

# Empire State Manufacturing Survey

Note: Survey responses were collected between July 5 and July 11.

Business activity increased modestly in New York State, according to firms responding to the July 2022 *Empire State Manufacturing Survey*. The headline general business conditions index climbed twelve points to 11.1. New orders increased marginally, and shipments expanded significantly. Unfilled orders edged lower for a second consecutive month. Delivery times lengthened at the slowest pace in months, and inventories picked up. Labor market indicators pointed to a solid increase in employment and a slightly longer average workweek. While still elevated, both the prices paid and prices received indexes moved significantly lower, pointing to a deceleration in price increases. Firms turned pessimistic about the six-month outlook, a rare occurrence in the survey's history.

## Activity Grows Modestly

Manufacturing activity expanded modestly in New York State, according to the July survey. The general business

conditions index climbed twelve points to 11.1. Thirty-four percent of respondents reported that conditions had improved over the month, and twenty-three percent reported that conditions had worsened. The new orders index was little changed at 6.2, pointing to a small increase in orders, while the shipments index surged to 25.3, indicating strong growth in shipments. The unfilled orders index held steady at -5.2, indicating that unfilled orders shrank for a second consecutive month. The delivery times index fell for a third consecutive month, declining six points to 8.7, suggesting that delivery times lengthened, though at the slowest pace in over a year. The inventories index was little changed at 14.8, signaling that inventories expanded.

## Employment Growth Remains Solid

The index for number of employees held steady at 18.0, pointing to a solid increase in employment, and the average

workweek index came in at 4.3, indicating a slight increase in hours worked. While they remained elevated, price indexes moved notably lower, indicating a deceleration in price increases. The prices paid index fell fourteen points to 64.3, and the prices received index moved down twelve points to 31.3.

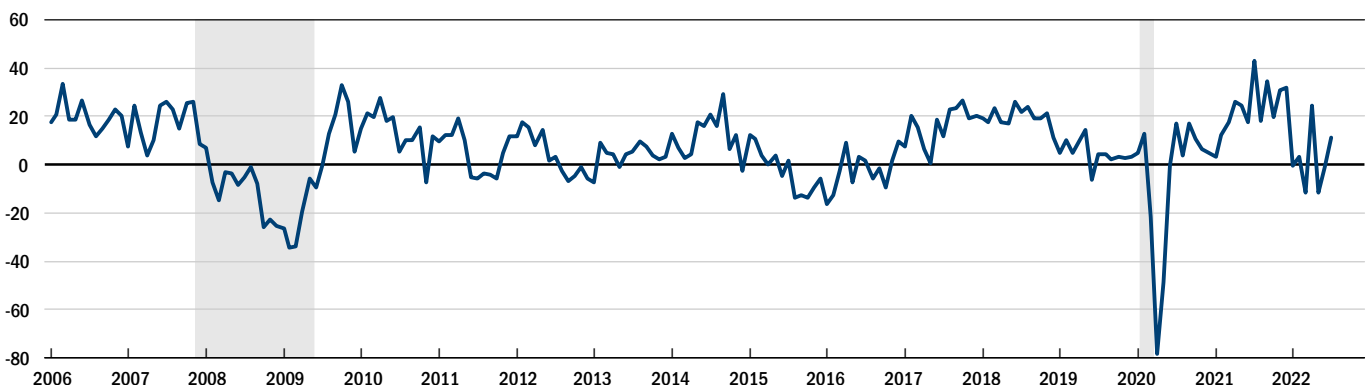
## Firms Turn Pessimistic

Firms now expect activity to decline over the next six months, a sentiment only expressed three other times in the survey's history. The index for future business conditions plunged twenty points to -6.2. Orders are not expected to increase, and shipments are expected to be only slightly higher. Delivery times and unfilled orders are expected to decline over the next six months, and expected price increases were lower than in recent months. The capital spending and technology spending indexes fell, but remained positive. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

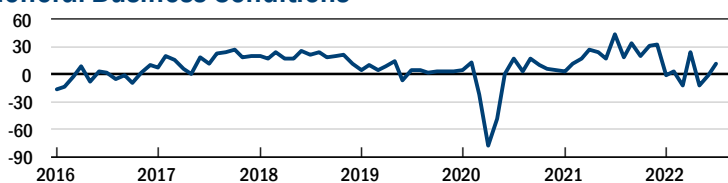


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

# Current Indicators

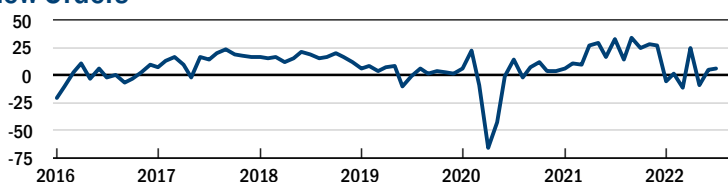
Change from Preceding Month

## General Business Conditions



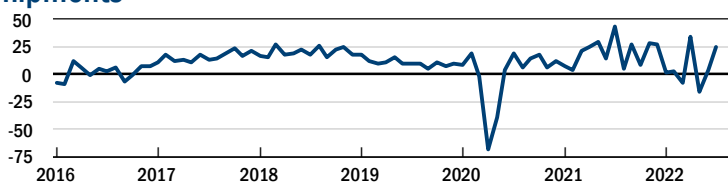
	Percent Reporting		Index
	Higher	Lower	
Jun	27.6	28.8	-1.2
Jul	33.6	22.6	11.1
Change			12.3

## New Orders



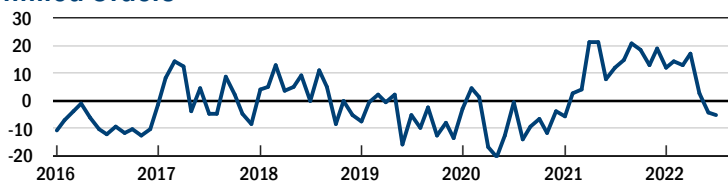
	Percent Reporting		Index
	Higher	Lower	
Jun	34.6	29.3	5.3
Jul	33.7	27.5	6.2
Change			0.9

## Shipments



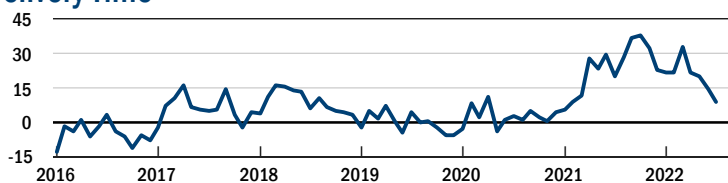
	Percent Reporting		Index
	Higher	Lower	
Jun	30.7	26.7	4.0
Jul	39.9	14.5	25.3
Change			21.3

## Unfilled Orders



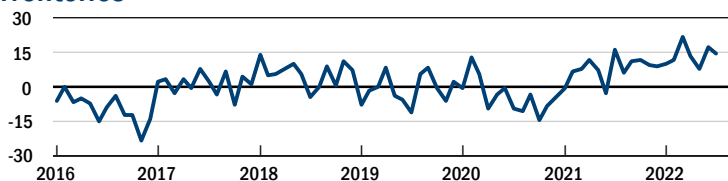
	Percent Reporting		Index
	Higher	Lower	
Jun	22.2	26.5	-4.3
Jul	18.3	23.5	-5.2
Change			-0.9

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	26.5	12.0	14.5
Jul	19.1	10.4	8.7
Change			-5.8

## Inventories

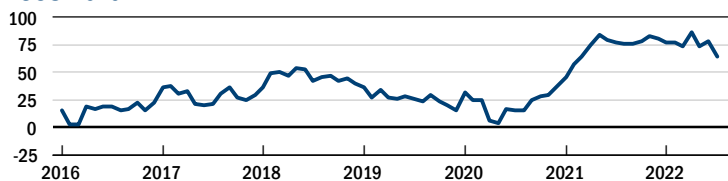


	Percent Reporting		Index
	Higher	Lower	
Jun	31.6	14.5	17.1
Jul	27.8	13.0	14.8
Change			-2.3

# Current Indicators, *continued*

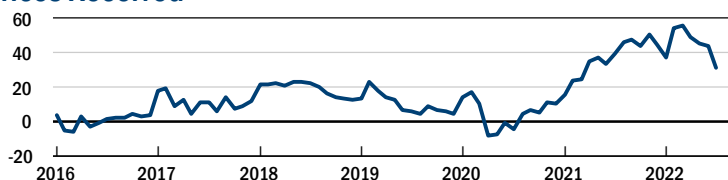
Change from Preceding Month

## Prices Paid



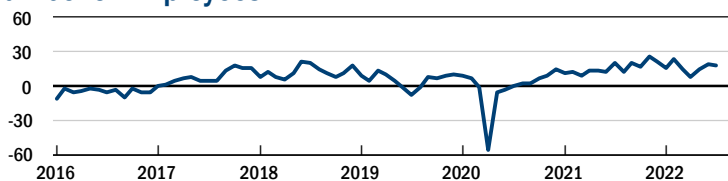
	Percent Reporting		Index
	Higher	Lower	
Jun	81.2	2.6	78.6
Jul	67.8	3.5	64.3
Change			-14.3

## Prices Received



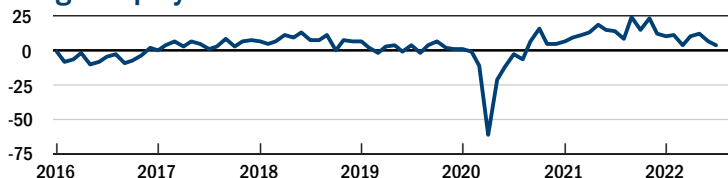
	Percent Reporting		Index
	Higher	Lower	
Jun	46.2	2.6	43.6
Jul	36.5	5.2	31.3
Change			-12.3

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jun	24.5	5.5	19.0
Jul	29.5	11.5	18.0
Change			-1.0

## Average Employee Workweek



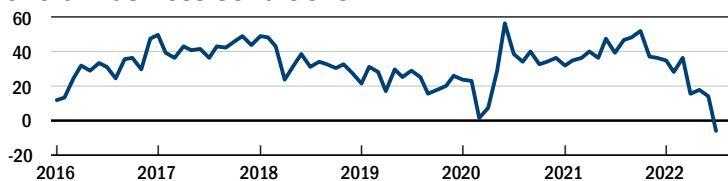
	Percent Reporting		Index
	Higher	Lower	
Jun	14.4	8.0	6.4
Jul	11.3	7.0	4.3
Change			-2.1

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

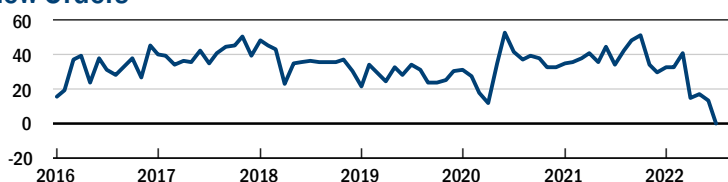
Expectations Six Months Ahead

## General Business Conditions



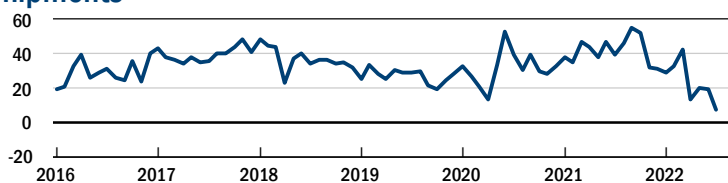
	Percent Reporting		Index
	Higher	Lower	
Jun	40.3	26.2	14.0
Jul	27.7	33.9	-6.2
Change			-20.2

## New Orders



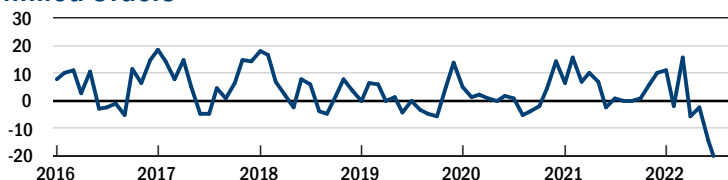
	Percent Reporting		Index
	Higher	Lower	
Jun	38.8	25.3	13.5
Jul	28.6	28.5	0.0
Change			-13.5

## Shipments



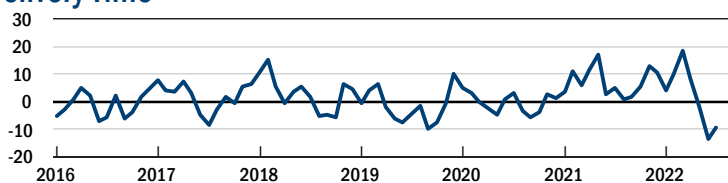
	Percent Reporting		Index
	Higher	Lower	
Jun	41.6	22.2	19.4
Jul	31.6	24.4	7.2
Change			-12.2

## Unfilled Orders



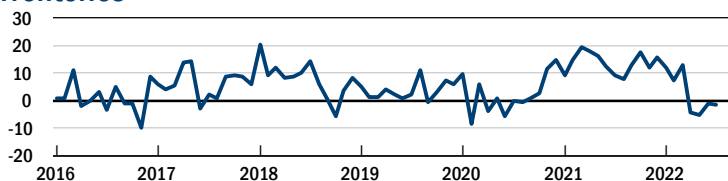
	Percent Reporting		Index
	Higher	Lower	
Jun	15.4	29.9	-14.5
Jul	9.6	32.2	-22.6
Change			-8.1

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	15.4	29.1	-13.7
Jul	13.9	23.5	-9.6
Change			4.1

## Inventories

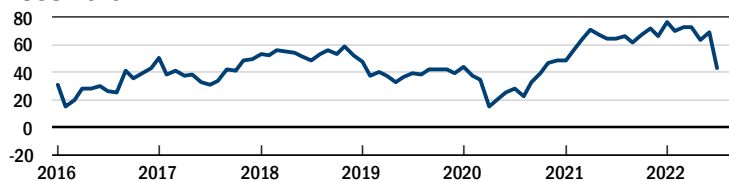


	Percent Reporting		Index
	Higher	Lower	
Jun	26.5	27.4	-0.9
Jul	22.6	24.3	-1.7
Change			-0.8

# Forward-Looking Indicators, *continued*

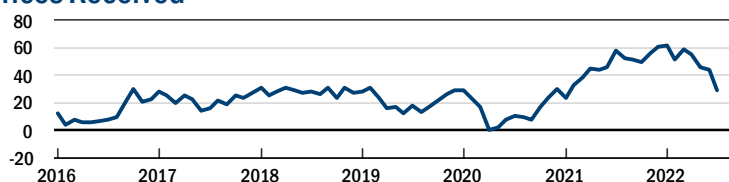
Expectations Six Months Ahead

## Prices Paid



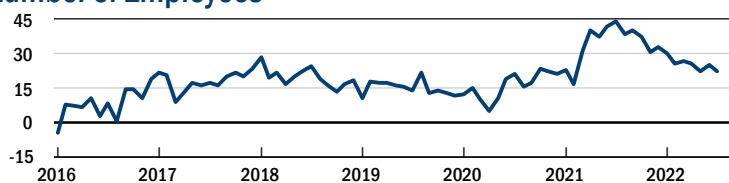
	Percent Reporting		Index
	Higher	Lower	
Jun	72.6	3.4	69.2
Jul	51.3	7.8	43.5
Change			-25.7

## Prices Received



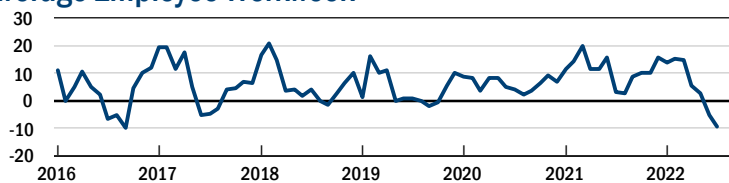
	Percent Reporting		Index
	Higher	Lower	
Jun	50.4	6.8	43.6
Jul	36.5	7.8	28.7
Change			-14.9

## Number of Employees



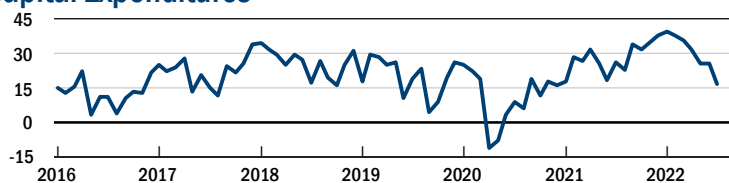
	Percent Reporting		Index
	Higher	Lower	
Jun	35.6	10.4	25.2
Jul	32.8	10.3	22.5
Change			-2.7

## Average Employee Workweek



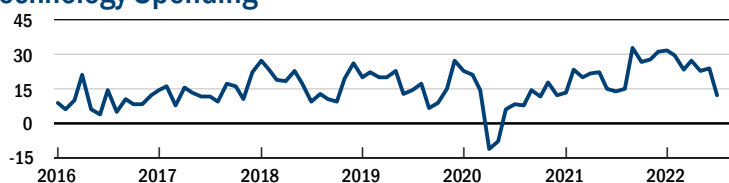
	Percent Reporting		Index
	Higher	Lower	
Jun	11.1	16.2	-5.1
Jul	7.8	17.4	-9.6
Change			-4.5

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jun	35.9	10.3	25.6
Jul	28.7	12.2	16.5
Change			-9.1

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jun	29.9	6.0	23.9
Jul	22.6	10.4	12.2
Change			-11.7

Note: Data are seasonally adjusted.