

Empire State Manufacturing Survey

Business activity was little changed in New York State, according to firms responding to the September 2019 *Empire State Manufacturing Survey*. The headline general business conditions index edged down three points to 2.0. New orders were marginally higher than last month, and shipments grew modestly. Delivery times were steady, and inventories increased. Employment levels expanded, while the average workweek held steady. Both input prices and selling prices increased at a faster pace than last month. Indexes assessing the six-month outlook indicated that optimism about future conditions deteriorated noticeably, and capital spending plans weakened markedly.

Growth Remains Sluggish

Manufacturing firms in New York State reported that business activity was little changed from last month. The general

business conditions index moved down three points to 2.0. Twenty-seven percent of respondents reported that conditions had improved over the month, while 25 percent reported that conditions had worsened. The new orders index fell three points to 3.5, pointing to a small increase in orders. The shipments index fell four points to 5.8, its lowest level in nearly three years. The unfilled orders index remained negative for a fourth consecutive month, indicating that unfilled orders continued to decline. Delivery times were steady, and inventories climbed.

Employment Rises

After spending three months in negative territory, the index for number of employees rose to 9.7, pointing to an increase in employment levels, while the average workweek index came in at 1.7,

indicating little change in hours worked. Prices increased at a faster pace than last month: the prices paid index moved up six points to 29.4, and the prices received index climbed five points to 9.2.

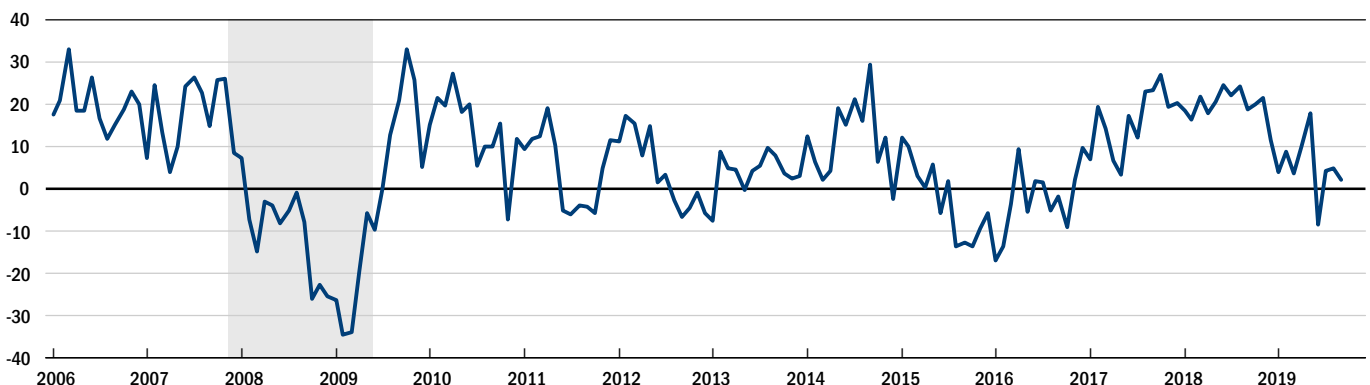
Optimism Slips

Indexes assessing the six-month outlook suggested that optimism about future conditions waned. The index for future business conditions fell twelve points to 13.7. The indexes for future new orders and shipments also moved lower. Firms expected increases in employment levels but no change in the average workweek in the months ahead. The capital expenditures index plunged nineteen points to 4.6, its lowest level in three years, and the technology spending index fell to 6.5, also a multi-year low. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

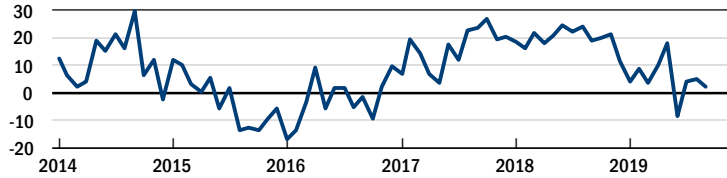


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

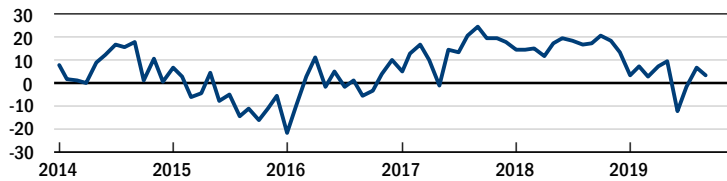
Change from Preceding Month

General Business Conditions



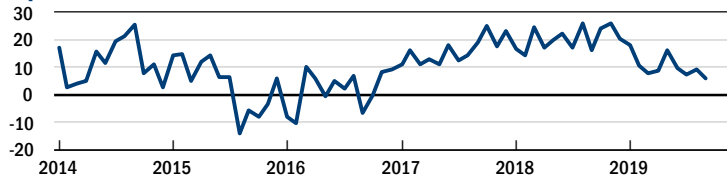
	Percent Reporting		Index
	Higher	Lower	
Aug	27.2	22.4	4.8
Sep	27.0	25.1	2.0
Change			-2.8

New Orders



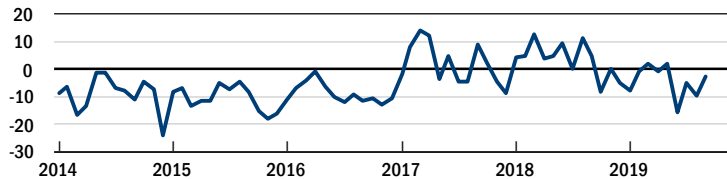
	Percent Reporting		Index
	Higher	Lower	
Aug	29.9	23.2	6.7
Sep	30.8	27.3	3.5
Change			-3.2

Shipments



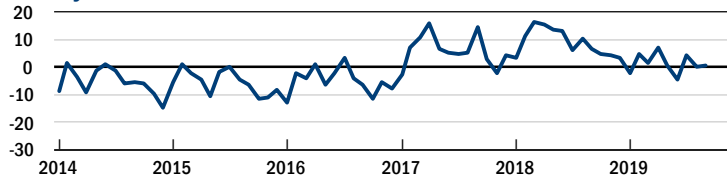
	Percent Reporting		Index
	Higher	Lower	
Aug	31.6	22.3	9.3
Sep	32.2	26.4	5.8
Change			-3.5

Unfilled Orders



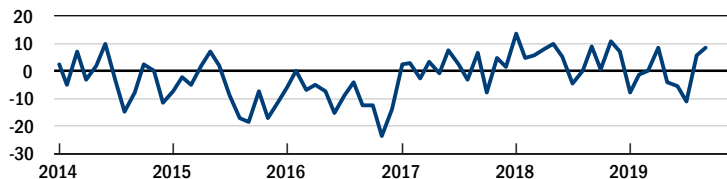
	Percent Reporting		Index
	Higher	Lower	
Aug	13.5	23.2	-9.7
Sep	14.4	17.0	-2.6
Change			7.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	13.5	13.5	0.0
Sep	14.4	13.7	0.7
Change			0.7

Inventories

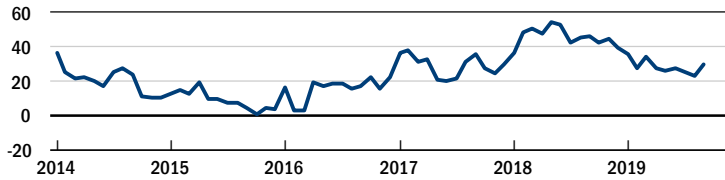


	Percent Reporting		Index
	Higher	Lower	
Aug	23.2	17.4	5.8
Sep	29.4	20.9	8.5
Change			2.7

Current Indicators, *continued*

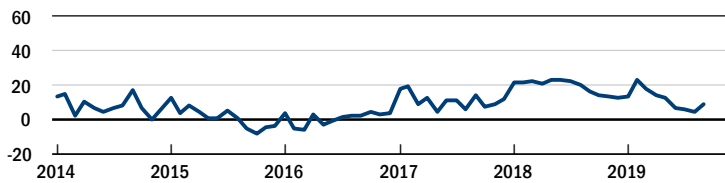
Change from Preceding Month

Prices Paid



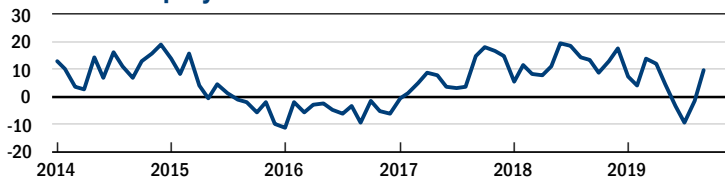
	Percent Reporting		Index
	Higher	Lower	
Aug	27.7	4.5	23.2
Sep	34.6	5.2	29.4
Change			6.2

Prices Received



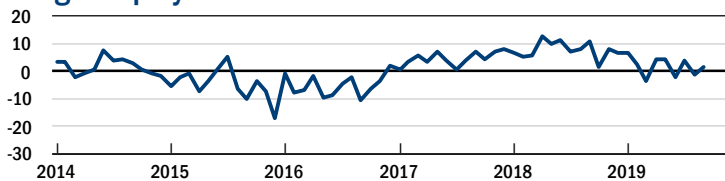
	Percent Reporting		Index
	Higher	Lower	
Aug	11.0	6.5	4.5
Sep	14.4	5.2	9.2
Change			4.7

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Aug	13.6	15.2	-1.6
Sep	21.0	11.3	9.7
Change			11.3

Average Employee Workweek



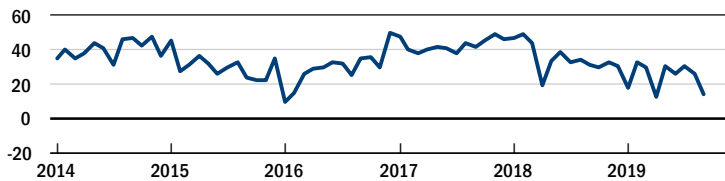
	Percent Reporting		Index
	Higher	Lower	
Aug	10.5	11.8	-1.3
Sep	18.3	16.6	1.7
Change			3.0

Note: Data are seasonally adjusted.

Forward-Looking Indicators

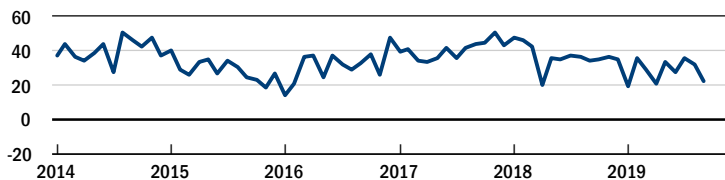
Expectations Six Months Ahead

General Business Conditions



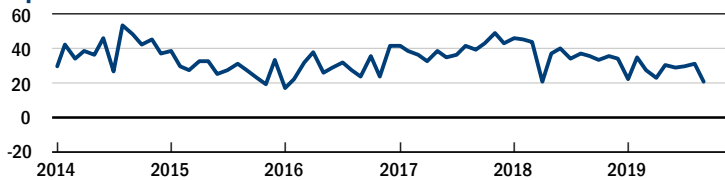
	Percent Reporting		Index
	Higher	Lower	
Aug	42.6	16.9	25.7
Sep	36.6	22.9	13.7
Change			-12.0

New Orders



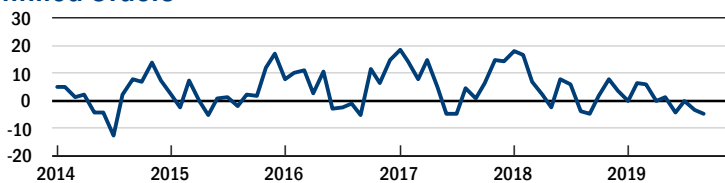
	Percent Reporting		Index
	Higher	Lower	
Aug	46.4	14.6	31.7
Sep	42.6	20.7	21.9
Change			-9.8

Shipments



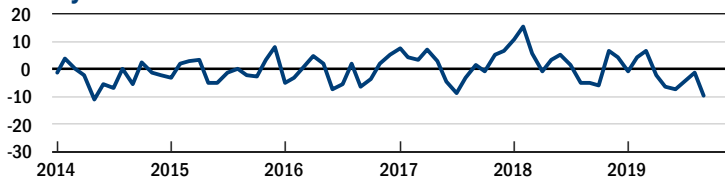
	Percent Reporting		Index
	Higher	Lower	
Aug	47.7	16.5	31.1
Sep	40.9	20.5	20.4
Change			-10.7

Unfilled Orders



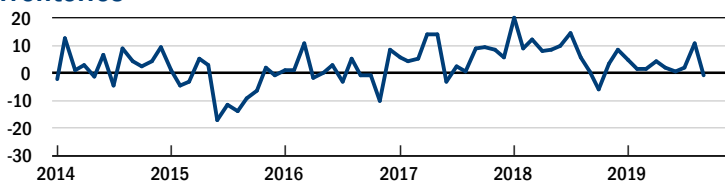
	Percent Reporting		Index
	Higher	Lower	
Aug	12.9	16.1	-3.2
Sep	14.4	19.0	-4.6
Change			-1.4

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	12.3	13.5	-1.3
Sep	9.8	19.6	-9.8
Change			-8.5

Inventories

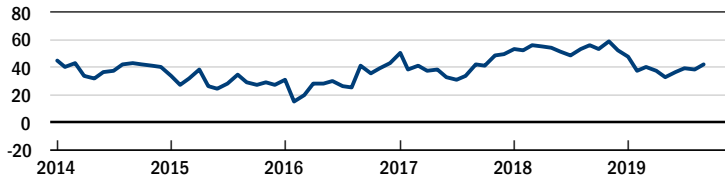


	Percent Reporting		Index
	Higher	Lower	
Aug	29.0	18.1	11.0
Sep	24.2	24.8	-0.7
Change			-11.7

Forward-Looking Indicators, *continued*

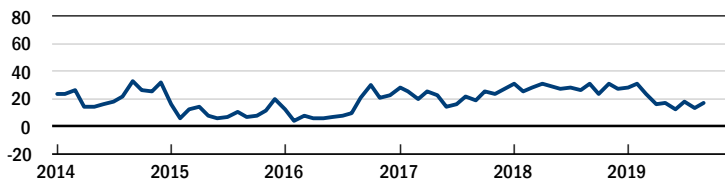
Expectations Six Months Ahead

Prices Paid



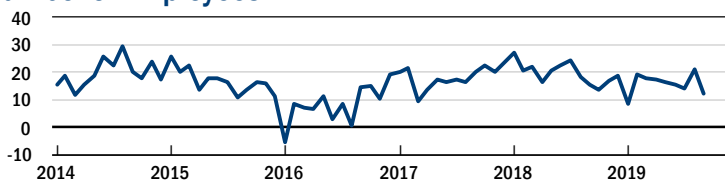
	Percent Reporting		Index
	Higher	Lower	
Aug	41.9	3.9	38.1
Sep	48.4	5.9	42.5
Change			4.4

Prices Received



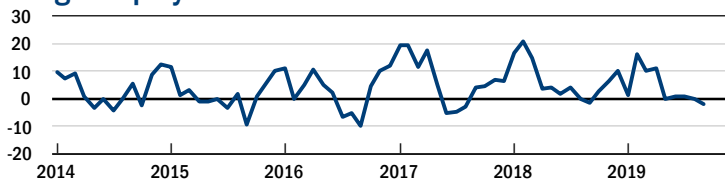
	Percent Reporting		Index
	Higher	Lower	
Aug	23.2	10.3	12.9
Sep	24.8	7.8	17.0
Change			4.1

Number of Employees



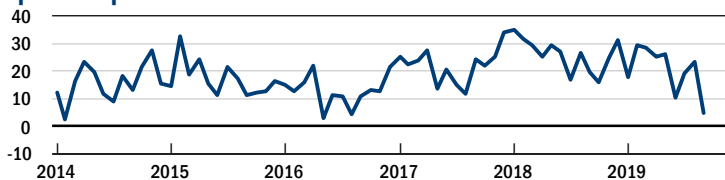
	Percent Reporting		Index
	Higher	Lower	
Aug	35.6	14.5	21.1
Sep	25.9	13.7	12.1
Change			-9.0

Average Employee Workweek



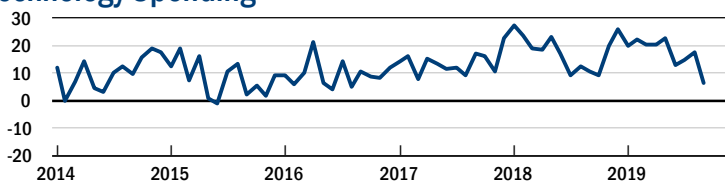
	Percent Reporting		Index
	Higher	Lower	
Aug	18.1	18.1	0.0
Sep	13.7	15.7	-2.0
Change			-2.0

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Aug	32.9	9.7	23.2
Sep	24.2	19.6	4.6
Change			-18.6

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Aug	27.1	9.7	17.4
Sep	19.6	13.1	6.5
Change			-10.9

Note: Data are seasonally adjusted.