

Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Activity

September 23, 2025

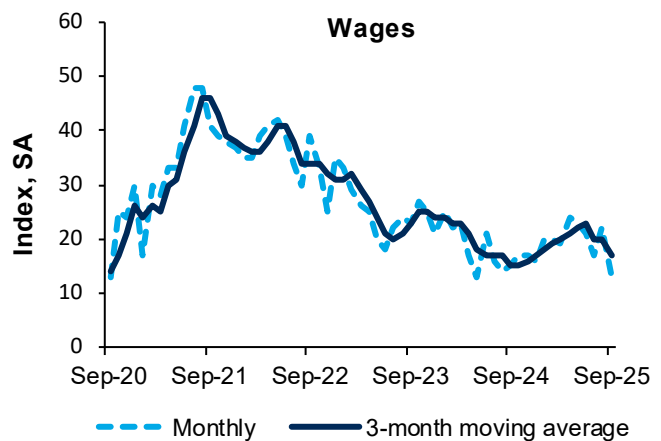
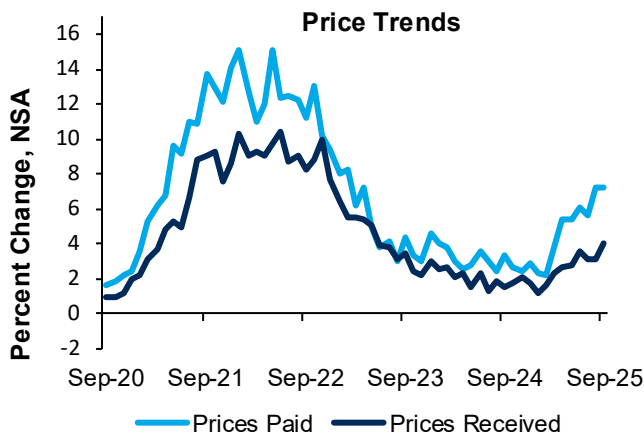
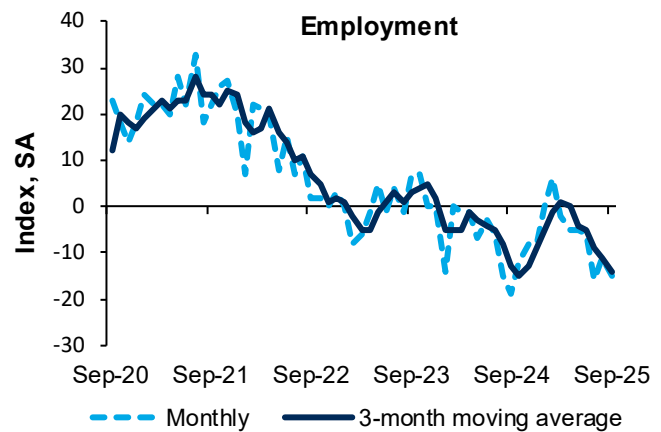
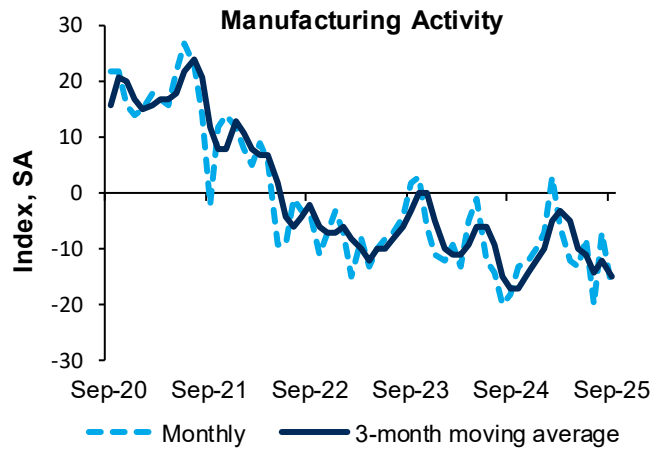
Fifth District Manufacturing Activity Softened Again in September

Fifth District manufacturing activity softened again in September, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index fell to -17 in September from -7 in August. All three of its component indexes decreased. Shipments dropped to -20 from -5, new orders fell to -15 from -6, and employment decreased to -15 from -11.

The local business conditions index fell to -12 in September. Meanwhile, the index for future local business conditions rose to -1 from -10. The future index for shipments decreased to 0 from 13, while the future index for new orders was nearly unchanged from August. The future index for employment edged down to 1 from 3.

The vendor lead time index was nearly unchanged in September, while the backlog of orders index fell to -21 from -12.

The average growth rate of prices paid changed little, while growth in prices received increased in September. Firms expected growth in prices paid to moderate slightly but remain elevated and expected growth in prices received to increase further over the next 12 months.



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Business Activity Indexes¹

Business Sector Indicators	Current Conditions			Expectations ²		
	Sep-25	Aug-25	Jul-25	Sep-25	Aug-25	Jul-25
Fifth District Manufacturing Index ³	-17	-7	-20	--	--	--
Shipments	-20	-5	-18	0	13	11
Volume of New Orders	-15	-6	-25	8	9	9
Backlog of Orders	-21	-12	-30	-8	-10	-9
Capacity Utilization	-18	1	-14	-10	3	9
Vendor Lead Time	10	11	7	6	12	6
Local Business Conditions	-12	0	-11	-1	-10	-2
Capital Expenditures	-16	-23	-16	-11	-15	-19
Finished Goods Inventories	11	16	16	5	9	9
Raw Materials Inventories	17	24	17	7	2	3
Equipment & Software Spending	-11	-17	-12	-9	-18	-19
Services Expenditures	-17	-18	-16	-26	-24	-19
Employment						
Number of Employees	-15	-11	-16	1	3	-10
Wages	13	22	17	48	47	46
Availability of Skills Needed	-2	-13	7	-2	-12	2
Price Trends⁴						
Prices Paid	7.22	7.24	5.65	6.47	6.99	5.67
Prices Received	4.02	3.14	3.16	4.74	4.11	4.19

Technical Notes:

- Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 72-80 firms. All firms surveyed are located within the Fifth Federal Reserve District, which includes the District of Columbia, Maryland, North Carolina, South Carolina, Virginia, and most of West Virginia. Data, excluding price trends, are seasonally adjusted. Seasonal adjustment factors are recalculated every July and the entire series is revised to better reflect current economic trends.
- Expectations refer to the time period six months out from the survey period.
- The manufacturing Index is a gauge of broad activity in the District's manufacturing sector. It is a composite index representing a weighted average of the shipments (33 percent), new orders (40 percent) and employment (27 percent) indexes.
- Current price changes are percentage changes over the last 12 months. Expected price changes are expected changes over the next 12 months.

For more information contact Rich.RegionalSurveyTeam@rich.frb.org