SUPPORTING STATEMENT A
U.S. Department of Commerce
U.S. Census Bureau
Manufacturers' Shipments, Inventories, and Orders Survey
OMB Control No. 0607-0008

Abstract

The United States Census Bureau is requesting an extension of the currently approved collection for the Manufacturers' Shipments, Inventories, and Orders (M3) survey. The M3 survey is sent each month to a panel of manufacturing companies with establishments located in the U.S. and classified in the manufacturing sector as defined by the North American Industry Classification System (NAICS). The survey began in 1957 as a monthly survey for activity taking place during the previous month. The M3 survey was developed in response to requests by government, business, and other users to provide an early indication of current manufacturing activity in the U.S.

The M3 survey is designed to measure current industrial activity and to provide an indication of future production commitments. Shipments, new and unfilled orders, and inventories data provide a current statistical measurement of the domestic manufacturing sector in the U.S. economy. The value of shipments measures the value of goods delivered during the month by domestic manufacturers. Estimates of new orders serve as an indicator of future production commitments and represent the current sales value of new orders received during the month, net of cancellations. Substantial accumulation or depletion of unfilled orders measures excess (or deficient) demand for manufactured products. The level of inventory, especially in relation to shipments, is frequently used to monitor the business cycle. Manufacturing is a vital sector to the U.S. economy contributing to job creation, innovation, and national security.

Justification

1. **Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

   The M3 survey provides an essential component of the current economic indicators needed for assessing the evolving status of the economy and formulating economic policy. The Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget (OMB), has designated this survey as a principal federal economic indicator. The shipments and inventories data are essential inputs of the Gross Domestic Product (GDP). The orders data are direct inputs to The Conference Board Leading Economic Index (LEI), which is a composite index of ten key elements designed to monitor the business cycle (US Leading Indicators). The GDP and the LEI would be incomplete without these data. Orders for durable goods are an important leading economic indicator. Businesses and consumers generally place orders for durable

goods when they are confident the economy is improving. A durable goods report showing an increase in orders is a sign that the economy is trending upwards. Durable goods orders tell investors what to expect from the manufacturing sector, a major component of the economy. The M3 survey also provides valuable and timely domestic manufacturing data for economic planning and analysis to business firms, trade associations, research and consulting agencies, and academia.

The M3 survey is authorized by Title 13, U.S. Code, Sections 131, 182, and 193.

2. **Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The M3 survey estimates are released twice per month. The Monthly Advance Report on Durable Goods and the Advance Total Manufacturing estimates from the M3 survey are an early snapshot of the current activity of manufacturing in the U.S. Advance data are available about 18 working days after the end of each reference month. The Monthly Advance data have expanded over time to create a more comprehensive economic picture. Aggregate total manufacturing and nondurable estimates for shipments and inventories were added in 2021. Between 2024 and 2025, these aggregate estimates were broken into more detailed industry level shipments and inventories estimates for all nondurables. In the future, total manufacturing new orders estimates are planned to be included in the advance release, which will provide data on future production demand for the whole manufacturing sector. New orders are closely monitored by economists, policy makers and investors.

The M3 survey also produces the Monthly Full Report on Manufacturers' Shipments, Inventories and Orders which incorporates late receipts and is available about 23 working days after the end of each reference month. This report provides detailed information on the durable goods and the non-durable goods industries.

Shipments, new and unfilled orders, and inventories estimates are used by the Bureau of Economic Analysis (BEA), Council of Economic Advisers (CEA), Federal Reserve Board (FRB), Bureau of Labor Statistics (BLS), The Conference Board, and other government agencies, as well as business users in formulating economic decisions.

BEA is the primary Federal user of data collected in the M3 survey. BEA uses shipments, inventories, and inventories-to-shipments ratio estimates from the M3 survey to prepare the national income and product accounts (NIPA). Shipments data contribute to annual and quarterly GDP, the annual input-output (I-O) accounts, quarterly GDP by industry statistics, and quarterly gross operating surplus estimates. BEA is strongly in favor of publishing advanced total manufacturing estimates, as well as the increased detail for the nondurable goods industries. Additionally, details on manufacturing inventories are used to prepare the quarterly change in private domestic inventories, the annual I-O accounts tables, and quarterly GDP-by-industry statistics.

CEA, other government agencies, and businesses use the survey results to formulate and make decisions. CEA reports manufacturing data, one of the principal federal economic indicators, to the President each month for awareness on the current state of the economy. In addition, CEA's Macroeconomic Forecaster uses manufacturing shipments and new orders data, two of the key monthly data releases each month, to keep track of real economic growth in the current quarter and the future production demand for manufacturing sector.

The BLS uses the data as input to their Producer Price Indexes and in developing productivity measurements.

Policymakers, such as the FRB, need to have the timeliest estimates in order to anticipate economic trends, and act accordingly based on the economic momentum when setting monetary and fiscal policy. FRB also uses M3 estimates to calculate monthly industrial production indexes for manufacturing industries.

The Conference Board uses M3 new orders, a leading economic indicator of manufacturing activities, as a base for its LEI, which is designed to monitor the business cycle.

Private businesses and market analysts are tracking manufacturing new orders and shipments to anticipate demand, adjust production, and manage inventories. A surge in orders may prompt hiring, capacity expansion, or capital investment. A decline may trigger cost-cutting or market diversification. Breaking down orders by durable and non-durable goods helps identify trends in capital spending (durable goods manufacturing industries) versus consumer demand (nondurable goods manufacturing industries). This granularity is valuable for investors, analysts, and corporate planners.

Information quality is an integral part of the pre-dissemination review of the information disseminated by the U.S. Census Bureau (fully described in the U.S. Census Bureau's Information Quality Guidelines). Information quality is also integral to the information collected by the U.S. Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

3. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

The U.S. Census Bureau offers and encourages electronic submission of responses via the internet by using its collection instrument, Centurion. Responding via the internet provides companies with a convenient reporting method and reduces respondent burden. This method of data collection also reduces the amount of data that has must be keyed; therefore, reducing data capture costs. No additional software is needed by the respondent. In addition, all data submitted through Centurion are encrypted. A letter is mailed with instructions for reporting online (see Attachment

1).

The U.S. Census Bureau continues to use other options such as telephone and email messaging to retrieve data from our respondents as well as other technologies available at the bureau, such as automated check-in to collect and process data. The National Processing Center (NPC) in Jeffersonville, Indiana, performs telephone follow-up for all companies that have not responded by the due date. Survey analysts call businesses that have reported incomplete or questionable data.

The M3 survey sends an initial email, which includes instructions for online reporting, to let companies know that the collection period has opened. An email reminder is sent to those businesses that have not responded by the due date. This process decreases the number of phone calls necessary to obtain data from respondents. Companies that historically received a form will receive a monthly letter that includes their login information. Forms are no longer included in the mailings as of January 2026. Businesses will be directed to the electronic instrument for their response where the respondent has the capability to download the appropriate fillable form. Below is the monthly manufacturing form and number along with the description.

M3 Form	**Description**
M-3 (SD)	Company/Shipments, New Orders, Unfilled Orders, and Inventories by Stages of Fabrication

The form can be found at m3surveyform.pdf. Below is the M3 check-in rates by type of receipt over eight months in 2025 and 2026.

Month	Survey	M3 Check-In (%) by Type of Receipt (details may not equal total due to rounding)		
		Internet	Fax/Analyst/Email	Total %
Sep-25	M3	91%	9%	100%
Oct-25	M3	87%	12%	100%
Nov-25	M3	86%	14%	100%
Dec-25	M3	85%	15%	100%
Jan-26	M3	85%	15%	100%
Feb-26	M3	82%	18%	100%
Mar-26	M3	83%	17%	100%
Apr-26	M3	87%	13%	100%
May-26	M3	87%	13%	100%
Months Avg	**M3**	86%	14%	100%

4. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Question 2.**

Consultations with other governmental agencies, trade associations (including the National Association of Manufacturers (NAM), the Steel Manufacturers Association (SMA)) and government and private sector data users via telephone conversations, meetings, trade journal articles, and written correspondence indicate that these data are not available from other sources on an ongoing timely basis. The M3 survey is the only survey that provides broad-based monthly shipments, inventories, and orders statistics on the entire domestic manufacturing sector, as well as specific important industrial categories.

The Institute for Supply Management (ISM) collects opinion and directional information on shipments, inventories, and orders from a small sample of companies. The ISM Report is based on data compiled from purchasing and supply executives nationwide. There are other monthly surveys that cover narrowly defined subsectors of manufacturing, but no other public or private survey provides comprehensive monthly statistics for the entire U.S. manufacturing sector.

Annual shipments and inventories from manufacturing companies are collected in the Annual Integrated Economic Survey (AIES) (OMB Control Number 0607-1024), and in the quinquennial Economic Census. The Annual Survey of Manufacturing (ASM), the previous source of annual shipment and inventories, transitioned to AIES, which began data collection in March 2024. While the annual and quinquennial census data provide levels of shipments and inventories for the manufacturing sector, they do not provide the data on a timely, monthly basis, necessary to monitor the current state of the economy. The monthly estimates are the only available data source for use as a trend series for evaluating current business conditions.

5. **If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

The actual panel of the M3 survey consists of approximately 3,000 companies. To reduce burden, the survey is not requested from companies with less than $500 million in annual shipments. However, for some of the industries made up primarily of small companies, the inclusion of several small companies is necessary to obtain sufficient coverage levels to produce reliable estimates. Because some companies have more than one business unit, we request data for approximately 5,000 reporting units that represent roughly 3,000 unique companies. For homogeneous companies that consist of a single business unit, the company is the reporting unit.

The U.S. Census Bureau requests data that are generally maintained in existing companies' records. To relieve response burden, data prepared on a company spreadsheet is acceptable.

Carefully prepared estimates are acceptable if book figures are not available.

6. **Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Estimates from the M3 survey are used extensively by government, private economists, and others to evaluate current economic conditions. New orders are considered a leading economic indicator because they signal future demand before it is reflected in production or shipments. They serve as an advance signal for future factory output, employment, and capital expenditure. The monthly manufacturing shipments and inventories estimates are important economic indicators and provide timely input for BEA's computation of NIPA. Monthly new orders data are needed by The Conference Board for calculation of the LEI. Less frequent data collection would create a serious gap in the economic information available to evaluate current economic conditions and to formulate economic policy. Moreover, these statistics provide current-to-previous month and year-to-year trend data that are essential for evaluating current manufacturing health and for forecasting broader economic trends.

7. **Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- requiring respondents to report information to the agency more often than quarterly;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in- aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The M3 survey is conducted monthly to meet the timeliness requirements documented in Section 6 above. As soon as the data can be accurately compiled, they are released to assist

government policy makers, business decision-makers, and other data users in monitoring the direction of the economy.

With the exception of the above, the M3 Survey is in compliance with the Office of Management and Budget (OMB) guidelines above.

8. **If applicable, provide a copy and identify the date and page number of publications in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

   Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

   A pre-submission notice was placed in the Federal Register on July 20, 2026, Published Document: 2026-14513 (91 FR 45236), Volume 91, Number 137, (pages 45236-45237), inviting the public and other Federal agencies to comment on the information collection.

   BEA submitted a letter supporting the M3 survey. This letter can be found in Attachment 2.

   We received two public comments in response to the Federal Register notice. The first expressed opposition to the continuation of the survey stating that the collection of this data is not a legitimate role of the federal government. In response, the Census Bureau notes that the M3 survey is legally authorized under Title 13, United States Code, Sections 131, 182, and 193, which grant the authority to conduct economic censuses and related current surveys. (Attachment 2.pdf)

   The second comment requested clarification regarding the phase-out of the paper data-collection method. Prior to the January 2026 discontinuation, of the 5,000 survey respondents, the program mailed 3,100 paper forms, and approximately 275 completed forms were returned via fax. On average, 1,800 respondents submitted their data using the internet instrument. We were unable to assess the effects of the transition to only digital collection because, between January and May 2026, the survey operations were compressed to support the timely release of this economic indicator’s data products following the lapse in federal funding that ended on November 12, 2025. (Attachment 2.pdf)

   There is an ongoing effort to request feedback from respondents in the online reporting instrument, Centurion, which is located within the burden statement in Attachment 3.

9. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

   The U.S. Census Bureau does not provide any payment or gifts to respondents for participating in

the M3 survey.

10. **Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If the collection requires a systems of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.**

    Data collected in these surveys are confidential under Title 13, Section 9 of the U.S. Code. We inform respondents of the voluntary and confidential nature of this survey in the initial mailing letter that we send to our contacts. This letter is available to respondents on our website at https://www.census.gov/manufacturing/m3/get_forms/index.html. The monthly mailing letter is included in Attachment 1. On a monthly basis, we inform respondents of the voluntary and confidential nature of this survey on the questionnaires/forms we provide as well as on our website. Screenshots of our electronic reporting instrument can be found in Attachment 4. The survey questionnaire/form is included in Attachments 5.

11. **Provide additional justification for any questions of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

    The M3 survey requests only routine business information that is generally available from existing company records and is not of a sensitive nature.

12. **Provide estimates of the hour burden of the collection of information.**

    - **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
    - **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.**
    - **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under 'Annual Cost to Federal Government' (Item #14).**

    Approximately 5,000 manufacturing reporting units are requested to report for the M3 survey each month.

Information Collection Instrument	Type of Respondent (e.g., Occupational Title)	# of Respondents (a)	Annual # of Responses/ Respondent (b)	Total # of Annual Responses (c) = (a) x (b)	Burden Hours/ Response (d)	Total Annual Burden Hours (e) = (c) x (d)
M3 Survey	Accountants	5,000	12	60,000	0.33333 (20 minutes)	20,000

We estimated the burden hours, 20 minutes, based on extensive contact with survey respondents. The estimated annual cost to the respondents is $899,200. We calculated this annual cost by multiplying the total burden hours by the average hourly wage of $44.96. (Occupational Employment and Wages - Bureau of Labor Statistics May 2024 National Occupational Employment and Wage Estimates; $44.96 represents the mean hourly wage of the full-time wage and salary earnings of accountants and auditors, SOC code 13-2011.) http://stats.bls.gov/oes/current/oes132011.htm Occupational Employment and Wage Statistics

13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet).

We do not expect respondents to incur any costs other than that of their time to respond. The information requested is of the type and scope normally maintained in company records and no special hardware or accounting software or system is necessary to provide answers for this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Furthermore, purchasing outside accounting or information collection services, if performed by the respondent, is part of usual business practices and not specifically required for this information collection.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

The total cost to the Federal Government for the M3 survey is expected to be relatively fixed over the upcoming three years at approximately $6.0 million per year, all paid by the U.S. Census Bureau. This estimate includes the cost for such things as data collection, processing, review of tabulated data, publication, equipment, overhead, support staff, etc.

15. Explain the reasons for any program changes or adjustments reported in ROCIS.

There have been no changes to the information collection since the last OMB approval.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The U.S. Census Bureau mails M3 survey letters to respondents roughly 4 business days prior to the end of the reference month. The due date is the 10th business day of the month following the closing of the reference month. Long-standing arrangements exist with most major manufacturing companies for filing dates that are consistent with the closing of their books.

An automated system screens the internet questionnaires for completeness and consistency when the data are keyed by respondents. Data are tabulated and edited, summary estimates are analyzed, and data tables are prepared.

The Monthly Advance Report on Durable Goods and the Monthly Advance Total Manufacturing Estimates are released approximately 18 working days after the end of the reference month at 8:30 a.m. The Monthly Full Report on Manufacturers' Shipments, Inventory and Orders is released approximately 23 working days after the end of the reference month at 10:00 a.m. (and 5 working days after the Advance Report).

An example of the Monthly Advance Report on Durable Goods is shown in Attachment 6, an example of the Monthly Advance Total Manufacturing Estimates is shown in Attachment 7, and an example of the Monthly Full Report Manufacturers' Shipments, Inventories, and Orders Report is shown in Attachment 8.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

U.S. Census Bureau plans to display the expiration date for OMB approval of the information collection on all instruments.

18. Explain each exception to the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

The agency certifies compliance with 5 CFR 1320.9 and the related provisions of 5 CFR 1320.8(b)(3).