

Empire State Manufacturing Survey

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

Business activity continued to decline modestly in New York State in May, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index was little changed at -9.2. New orders and shipments increased after declining last month. Delivery times held steady, and supply availability worsened. Inventories edged higher. Employment declined, as did the average workweek. Input price increases continued to pick up, while selling price increases slowed. Firms remained pessimistic about the outlook, with the future general business conditions index holding slightly below zero.

Business Conditions Continue to Worsen

Manufacturing activity fell for a third consecutive month in New York State, according to the May survey. The general business conditions index was similar to last month's reading at -9.2. The new orders index climbed above zero and, at 7.0, pointed to a modest increase in orders. The shipments index also turned positive, but only just so, and at 3.5, indicated a slight

ECONOMIST COMMENTARY

“Business activity continued to decline modestly in New York State in May. New orders and shipments increased after a decline last month, while supply availability worsened. Firms remained pessimistic about the outlook.”

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

increase in shipments. Unfilled orders edged up. The inventories index remained positive at 4.8, signaling that business inventories continued to move higher. Delivery times were steady, while the supply availability index fell to -11.4, suggesting supply availability worsened.

Input Price Increases Continue to Pick Up

The index for number of employees came in at -5.1, and the average workweek index was -3.4, pointing to a small decline in both employment and hours worked. The prices paid index climbed for a fifth consecutive month, rising eight points to 59.0, its

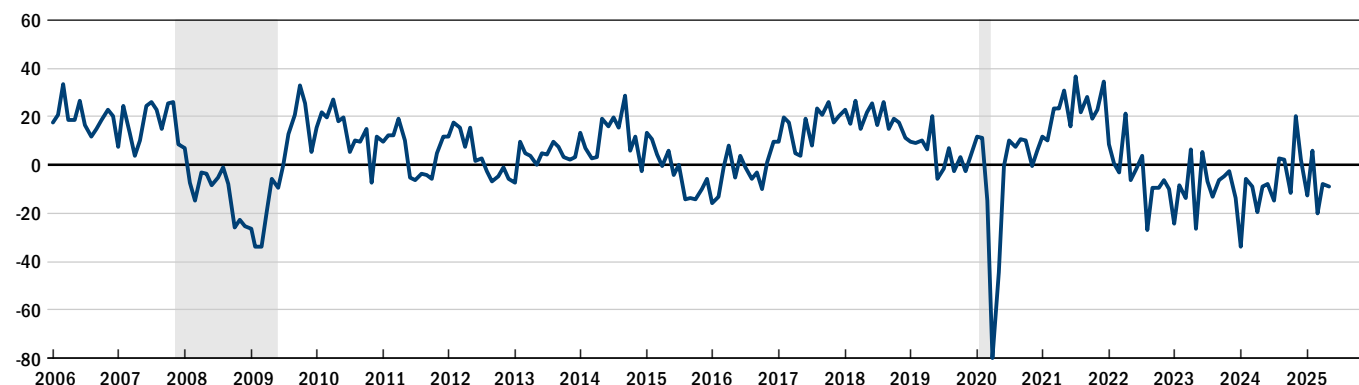
highest level in more than two years. The prices received index retreated six points to 22.9, suggesting that selling price increases slowed somewhat.

Firms Remain Pessimistic

Firms continued to expect conditions to worsen in the months ahead. The index for future general business conditions remained below zero at -2.0. New orders and shipments are expected to edge lower, and firms expect to reduce capital spending over the next six months. Input price increases are expected to pick up, and supply availability is expected to worsen significantly. ■

General Business Conditions Seasonally Adjusted

Diffusion Index

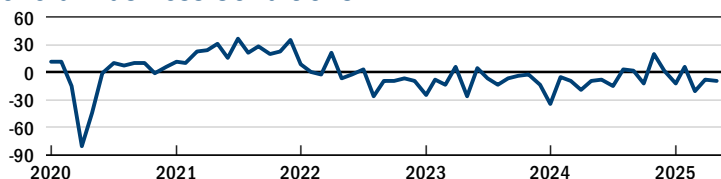


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

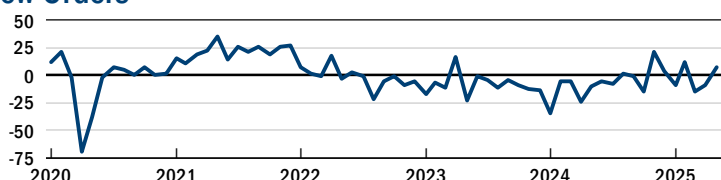
Change from Preceding Month

General Business Conditions



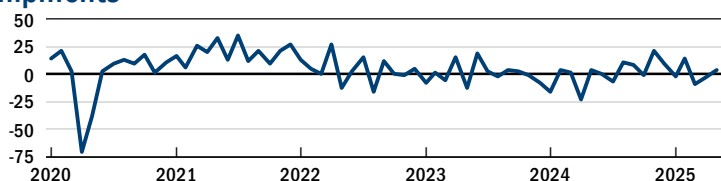
	Percent Reporting		Index
	Higher	Lower	
Apr	27.1	35.1	-8.1
May	28.3	37.5	-9.2
Change			-1.1

New Orders



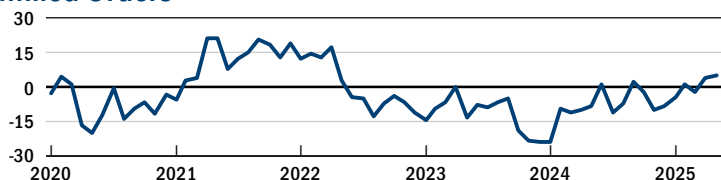
	Percent Reporting		Index
	Higher	Lower	
Apr	27.4	36.2	-8.8
May	40.0	33.1	7.0
Change			15.8

Shipments



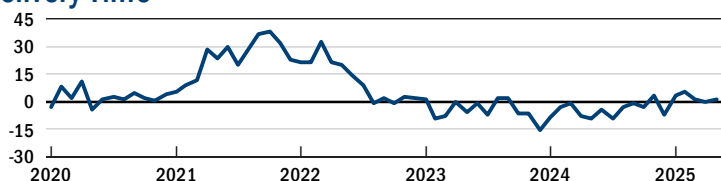
	Percent Reporting		Index
	Higher	Lower	
Apr	23.2	26.1	-2.9
May	34.3	30.8	3.5
Change			6.4

Unfilled Orders



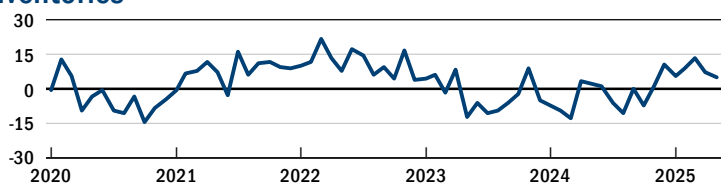
	Percent Reporting		Index
	Higher	Lower	
Apr	17.2	13.1	4.1
May	21.9	17.1	4.8
Change			0.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	10.7	10.7	0.0
May	13.3	12.4	1.0
Change			1.0

Inventories

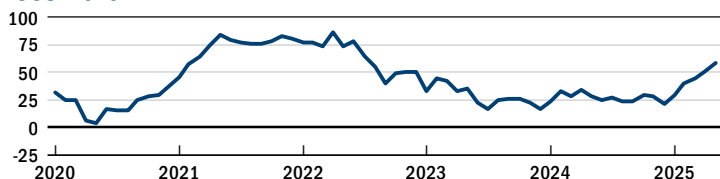


	Percent Reporting		Index
	Higher	Lower	
Apr	23.0	15.6	7.4
May	22.9	18.1	4.8
Change			-2.6

Current Indicators, *continued*

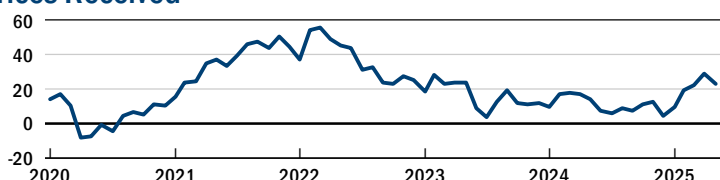
Change from Preceding Month

Prices Paid



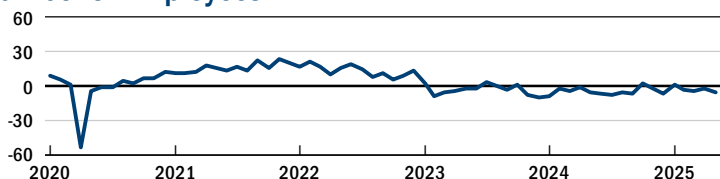
	Percent Reporting		Index
	Higher	Lower	
Apr	54.9	4.1	50.8
May	61.9	2.9	59.0
Change			8.2

Prices Received



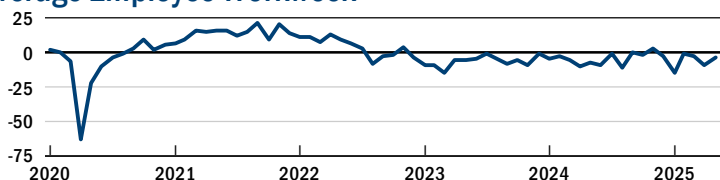
	Percent Reporting		Index
	Higher	Lower	
Apr	32.8	4.1	28.7
May	27.6	4.8	22.9
Change			-5.8

Number of Employees



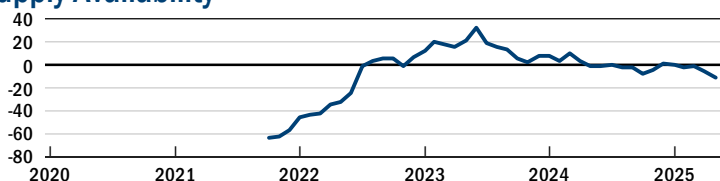
	Percent Reporting		Index
	Higher	Lower	
Apr	12.1	14.7	-2.6
May	13.9	19.0	-5.1
Change			-2.5

Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Apr	7.8	16.9	-9.1
May	12.5	16.0	-3.4
Change			5.7

Supply Availability



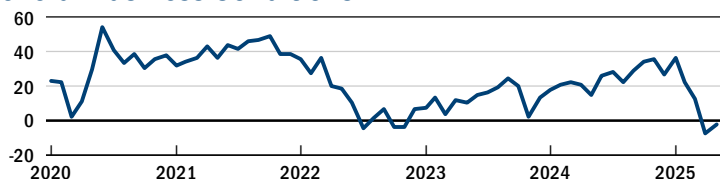
	Percent Reporting		Index
	Higher	Lower	
Apr	4.9	10.7	-5.7
May	4.8	16.2	-11.4
Change			-5.7

Note: Data are seasonally adjusted. The current supply availability index was added to the report in June 2024 and included a history of data points going back to 2021.

Forward-Looking Indicators

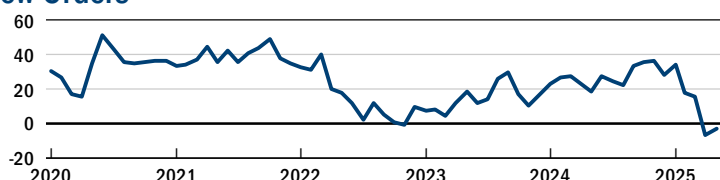
Expectations Six Months Ahead

General Business Conditions



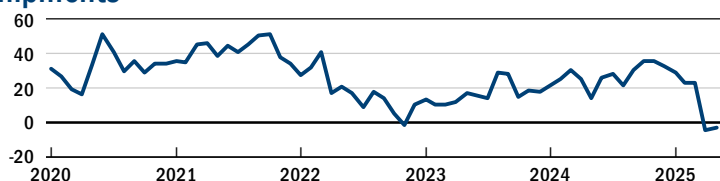
	Percent Reporting		Index
	Higher	Lower	
Apr	35.0	42.5	-7.4
May	33.1	35.1	-2.0
Change			5.4

New Orders



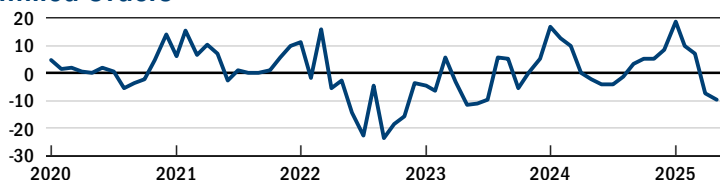
	Percent Reporting		Index
	Higher	Lower	
Apr	34.5	41.1	-6.6
May	32.1	34.8	-2.7
Change			3.9

Shipments



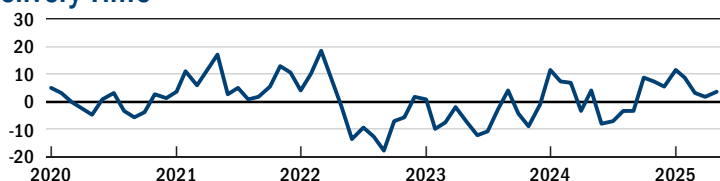
	Percent Reporting		Index
	Higher	Lower	
Apr	33.5	38.4	-4.8
May	32.2	35.6	-3.4
Change			1.4

Unfilled Orders



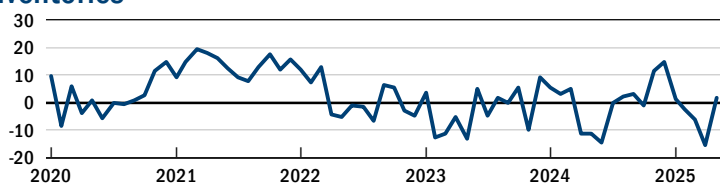
	Percent Reporting		Index
	Higher	Lower	
Apr	12.3	19.7	-7.4
May	11.4	21.0	-9.5
Change			-2.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	14.8	13.1	1.6
May	14.3	10.5	3.8
Change			2.2

Inventories

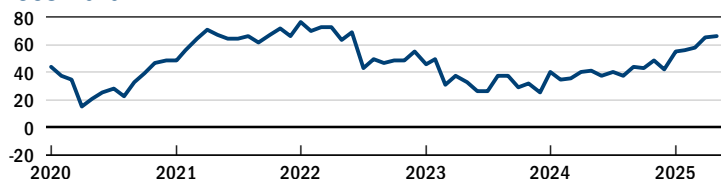


	Percent Reporting		Index
	Higher	Lower	
Apr	15.6	31.1	-15.6
May	23.8	21.9	1.9
Change			17.5

Forward-Looking Indicators, *continued*

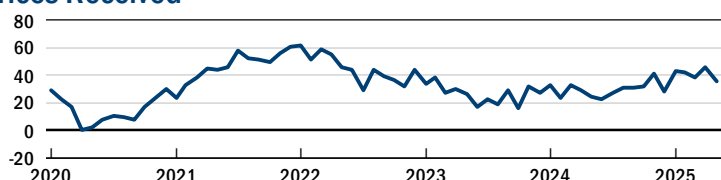
Expectations Six Months Ahead

Prices Paid



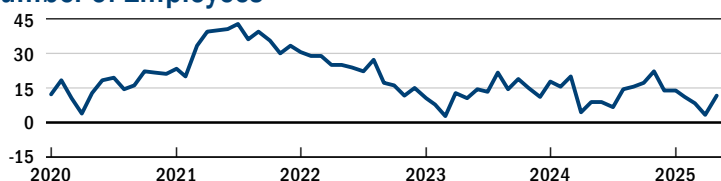
	Percent Reporting		Index
	Higher	Lower	
Apr	70.5	4.9	65.6
May	69.5	2.9	66.7
Change			1.1

Prices Received



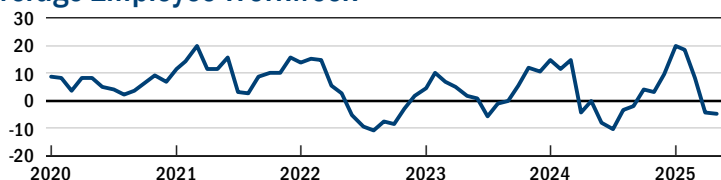
	Percent Reporting		Index
	Higher	Lower	
Apr	53.3	7.4	45.9
May	41.9	6.7	35.2
Change			-10.7

Number of Employees



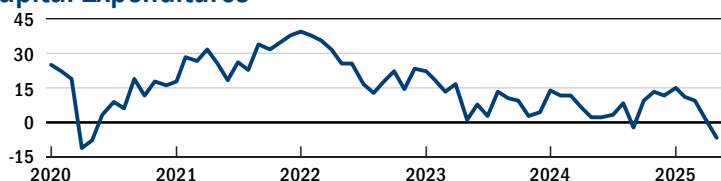
	Percent Reporting		Index
	Higher	Lower	
Apr	22.1	18.6	3.4
May	25.8	14.2	11.6
Change			8.2

Average Employee Workweek



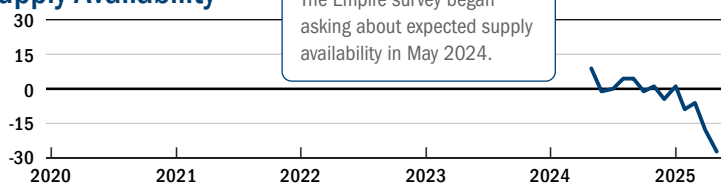
	Percent Reporting		Index
	Higher	Lower	
Apr	11.5	15.6	-4.1
May	12.4	17.1	-4.8
Change			-0.7

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Apr	23.8	22.1	1.6
May	13.3	20.0	-6.7
Change			-8.3

Supply Availability



The Empire survey began asking about expected supply availability in May 2024.

	Percent Reporting		Index
	Higher	Lower	
Apr	5.7	23.8	-18.0
May	1.9	29.5	-27.6
Change			-9.6

Note: Data are seasonally adjusted. The expected supply availability index was added to the report in June 2024 and included one additional data point from May 2024. The technology spending index was discontinued at this time.