

Supplemental Report:

Firms Again Foresee Modest Increases in Selling Prices

In a series of supplementary questions to the September 2013 *Empire State Manufacturing Survey*, manufacturers were asked how much their overall selling prices had changed over the past year and how much they expected their prices to rise or fall in the future. In addition, they were asked to assess the probability that prices would rise or fall by certain specified amounts. Identical questions had been asked in September 2012 and earlier.

Respondents reported that their selling prices had risen 0.8 percent, on average, during the past twelve months—the same increase reported in last September’s parallel survey

(see table). Looking ahead to the next twelve months, the average respondent predicted a 1.5 percent rise in selling prices—also about the same as projected in last year’s survey. Three in five respondents said they planned to hike prices by at least 2 percent, compared with just half of the respondents in last year’s survey. However, none of the respondents in the latest survey reported plans to hike prices by more than 8 percent. Just 7 percent of manufacturers reported plans to lower prices, about the same proportion as in last year’s survey.

When asked a separate question about the probability of specified price changes over the next twelve

months, the average respondent reported a 44 percent chance that prices would remain within 2 percent of current levels and a 43 percent chance that they would rise by 2 percent or more, but just a 3 percent chance they would rise by at least 8 percent. The chance of a decline of 2 percent or more was pegged at 13 percent, on average—up from 8 percent in the 2012 survey but identical to the probability reported in September 2011. ■

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QUESTION 1

By how much have your selling prices changed, on average, over the *past year*?

	September 2013	September 2012	September 2011	September 2010
Average percentage change	0.8	0.8	1.4	-0.1
Median percentage change	0.0	1.0	2.0	0.0

QUESTION 2

By how much do you expect your selling prices to change, on average, over the *next year*?

	September 2013	September 2012	September 2011	September 2010
Average percentage change	1.5	1.7	1.0	1.7
Median percentage change	2.0	2.0	2.0	1.0

QUESTION 3

What would you say is the percentage chance that, over the next six months, your selling prices will:

	Percentage Chance of Specified Price Change*			
	September 2013	September 2012	September 2011	September 2010
Decrease 8 percent or more	2.4	2.5	4.0	1.5
Decrease 2 to 8 percent	10.1	5.7	9.0	9.1
Stay within 2 percent of where they are now	44.1	45.4	43.7	45.7
Increase 2 to 8 percent	40.1	40.7	38.0	35.6
Increase 8 to 15 percent	3.0	4.1	4.6	4.9
Increase 15 percent or more	0.3	1.6	0.7	3.1

*Survey respondents were asked to assign a specific percentage chance to each possible outcome; the values shown for question 3 reflect the average indicated percentage chance across all respondents.