

Empire State Manufacturing Survey

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

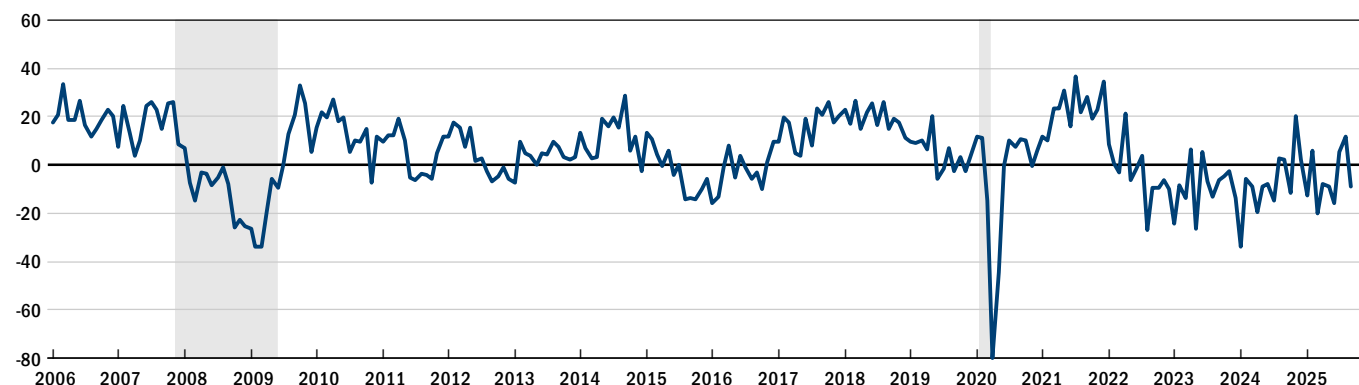
Business activity declined modestly in New York State in September, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index dropped twenty-one points to -8.7, its first negative reading since June. New orders and shipments fell sharply. Delivery times were steady, and supply availability worsened somewhat. Inventories edged lower for a second consecutive month. Employment held steady, while the average workweek declined modestly. The pace of input price increases was still elevated, though slower than last month, while the pace of selling price increases remained moderate. Capital spending plans continued to be soft. Firms expected some improvement in conditions in the months ahead, but optimism remained subdued.

Conditions Weaken

Manufacturing activity declined in New York State after increasing over the summer, according to the September survey. The general business conditions index dropped twenty-one points to -8.7, its first negative reading since June. The new orders index declined thirty-five points to -19.6, and the shipments index fell thirty points to -17.3, the lowest levels for both indexes since April

General Business Conditions Seasonally Adjusted

Diffusion Index



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

ECONOMIST COMMENTARY

“Manufacturing activity declined modestly in New York State in September, with the survey’s headline index turning negative on the heels of positive readings over the summer. Optimism about the outlook remained muted and employment levels are expected to be flat over the next six months.”

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

2024, pointing to significant declines in orders and shipments. Unfilled orders fell. The inventories index remained modestly negative at -4.9, indicating that business inventories continued to shrink somewhat. Delivery times were unchanged. The supply availability index dropped to -8.8, a sign that supply availability continued to worsen.

Employment Flat

The index for number of employees came in at around zero, suggesting that employment was little changed after increasing for the prior three months, while the average workweek index declined to -5.1, pointing to a modest drop in hours worked. The prices paid index fell eight points to 46.1, a sign that input price increases slowed but

remained steep, while the prices received index was little changed at 21.6, indicating that selling prices continued to rise at a moderate pace.

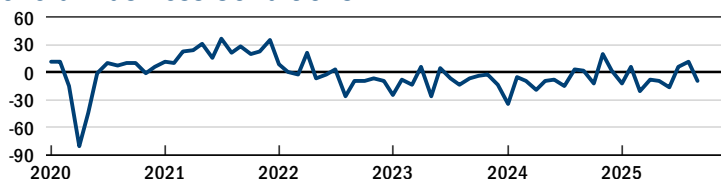
Optimism Dampens

The index for future general business conditions came in at 14.8, suggesting that firms expect conditions to improve somewhat in the months ahead, but optimism remained subdued. New orders and shipments are expected to increase, and supply availability is expected to be little changed. The future employment index fell to near zero, a rare occurrence suggesting that employment levels are not expected to increase over the next six months. Capital spending plans remained soft. ■

Current Indicators

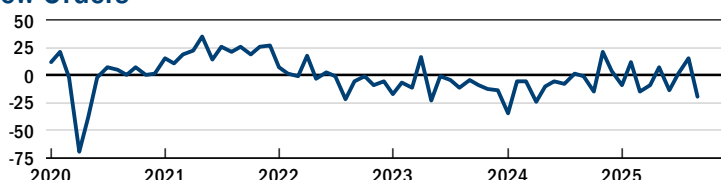
Change from Preceding Month

General Business Conditions



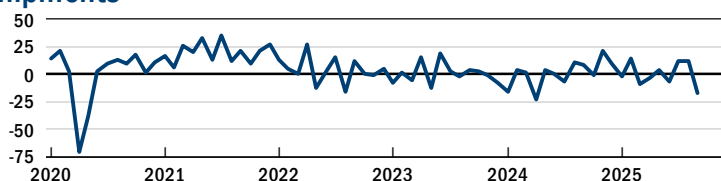
	Percent Reporting		Index
	Higher	Lower	
Aug	34.7	22.8	11.9
Sep	26.6	35.4	-8.7
Change			-20.6

New Orders



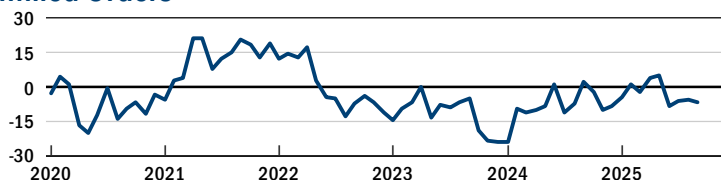
	Percent Reporting		Index
	Higher	Lower	
Aug	35.9	20.4	15.4
Sep	19.9	39.5	-19.6
Change			-35.0

Shipments



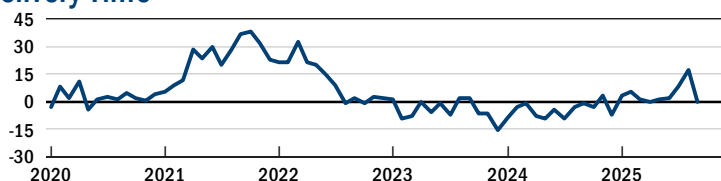
	Percent Reporting		Index
	Higher	Lower	
Aug	33.9	21.6	12.2
Sep	23.2	40.5	-17.3
Change			-29.5

Unfilled Orders



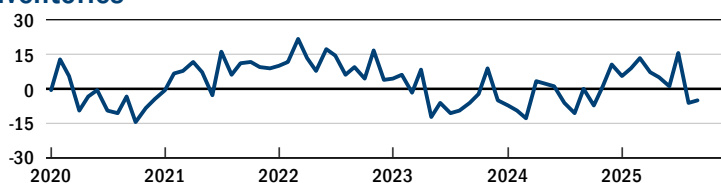
	Percent Reporting		Index
	Higher	Lower	
Aug	15.6	21.1	-5.5
Sep	11.8	18.6	-6.9
Change			-1.4

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	20.2	2.8	17.4
Sep	9.8	9.8	0.0
Change			-17.4

Inventories

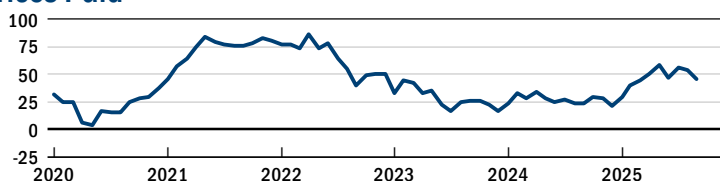


	Percent Reporting		Index
	Higher	Lower	
Aug	17.4	23.9	-6.4
Sep	17.6	22.5	-4.9
Change			1.5

Current Indicators, *continued*

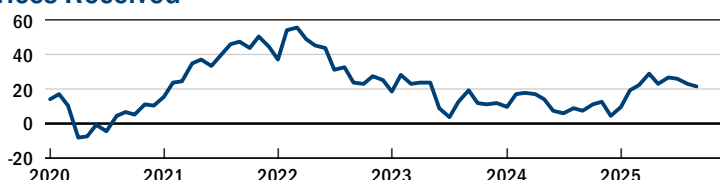
Change from Preceding Month

Prices Paid



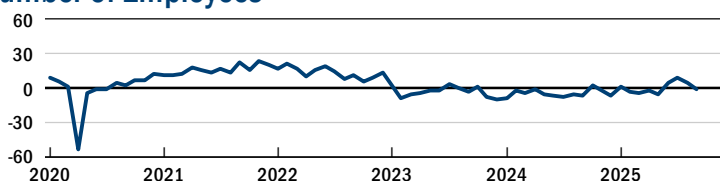
	Percent Reporting		Index
	Higher	Lower	
Aug	55.0	0.9	54.1
Sep	48.0	2.0	46.1
Change			-8.0

Prices Received



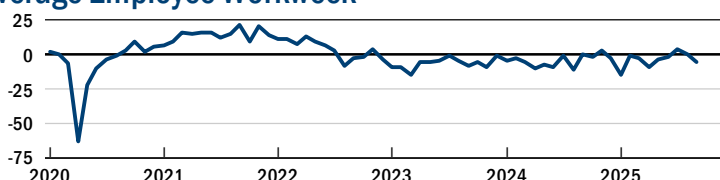
	Percent Reporting		Index
	Higher	Lower	
Aug	25.7	2.8	22.9
Sep	26.5	4.9	21.6
Change			-1.3

Number of Employees



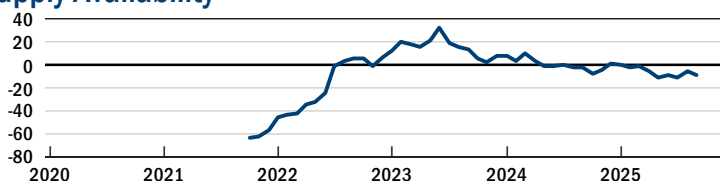
	Percent Reporting		Index
	Higher	Lower	
Aug	15.2	10.8	4.4
Sep	9.1	10.3	-1.2
Change			-5.6

Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Aug	9.2	9.1	0.2
Sep	6.5	11.7	-5.1
Change			-5.3

Supply Availability



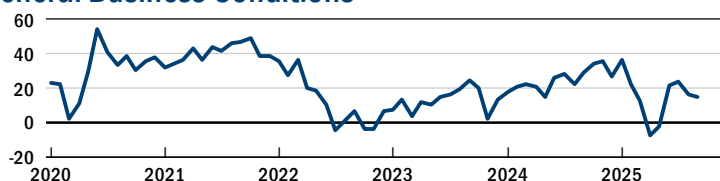
	Percent Reporting		Index
	Higher	Lower	
Aug	3.7	9.2	-5.5
Sep	1.0	9.8	-8.8
Change			-3.3

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

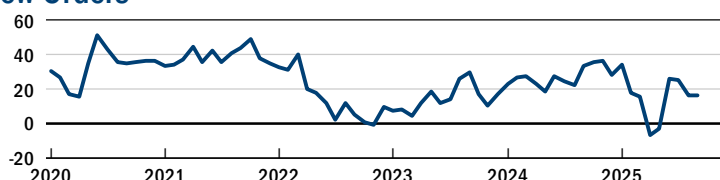
Expectations Six Months Ahead

General Business Conditions



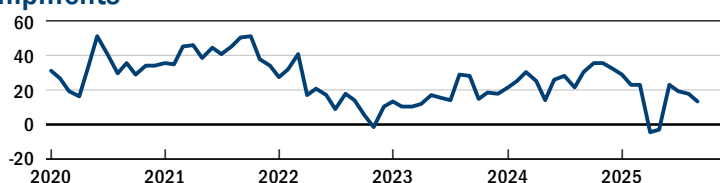
	Percent Reporting		Index
	Higher	Lower	
Aug	41.4	25.4	16.0
Sep	38.0	23.1	14.8
Change			-1.2

New Orders



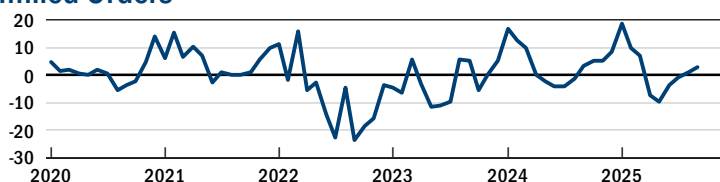
	Percent Reporting		Index
	Higher	Lower	
Aug	40.6	24.3	16.3
Sep	39.3	22.7	16.6
Change			0.3

Shipments



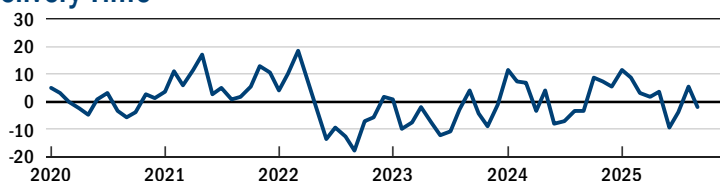
	Percent Reporting		Index
	Higher	Lower	
Aug	40.0	22.1	17.9
Sep	35.6	22.2	13.5
Change			-4.4

Unfilled Orders



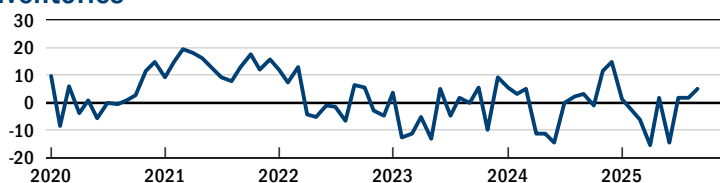
	Percent Reporting		Index
	Higher	Lower	
Aug	18.3	17.4	0.9
Sep	19.6	16.7	2.9
Change			2.0

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	17.4	11.9	5.5
Sep	11.8	13.7	-2.0
Change			-7.5

Inventories

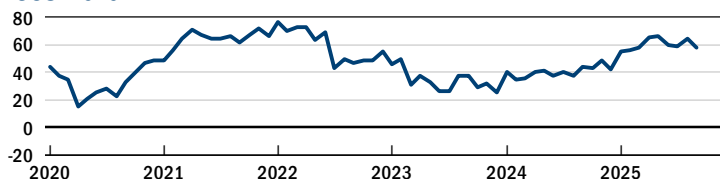


	Percent Reporting		Index
	Higher	Lower	
Aug	21.1	19.3	1.8
Sep	25.5	20.6	4.9
Change			3.1

Forward-Looking Indicators, *continued*

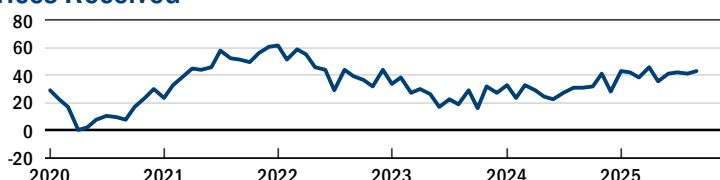
Expectations Six Months Ahead

Prices Paid



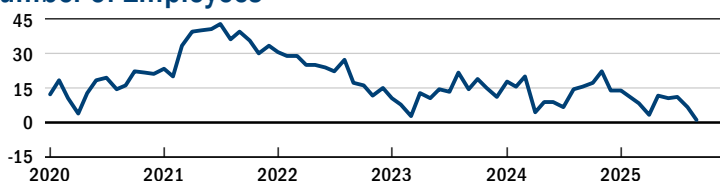
	Percent Reporting		Index
	Higher	Lower	
Aug	66.1	1.8	64.2
Sep	60.8	2.9	57.8
Change			-6.4

Prices Received



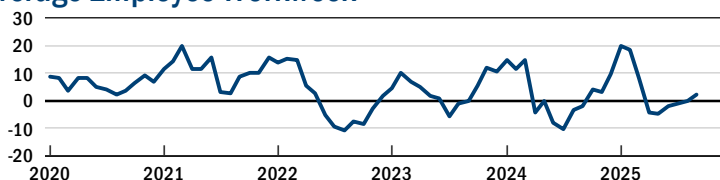
	Percent Reporting		Index
	Higher	Lower	
Aug	45.0	3.7	41.3
Sep	47.1	3.9	43.1
Change			1.8

Number of Employees



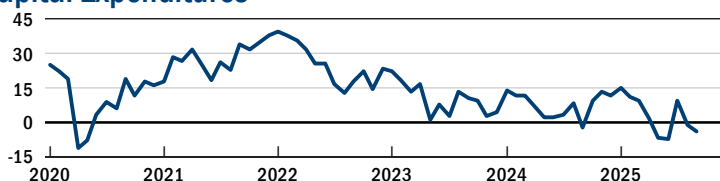
	Percent Reporting		Index
	Higher	Lower	
Aug	20.9	14.0	6.9
Sep	16.6	15.4	1.2
Change			-5.7

Average Employee Workweek



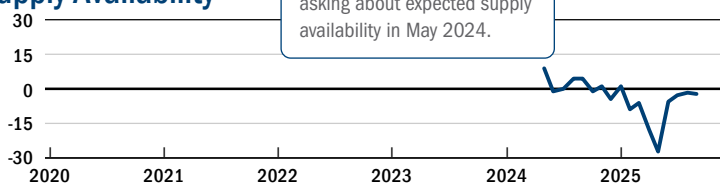
	Percent Reporting		Index
	Higher	Lower	
Aug	13.8	13.8	0.0
Sep	14.7	12.7	2.0
Change			2.0

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Aug	17.4	18.3	-0.9
Sep	16.7	20.6	-3.9
Change			-3.0

Supply Availability



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

	Percent Reporting		Index
	Higher	Lower	
Aug	7.3	9.2	-1.8
Sep	4.9	6.9	-2.0
Change			-0.2

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.