

# Supplemental Survey Report

## Businesses Expect 2 Percent Hike in Selling Prices

In a series of supplementary questions to the September 2014 *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 2013 and earlier.

Service-sector businesses reported that their selling prices had risen by 1.5 percent, on average, during the past twelve months—the same increase reported in last September’s

parallel survey (see table). The average manufacturing respondent, however, reported a 2.6 percent hike—up from a 0.8 percent increase in last year’s survey. Looking ahead to the next twelve months, the average respondent in both surveys predicted a rise of roughly 2 percent in selling prices—a slightly higher rise than in the 2013 survey. Two-thirds of manufacturers and about half of the service-sector respondents said they planned to increase prices by at least 2 percent. Fewer than 5 percent of respondents in both surveys said they planned to raise prices by more than 8 percent. At the other end of the spectrum, fewer than 10 percent of businesses in both surveys reported plans to lower prices.

When asked a separate question about the probability of specified price changes over the next twelve months, the average respondent indicated a nearly 50 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. These results were nearly identical for manufacturers and service businesses. The average service-sector respondent cited an 11 percent chance that it would cut prices by more than 2 percent, while the average manufacturer pegged that probability at about 8 percent. ■

## Supplemental Survey Report, continued

### QUESTION 1

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

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

### QUESTION 2

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

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

### QUESTION 3

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

	September 2014 Survey		September 2013 Survey	
	Average Percentage Chance*		Average Percentage Chance*	
	Empire State Manufacturing Survey	Business Leaders Survey	Empire State Manufacturing Survey	Business Leaders Survey
Decrease 8 percent or more	0.8	1.4	2.4	1.2
Decrease 2 to 8 percent	7.6	9.1	10.1	7.6
Stay within 2 percent of where they are now	47.9	47.4	44.1	49.5
Increase 2 to 8 percent	36.6	36.4	40.1	35.2
Increase 8 to 15 percent	6.4	4.1	3.0	5.5
Increase 15 percent or more	0.7	2.5	0.3	2.0

\* 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.