

# Empire State Manufacturing Survey

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

Business activity edged slightly lower in New York State, according to firms responding to the February 2024 *Empire State Manufacturing Survey*. The headline general business conditions index rose forty-one points but remained negative at -2.4. New orders declined modestly, while shipments edged higher. Unfilled orders continued to shrink, and delivery times continued to shorten. Inventories declined. Employment levels were little changed, while the average workweek fell. The pace of input price increases picked up for a second straight month, and the pace of selling price increases also steepened. The six-month outlook improved, though optimism remained subdued.

## Headline Index Gains Ground, but Remains Negative

On the heels of a significant contraction last month, manufacturing activity shrank further in New York State, according to the February survey. After falling fifty-three points over the prior two months, the general business conditions index shot up forty-one points, but held below zero at -2.4. The new orders

### ECONOMIST COMMENTARY

“Manufacturing activity continued to edge slightly lower in New York State after contracting sharply in January, and price increases picked up. Firms’ optimism remained subdued.”

~Richard Deitz, Economic Research Advisor at the New York Fed

index climbed forty-three points to -6.3, pointing to an ongoing decline in orders, though at a slower pace than last month, and the shipments index increased thirty-four points to 2.8, indicating a small increase in shipments. The unfilled orders index came in at -9.6, a sign that unfilled orders continued to fall. The inventories index was little changed at -9.6, suggesting that inventories shrank modestly, and the delivery times index remained negative at -3.2, indicating shorter delivery times.

## Employment Holds Steady

The index for number of employees climbed to a level of around zero, suggesting employment levels were

unchanged, while the average workweek index came in at -4.7, pointing to a small decline in hours worked. The prices paid index moved higher for a second consecutive month, rising ten points to 33.0, and the prices received index climbed eight points to 17.0, pointing to a pickup in both input and selling price increases.

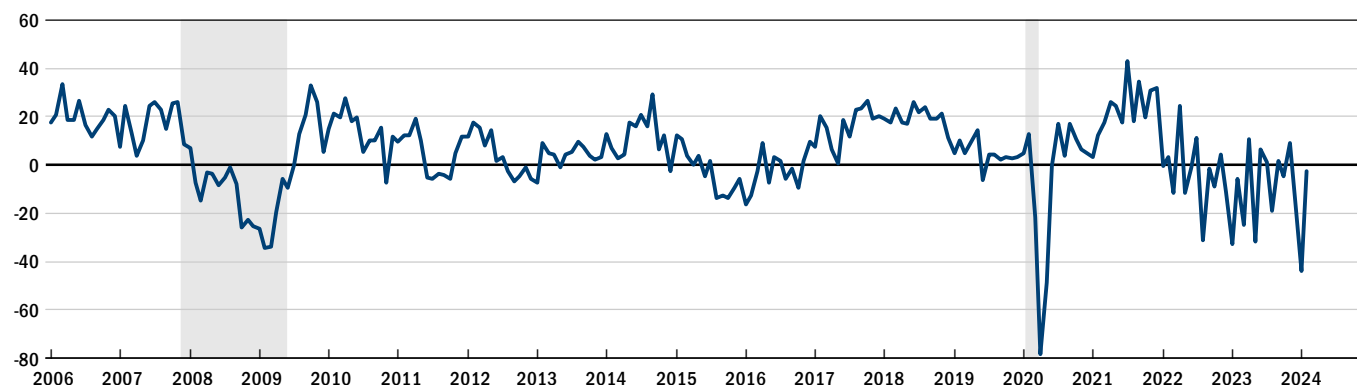
## Optimism Improves

Firms expect activity to grow over the next six months, though optimism remained subdued. The index for future business conditions edged up three points to 21.5. The capital spending index was little changed at 11.7, suggesting capital spending plans remained somewhat soft. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

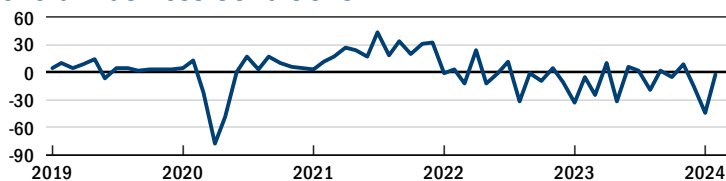


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

# Current Indicators

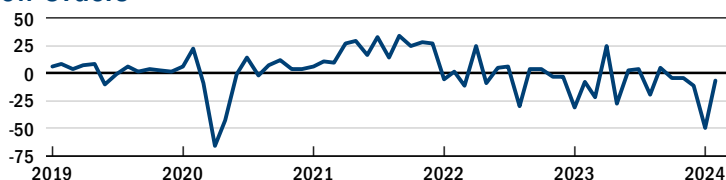
Change from Preceding Month

## General Business Conditions



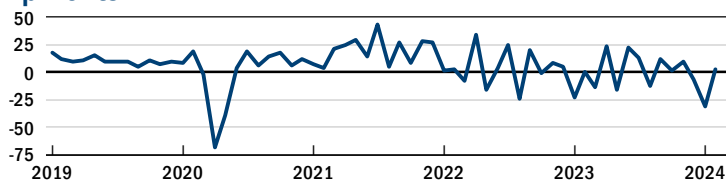
	Percent Reporting		Index
	Higher	Lower	
Jan	10.4	54.2	-43.7
Feb	32.4	34.8	-2.4
Change			41.3

## New Orders



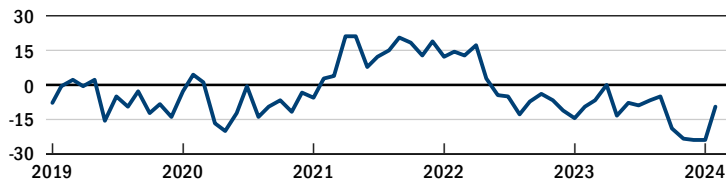
	Percent Reporting		Index
	Higher	Lower	
Jan	12.2	61.5	-49.4
Feb	33.0	39.3	-6.3
Change			43.1

## Shipments



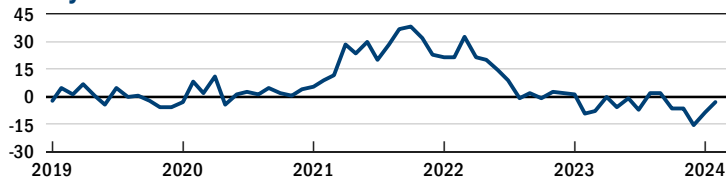
	Percent Reporting		Index
	Higher	Lower	
Jan	14.6	45.9	-31.3
Feb	34.4	31.5	2.8
Change			34.1

## Unfilled Orders



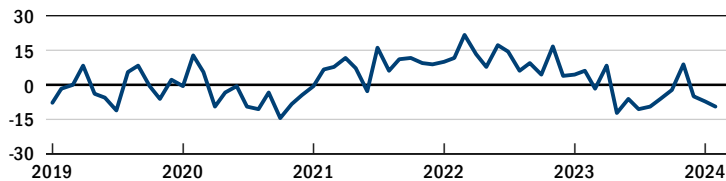
	Percent Reporting		Index
	Higher	Lower	
Jan	5.3	29.5	-24.2
Feb	16.0	25.5	-9.6
Change			14.6

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jan	5.3	13.7	-8.4
Feb	13.8	17.0	-3.2
Change			5.2

## Inventories

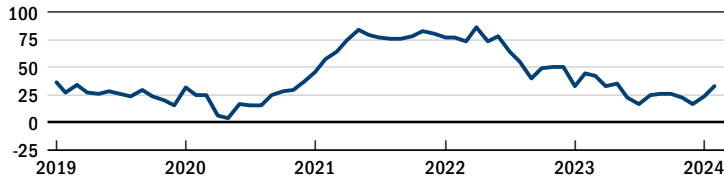


	Percent Reporting		Index
	Higher	Lower	
Jan	16.8	24.2	-7.4
Feb	16.0	25.5	-9.6
Change			-2.2

# Current Indicators, *continued*

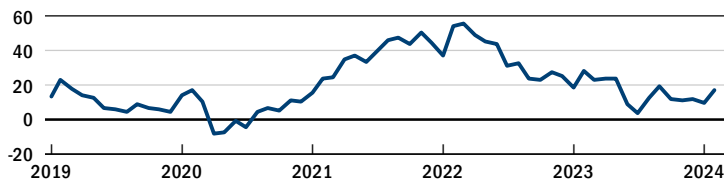
Change from Preceding Month

## Prices Paid



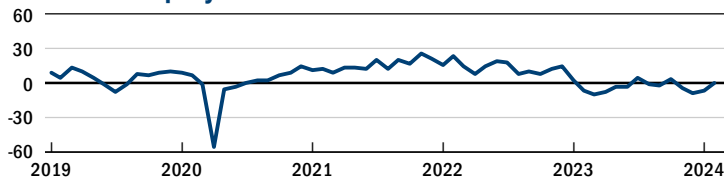
	Percent Reporting		Index
	Higher	Lower	
Jan	25.3	2.1	23.2
Feb	37.2	4.3	33.0
Change			9.8

## Prices Received



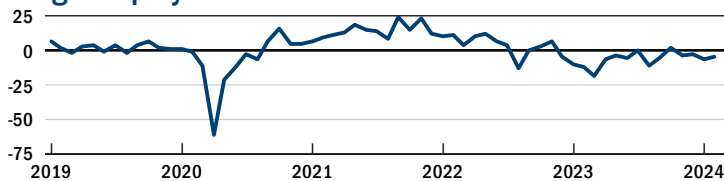
	Percent Reporting		Index
	Higher	Lower	
Jan	11.6	2.1	9.5
Feb	21.3	4.3	17.0
Change			7.5

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jan	7.5	14.4	-6.9
Feb	12.6	12.7	-0.2
Change			6.7

## Average Employee Workweek



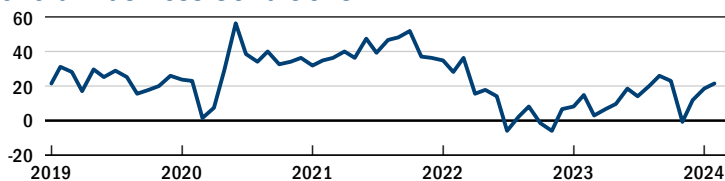
	Percent Reporting		Index
	Higher	Lower	
Jan	10.0	16.1	-6.1
Feb	16.3	21.0	-4.7
Change			1.4

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

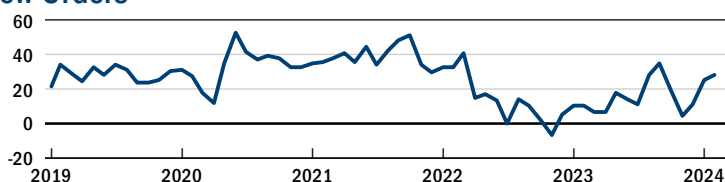
Expectations Six Months Ahead

## General Business Conditions



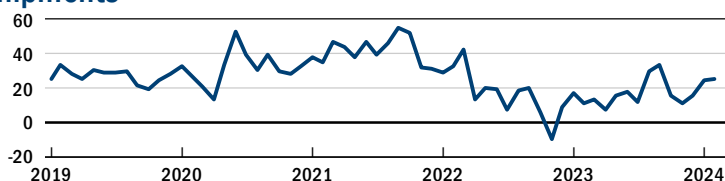
	Percent Reporting		Index
	Higher	Lower	
Jan	39.9	21.0	18.8
Feb	41.1	19.6	21.5
Change			2.7

## New Orders



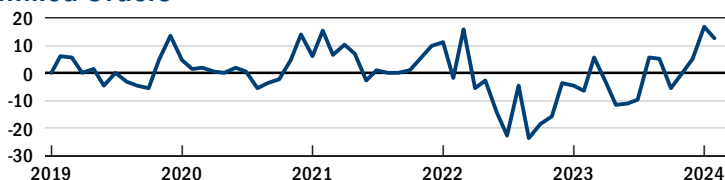
	Percent Reporting		Index
	Higher	Lower	
Jan	44.0	18.7	25.2
Feb	46.6	18.3	28.3
Change			3.1

## Shipments



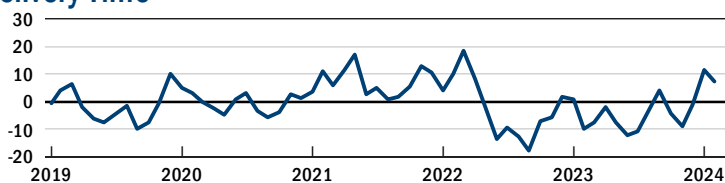
	Percent Reporting		Index
	Higher	Lower	
Jan	41.5	17.0	24.6
Feb	42.8	17.5	25.3
Change			0.7

## Unfilled Orders



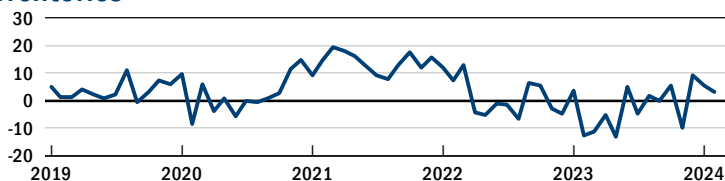
	Percent Reporting		Index
	Higher	Lower	
Jan	23.2	6.3	16.8
Feb	22.3	9.6	12.8
Change			-4.0

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jan	16.8	5.3	11.6
Feb	14.9	7.4	7.4
Change			-4.2

## Inventories

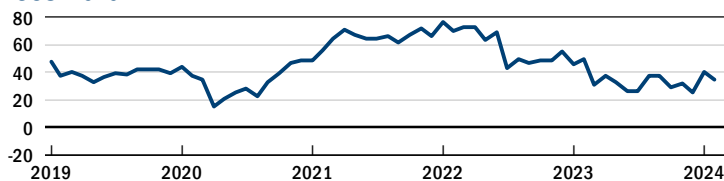


	Percent Reporting		Index
	Higher	Lower	
Jan	22.1	16.8	5.3
Feb	23.4	20.2	3.2
Change			-2.1

# Forward-Looking Indicators, *continued*

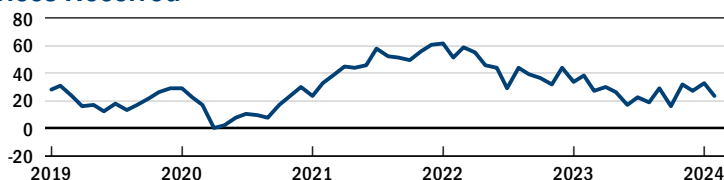
Expectations Six Months Ahead

## Prices Paid



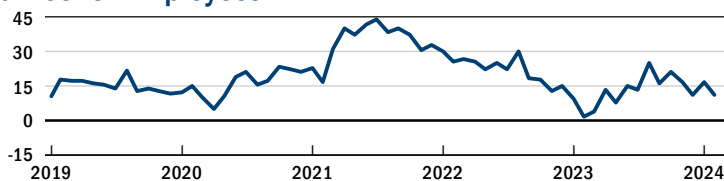
	Percent Reporting		Index
	Higher	Lower	
Jan	42.1	2.1	40.0
Feb	40.4	5.3	35.1
Change			-4.9

## Prices Received



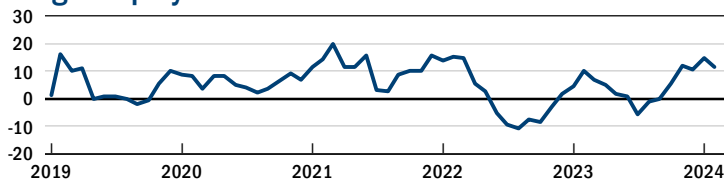
	Percent Reporting		Index
	Higher	Lower	
Jan	38.9	6.3	32.6
Feb	29.8	6.4	23.4
Change			-9.2

## Number of Employees



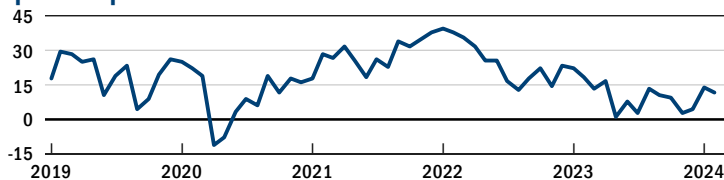
	Percent Reporting		Index
	Higher	Lower	
Jan	26.9	10.1	16.8
Feb	26.1	15.1	11.0
Change			-5.8

## Average Employee Workweek



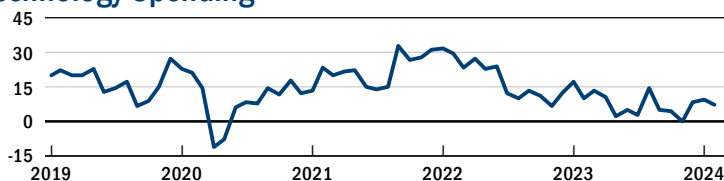
	Percent Reporting		Index
	Higher	Lower	
Jan	18.9	4.2	14.7
Feb	21.3	9.6	11.7
Change			-3.0

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jan	29.5	15.8	13.7
Feb	27.7	16.0	11.7
Change			-2.0

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jan	27.4	17.9	9.5
Feb	22.3	14.9	7.4
Change			-2.1

Note: Data are seasonally adjusted.