

# Supplemental Survey Report

## Firms Anticipate Modest Acceleration in Selling Prices

The supplementary questions to the May 2015 *Empire State Manufacturing Survey* and *Business Leaders Survey* focused on past and expected changes in both the prices firms pay for inputs and the prices they charge their customers. The same set of questions had previously been asked in surveys conducted each May starting in 2008; select questions had first been posed in 2007.

The median manufacturing respondent indicated that prices paid for inputs rose by 2.0 percent over the past twelve months, while the median service-sector respondent reported a 3.0 percent rise. The median increases anticipated for the next twelve months were 3.0 percent for both manufacturers and service firms—exactly matching the median predictions from the May surveys in each of the prior three years.

Regarding the perceived probabilities of various price scenarios, manufacturing respondents, on average, estimated a 47 percent chance that prices paid would rise by at least 2 percent. Service-sector respondents estimated a 7 percent chance, on average, that prices paid would rise 8 percent or more, and a 54 percent chance that prices paid would rise at least 2 percent. Both manufacturers and service firms reported a roughly 6 percent chance, on average, that prices would decline by more than 2 percent. The average manufacturing respondent perceived a nearly 50-50 chance that prices would remain fairly steady (within 2 percent of current levels)—up from slightly more than one-in-three in last year's survey; the results among service firms closely match those in last May's survey.

In assessing changes in their selling prices over the past year, the median increase

reported was just 1 percent among manufacturers—a full percentage point lower than in last May's survey—and 2 percent among service firms, matching the figure in last year's survey. Looking ahead to the next twelve months, firms in both surveys expect some acceleration in price increases: to 2 percent among manufacturers and to 3 percent among service firms.

Finally, manufacturers, on average, saw only a 2 percent chance that they would raise their selling prices by 8 percent or more and a 41 percent chance that they would raise prices by at least 2 percent. Among service firms, the corresponding probabilities were 7 percent and 44 percent. At the other end of the spectrum, the average respondent in both the manufacturing and service-sector surveys reported an 11 percent chance that prices received would fall 2 percent or more. ■

## Supplemental Survey Report, *continued*

### QUESTION 1

By what percentage have your input and selling prices changed over the *past* twelve months?

	May 2015		May 2014	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	Median Percentage Change		Median Percentage Change	
The prices you pay (input prices)	2.0	3.0	3.0	3.0
Your selling prices	1.0	2.0	2.0	2.0

### QUESTION 2

By what percentage do you expect your input and selling prices to change over the *next* twelve months?

	May 2015		May 2014	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	Median Percentage Change		Median Percentage Change	
The prices you pay (input prices)	3.0	3.0	3.0	3.0
Your selling prices	2.0	3.0	2.0	2.0

## Supplemental Survey Report, *continued*

### QUESTION 3

What would you say is the percentage chance that, over the next twelve months, the prices you pay will...

	May 2015 Survey		May 2014 Survey	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	Average Percentage Chance of Specified Price Change*		Average Percentage Chance of Specified Price Change*	
Increase 8 percent or more	6.2	7.3	8.9	7.5
Increase 2 to 8 percent	40.6	46.6	47.5	48.4
Stay within 2 percent of current levels	46.6	40.3	34.5	39.0
Decrease 2 to 8 percent	5.2	4.7	7.3	4.2
Decrease 8 percent or more	1.4	1.1	1.8	1.0

### QUESTION 4

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

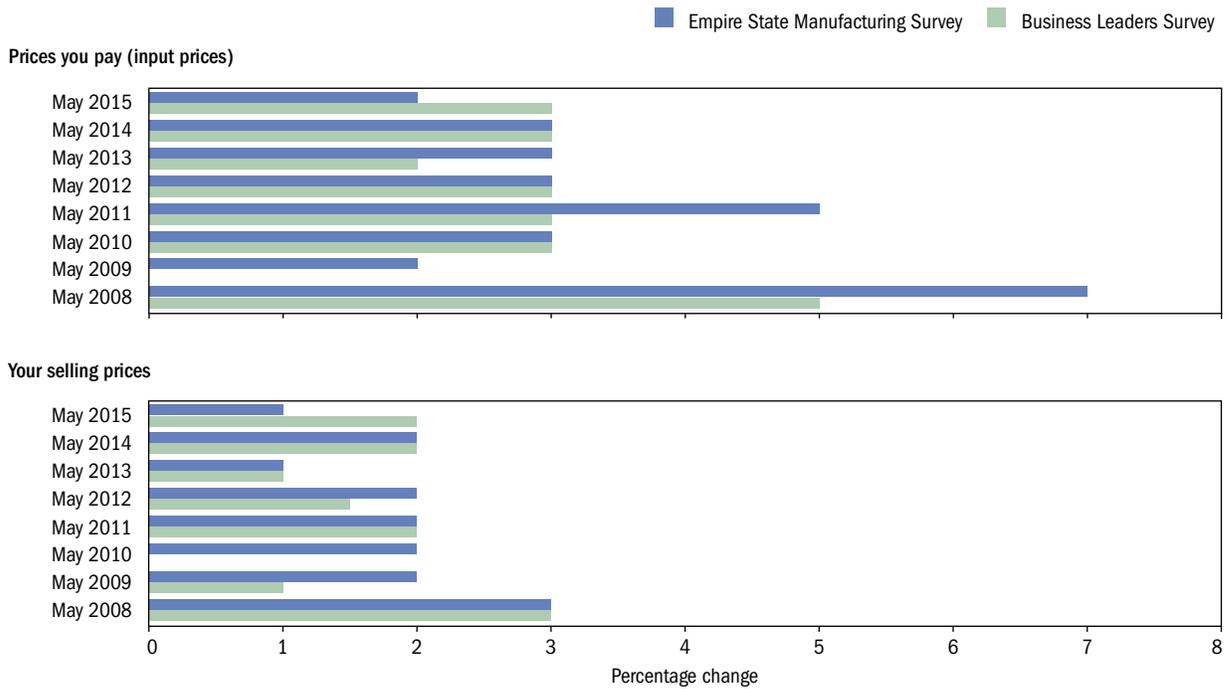
	May 2015 Survey		May 2014 Survey	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
	Average Percentage Chance of Specified Price Change*		Average Percentage Chance of Specified Price Change*	
Increase 8 percent or more	1.9	6.7	3.4	5.4
Increase 2 to 8 percent	38.9	37.4	36.8	43.5
Stay within 2 percent of current levels	48.0	44.8	47.3	45.0
Decrease 2 to 8 percent	9.8	8.0	11.5	4.6
Decrease 8 percent or more	1.3	3.0	1.0	1.6

*\*Survey respondents were asked to assign a specific percentage chance to each possible outcome; the values reported reflect the average indicated percentage chance across all respondents*

# Supplemental Survey Report, *continued*

## HISTORICAL OVERVIEW FOR QUESTION 1

By what percentage have your input and selling prices changed over the *past* twelve months?



## HISTORICAL OVERVIEW FOR QUESTION 2

By what percentage do you expect your input and selling prices to change over the *next* twelve months?

