

# Empire State Manufacturing Survey

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

Business activity expanded modestly in New York State, according to firms responding to the October 2020 *Empire State Manufacturing Survey*. The headline general business conditions index fell seven points to 10.5, pointing to a slower pace of growth than in September. New orders and shipments continued to increase, while unfilled orders continued to decline. Inventories moved lower, and delivery times were little changed. Manufacturers reported a small increase in employment, and a significantly longer average workweek. Input prices increased at about the same pace as last month, and selling prices continued to increase slightly. Looking ahead, firms remained optimistic that conditions would improve over the next six months, though optimism was somewhat lower than last month.

## Activity Continues to Expand

Manufacturing activity in New York State grew modestly in October. The general business conditions index fell seven points to 10.5, its fourth consecutive positive reading. Thirty-six percent of respondents reported that conditions had improved over the month, while 25 percent reported that conditions had worsened. The new orders index climbed five points to 12.3, and the shipments index rose four points to 17.8, indicating ongoing gains in orders and shipments. Delivery times were little changed, while unfilled orders and inventories declined.

## Average Workweek Substantially Longer This Month

The index for number of employees moved up five points to 7.2, indicating that employment levels grew. The average workweek

index rose nine points to 16.1, a multi-year high, signaling a significant increase in hours worked. The prices paid index was little changed at 27.8, a sign that input prices rose at the same pace as last month. The prices received index held fairly steady at 5.3, indicating a small increase in selling prices for a second consecutive month.

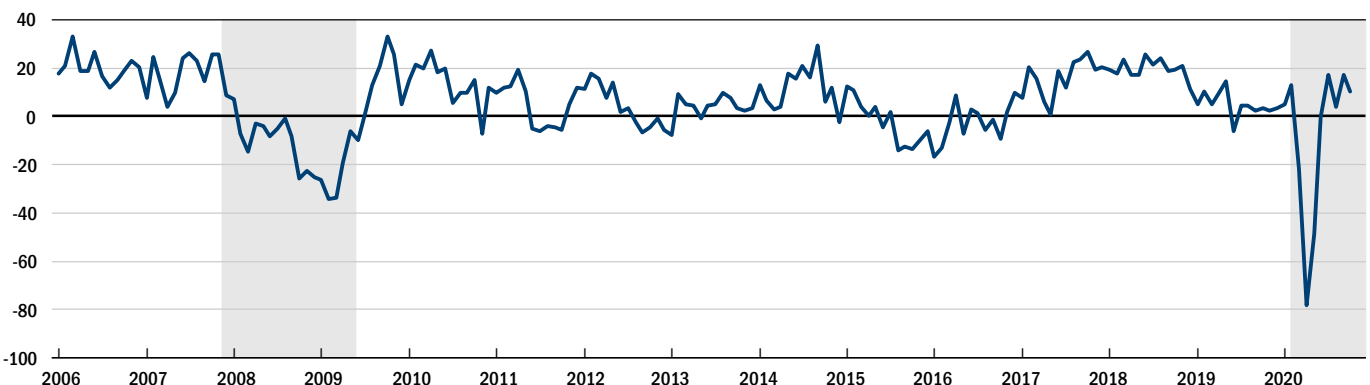
## Firms Remain Optimistic

The index for future business conditions fell eight points to 32.8, suggesting that firms remained optimistic about future conditions, but were somewhat less positive than last month. The indexes for future new orders and future shipments posted similar readings. The index for future employment climbed to 23.2, with 35 percent expecting to increase employment levels in the months ahead. The capital expenditures and technology spending indexes both fell to 11.9. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

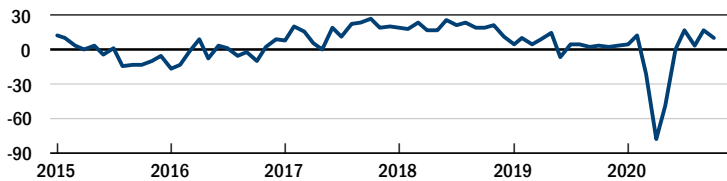


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

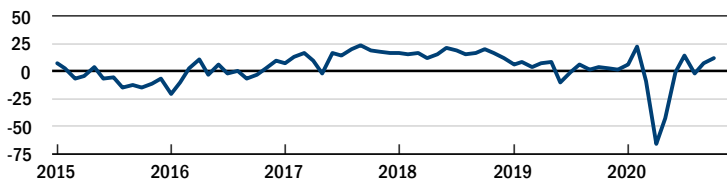
Change from Preceding Month

## General Business Conditions



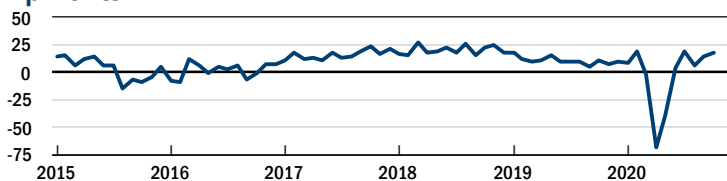
	Percent Reporting		Index
	Higher	Lower	
Sep	39.8	22.8	17.0
Oct	35.8	25.3	10.5
Change			-6.5

## New Orders



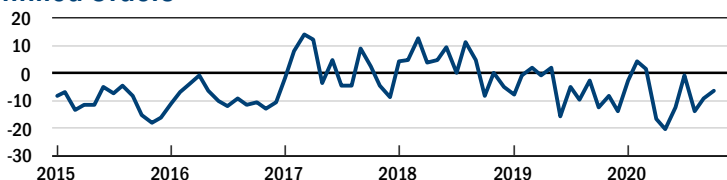
	Percent Reporting		Index
	Higher	Lower	
Sep	34.9	27.7	7.1
Oct	38.3	26.0	12.3
Change			5.2

## Shipments



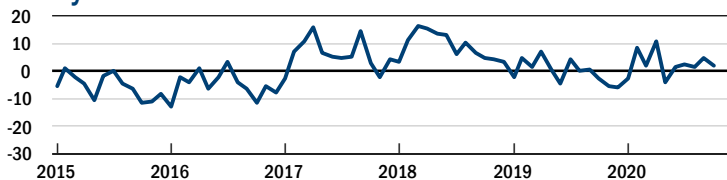
	Percent Reporting		Index
	Higher	Lower	
Sep	34.0	19.9	14.1
Oct	36.5	18.7	17.8
Change			3.7

## Unfilled Orders



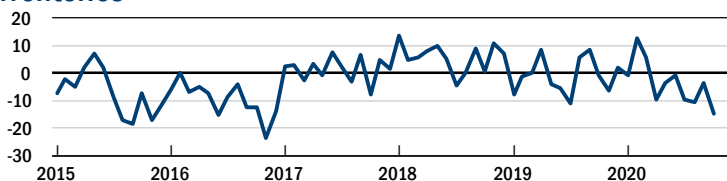
	Percent Reporting		Index
	Higher	Lower	
Sep	15.8	25.2	-9.4
Oct	17.2	23.8	-6.6
Change			2.8

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	19.4	14.4	5.0
Oct	17.2	15.2	2.0
Change			-3.0

## Inventories

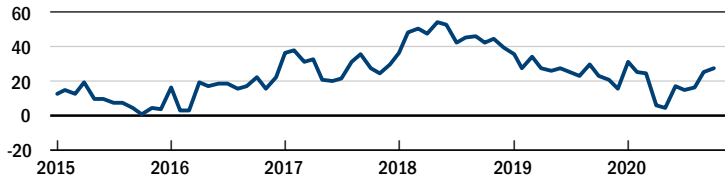


	Percent Reporting		Index
	Higher	Lower	
Sep	19.4	23.0	-3.6
Oct	14.6	29.1	-14.6
Change			-11.0

# Current Indicators, *continued*

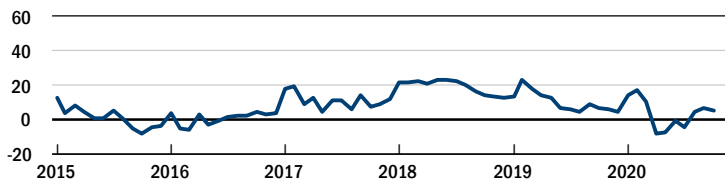
Change from Preceding Month

## Prices Paid



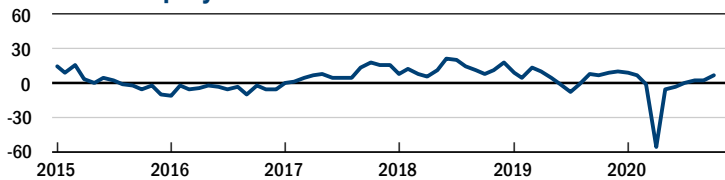
	Percent Reporting		Index
	Higher	Lower	
Sep	27.3	2.2	25.2
Oct	33.1	5.3	27.8
Change			2.6

## Prices Received



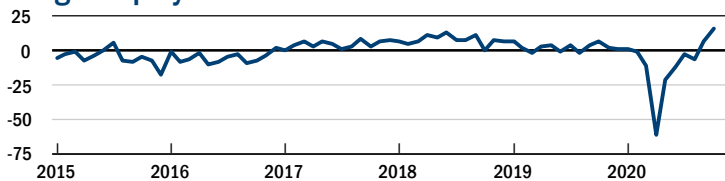
	Percent Reporting		Index
	Higher	Lower	
Sep	11.5	5.0	6.5
Oct	11.9	6.6	5.3
Change			-1.2

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Sep	16.6	14.0	2.6
Oct	20.4	13.2	7.2
Change			4.6

## Average Employee Workweek



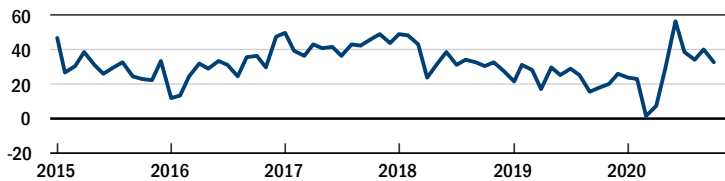
	Percent Reporting		Index
	Higher	Lower	
Sep	19.2	12.5	6.7
Oct	26.7	10.6	16.1
Change			9.4

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

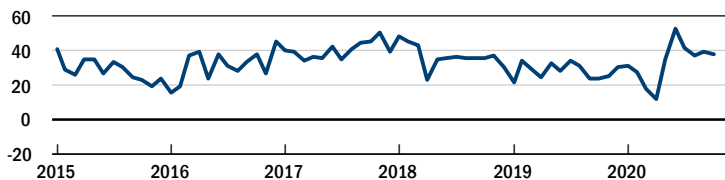
Expectations Six Months Ahead

## General Business Conditions



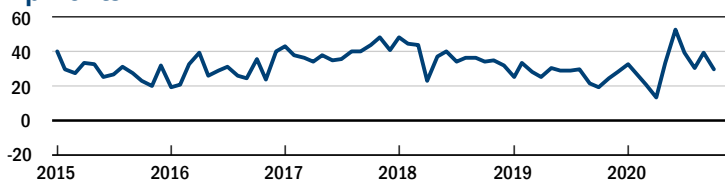
	Percent Reporting		Index
	Higher	Lower	
Sep	52.9	12.7	40.3
Oct	52.7	19.9	32.8
Change			-7.5

## New Orders



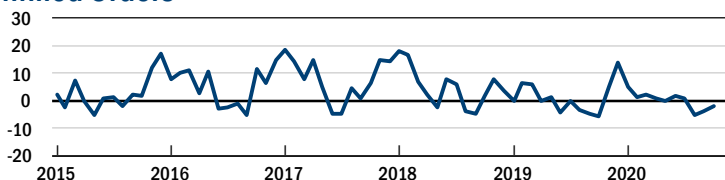
	Percent Reporting		Index
	Higher	Lower	
Sep	52.8	13.6	39.1
Oct	54.2	16.6	37.7
Change			-1.4

## Shipments



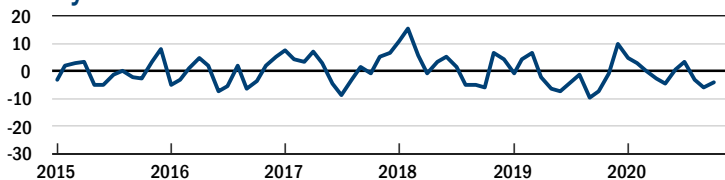
	Percent Reporting		Index
	Higher	Lower	
Sep	53.0	14.0	39.0
Oct	50.0	20.2	29.8
Change			-9.2

## Unfilled Orders



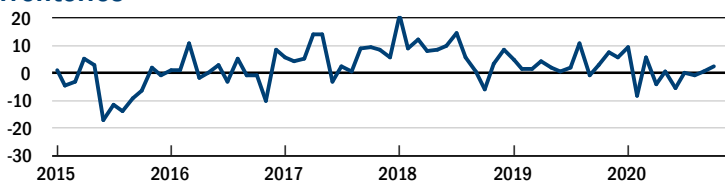
	Percent Reporting		Index
	Higher	Lower	
Sep	15.8	19.4	-3.6
Oct	15.9	17.9	-2.0
Change			1.6

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Sep	11.5	17.3	-5.8
Oct	12.6	16.6	-4.0
Change			1.8

## Inventories

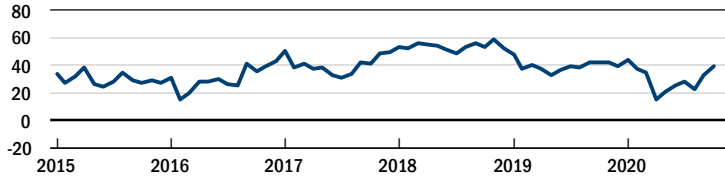


	Percent Reporting		Index
	Higher	Lower	
Sep	20.1	19.4	0.7
Oct	23.8	21.2	2.6
Change			1.9

# Forward-Looking Indicators, *continued*

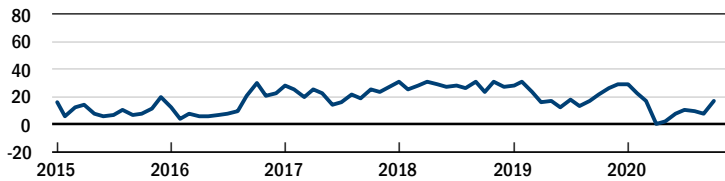
Expectations Six Months Ahead

## Prices Paid



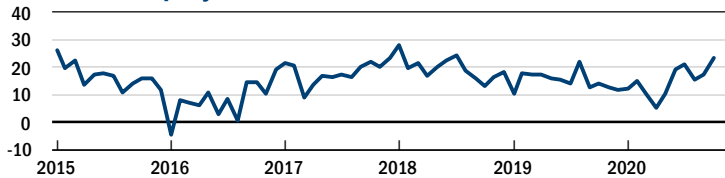
	Percent Reporting		Index
	Higher	Lower	
Sep	39.6	6.5	33.1
Oct	45.7	6.6	39.1
Change			6.0

## Prices Received



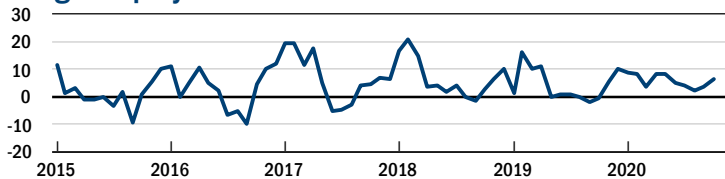
	Percent Reporting		Index
	Higher	Lower	
Sep	19.4	11.5	7.9
Oct	25.8	9.3	16.6
Change			8.7

## Number of Employees



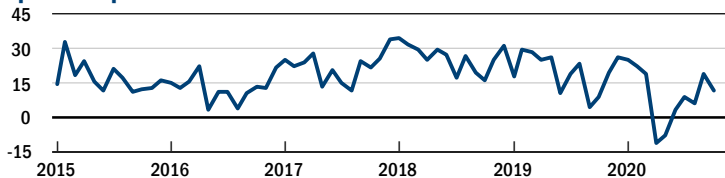
	Percent Reporting		Index
	Higher	Lower	
Sep	31.0	13.7	17.2
Oct	34.9	11.8	23.2
Change			6.0

## Average Employee Workweek



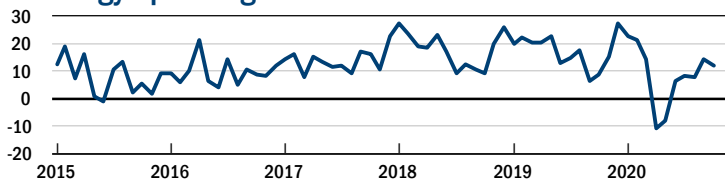
	Percent Reporting		Index
	Higher	Lower	
Sep	16.5	12.9	3.6
Oct	19.9	13.2	6.6
Change			3.0

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Sep	30.2	11.5	18.7
Oct	31.8	19.9	11.9
Change			-6.8

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Sep	23.0	8.6	14.4
Oct	27.8	15.9	11.9
Change			-2.5

Note: Data are seasonally adjusted.