Supplemental Survey Report

Businesses Expect Little Change in Selling Prices

In a series of supplementary questions to the 2015 September *Empire State Manufacturing Survey* and *Business Leaders Survey*, manufacturers and service firms 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 year ahead; they were also asked to assess the probability that prices would rise or fall by certain specified amounts. Identical questions had been asked in September 2014 and earlier.

Service sector respondents reported that their selling prices had risen by 1.4 percent, on average, during the past twelve months—roughly the same increase reported in last September's parallel survey (see table). The average manufacturing respondent, however, reported a marginal (0.2 percent) decline—down from a 2.6 percent increase in last year's survey. Looking ahead to the next twelve months, the average service sector respondent predicted a 1.6 percent rise, while the average manufacturing respondent anticipated a rise of just 0.9 percent in selling prices—a smaller increase than had been projected in the past couple of September surveys. Only 9 percent of manufacturers and 16 percent of service firms said that they expected to raise their selling prices by 4 percent or more.

When asked a separate question about the probability of specified price changes over the next twelve months, the average respondent in both surveys indicated a greater than 50 percent chance that prices would remain within 2 percent of current levels. Manufacturers, on average, indicated a 32 percent chance that their prices would rise by more than 2 percent and a 14 percent chance that they would be cut by at least 2 percent. In last year's survey, these probabilities were 44 percent and 8 percent, respectively. The average service sector respondent reported a 41 percent chance that it would hike prices by 2 percent or more and an 8 percent chance it would cut prices by at least 2 percent. ■

Supplemental Survey Report, *continued*

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

	Average Percentage Change				
	September 2015 Survey	September 2014 Survey	September 2013 Survey	September 2012 Survey	September 2011 Survey
Empire State Manufacturing Survey	-0.2	2.6	0.8	0.8	1.4
Business Leaders Survey	1.4	1.5	1.5	0.4	0.3

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

	Average Percentage Change				
	September 2015 Survey	September 2014 Survey	September 2013 Survey	September 2012 Survey	September 2011 Survey
Empire State Manufacturing Survey	0.9	2.1	1.5	1.7	1.0
Business Leaders Survey	1.6	1.9	1.7	1.4	0.9

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

	Average Percentage Chance*			
	September 2015 Survey		September 2014 Survey	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
Decrease 8 percent or more	2.2	0.9	0.8	1.4
Decrease 2 to 8 percent	11.8	6.7	7.6	9.1
Stay within 2 percent of where they are now	54.1	51.0	47.9	47.4
Increase 2 to 8 percent	28.0	31.9	36.6	36.4
Increase 8 to 15 percent	3.5	5.3	6.4	4.1
Increase 15 percent or more	0.5	4.2	0.7	2.5

* 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.