

# Empire State Manufacturing Survey

Note: Survey responses were collected between August 2 and August 9.

Business activity declined in New York State, according to firms responding to the August 2023 *Empire State Manufacturing Survey*. The headline general business conditions index fell twenty points to -19.0. New orders and shipments fell significantly. Delivery times were steady, and inventories moved lower. Labor market indicators pointed to steady employment levels but a shorter average workweek. Input and selling price increases picked up, and capital spending plans firmed somewhat. Looking ahead, firms grew more optimistic about the six-month outlook.

## Activity Falls

Manufacturing activity declined in New York State, according to the August survey. The general business conditions index fell twenty points to -19.0, its first negative reading since

May. Sixteen percent of respondents reported that conditions had improved over the month, while thirty-five percent reported that conditions had worsened. The new orders index fell twenty-three points to -19.9, and the shipments index dropped twenty-six points to -12.3, pointing to a moderate decline in orders and shipments. The unfilled orders index remained negative at -6.8, a sign that unfilled orders continued to decline. The inventories index also remained negative at -9.7, indicating that inventories moved lower. The delivery times index came in at 1.9, suggesting delivery times were steady.

## Price Increases Pick Up, but from Low Levels

The index for number of employees came in at -1.4, indicating little change

in employment levels. The average workweek index fell to -10.7, indicating a decline in hours worked. Both the input and selling price indexes moved up several points, but from relatively low levels, pointing to a modest pickup in the pace of price increases.

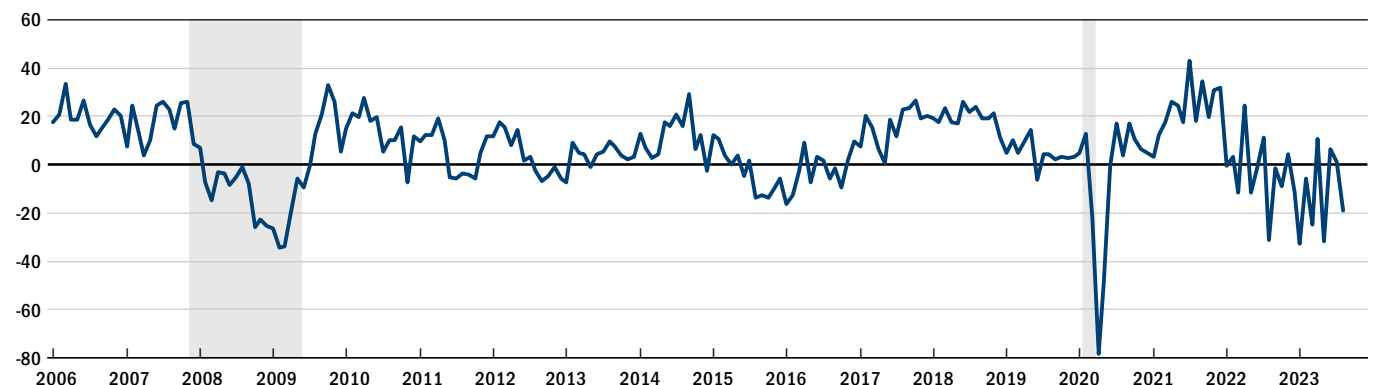
## Firms Becoming More Optimistic

The index for future business conditions rose six points to 19.9, its highest level in more than a year, suggesting firms have become more optimistic about future conditions. New orders and shipments are expected to increase significantly, and employment is expected to grow considerably. Input price increases are expected to pick up. The capital spending index climbed eleven points to 13.6, suggesting that capital spending plans firmed somewhat. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

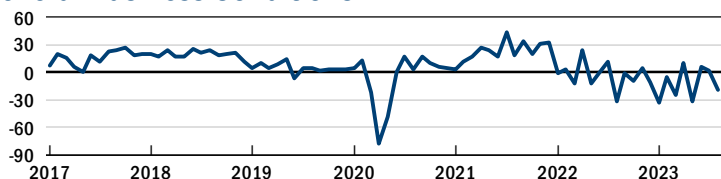


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

# Current Indicators

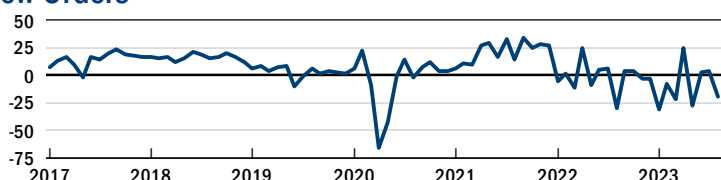
Change from Preceding Month

## General Business Conditions



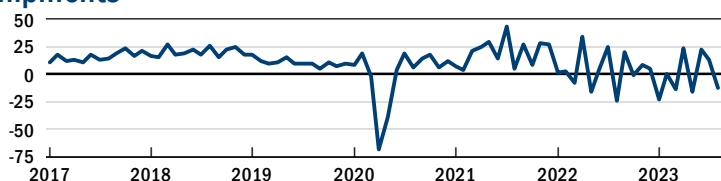
	Percent Reporting		Index
	Higher	Lower	
Jul	28.6	27.4	1.1
Aug	16.1	35.0	-19.0
Change			-20.1

## New Orders



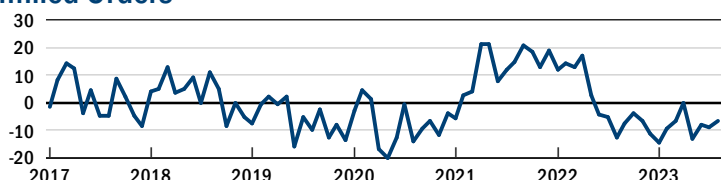
	Percent Reporting		Index
	Higher	Lower	
Jul	30.9	27.6	3.3
Aug	19.5	39.4	-19.9
Change			-23.2

## Shipments



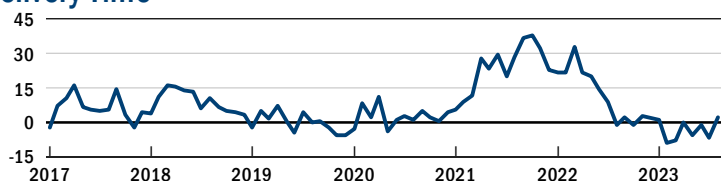
	Percent Reporting		Index
	Higher	Lower	
Jul	34.8	21.4	13.4
Aug	22.0	34.3	-12.3
Change			-25.7

## Unfilled Orders



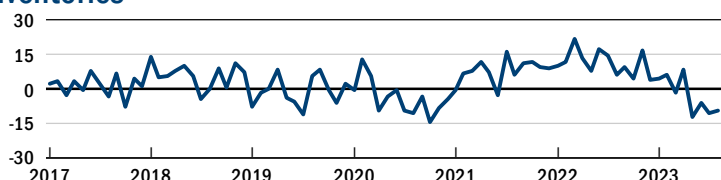
	Percent Reporting		Index
	Higher	Lower	
Jul	13.7	22.5	-8.8
Aug	16.5	23.3	-6.8
Change			2.0

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	11.8	18.6	-6.9
Aug	14.6	12.6	1.9
Change			8.8

## Inventories

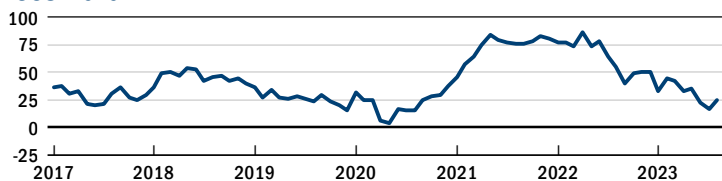


	Percent Reporting		Index
	Higher	Lower	
Jul	13.7	24.5	-10.8
Aug	14.6	24.3	-9.7
Change			1.1

# Current Indicators, *continued*

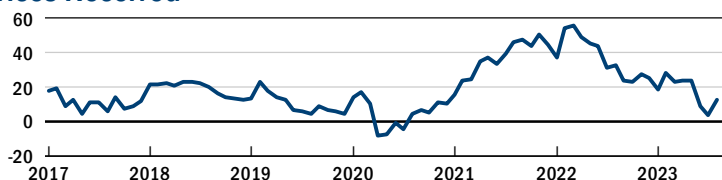
Change from Preceding Month

## Prices Paid



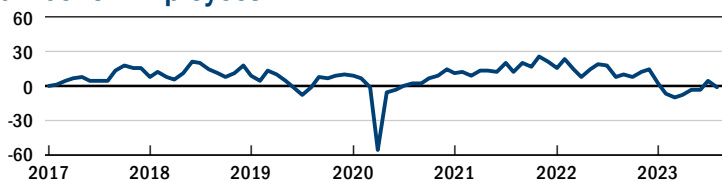
	Percent Reporting		Index
	Higher	Lower	
Jul	30.4	13.7	16.7
Aug	32.0	6.8	25.2
Change			8.5

## Prices Received



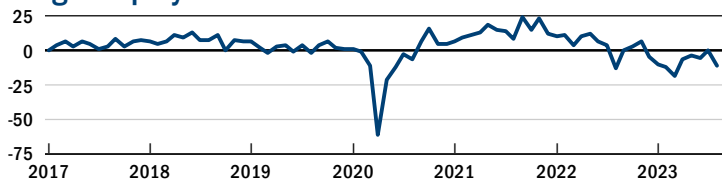
	Percent Reporting		Index
	Higher	Lower	
Jul	13.7	9.8	3.9
Aug	20.4	7.8	12.6
Change			8.7

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jul	17.6	12.9	4.7
Aug	14.1	15.5	-1.4
Change			-6.1

## Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Jul	11.7	11.4	0.3
Aug	9.6	20.2	-10.7
Change			-11.0

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

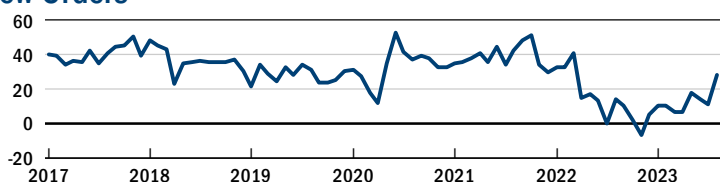
Expectations Six Months Ahead

## General Business Conditions



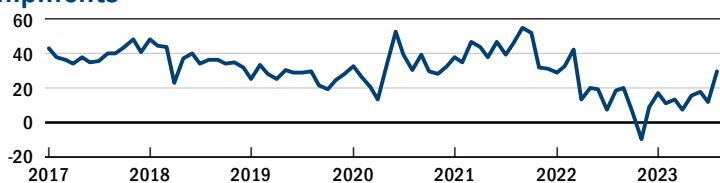
	Percent Reporting		Index
	Higher	Lower	
Jul	38.3	24.0	14.3
Aug	42.6	22.7	19.9
Change			5.6

## New Orders



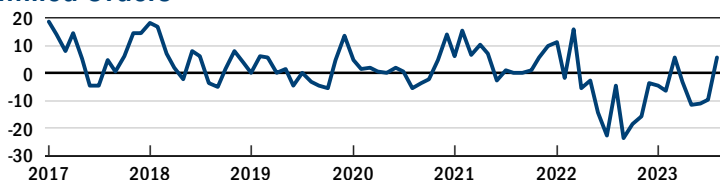
	Percent Reporting		Index
	Higher	Lower	
Jul	38.3	27.4	11.0
Aug	47.6	19.5	28.1
Change			17.1

## Shipments



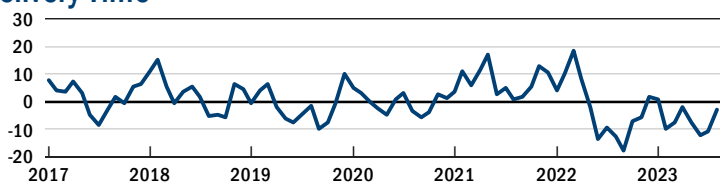
	Percent Reporting		Index
	Higher	Lower	
Jul	36.4	24.3	12.0
Aug	49.6	20.0	29.6
Change			17.6

## Unfilled Orders



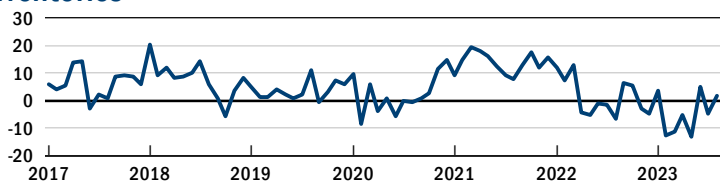
	Percent Reporting		Index
	Higher	Lower	
Jul	11.8	21.6	-9.8
Aug	21.4	15.5	5.8
Change			15.6

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	6.9	17.6	-10.8
Aug	13.6	16.5	-2.9
Change			7.9

## Inventories

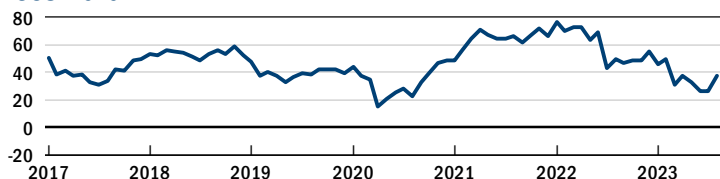


	Percent Reporting		Index
	Higher	Lower	
Jul	23.5	28.4	-4.9
Aug	23.3	21.4	1.9
Change			6.8

# Forward-Looking Indicators, *continued*

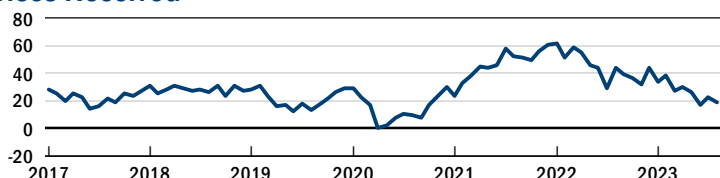
Expectations Six Months Ahead

## Prices Paid



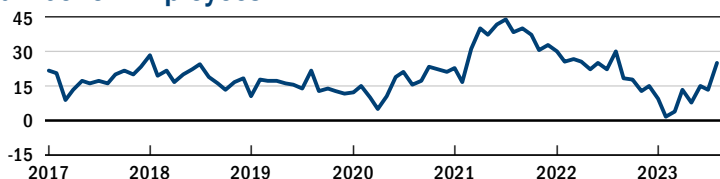
	Percent Reporting		Index
	Higher	Lower	
Jul	37.3	10.8	26.5
Aug	43.7	5.8	37.9
Change			11.4

## Prices Received



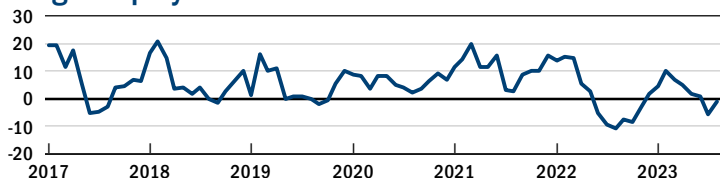
	Percent Reporting		Index
	Higher	Lower	
Jul	30.4	7.8	22.5
Aug	31.1	12.6	18.4
Change			-4.1

## Number of Employees



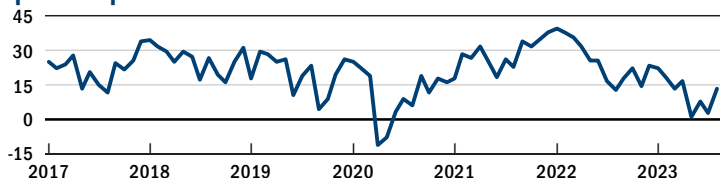
	Percent Reporting		Index
	Higher	Lower	
Jul	25.8	12.6	13.2
Aug	35.9	11.0	24.9
Change			11.7

## Average Employee Workweek



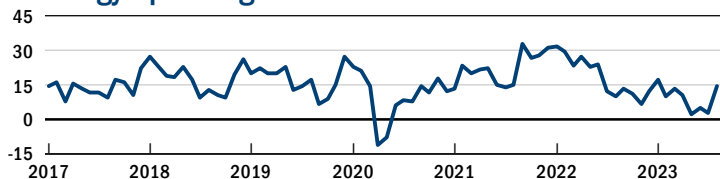
	Percent Reporting		Index
	Higher	Lower	
Jul	8.8	14.7	-5.9
Aug	14.6	15.5	-1.0
Change			4.9

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jul	21.6	18.6	2.9
Aug	26.2	12.6	13.6
Change			10.7

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jul	21.6	18.6	2.9
Aug	28.2	13.6	14.6
Change			11.7

Note: Data are seasonally adjusted.