

Frequently Asked Questions (FAQs) Hurricane Katrina's Effect on U.S. Manufacturing

What was the effect of Hurricane Katrina on U.S. total manufacturing for August?

We cannot quantify the effect of Hurricane Katrina on manufacturing for August 2005 as the Manufacturers' Shipments, Inventories and Orders Survey (M3) measures manufacturing activity on a national level and not at specific geographic areas. However, the 2002 Economic Census does measure shipments at the areas affected by the hurricane.

	2002 Shipments (\$1,000)	% of Total U.S.
U.S. Level	\$3,921,447,693	100.00%
New Orleans-Metairie-Bogalusa, LA CSA	27,102,598	0.69%
Baton Rouge-Pierre Part, LA CSA	26,178,759	0.67%
Mobile-Daphne-Fairhope, AL CSA	6,838,690	0.17%
Gulfport-Biloxi-Pascagoula, MS CSA	6,612,634	0.17%
Lafayette-Acadiana, LA CSA	3,782,304	0.10%
Houma-Bayou Cane-Thibodaux, LA MSA	1,115,516	0.03%
Morgan City, LA MSA	951,233	0.02%
Total Gulf Coast Metro Areas	\$72,581,734	1.85%

CSA = Combined Statistical Area MSA = Metropolitan Statistical Area

The areas affected by the hurricane ordinarily account for a minimal percentage of total U.S. shipments based on the 2002 Economic Census. Moreover, the effect of the hurricane on the national estimates in August would be much less since the hurricane only impacted the last three working days of August.

How does the survey account for businesses affected by the hurricane?

Large companies with multiple locations are asked to report total U. S. shipments, inventories, and orders for all manufacturing locations, including locations in the affected areas. Some companies located in the affected areas may have had difficulty reporting this month. M3 accounts for missing data through its estimation procedure.

Did you change your analytical procedures this month?

In addition to the usual analysis done every month, we reviewed independent data sources, discussed the effects of the hurricane with companies on the survey, and asked companies reporting a period not including the days affected by the hurricane to provide the additional information in order to accurately represent the entire month.

Do you have monthly estimates of shipments for the affected areas?

No. M3 is designed to estimate data at the United States level only.

Did you alter the seasonal adjustment options for August?

No. The review of the seasonal adjustment output and diagnostics did not indicate that adjustments to the options were necessary for August.

What do you plan to do for September shipments (and future months)?

We plan to monitor the situation and make adjustments if necessary.