



Manufacturing a survey

THE FEDERAL RESERVE BANK OF KANSAS CITY GOES TO THE SOURCE FOR DATA ON THE DISTRICT

The best way to gauge how manufacturers are doing during the nation's recovery from the recession: just ask them.

Since 1994, the Kansas City Fed has surveyed manufacturers in the Tenth Federal Reserve District, which is western Missouri, Nebraska, Kansas, Oklahoma, Wyoming, Colorado and northern New Mexico, about changes in production, orders and inventories.

The manufacturing survey is the Kansas City Fed's primary source of timely regional information on several economic indicators, such as prices, production and capital spending.

"The survey provides real-time information that is extremely valuable and frequently offers anecdotal perspective from behind the numbers," says Megan Williams, an associate economist at the Kansas City Fed's Oklahoma City Branch, who administers the survey.

The results are a source of information not only about the District's manufacturing sector, but also for specific variables, such as prices and capital spending, for which no independent data regionally exist.

Along with other regional surveys, the District's results also can play a key role in assessing the state of the national manufacturing sector.

Staff from the Kansas City Fed's Oklahoma City Branch oversee the process, which is outlined here.

Read survey results and sign up for e-mail alerts at KansasCityFed.org.

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Every other year, the Kansas City Fed purchases a list of all manufacturers in the Tenth District. Based on size, industry and location, a sample of participants is then selected for a database of manufacturers to be surveyed.

Manufacturing industries in the database are diverse, including food, machinery and computer producers. They range in size, from less than one hundred employees to more than 1,500, with annual sales from less than \$10 million to more than \$500 million. There is geographic representation of all seven states in the District.

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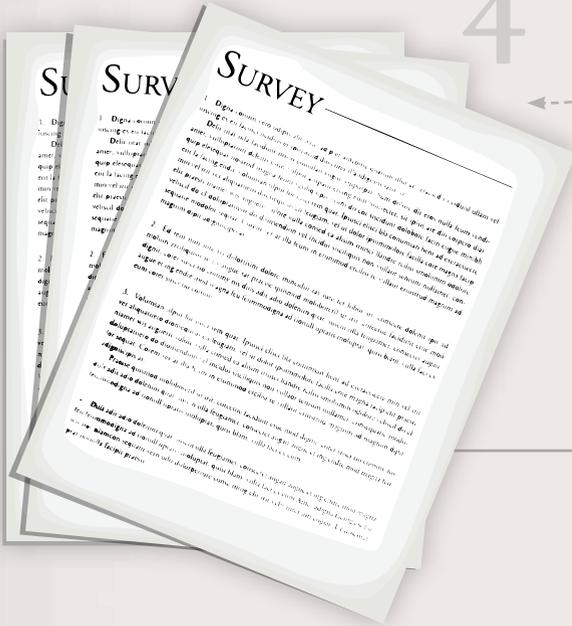


Links to a secure online survey are e-mailed to the manufacturers toward the end of each month. The survey includes 13 standard questions, as well as special questions relevant to current regional or national economic trends.

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Kansas City Fed staff generally receive upward of 130 responses each month. Survey replies, which must be submitted online within four business days, are tallied by a website application.

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Kansas City Fed staff then create a report, which summarizes the findings for each major question. Changes in indicators, such as production, shipments, and prices of raw materials and finished products, are recorded.

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ON THE LAST THURSDAY OF THE MONTH, THE REPORT IS DISTRIBUTED.

It's released to the media. Results are published and analyzed by regional and national media outlets, as well as various economic websites.

It's used in preparation for Federal Open Market Committee meetings.

It's used by economists for research. Accumulated results also help identify the effectiveness of the survey.

