



Manufacturing a Survey

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

The best way to gauge manufacturers' recent changes in production, orders and inventories around the Tenth District is simple: just ask them.

Since 1994, the Federal Reserve Bank of Kansas City has surveyed manufacturers in the District, which is western Missouri, Nebraska, Kansas, Oklahoma, Wyoming, Colorado and northern New Mexico.

Before the survey was conducted, little timely information had been available on regional manufacturing performance even though it is a major force in the District economy—accounting for 11 percent of output and 9 percent of employment.

The results are a valuable 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 Oklahoma City Branch of the Federal Reserve Bank oversees the process, which is outlined here.

DID YOU KNOW?

- The manufacturing survey is the Bank's primary source of timely regional information on several economic indicators, such as prices, production and capital spending.
- The Kansas City Bank is one of just five Federal Reserve Banks (Philadelphia, New York, Richmond and Dallas) that conducts manufacturing surveys.
- The first manufacturing survey conducted entirely online was in July 2001. During the years prior, surveys were conducted by mail.

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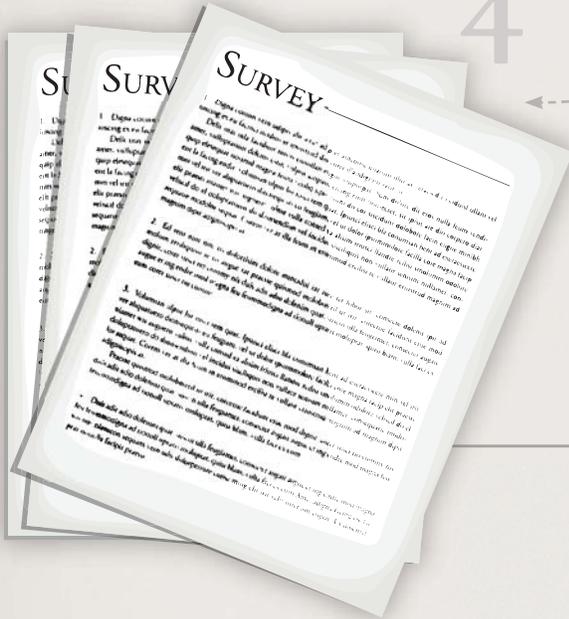
Every other year, the Bank purchases a list of all manufacturers in the Tenth District. Based on size, industry and location, a sample of participants is then selected for a database of manufacturers to be surveyed.

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 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.



The Bank generally receives upward of 130 responses each month. Survey replies, which must be submitted online within four business days, are tallied by a website application developed by the Bank's Research Automation Department.

Bank staff then creates 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.



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 pre-Federal Open Market Committee meetings.

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