

# The Manufacturing Economic Update

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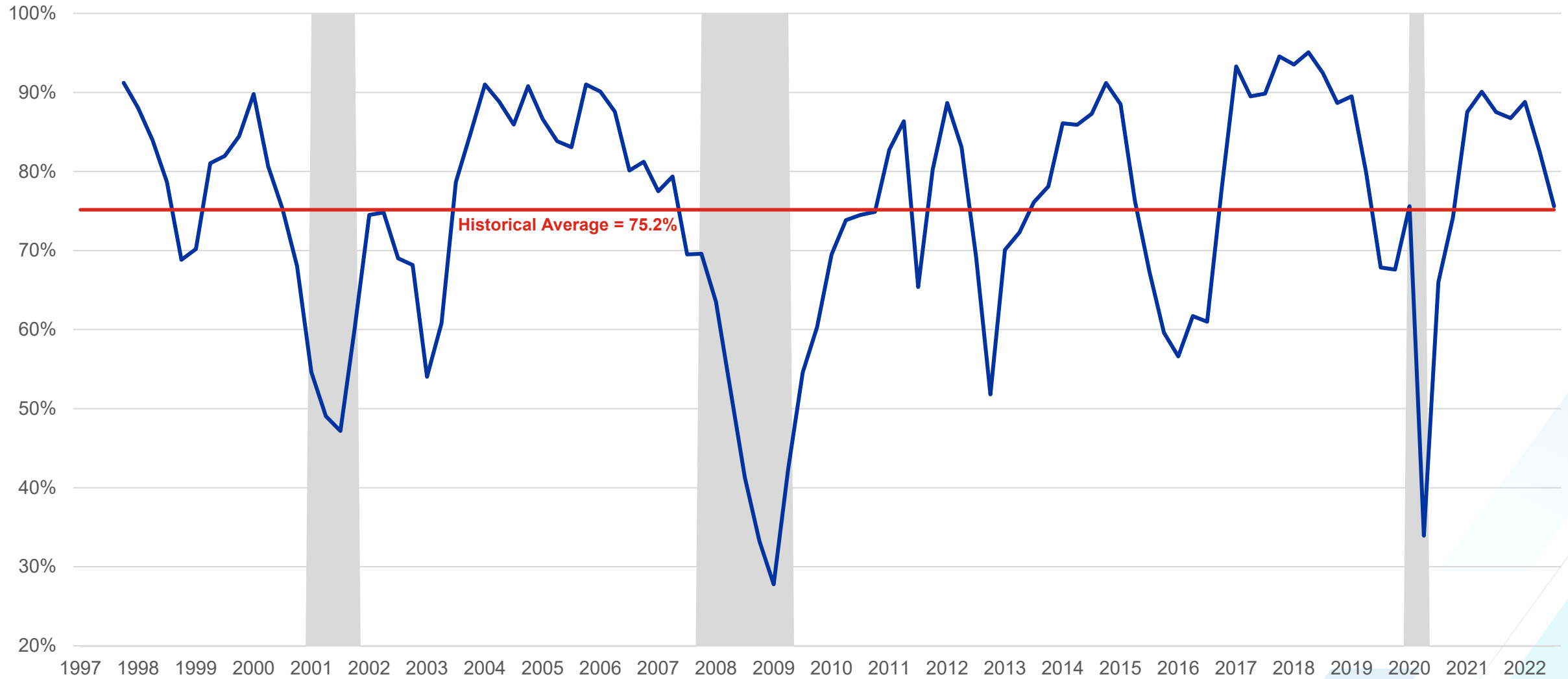
@chadmoutray

Updated: Sept. 29, 2022



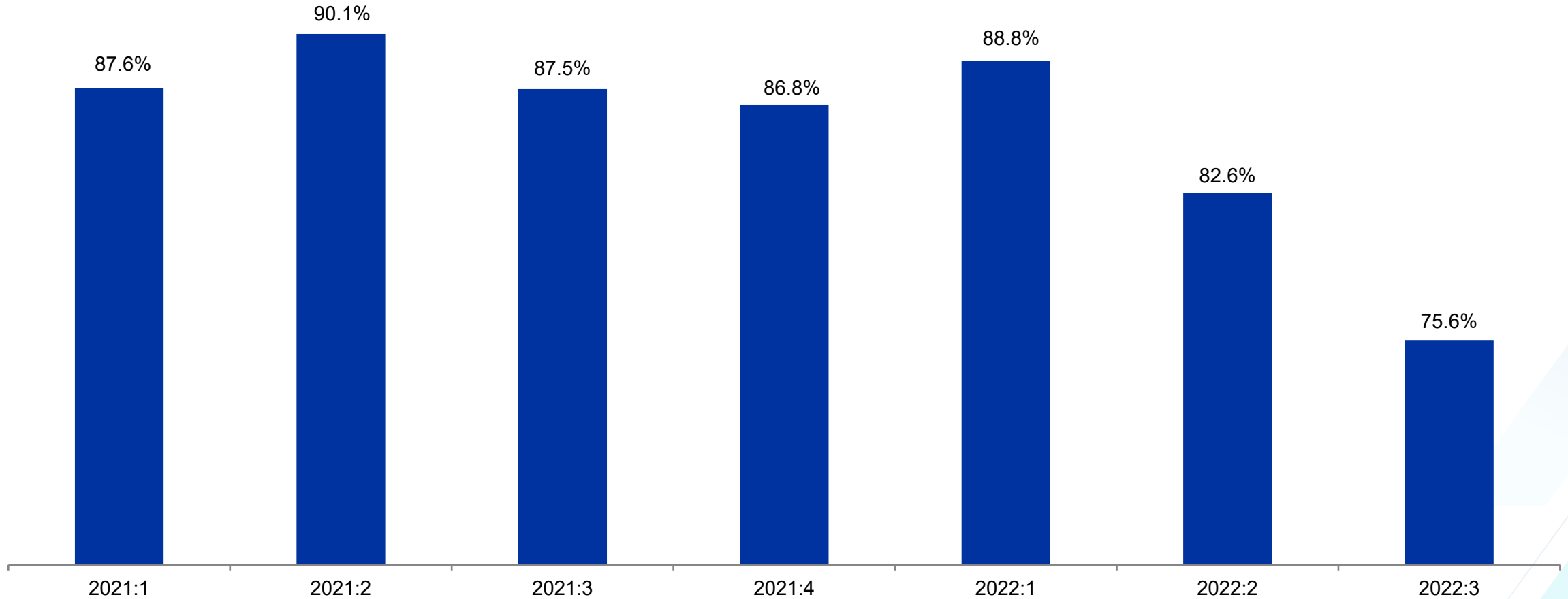
# NAM Manufacturers' Outlook Survey by Quarter, 1997–2022

(Recessions Are Highlighted with Gray Shading)



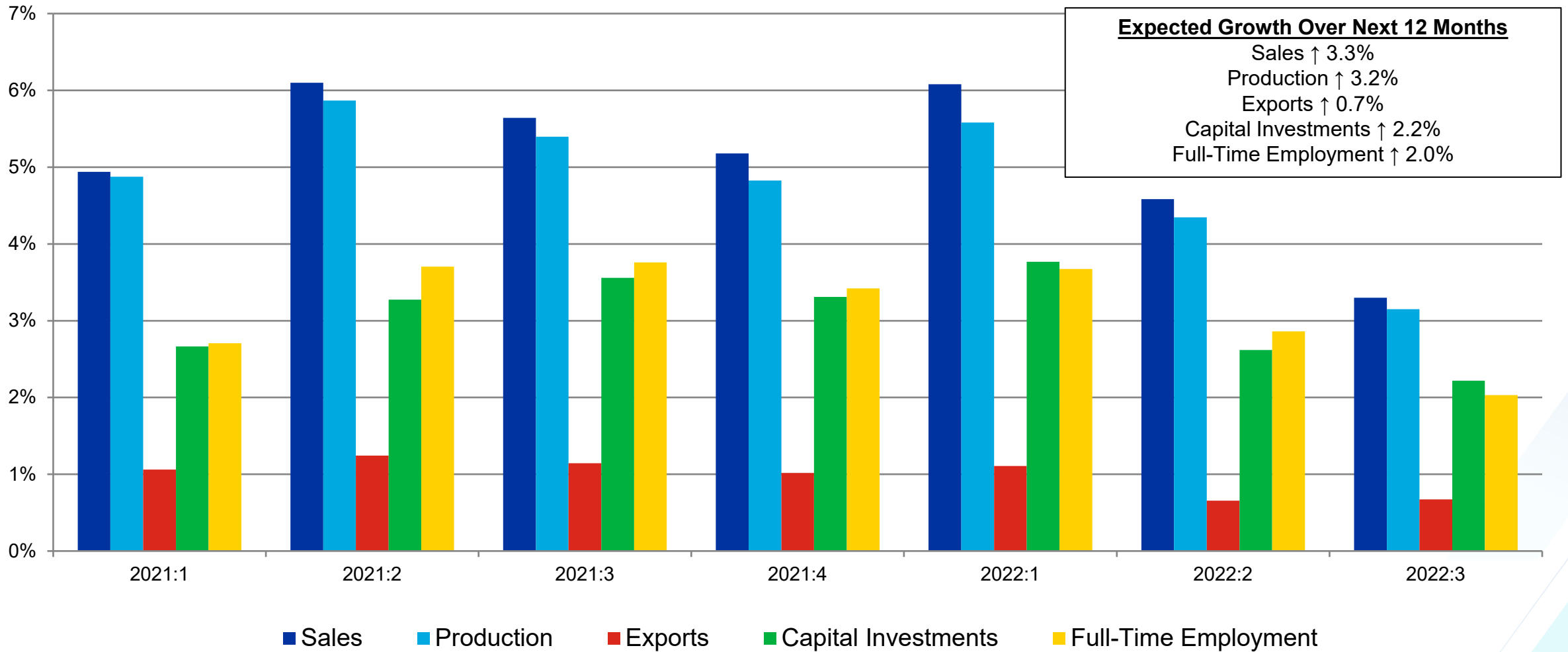
# NAM Manufacturers' Outlook Survey by Quarter

(First Quarter 2021 – Third Quarter 2022)



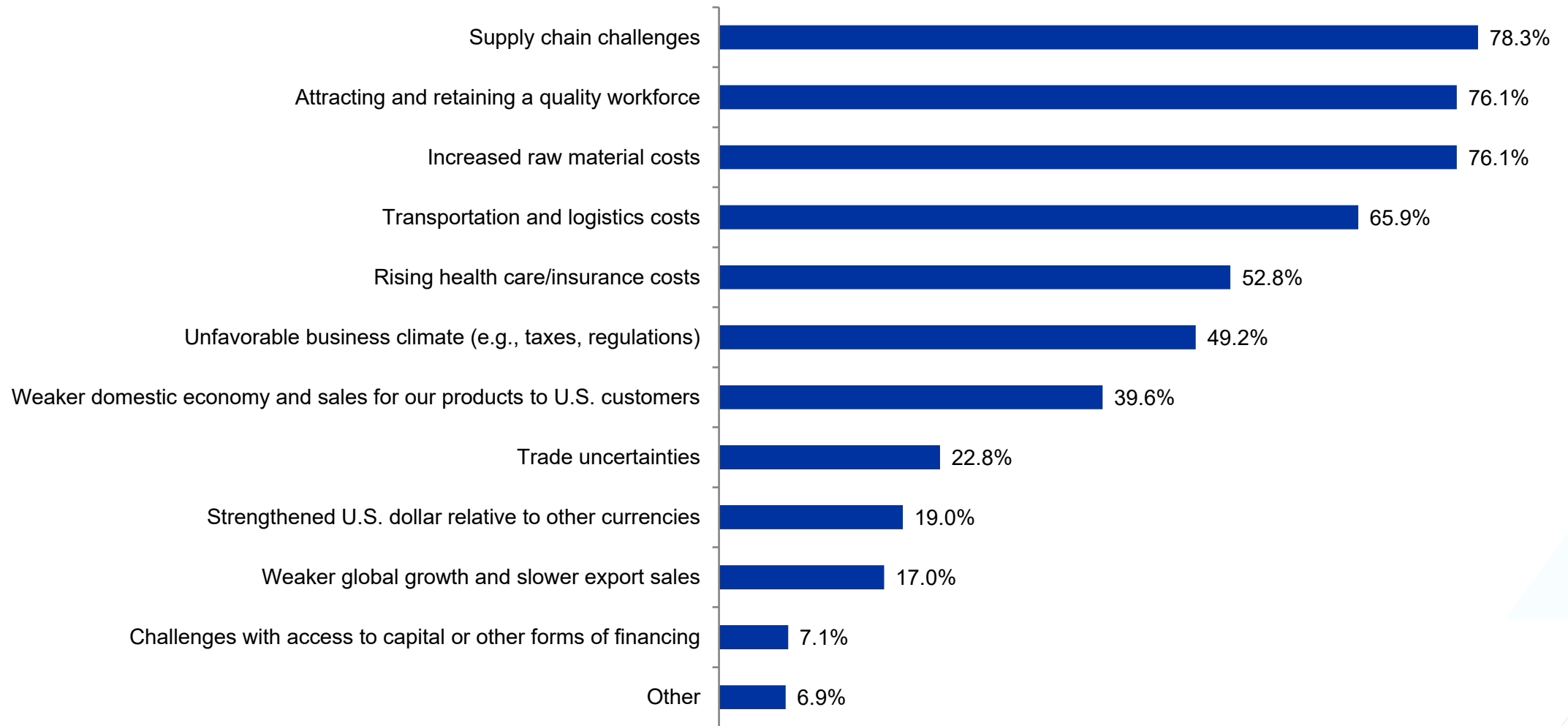
# Expected Manufacturing Growth Over Next 12 Months

(First Quarter 2021 – Third Quarter 2022)



# NAM Manufacturers' Outlook Survey, Third Quarter 2022

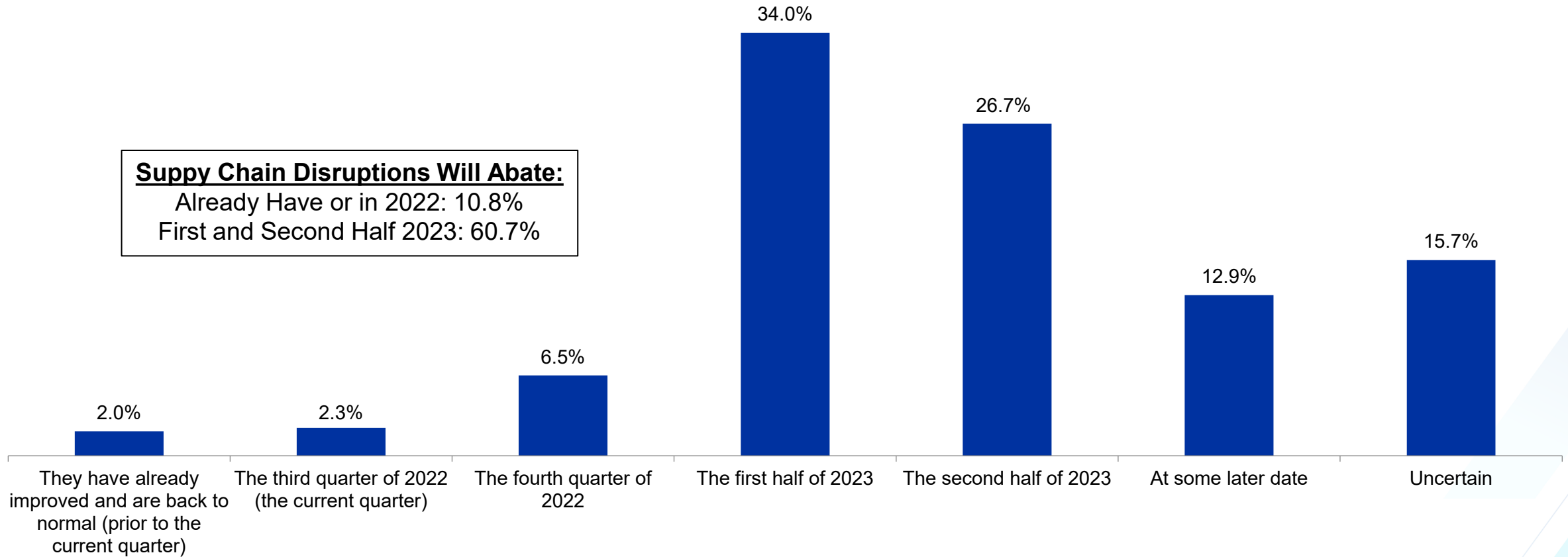
## Primary Business Challenges



*Note: Respondents were able to check all that apply. Therefore, responses exceed 100%.*

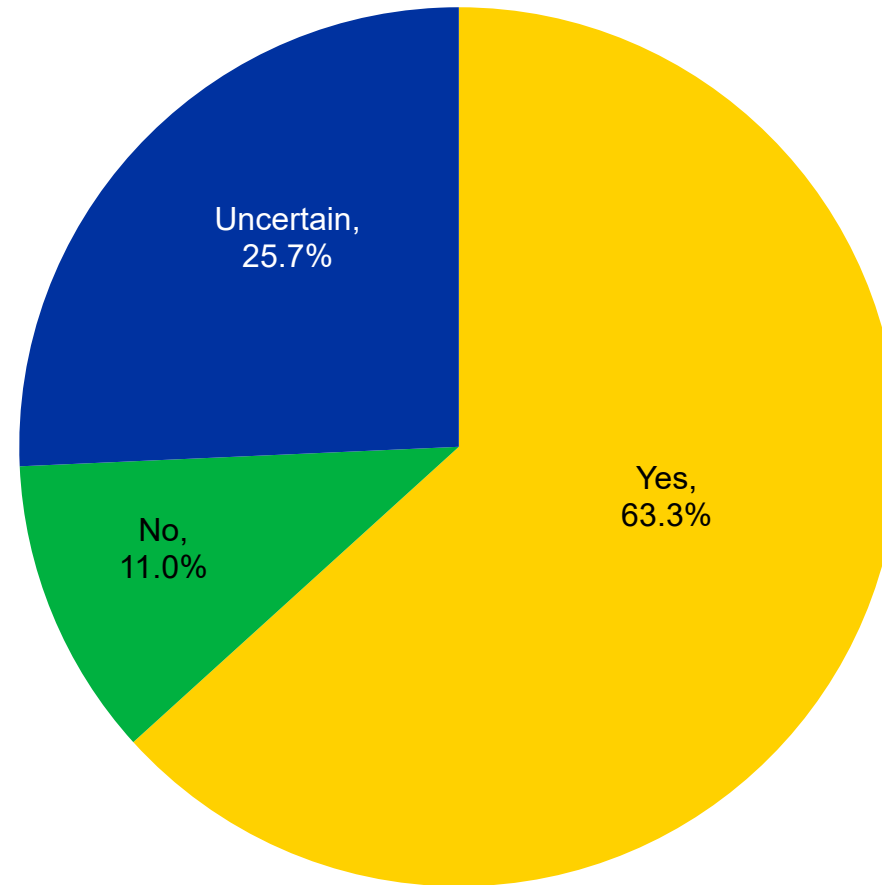
# NAM Manufacturers' Outlook Survey, Third Quarter 2022

When Firms Expect Supply Chain Challenges to Abate



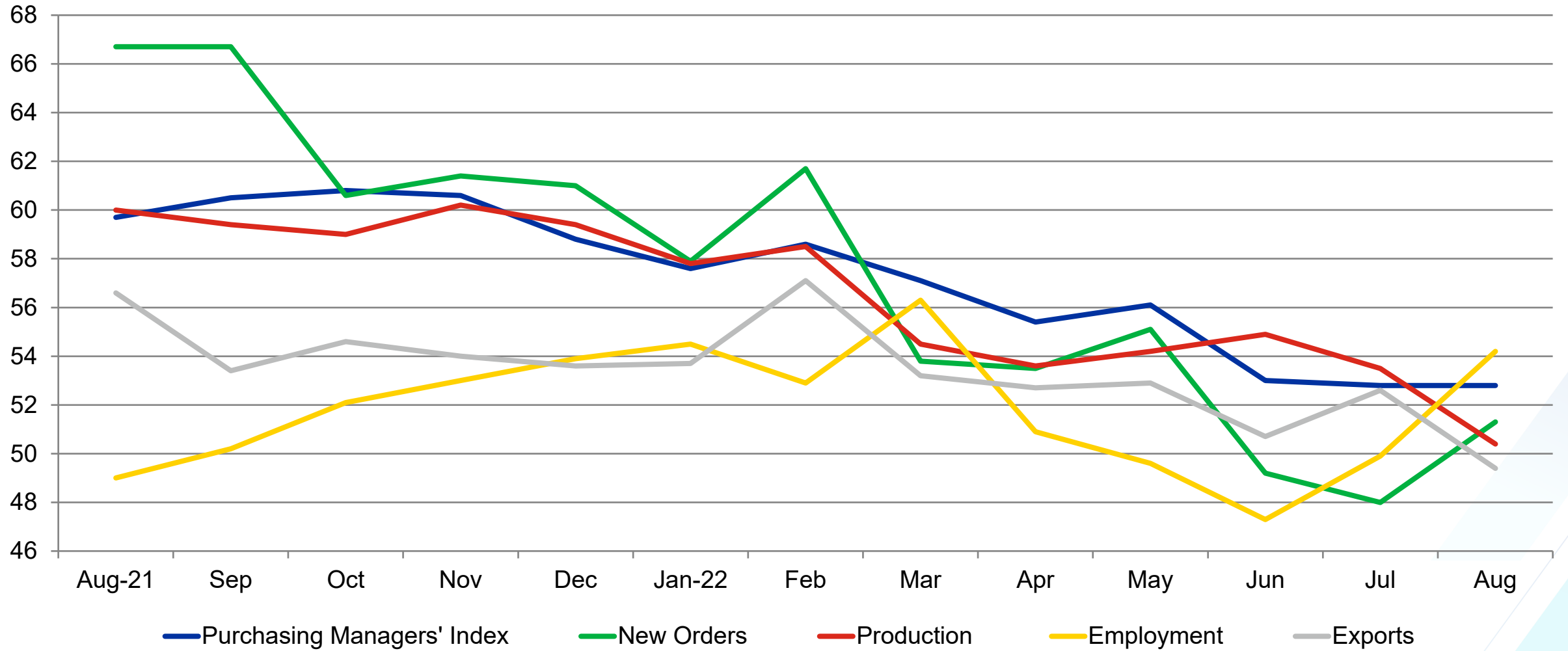
# NAM Manufacturers' Outlook Survey, Third Quarter 2022

"Do you think that the U.S. economy will slip officially into a recession in 2022 or 2023?"



# ISM<sup>®</sup> Manufacturing Purchasing Managers' Index<sup>®</sup>

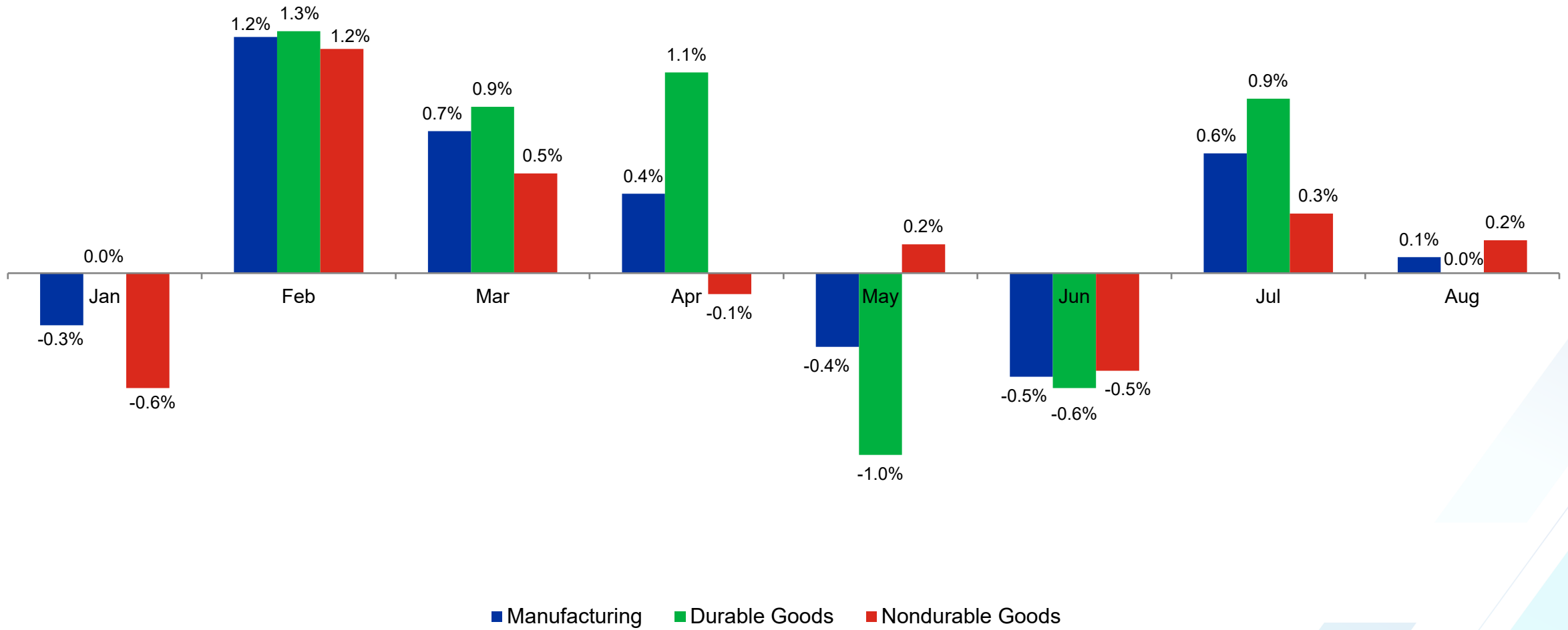
(August 2021 – August 2022)





# Monthly Percentage Changes in Manufacturing Production

(January – August 2022)

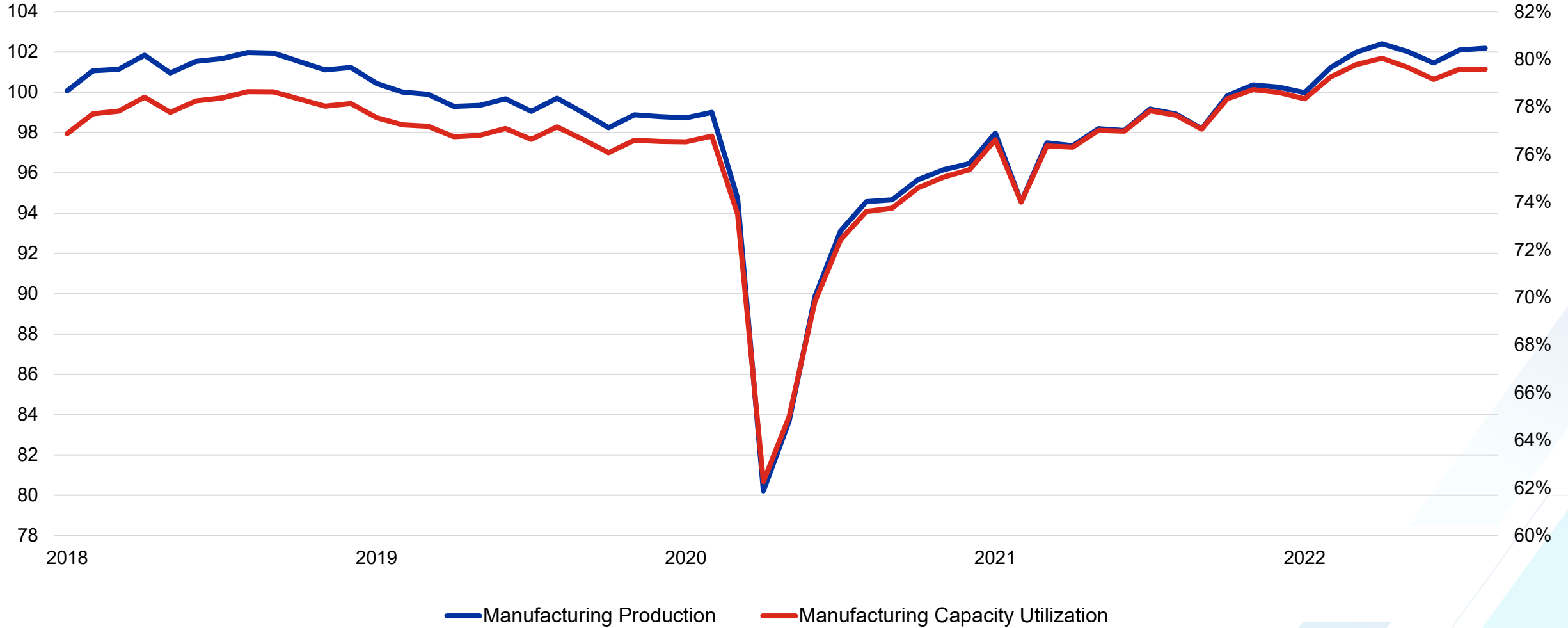


# Manufacturing Production and Capacity Utilization

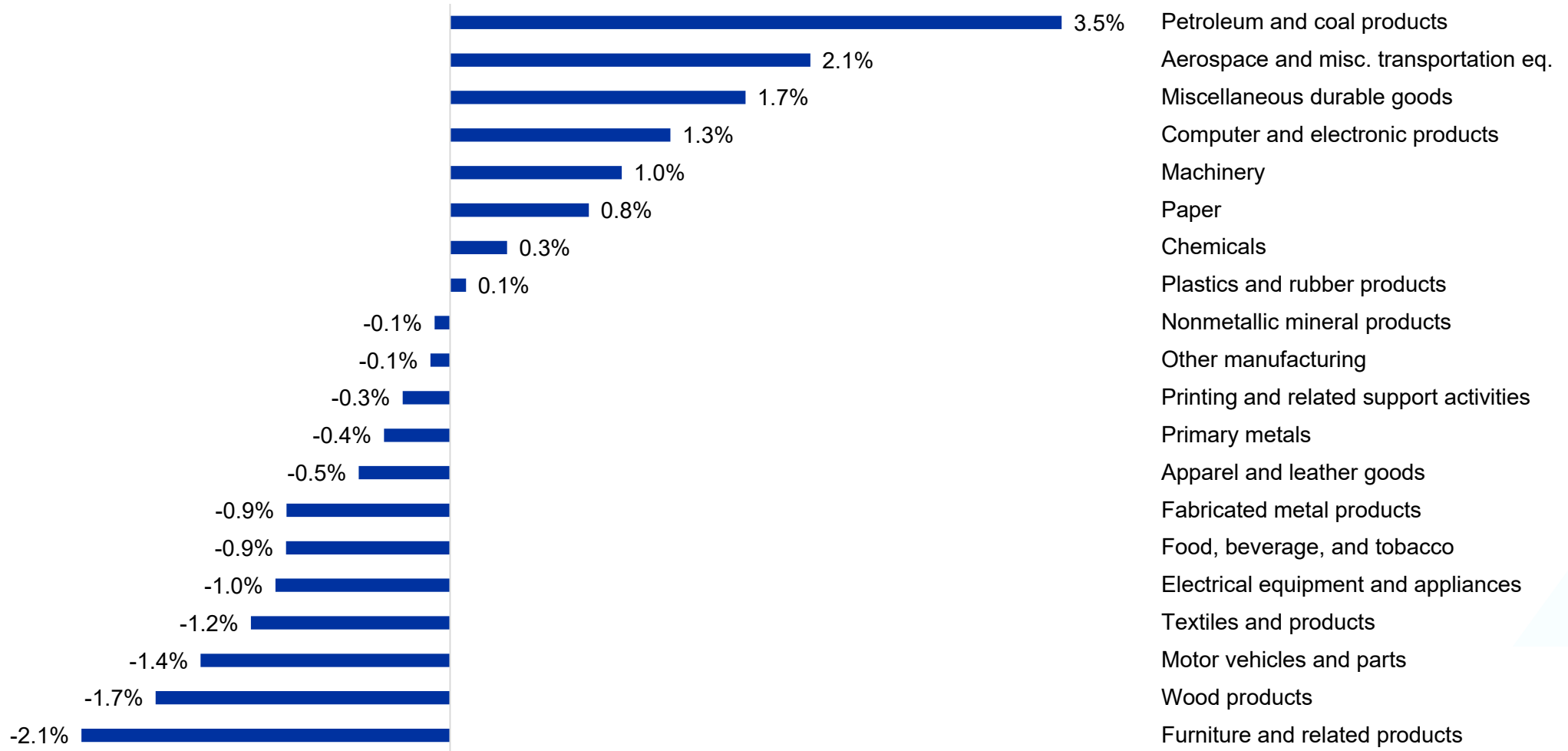
(January 2018 to August 2022)

Manufacturing  
Production (SIC)  
(2017=100)

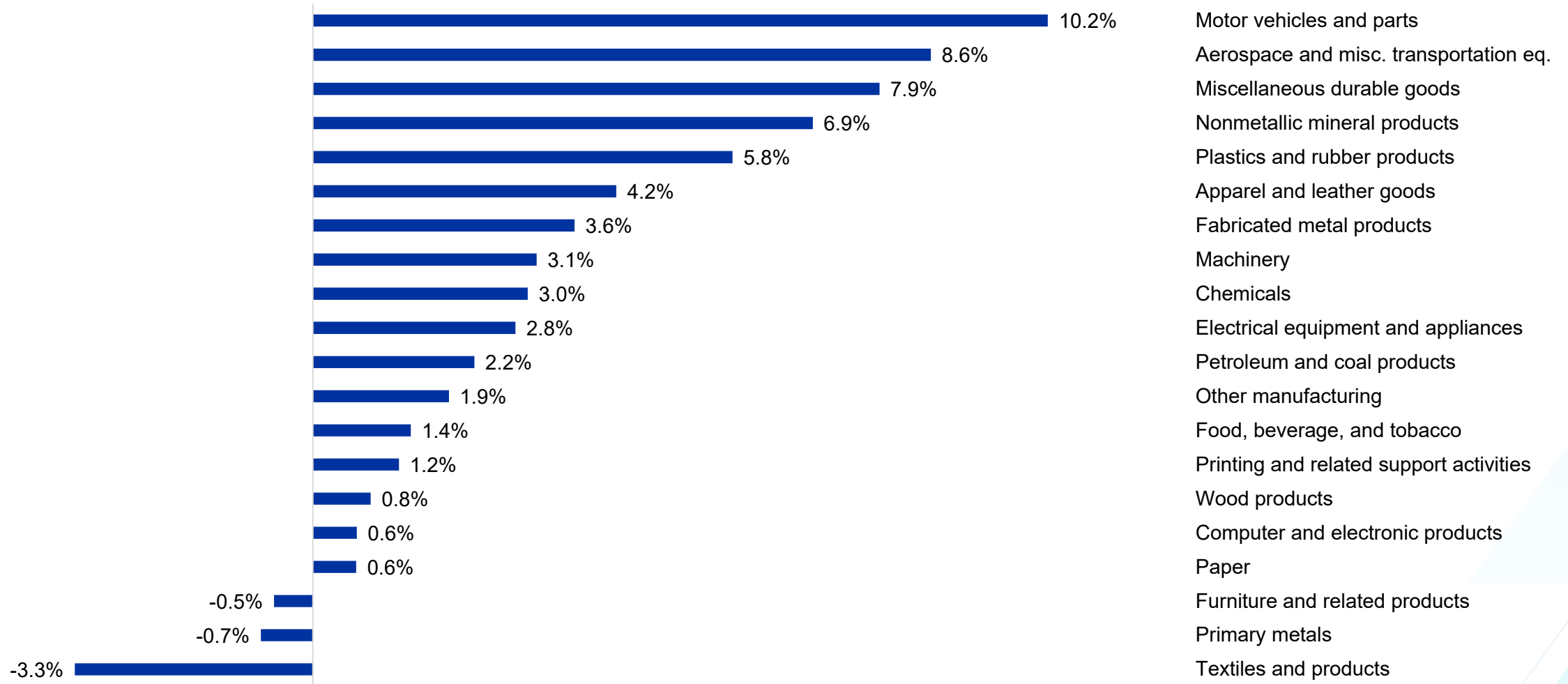
Manufacturing  
Capacity  
Utilization (SIC)



# Monthly Percentage Change in Manufacturing Production by Major Sector, August 2022

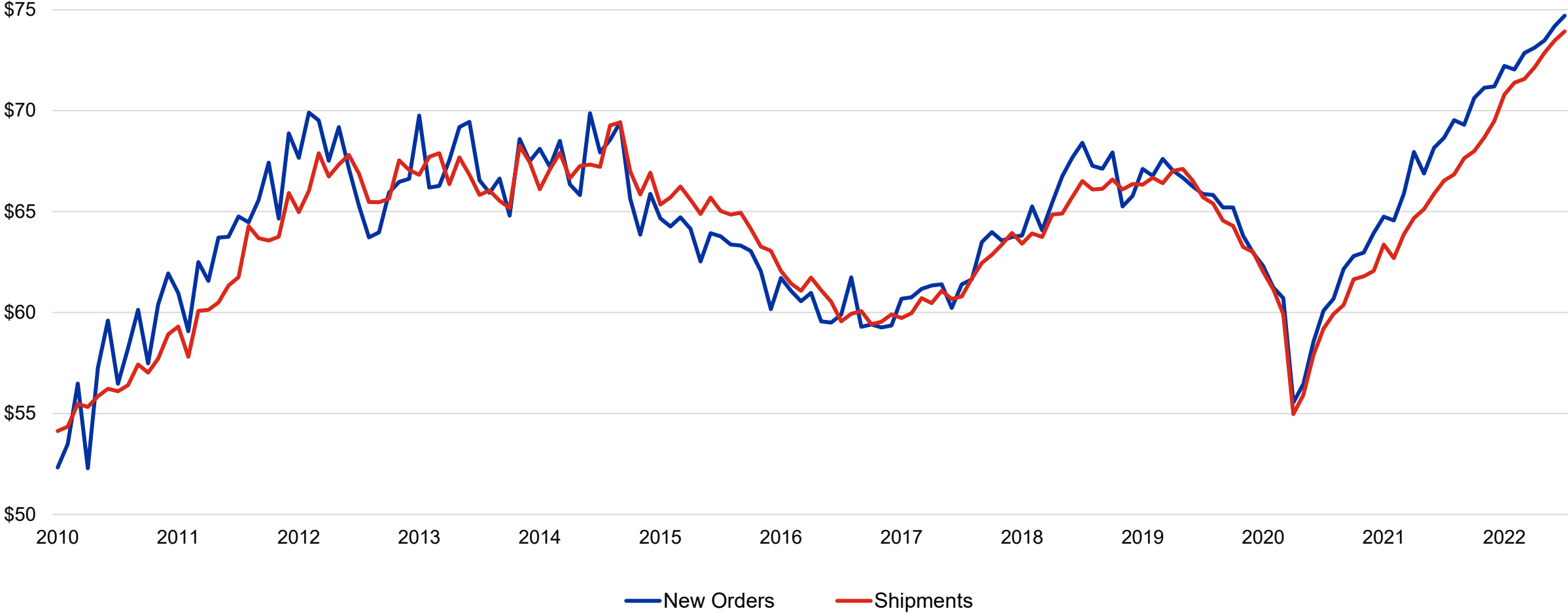


# Percentage Change in Manufacturing Production by Major Sector, August 2021 to August 2022



# Core Capital Goods New Orders and Shipments

(January 2010 – August 2022, in Billions of Dollars, Seasonally Adjusted)

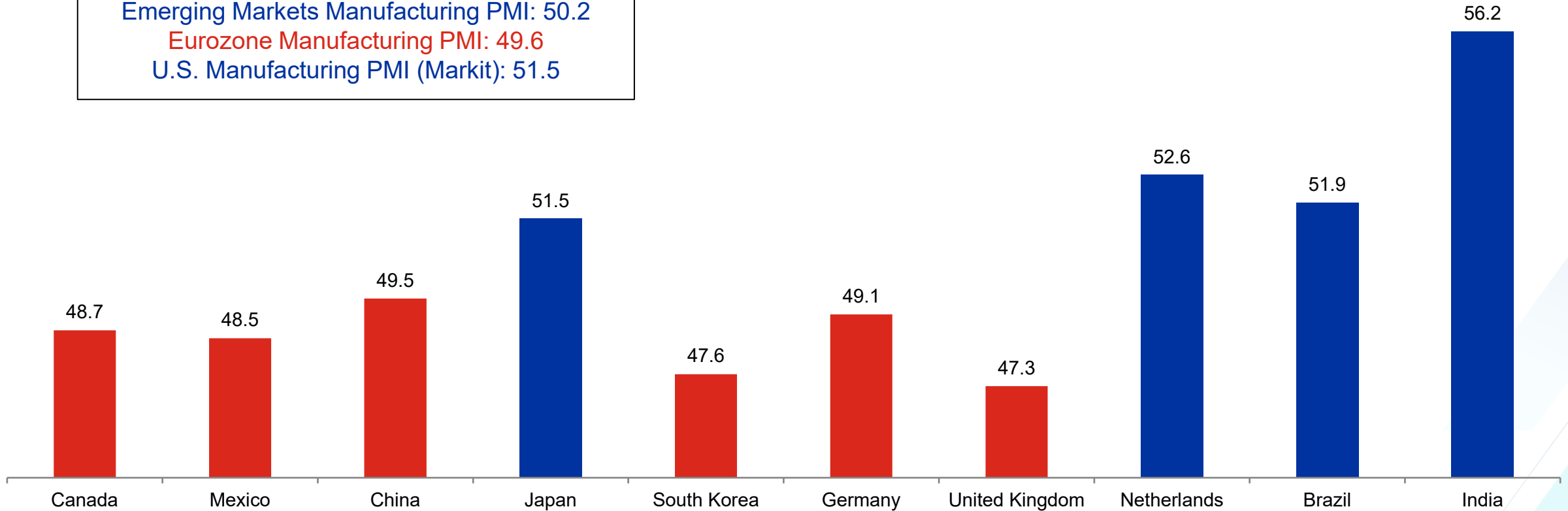


*Note: "Core capital goods" are nondefense capital goods excluding aircraft.*

# S&P Global Purchasing Managers' Indices® for the Top 10 Export Markets

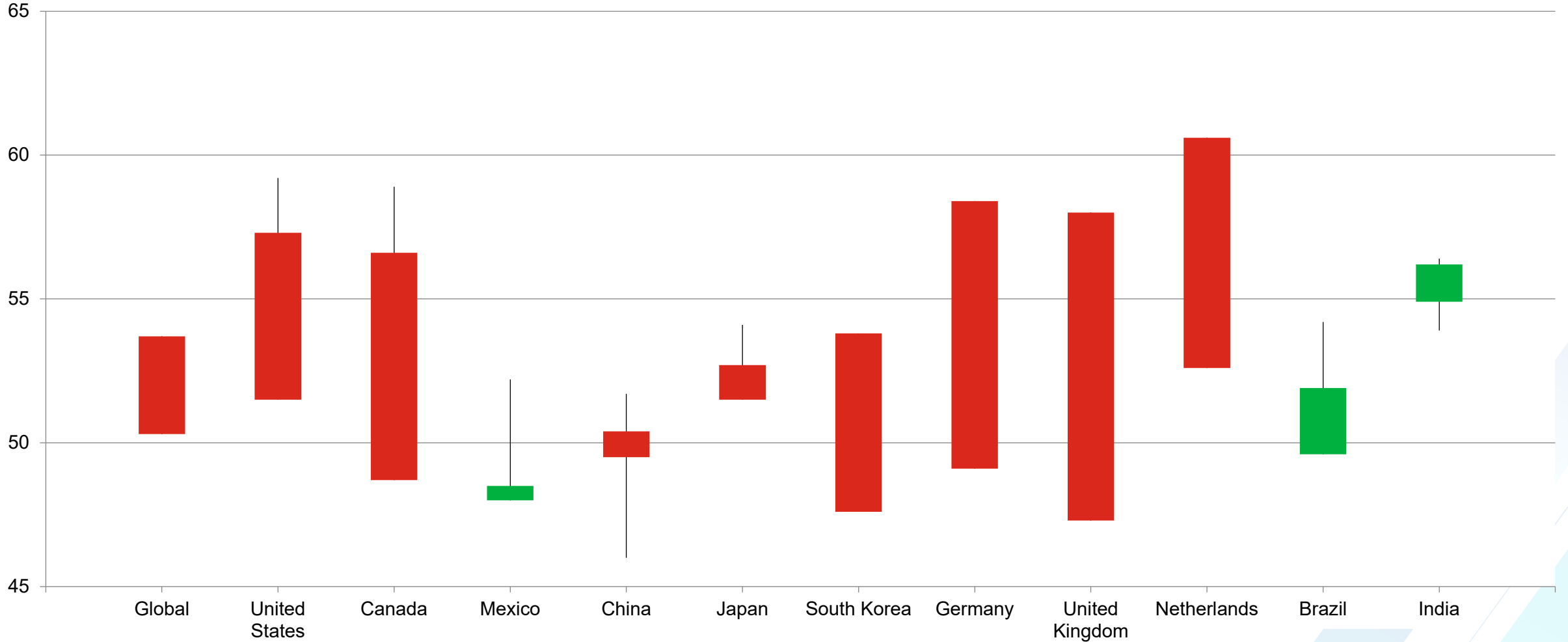
(August 2022)

Global Manufacturing PMI: 50.3  
Emerging Markets Manufacturing PMI: 50.2  
Eurozone Manufacturing PMI: 49.6  
U.S. Manufacturing PMI (Markit): 51.5



# S&P Global Purchasing Managers' Indices®, Including for the Top 10 Export Markets

(Candlestick Chart for Past Six Months – February Through August 2022)



# Trade-Weighted U.S. Dollar Against Broad Index of Currencies, Goods and Services, 2014–2022

(Currency Units per U.S. Dollar, January 2006=100)

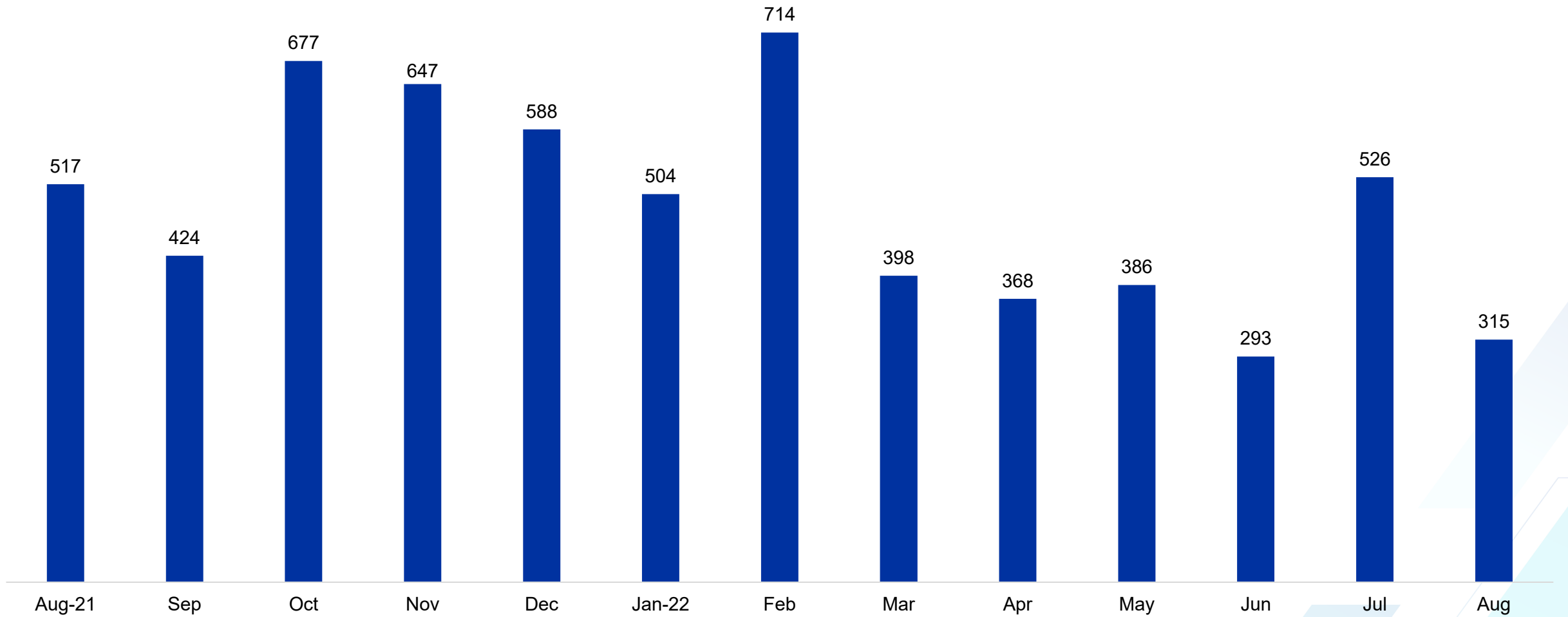


The U.S. dollar has risen 15.3% since June 7, 2021.

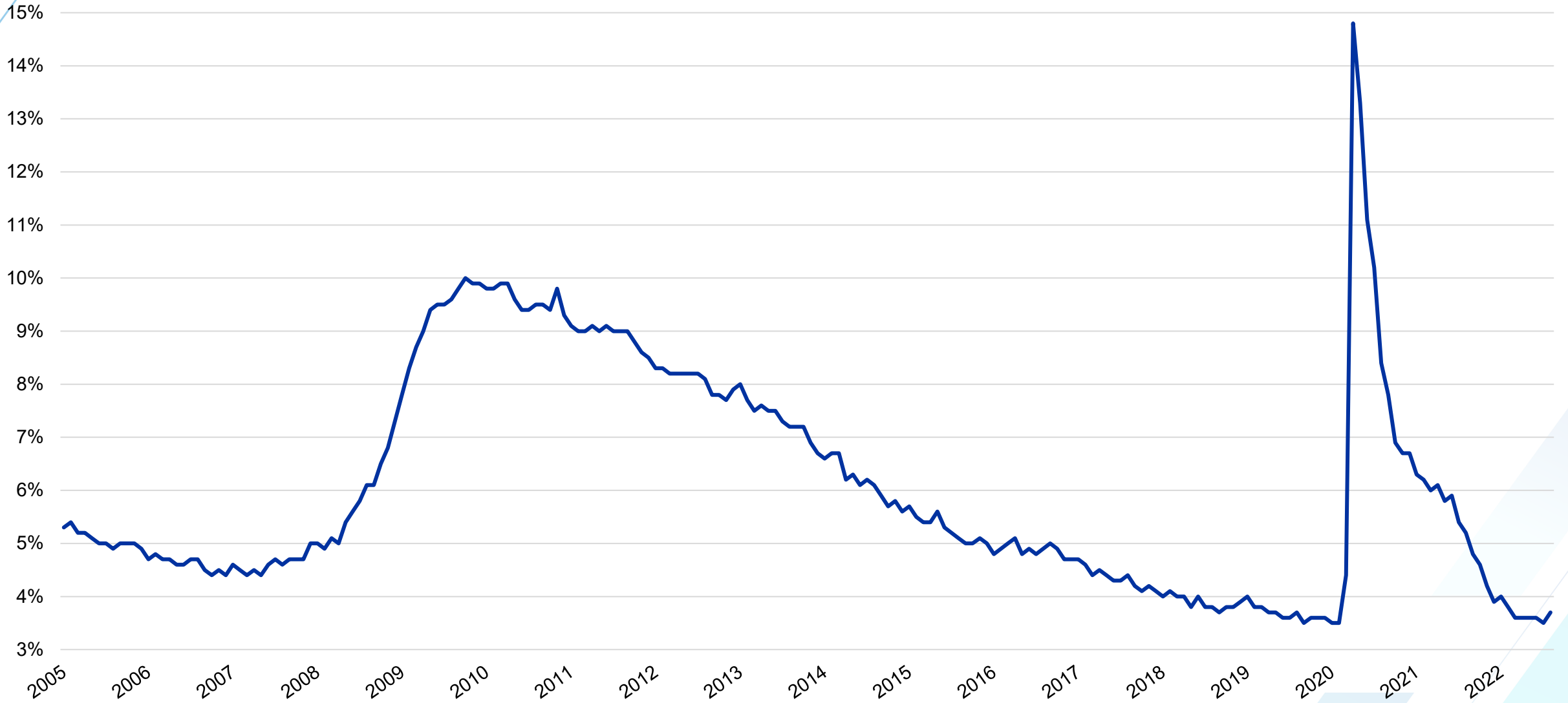


# Monthly Change in Nonfarm Payroll Employment

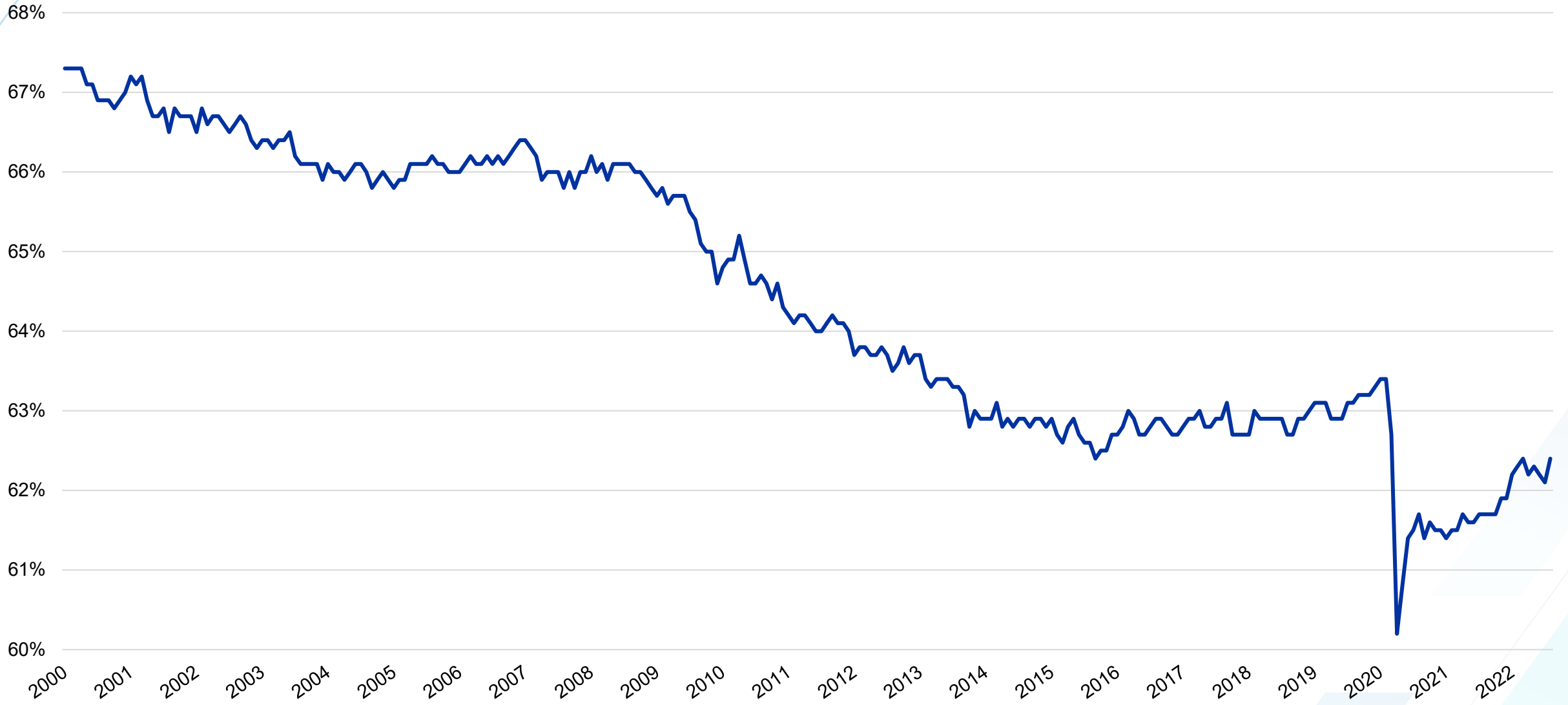
(August 2021 – August 2022, in Thousands of Workers)



# Monthly Unemployment Rate, 2005–2022

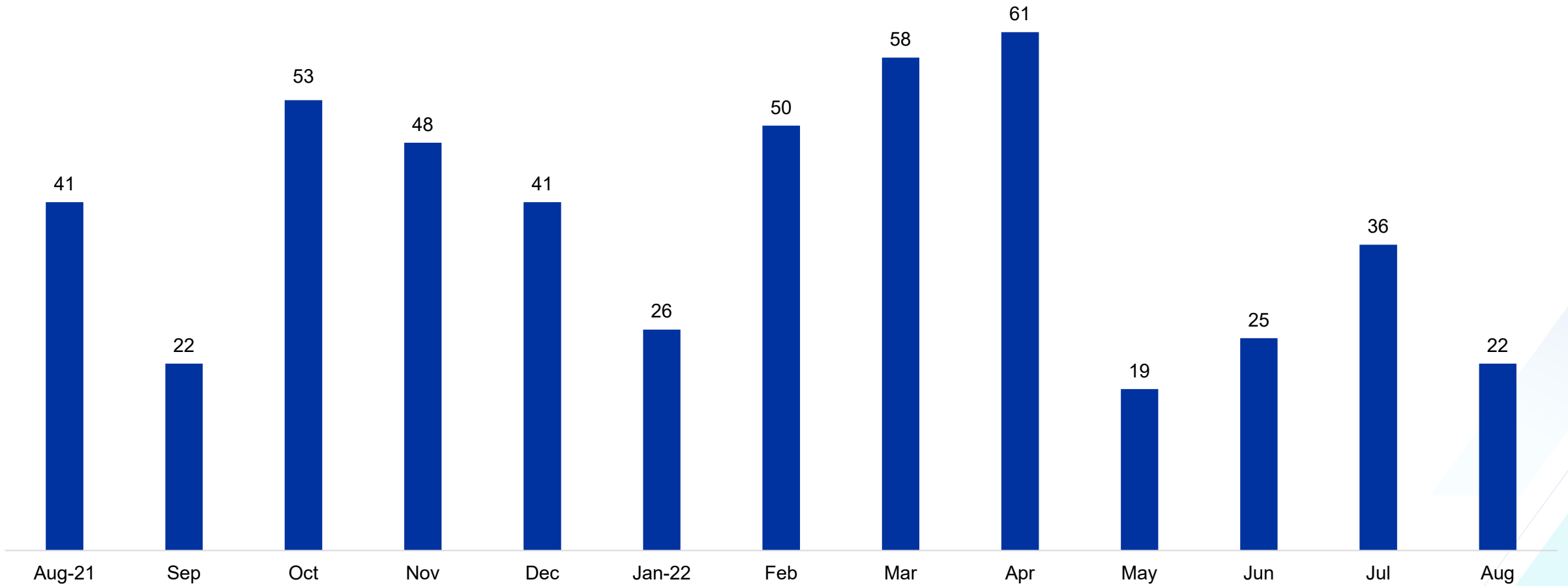


# Labor Force Participation Rate, 2000–2022



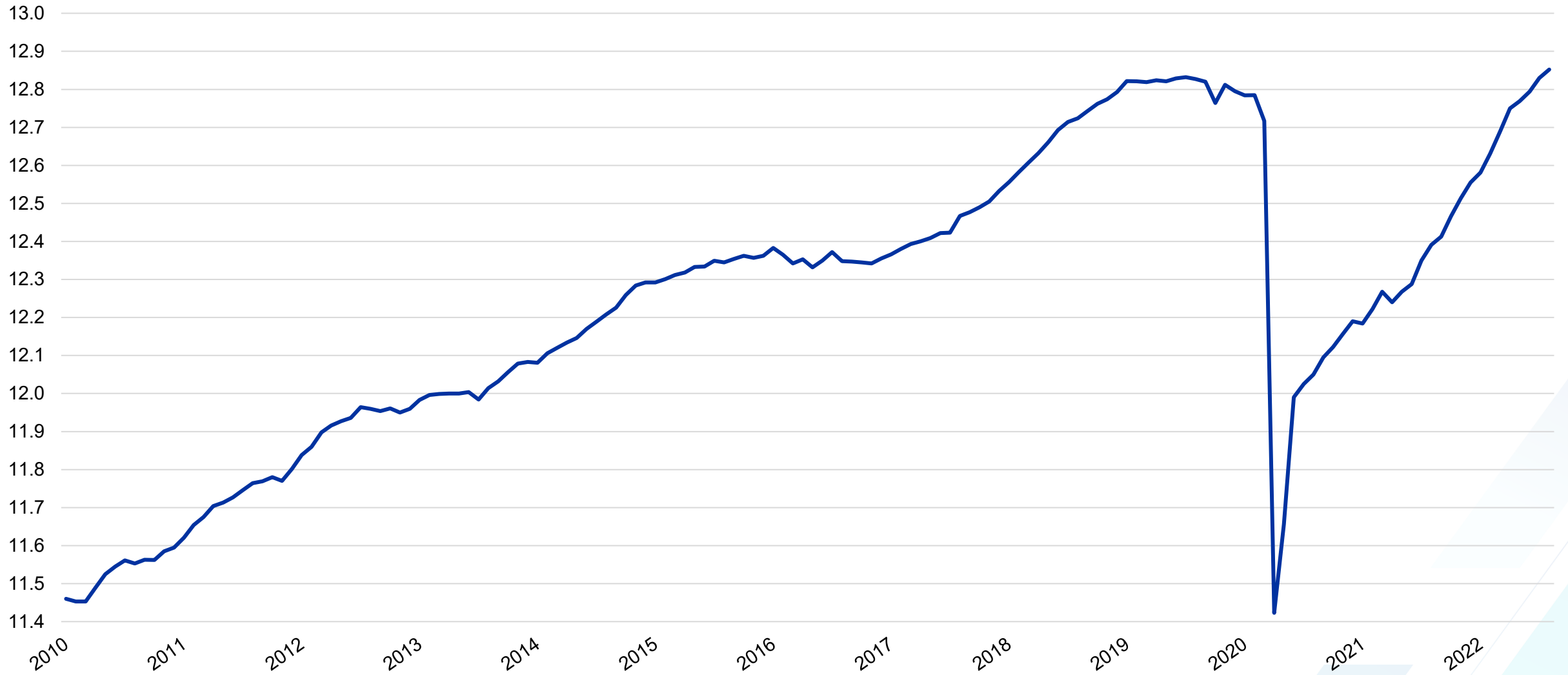
# Monthly Change in Manufacturing Employment

(August 2021 – August 2022, in Thousands of Workers)



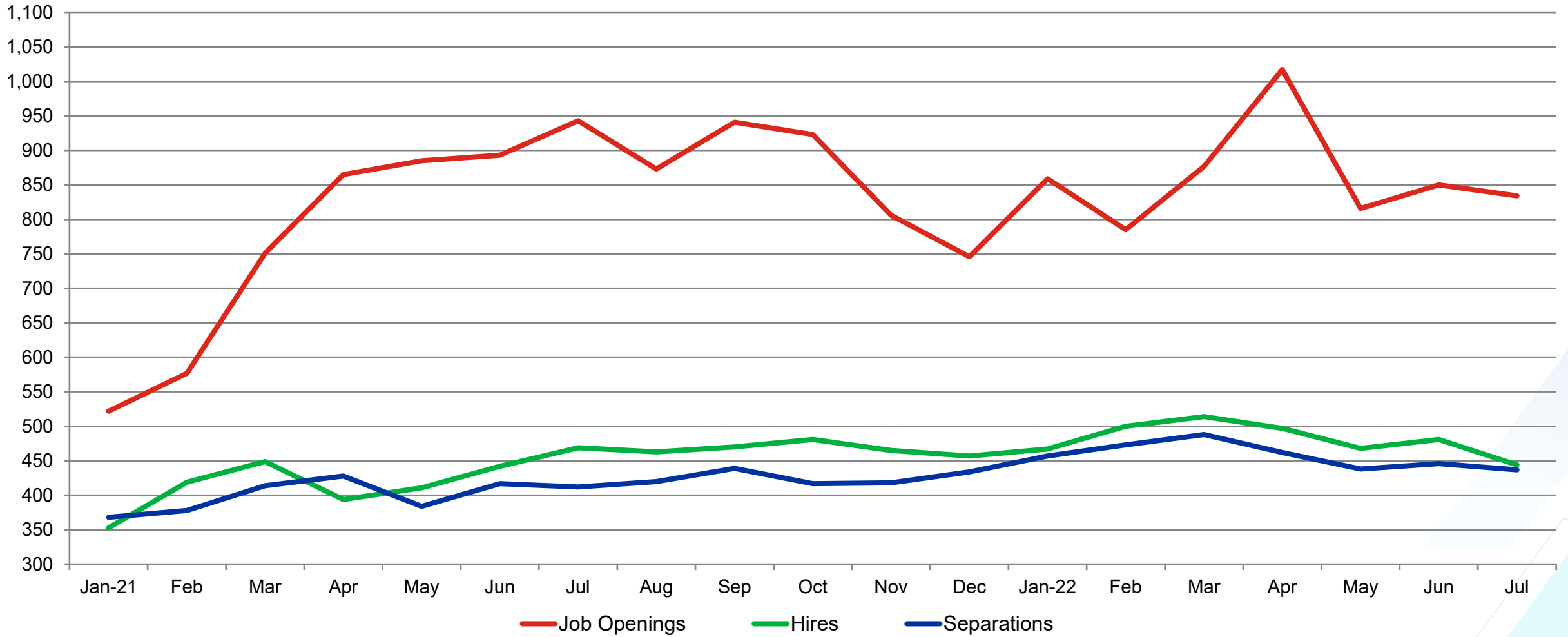
# Manufacturing Employment, 2010–2022

(in Millions of Workers)



# Manufacturing Job Openings, Hires and Separations

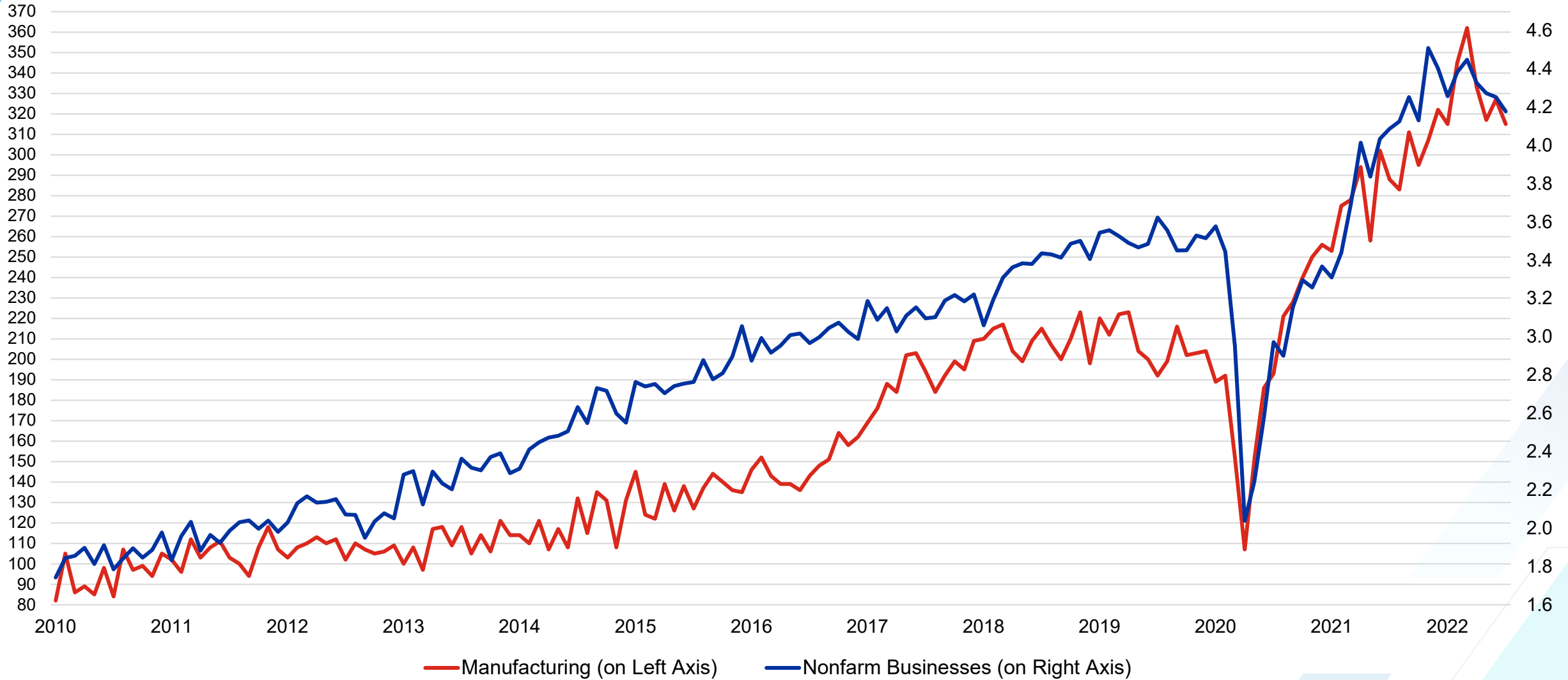
(January 2021 – July 2022, in Thousands of Workers)



Manufacturing  
(in Thousands)

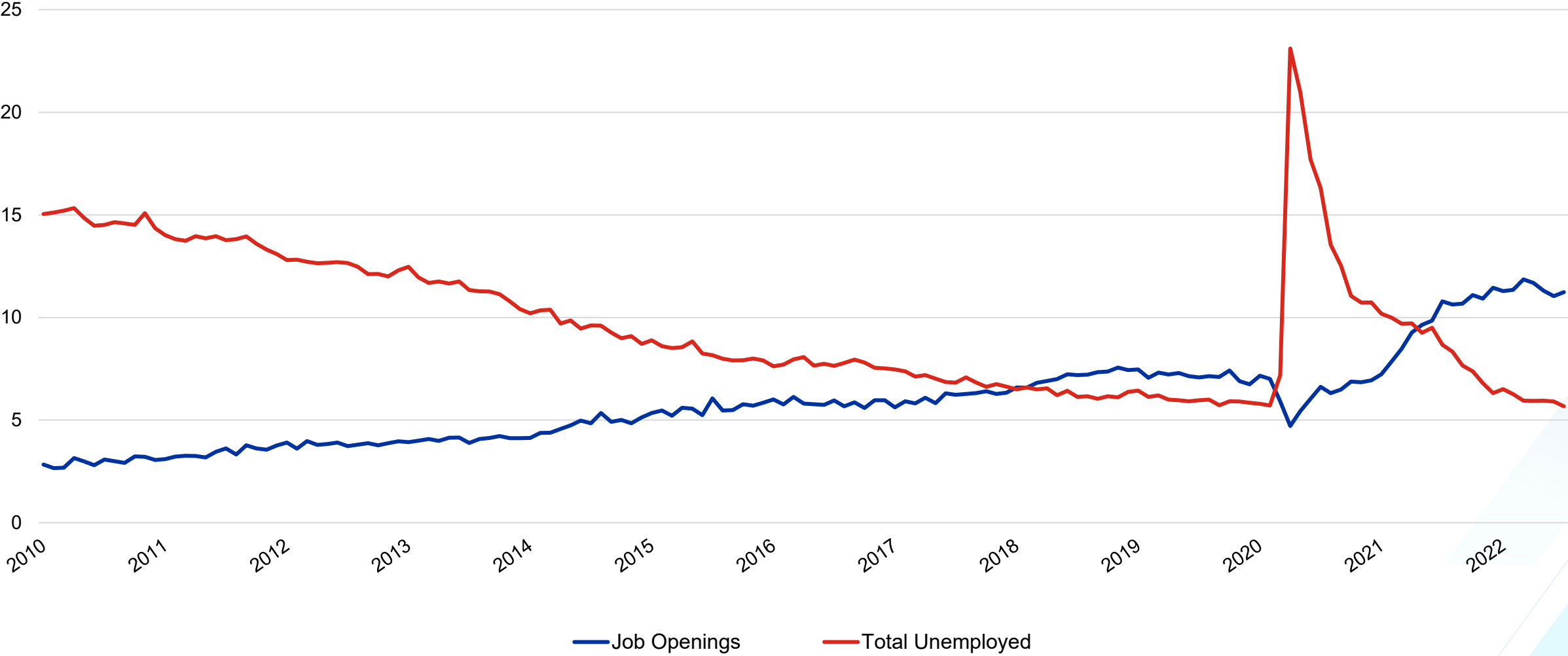
# Nonfarm and Manufacturing Labor Market Quits, 2010–2022

Nonfarm Businesses  
(in Millions)



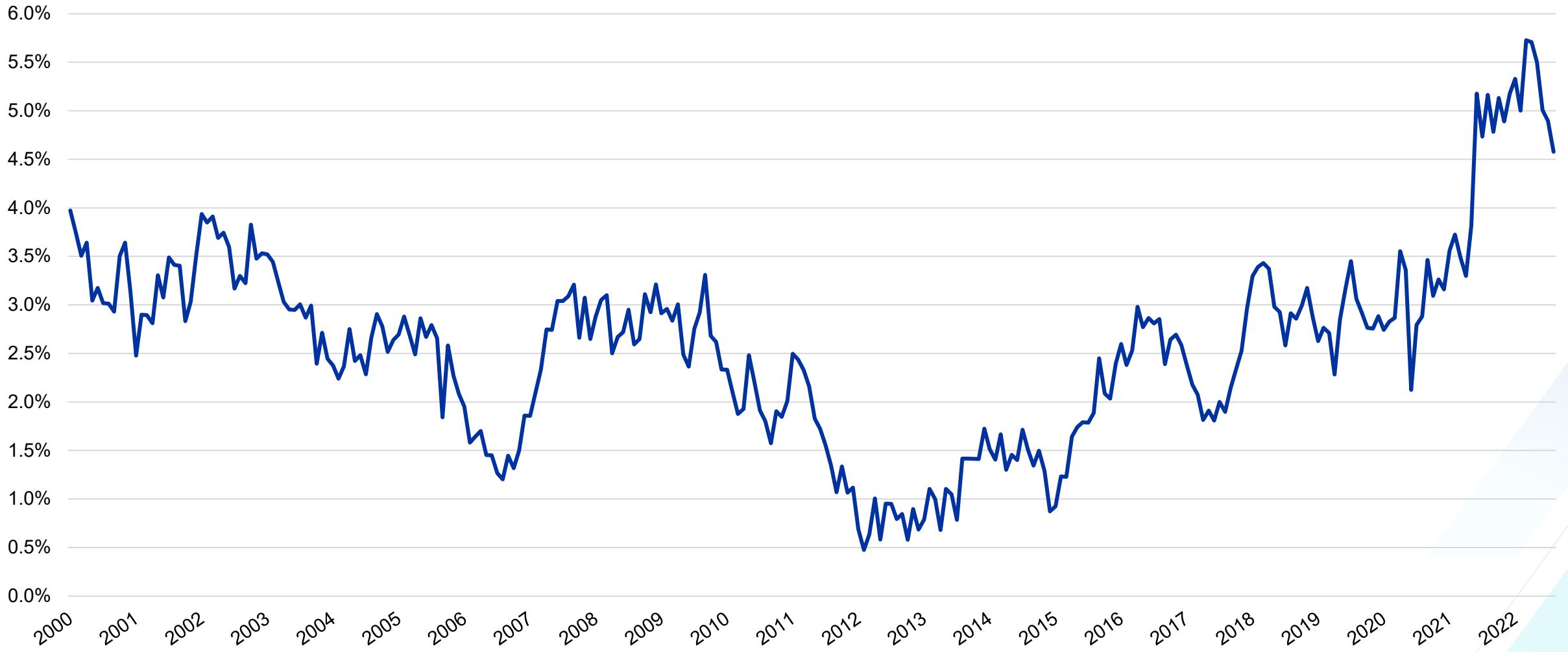
# Total Unemployed and Nonfarm Job Openings, 2010–2022

(in Millions of Workers, Seasonally Adjusted)



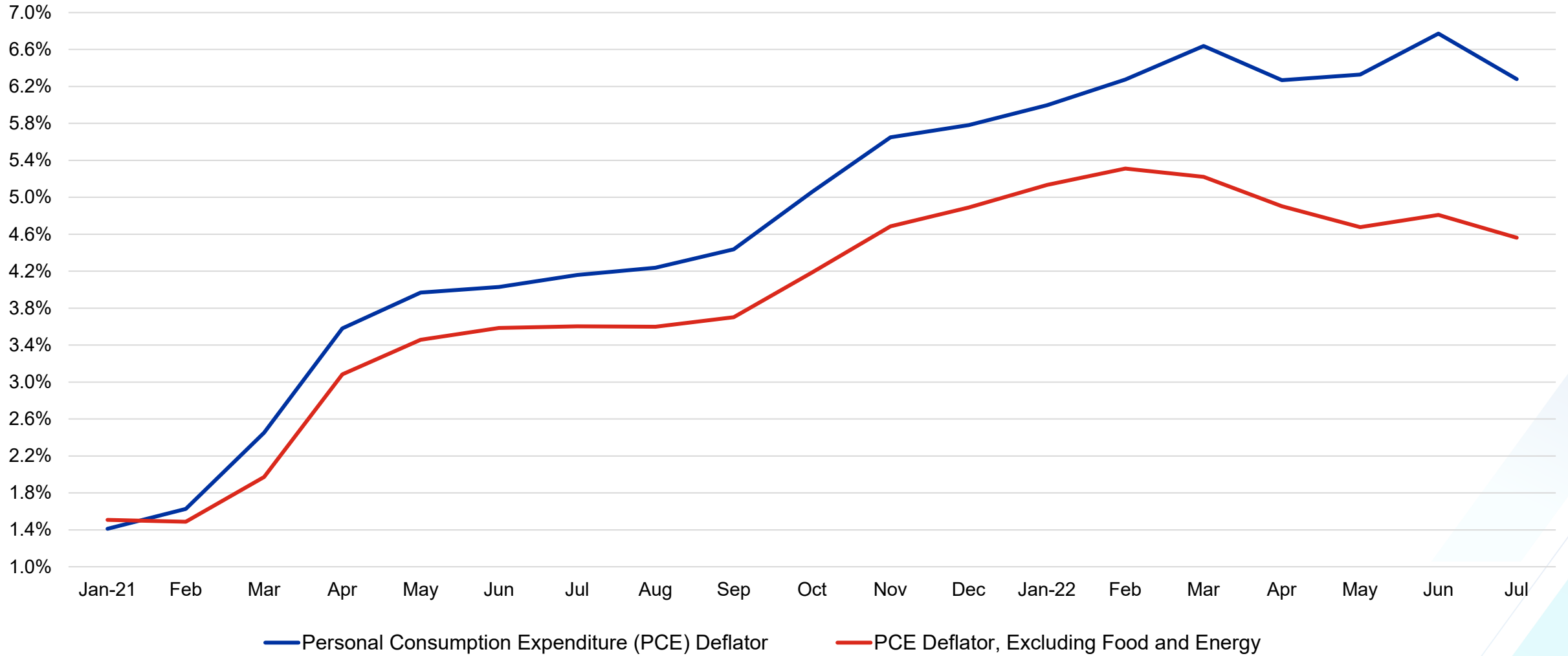


# Manufacturing Average Hourly Earnings, Production and Nonsupervisory Workers, 2000–2022, Year-Over-Year Percentage Growth by Month



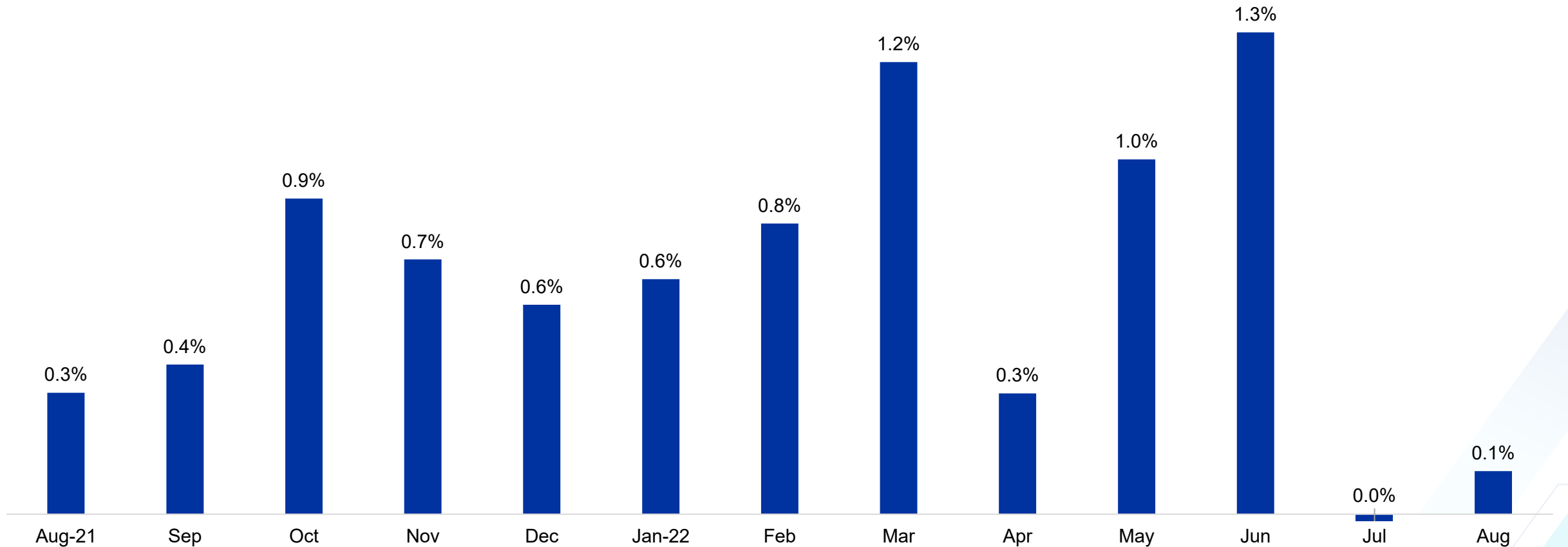
# Year-Over-Year Percentage Changes in the PCE Deflator

(January 2021 – July 2022)



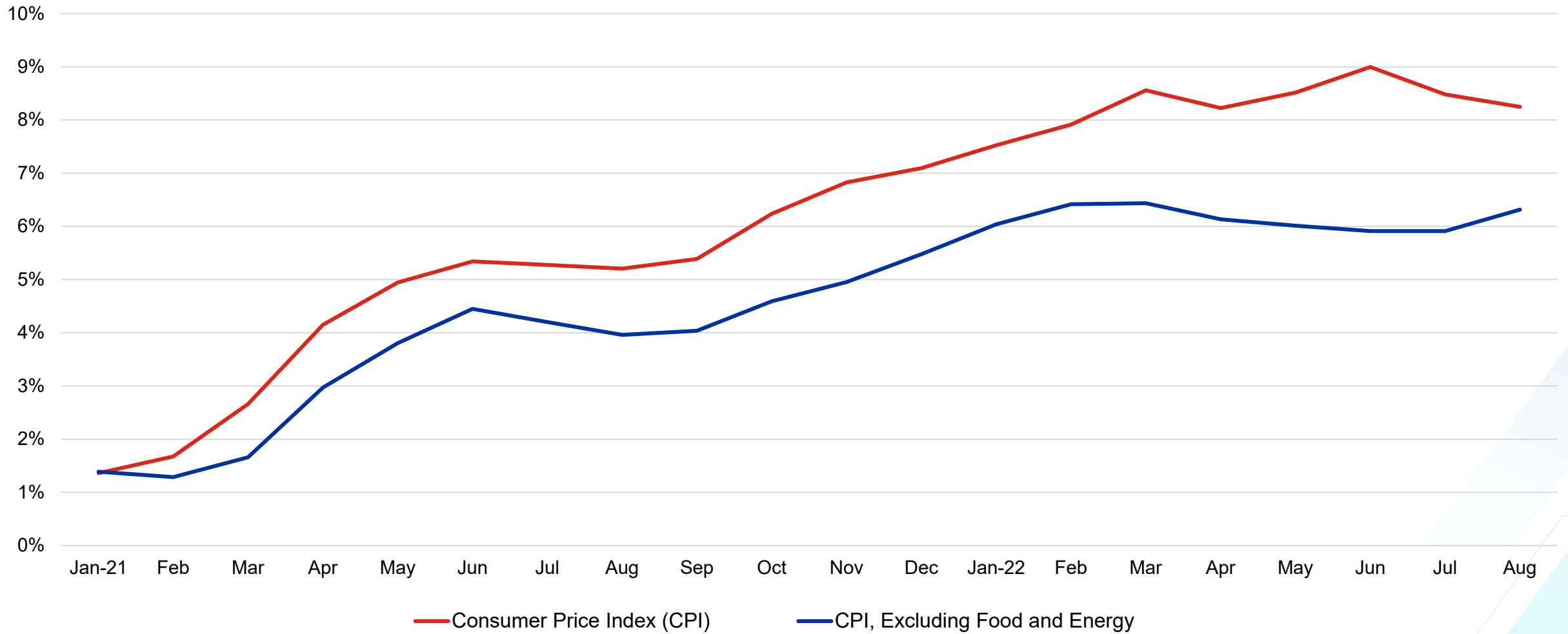
# Monthly Percentage Change in Consumer Price Index

(August 2021 – August 2022, Seasonally Adjusted, 1982–1984=100)

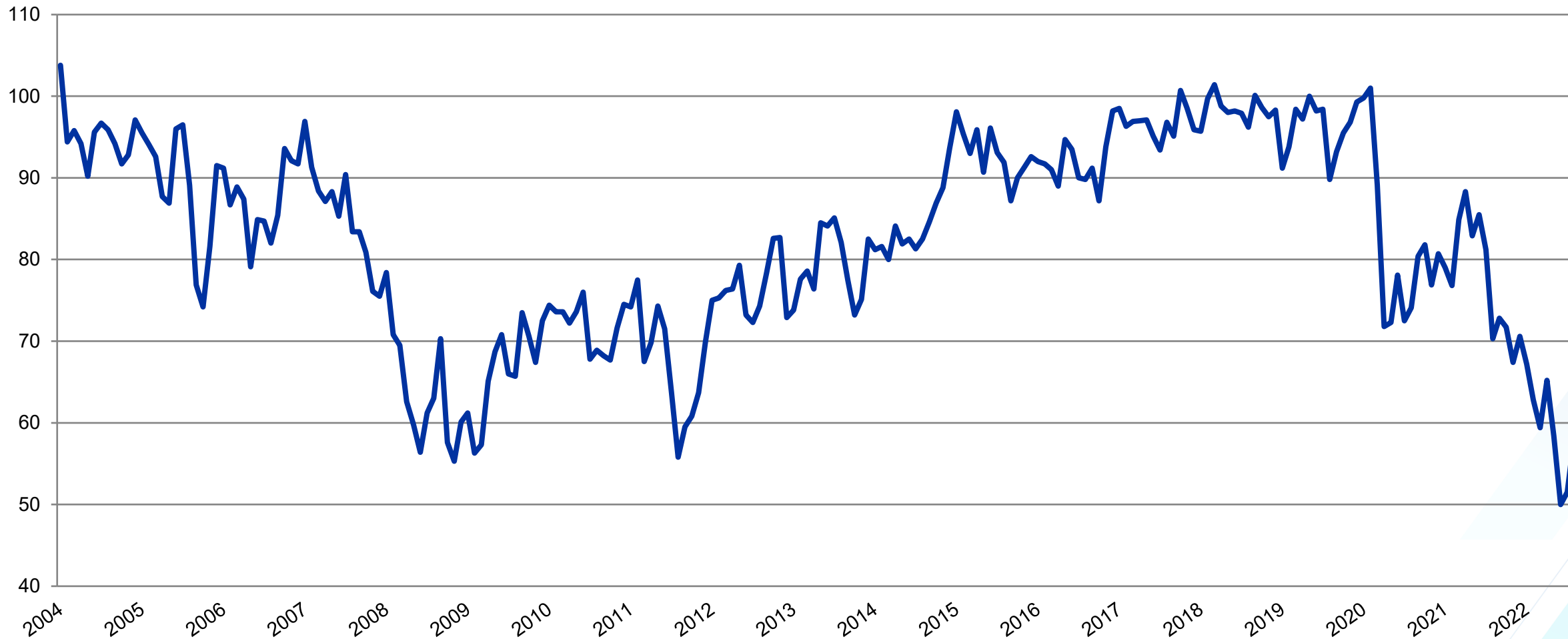


# Year-Over-Year Change in Consumer Prices

(January 2021 – August 2022, Seasonally Adjusted, 1982–1984=100)



# University of Michigan and Thomson Reuters Consumer Sentiment Index, 2004–2022



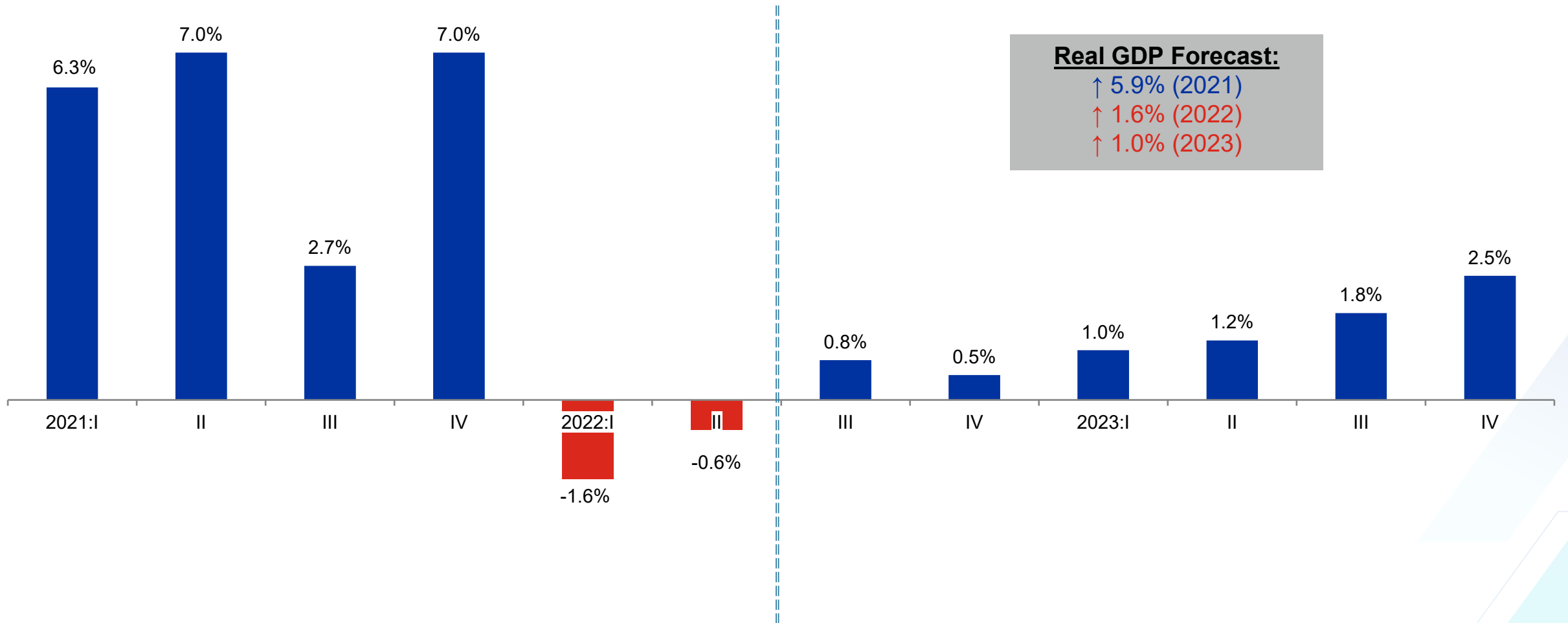
# Economic Outlook

MANUFACTURERS  
**MAKE**  
AMERICA

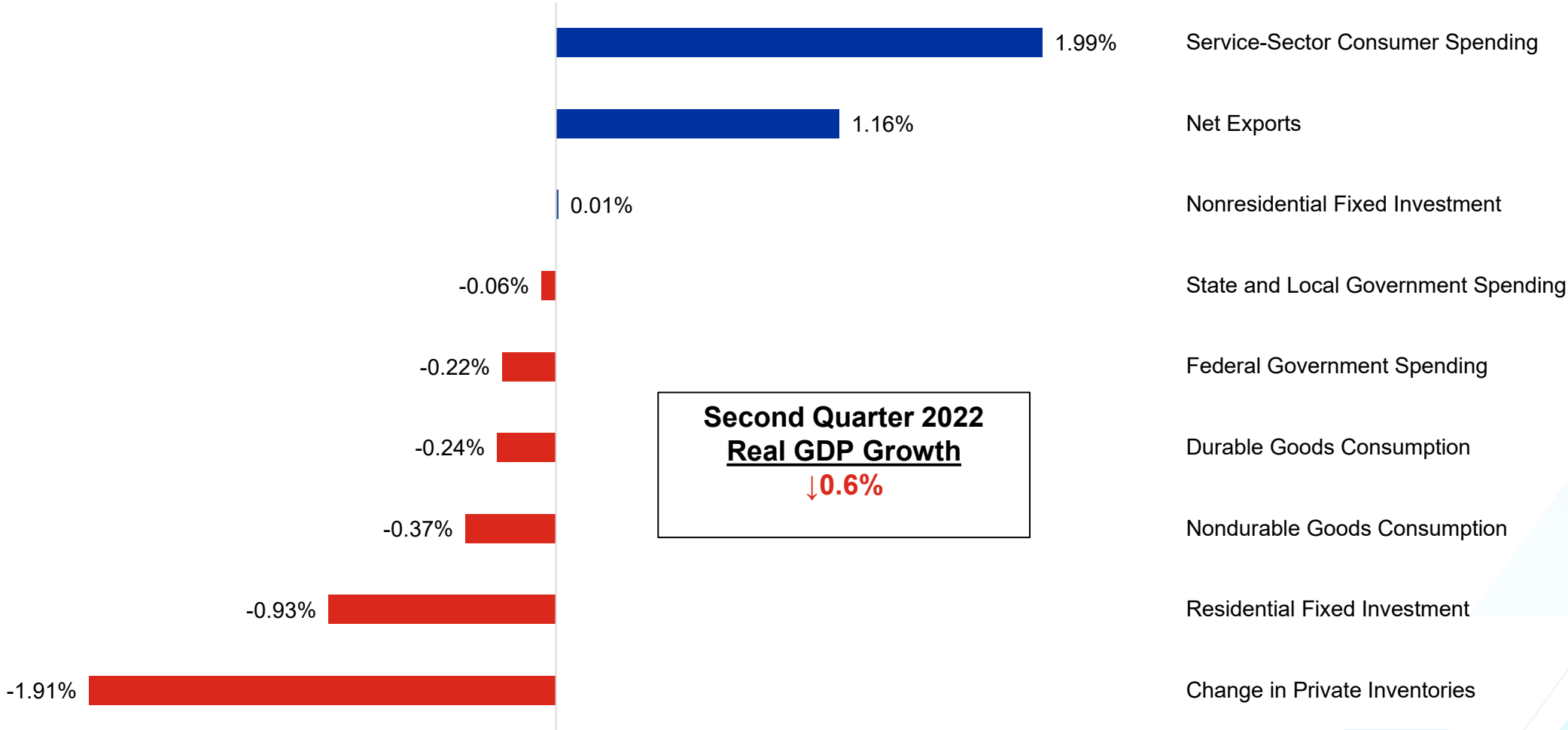


# Percentage Change in Real Gross Domestic Product

(Chained 2012 Dollars, Annual Rate of Growth)



# Contributions to Percentage Change in Second Quarter 2022 Real GDP Growth





## Downside Risks

Ongoing impacts from the Russian invasion of Ukraine

Lingering supply chain impacts

Slower global economic growth

Federal Reserve's monetary policy, with sharply higher interest rates

Pricing and cost pressures, including wage growth

Widespread recessionary worries, potentially dampening activity

## Upside Risks

Consumer and business spending continuing to expand, but with easing on recession/inflation worries

Manufacturing activity remaining somewhat resilient despite numerous challenges

U.S. economic growth remaining stronger than the rest of the world

Labor market continuing to be very tight



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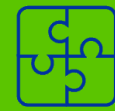
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Recruitment  
and Retention



Apprenticeship and  
Earn-and-Learn



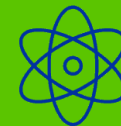
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Inclusion



Approaches to  
Engaging Youth



Second Chance  
Hiring



Skills for the Future  
of Manufacturing

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# Questions?

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