

FEDERAL RESERVE
BANK OF DALLASAbout
the FedEconomic
ResearchEconomic
DataBanking
InfoFinancial
ServicesPublications
& ResourcesCommunity
AffairsEconomic
EducationNews &
Events

Search



You are here: FRB Dallas Home > Economic Data > Regional Data Resources > Texas Manufacturing Outlook Survey

June 20, 2010

Economic Data

- Economic Data Home
- Regional Data Resources
- Regional Data by Topic
- Regional Data by State
- Dallas Fed Indexes
- U.S. Economic Data
- International Data
- Financial Data
- DataBasics
- Resources and Links

Tools

- E-mail Alerts
- E-mail This Page
- RSS Feeds
- Podcasts
- Videos
- View Printer-friendly Page

Texas Manufacturing Outlook Survey**March 31, 2008****Texas Manufacturing Sluggish**

Texas manufacturing activity remained sluggish in March, according to the 112 business executives who responded to the Texas Manufacturing Outlook Survey. Although indicators for current conditions improved modestly, they continued to be weak. Indexes for general business conditions worsened.

Indicators for [production](#), [capacity utilization](#) and [volume of shipments](#) increased slightly in March, but they're still relatively soft. Producers further pared down inventories, with indexes for [materials](#) and [finished goods inventories](#) still negative. The [capital expenditures index](#) was positive but weaker.

The index for [volume of new orders](#) increased from zero in February to 11.8 in March. In two of the last three years, however, this index has risen much more strongly in March, suggesting this is a relatively weak reading.

Respondents are still pessimistic about the level of [general business activity](#). One-third of the business leaders said conditions had worsened since last month, pushing that index down from -21.4 to -22.7. The index has been negative for nine months.

The [company outlook](#) continued to be better than for general business activity, but that index fell from zero in February to -5.4 in March.

Price pressures were still intensifying. Sixty-seven percent of respondents reported increases in [raw materials prices](#) in March, causing that index to strengthen to 65.2 from 44.3 last month. A smaller share of firms reported higher [finished goods prices](#), but that index rose to 28.2 in March—the highest reading since the summer of 2006.

The price pressures are expected to persist. Sixty-two percent of factories foresee higher raw materials prices in the next six months.

During the week of March 4–7, manufacturers were asked special questions about the impact of credit conditions on their firms. Twenty-three percent of firms have reduced capital spending in response to recent financial market developments, up from 15 percent in December. Twenty percent of firms have reduced hiring, compared to 15 percent in December. The overall percentage of firms reporting difficulties obtaining credit has declined slightly, from 14 percent in December to 13 percent in March. However, a smaller share of firms sought credit in March compared to December. Of those firms seeking credit, 24 percent reported difficulties in March, compared to 20 percent in December.

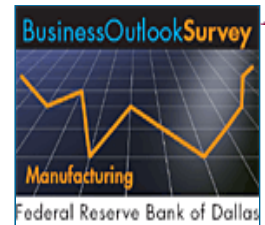
The Dallas Fed conducts the Texas Manufacturing Outlook Survey monthly to obtain a timely assessment of the state's factory activity. Data for the latest survey were collected between March 18–26. Firms are asked whether output, employment, orders, prices and other indicators increased, decreased or remained unchanged over the previous month.

Survey responses are used to calculate an index for each question. Each index is calculated by subtracting the percentage reporting a decrease from the percentage reporting an increase. When all firms report that activity has increased, an index will register 100. An index will register -100 when all firms report a decrease. An index will be zero when the number of firms reporting an increase or decrease is equal.

Next release: April 28, 2008

For additional perspective on the survey, see ["The Texas Manufacturing Outlook Survey: A Tool for Understanding the Economy"](#) and ["Made in Texas: The Natural Selection of Manufacturing."](#)

- Click on links in the table for greater details, including historical data.

**Current Report Links**

- Current report
- Summary of results/links to indexes

E-mail Alert

- Subscribe to the Texas Manufacturing Outlook Survey e-mail list

Texas Manufacturing Outlook Survey

- Release dates
- Historical data
- Report archive
- About the index
- Glossary
- Sample survey form
- Texas manufacturing

Other Fed Indexes

- Business Outlook Survey (FRB Philadelphia)
- Manufacturing Conditions Survey (FRB Richmond)
- Empire State Manufacturing Survey (FRB New York)
- Survey of Tenth District Manufacturers (FRB Kansas City)

Regional Data Resources

- Economic Updates
- Dallas Beige Book
- Metro Business-Cycle Indexes
- Texas Manufacturing Outlook Survey
- Quick Slide Show on the Regional Economy
- FRB Adjusted-Texas Employment
- DataBasics
- Regional Economic Indicators

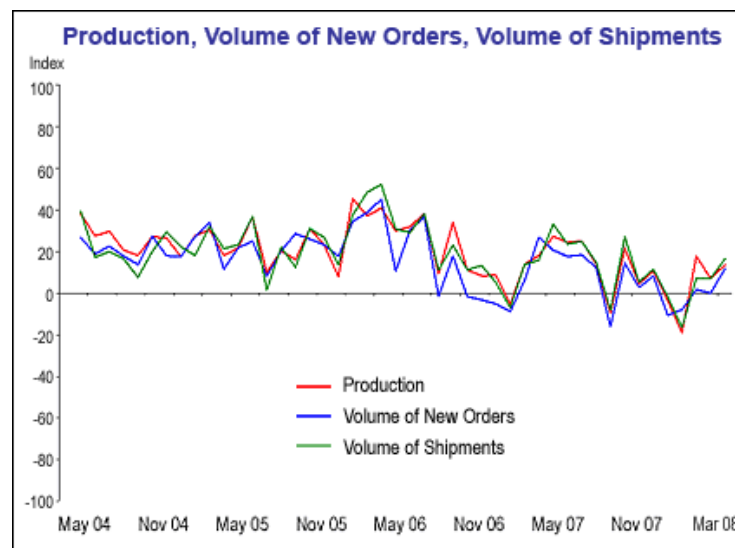
March vs. February

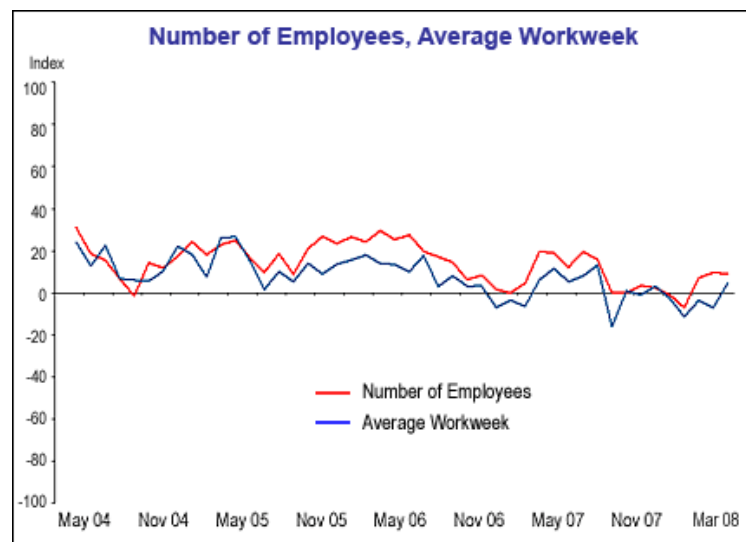
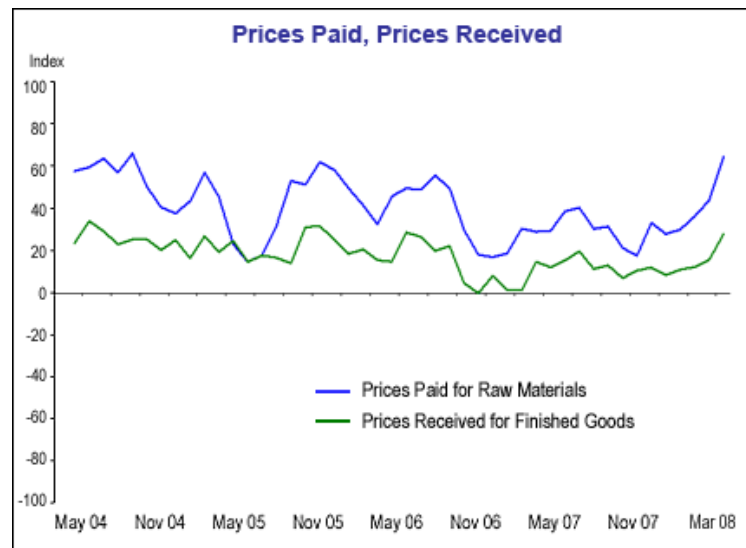
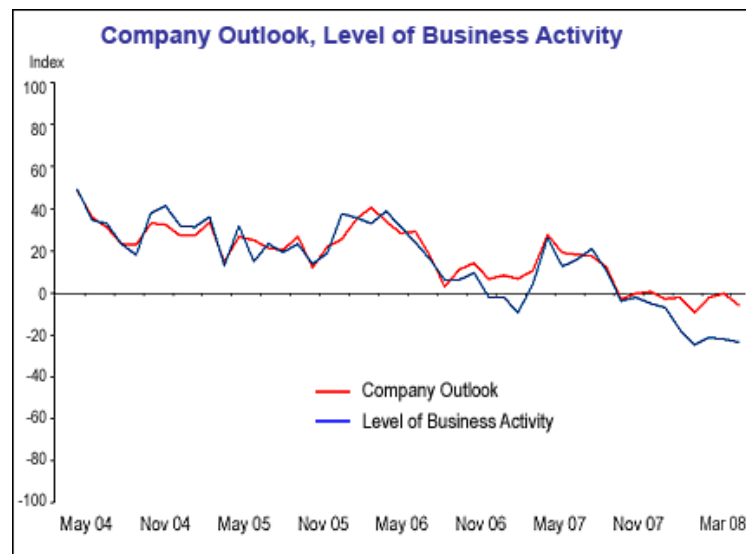
Six months from now

	Mar Index	% Increase	No Change	% Decrease	Feb Index	Mar Index	% Increase	No Change	% Decrease	Feb Index
Production	13.6	32.7	48.2	19.1	7.1	21.8	37.3	47.3	15.5	33.3
Capacity utilization	8.2	27.5	53.2	19.3	7.9	19.0	34.5	50.0	15.5	29.7
Volume of new orders	11.8	34.5	42.7	22.7	0.0	20.9	38.2	44.5	17.3	28.1
Growth rate of orders	-1.8	26.4	45.5	28.2	-8.0	14.6	29.1	56.4	14.5	15.3
Unfilled orders	-3.7	14.5	67.3	18.2	-3.6	-0.9	11.8	75.5	12.7	-5.4
Volume of shipments	16.4	36.4	43.6	20.0	7.1	24.5	40.0	44.5	15.5	31.5
Delivery time	-4.5	8.2	79.1	12.7	-5.3	-3.6	7.3	81.8	10.9	-2.7
Materials inventories	-1.8	21.8	54.5	23.6	-1.8	-2.7	20.0	57.3	22.7	-7.2
Finished goods inventories	-4.5	19.1	57.3	23.6	-5.4	-7.3	13.6	65.5	20.9	-9.0
Prices paid for raw materials	65.2	67.0	31.2	1.8	44.3	56.9	61.5	33.9	4.6	49.6
Prices received for finished goods	28.2	31.8	64.5	3.6	15.9	30.9	38.2	54.5	7.3	22.5
Wages and benefits	24.6	26.4	71.8	1.8	20.3	40.9	42.7	55.5	1.8	36.0
Number of employees	9.1	21.8	65.5	12.7	9.7	5.4	22.7	60.0	17.3	15.3
Average employee workweek	4.6	18.2	68.2	13.6	-7.0	0.9	14.5	71.8	13.6	5.5
Capital expenditures	2.7	12.8	77.1	10.1	4.5	7.3	20.9	65.5	13.6	8.2

General Business Conditions:

	Mar Index	% Improved	Remained the Same	% Worsened	Feb Index	Mar Index	% Improved	Remained the Same	% Worsened	Feb Index
How has the outlook for your company changed?	-5.4	16.4	61.8	21.8	0.0	0.9	19.1	62.7	18.2	2.7
What is your evaluation of the level of general business activity?	-22.7	10.0	57.3	32.7	-21.4	-10.0	16.4	57.3	26.4	-11.0





Questions regarding the Texas Manufacturing Outlook Survey can be addressed to Fiona Sigalla at Fiona.Sigalla@dal.frb.org.

Note

The Texas Manufacturing Outlook Survey has not been produced for a long enough time period to assess the appropriateness of seasonal adjustment. Thus, while respondents are asked to adjust for normal seasonal variation, the month-to-month values of these indexes may include some normal seasonal variation that is not indicative of changes in the business cycle. Other

Federal Reserve Bank business outlook indexes benefit from seasonal adjustment, and the Texas indexes will be seasonally adjusted if appropriate.

[Disclaimer/Privacy Policy](#)

[About the Fed](#) | [Economic Research](#) | [Economic Data](#) | [Banking Information](#) | [Financial Services](#) | [Publications & Resources](#) | [Community Affairs](#) | [Economic Education](#) | [News & Events](#)

[Home](#) | [Employment](#) | [Contact Us](#) | [FAQs](#) | [Site Map](#)