0
Increase of more than 12.5%	19.2	4.0	0.0	0.0	19.2	0.0	4.5
Median Expected Change	5–7.5	3–4	3–4	3–4	4–5	2–3	4–5
Median Expected Change (January 2026)	2–3	3–4	2–3	3–4	4–5	2–3	4–5

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