

Empire State Manufacturing Survey

Note: Survey responses were collected between May 3 and May 10.

Business activity continued to grow at a solid clip in New York State, according to firms responding to the May 2021 *Empire State Manufacturing Survey*. The headline general business conditions index was little changed at 24.3. New orders and shipments continued to expand strongly, and unfilled orders increased. Delivery times lengthened significantly, and inventories moved somewhat higher. Employment levels grew modestly, and the average workweek increased. Both input prices and selling prices rose at a record-setting pace. Looking ahead, firms remained optimistic that conditions would improve over the next six months, and expected significant increases in employment and prices.

Activity Remains Vigorous

As occurred last month, manufacturing activity grew at a sturdy pace in

New York State in May. The general business conditions index edged down two points to 24.3. Thirty-seven percent of respondents reported that conditions had improved over the month, while 13 percent reported that conditions had worsened. The new orders index moved up two points to 28.9, a multi-year high, and the shipments index climbed five points to 29.7, pointing to another month of strong gains in orders and shipments. Unfilled orders increased. The delivery times index moved down five points, but at 23.6, it held near its record high from last month, pointing to significantly longer delivery times. Inventories moved somewhat higher.

Price Indexes Hit New Records

The index for number of employees held steady at 13.6, while the average workweek index climbed six points

to 18.7, indicating ongoing gains in employment and hours worked. Both price indexes reached record highs: the prices paid index rose nine points to 83.5, and the prices received index rose two points to 37.1.

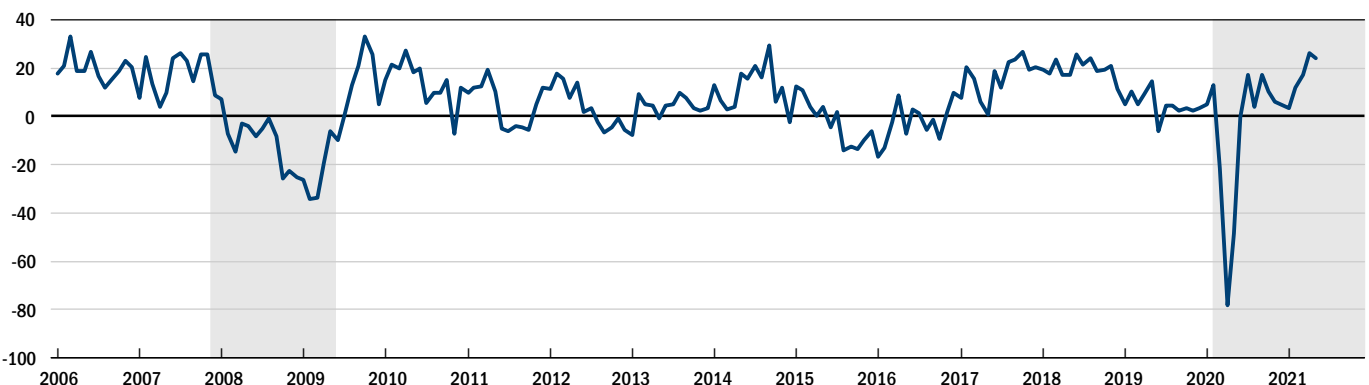
Further Price Increases and Strong Employment Growth Expected

The index for future business conditions was little changed at 36.6, suggesting that firms remained optimistic about future conditions. The indexes for future new orders and shipments also held at similar levels. The indexes for future prices paid and future prices received remained elevated. Firms on net expect to increase employment significantly in the months ahead. The capital expenditures index came in at 25.7, and the technology spending index was 22.1. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

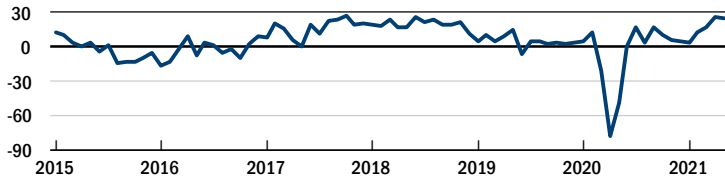


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

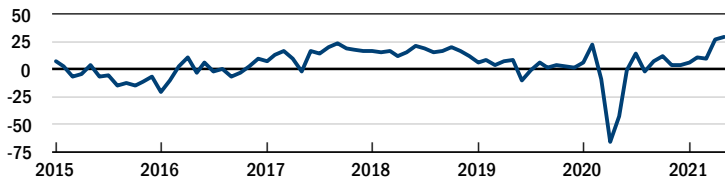
Change from Preceding Month

General Business Conditions



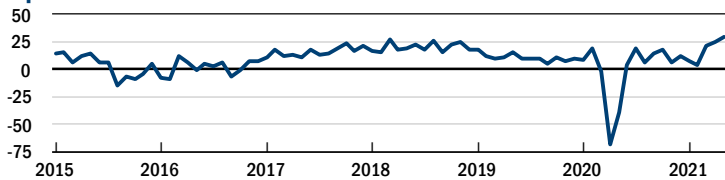
	Percent Reporting		Index
	Higher	Lower	
Apr	38.5	12.2	26.3
May	37.0	12.8	24.3
Change			-2.0

New Orders



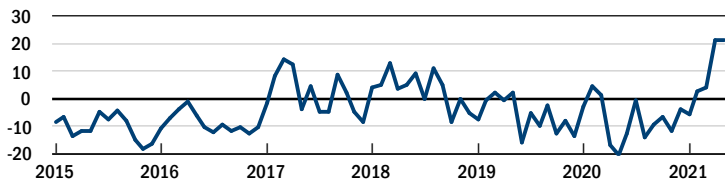
	Percent Reporting		Index
	Higher	Lower	
Apr	39.1	12.2	26.9
May	41.1	12.2	28.9
Change			2.0

Shipments



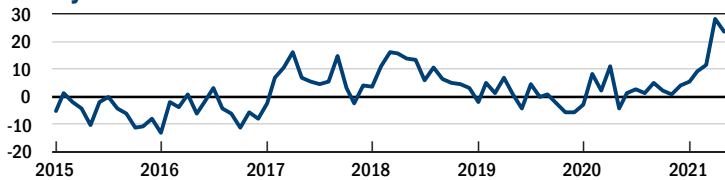
	Percent Reporting		Index
	Higher	Lower	
Apr	38.1	13.1	25.0
May	41.4	11.7	29.7
Change			4.7

Unfilled Orders



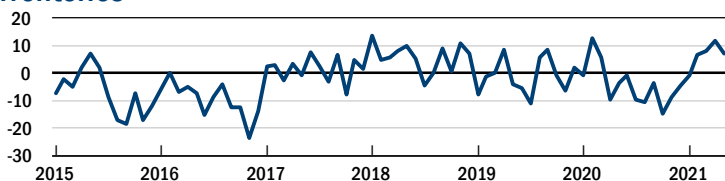
	Percent Reporting		Index
	Higher	Lower	
Apr	31.5	10.3	21.2
May	35.0	13.6	21.4
Change			0.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	30.8	2.7	28.1
May	30.0	6.4	23.6
Change			-4.5

Inventories

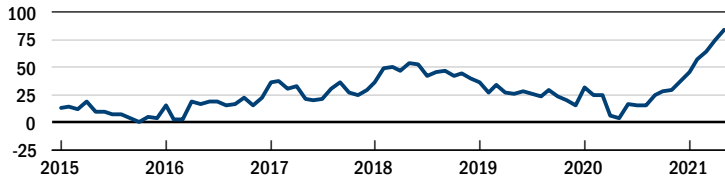


	Percent Reporting		Index
	Higher	Lower	
Apr	25.3	13.7	11.6
May	27.1	20.0	7.1
Change			-4.5

Current Indicators, *continued*

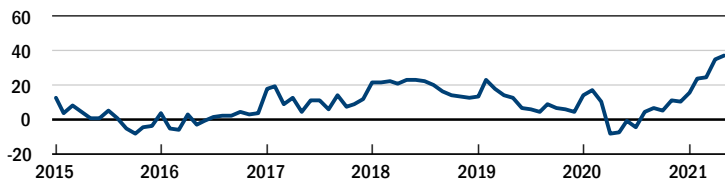
Change from Preceding Month

Prices Paid



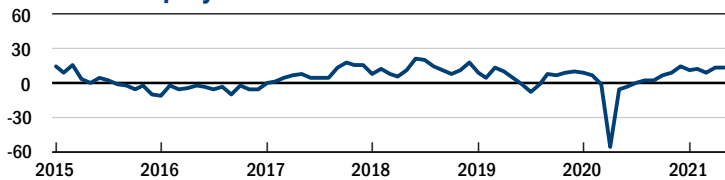
	Percent Reporting		Index
	Higher	Lower	
Apr	74.7	0.0	74.7
May	83.5	0.0	83.5
Change			8.8

Prices Received



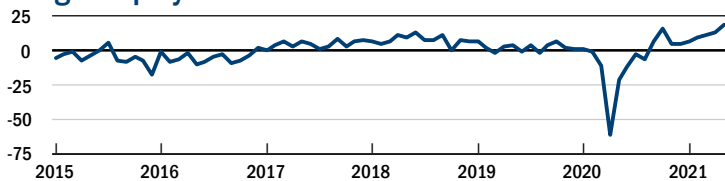
	Percent Reporting		Index
	Higher	Lower	
Apr	37.7	2.7	34.9
May	39.3	2.1	37.1
Change			2.2

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Apr	20.7	6.8	13.9
May	20.0	6.4	13.6
Change			-0.3

Average Employee Workweek



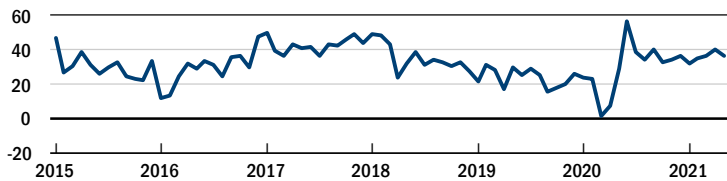
	Percent Reporting		Index
	Higher	Lower	
Apr	18.5	5.8	12.7
May	24.7	5.9	18.7
Change			6.0

Note: Data are seasonally adjusted.

Forward-Looking Indicators

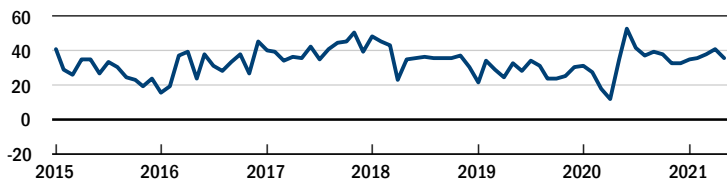
Expectations Six Months Ahead

General Business Conditions



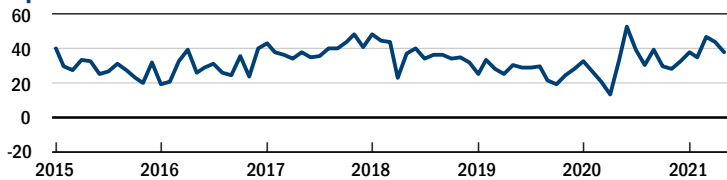
	Percent Reporting		Index
	Higher	Lower	
Apr	56.2	16.4	39.8
May	48.9	12.3	36.6
Change			-3.2

New Orders



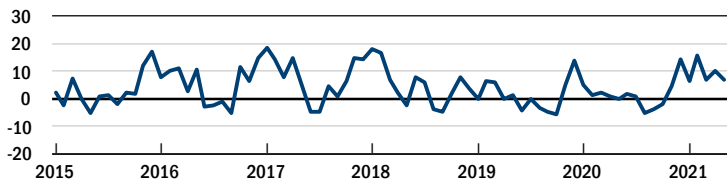
	Percent Reporting		Index
	Higher	Lower	
Apr	57.8	16.7	41.1
May	49.1	13.9	35.3
Change			-5.8

Shipments



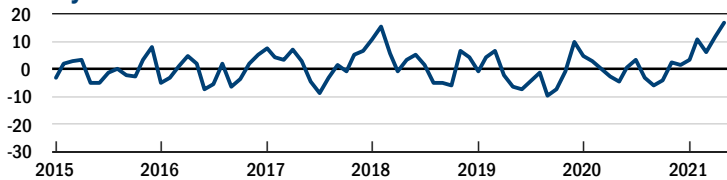
	Percent Reporting		Index
	Higher	Lower	
Apr	58.4	14.9	43.5
May	51.4	13.4	38.0
Change			-5.5

Unfilled Orders



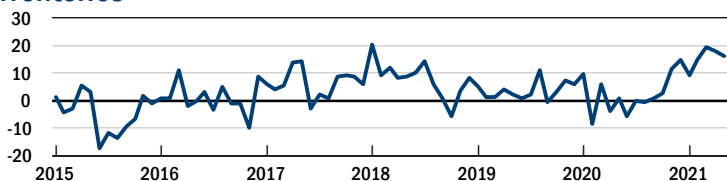
	Percent Reporting		Index
	Higher	Lower	
Apr	26.7	16.4	10.3
May	23.6	16.4	7.1
Change			-3.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	26.0	14.4	11.6
May	27.1	10.0	17.1
Change			5.5

Inventories

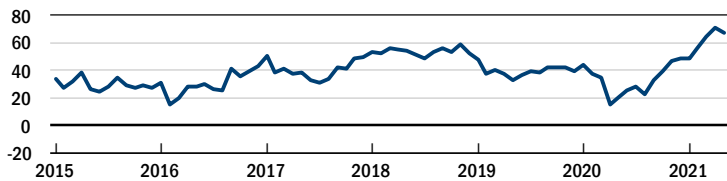


	Percent Reporting		Index
	Higher	Lower	
Apr	29.5	11.6	17.8
May	31.4	15.0	16.4
Change			-1.4

Forward-Looking Indicators, *continued*

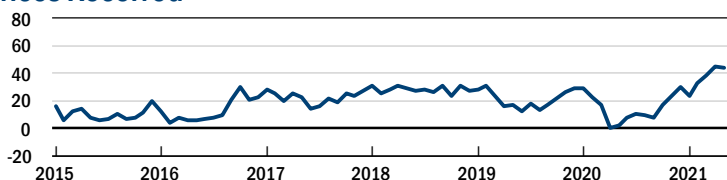
Expectations Six Months Ahead

Prices Paid



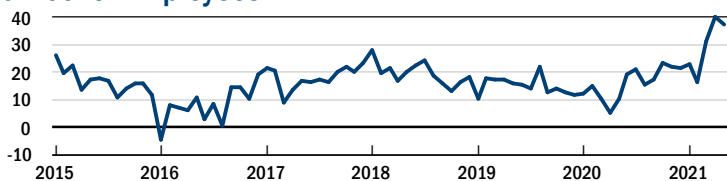
	Percent Reporting		Index
	Higher	Lower	
Apr	75.3	4.1	71.2
May	70.7	3.6	67.1
Change			-4.1

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Apr	49.3	4.1	45.2
May	47.9	4.3	43.6
Change			-1.6

Number of Employees



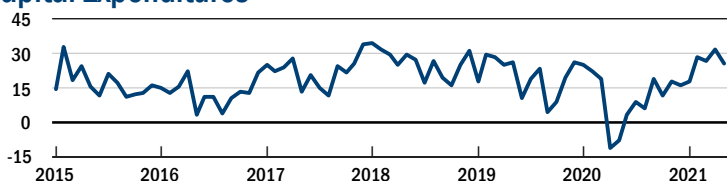
	Percent Reporting		Index
	Higher	Lower	
Apr	46.1	6.0	40.1
May	45.0	7.7	37.3
Change			-2.8

Average Employee Workweek



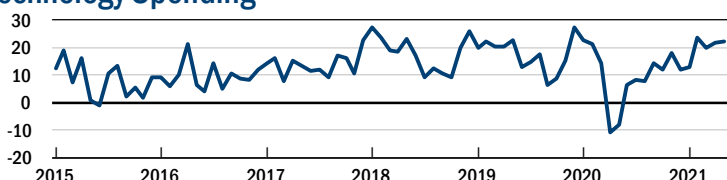
	Percent Reporting		Index
	Higher	Lower	
Apr	23.3	11.6	11.6
May	22.9	11.4	11.4
Change			-0.2

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Apr	39.0	7.5	31.5
May	33.6	7.9	25.7
Change			-5.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Apr	27.4	5.5	21.9
May	27.1	5.0	22.1
Change			0.2

Note: Data are seasonally adjusted.