Regional Surveys of Business Activity

Fifth District Survey of Manufacturing Activity

May 27, 2026

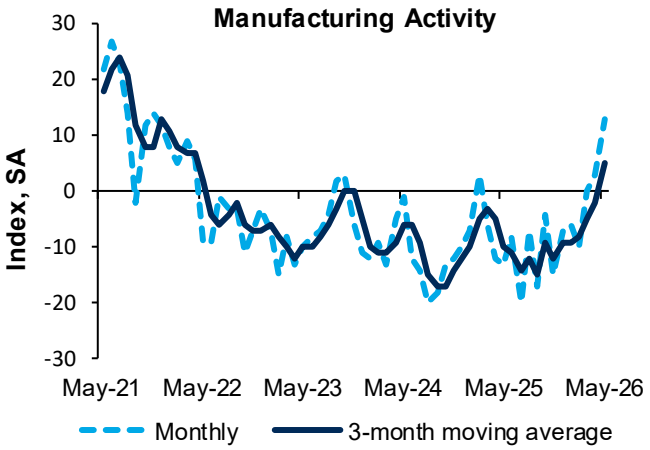
Fifth District Manufacturing Activity Improved in May

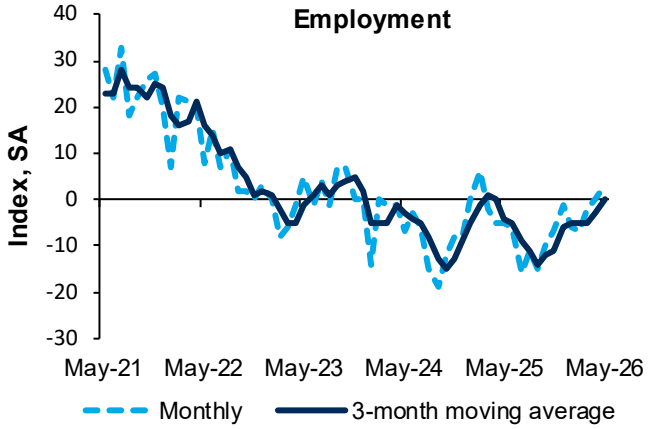
Fifth District manufacturing activity improved in May, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased to 13 in May from 3 in April. All three of its component indexes rose in May: shipments to 16 from -2, new orders to 17 from 8, and employment to 3 from 0.

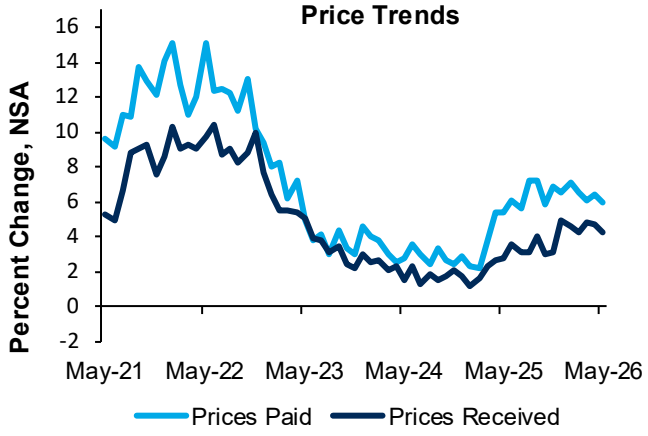
The future indexes for shipments and new orders increased further into positive territory. The expectations index for employment rose notably to 23 from 7.

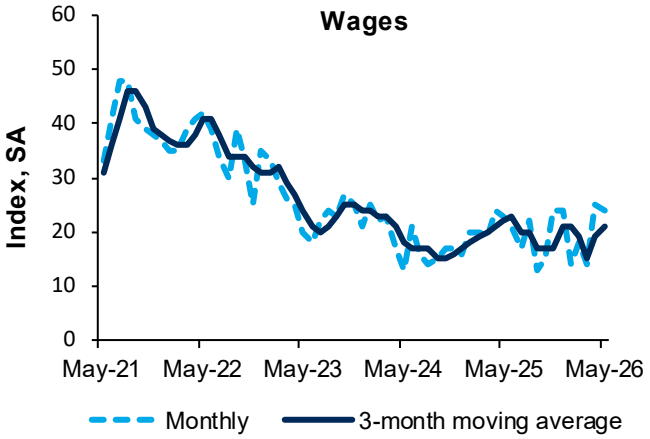
The local business conditions index decreased to 5 in May from 10 in April. Meanwhile, the future local business conditions index rose to 17 from 3.

The average growth rates of prices paid and prices received decreased somewhat in May. Firms expected growth in prices paid to moderate slightly over the next 12 months.









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Business Activity Indexes[1]

Manufacturing Indicators	Current Conditions			Expectations[2]		
	May-26	Apr-26	Mar-26	May-26	Apr-26	Mar-26
Fifth District Manufacturing Index[3]	13	3	0	--	--	--
Shipments	16	-2	-2	35	21	26
Volume of New Orders	17	8	4	36	26	30
Backlog of Orders	4	0	-10	10	0	3
Capacity Utilization	-1	5	-5	30	10	19
Vendor Lead Time	14	14	13	15	14	10
Local Business Conditions	5	10	-5	17	3	16
Capital Expenditures	1	-11	-6	5	2	3
Finished Goods Inventories	4	11	5	0	1	2
Raw Materials Inventories	5	9	4	0	3	-3
Equipment & Software Spending	-1	-6	-8	3	-5	-2
Services Expenditures	-11	-7	-14	-7	-9	-11
Employment						
Number of Employees	3	0	-2	23	7	14
Wages	24	25	14	50	45	40
Availability of Skills Needed	-5	-6	-12	1	-3	-1
Price Trends[4]						
Prices Paid	5.96	6.40	6.11	5.42	5.88	4.65
Prices Received	4.21	4.73	4.85	4.34	4.20	3.55

Technical Notes:

[1] Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Results are based on responses from 112-118 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.

[2] Expectations refer to the time period six months out from the survey period.

[3] 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.

[4] Current price changes are percentage changes over the last 12 months.
Expected price changes are expected changes over the next 12 months.

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