

Empire State Manufacturing Survey

Note: Survey responses were collected between March 2 and March 10.

Business activity declined in New York State, according to firms responding to the March 2020 *Empire State Manufacturing Survey*. The headline general business conditions index fell thirty-four points to -21.5, its lowest level since 2009. The new orders index dropped to -9.3, pointing to a decline in orders, and the shipments index fell to -1.7. Delivery times lengthened slightly, and inventories increased. Employment levelled off, and the average workweek declined. Input price increases were little changed, while selling prices increased at a slower pace than last month. Optimism about the six-month outlook fell sharply, with firms less optimistic than they have been since 2009.

Activity Declines

Manufacturing firms in New York State reported that business activity

declined. The general business conditions index fell thirty-four points to -21.5, its largest point drop on record, and its lowest level since 2009. Twenty percent of respondents reported that conditions had improved over the month, while 42 percent reported that conditions had worsened. The new orders index turned negative, falling thirty-one points to -9.3, indicating that orders fell. The shipments index moved down to -1.7, indicating that shipments were little changed. Delivery times were slightly longer and inventories were somewhat higher.

Labor Market Indicators Weaken

The index for number of employees fell eight points to -1.5, indicating that employment levels were little changed over the month. The average workweek fell to -10.6, a sign that the average workweek was shorter. The prices

paid index held steady at 24.5, suggesting that input prices increased at the same pace as last month, while the prices received index fell seven points to 10.1, pointing to a deceleration in selling price increases.

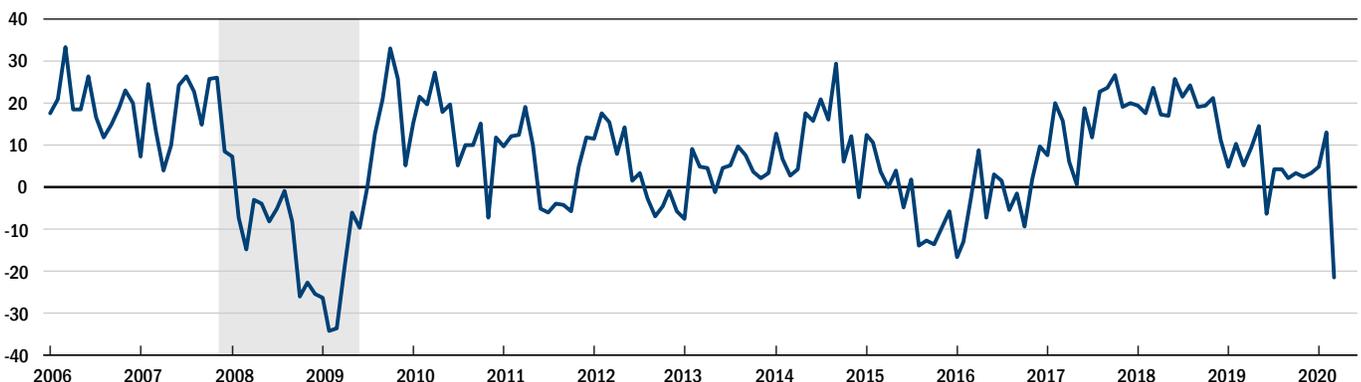
Optimism about Future Activity Wanes

Firms no longer expect general business conditions to be better over the next six months. The index for future business conditions declined twenty-two points to 1.2, its lowest level since 2009. The indexes for future new orders and future shipments declined, but remained firmly positive, suggesting that firms expect orders and shipments to be higher compared with this month's levels. The capital expenditures index fell three points to 18.7, and the technology spending index fell seven points to 14.4. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

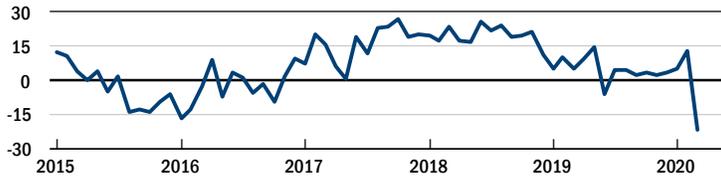


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

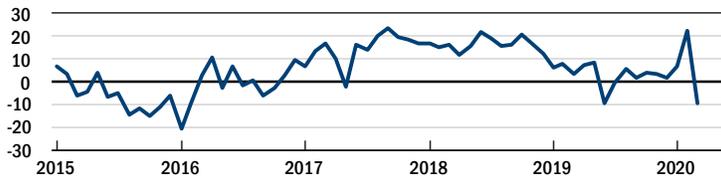
Change from Preceding Month

General Business Conditions



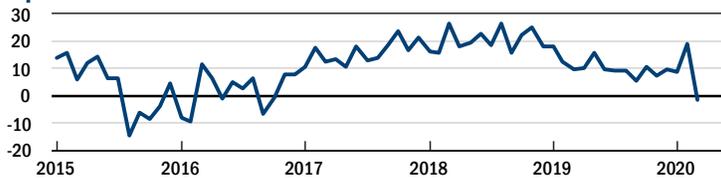
	Percent Reporting		Index
	Higher	Lower	
Feb	34.0	21.0	12.9
Mar	20.0	41.6	-21.5
Change			-34.4

New Orders



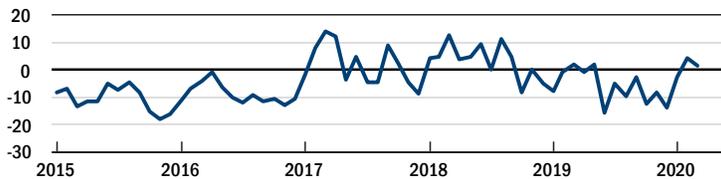
	Percent Reporting		Index
	Higher	Lower	
Feb	39.0	17.0	22.1
Mar	24.3	33.5	-9.3
Change			-31.4

Shipments



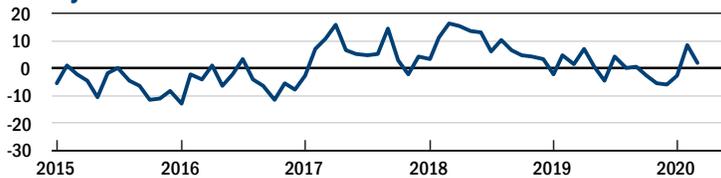
	Percent Reporting		Index
	Higher	Lower	
Feb	36.8	17.8	18.9
Mar	29.9	31.6	-1.7
Change			-20.6

Unfilled Orders



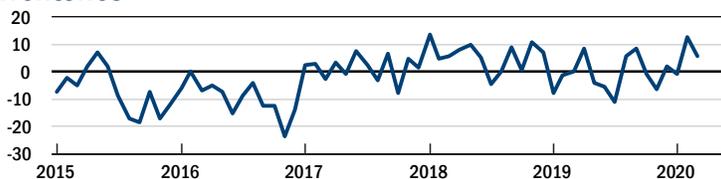
	Percent Reporting		Index
	Higher	Lower	
Feb	18.9	14.4	4.5
Mar	17.3	15.8	1.4
Change			-3.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	15.9	7.6	8.3
Mar	12.2	10.1	2.2
Change			-6.1

Inventories

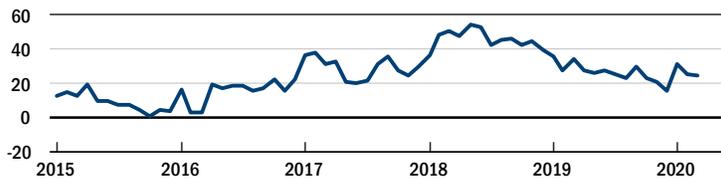


	Percent Reporting		Index
	Higher	Lower	
Feb	29.5	16.7	12.9
Mar	25.2	19.4	5.8
Change			-7.1

Current Indicators, *continued*

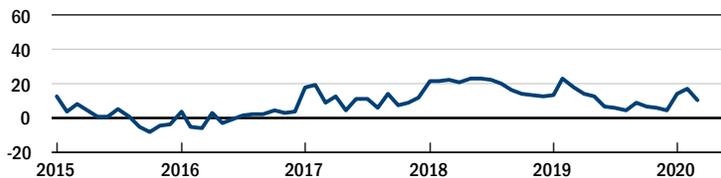
Change from Preceding Month

Prices Paid



	Percent Reporting		Index
	Higher	Lower	
Feb	30.3	5.3	25.0
Mar	26.6	2.2	24.5
Change			-0.5

Prices Received



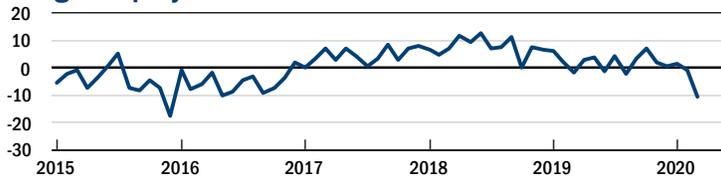
	Percent Reporting		Index
	Higher	Lower	
Feb	21.2	4.5	16.7
Mar	15.1	5.0	10.1
Change			-6.6

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Feb	18.7	12.1	6.6
Mar	15.1	16.6	-1.5
Change			-8.1

Average Employee Workweek



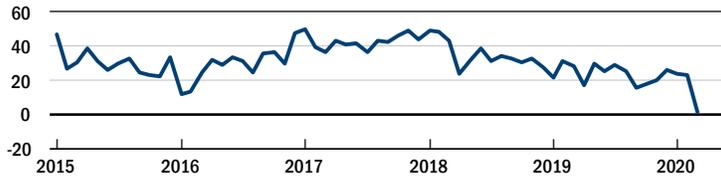
	Percent Reporting		Index
	Higher	Lower	
Feb	15.0	15.9	-1.0
Mar	10.7	21.3	-10.6
Change			-9.6

Note: Data are seasonally adjusted.

Forward-Looking Indicators

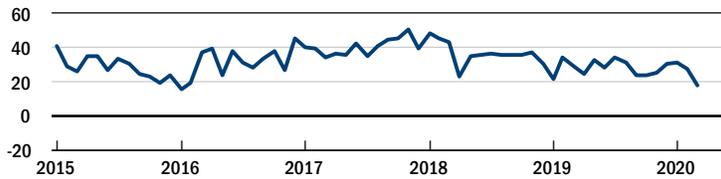
Expectations Six Months Ahead

General Business Conditions



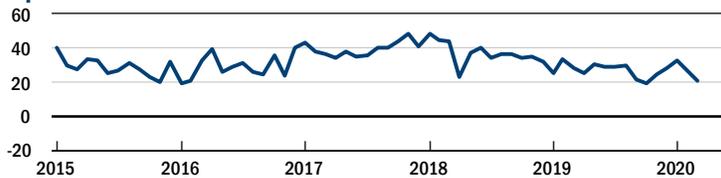
	Percent Reporting		Index
	Higher	Lower	
Feb	42.4	19.5	22.9
Mar	37.9	36.7	1.2
Change			-21.7

New Orders



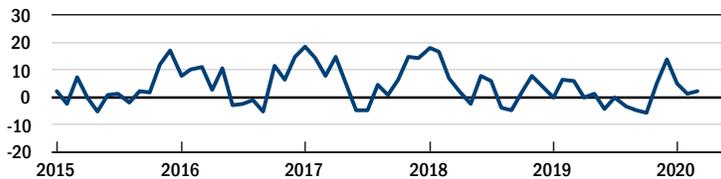
	Percent Reporting		Index
	Higher	Lower	
Feb	44.6	17.1	27.5
Mar	46.2	28.6	17.6
Change			-9.9

Shipments



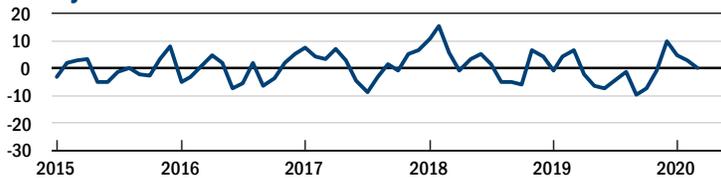
	Percent Reporting		Index
	Higher	Lower	
Feb	43.2	16.7	26.5
Mar	43.8	23.4	20.5
Change			-6.0

Unfilled Orders



	Percent Reporting		Index
	Higher	Lower	
Feb	15.9	14.4	1.5
Mar	17.3	15.1	2.2
Change			0.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	13.6	10.6	3.0
Mar	12.9	12.9	0.0
Change			-3.0

Inventories

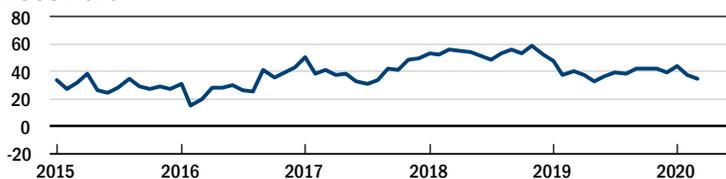


	Percent Reporting		Index
	Higher	Lower	
Feb	18.9	27.3	-8.3
Mar	25.2	19.4	5.8
Change			14.1

Forward-Looking Indicators, *continued*

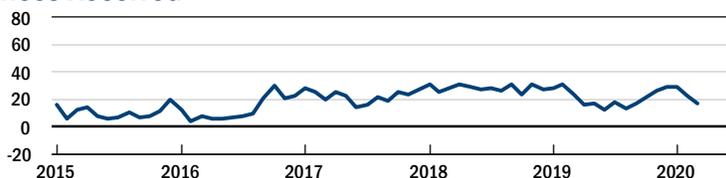
Expectations Six Months Ahead

Prices Paid



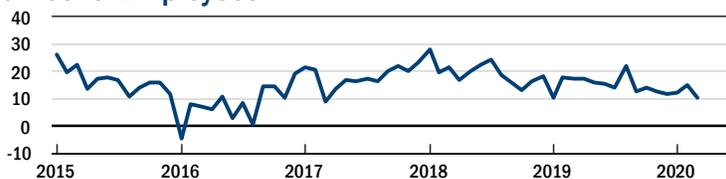
	Percent Reporting		Index
	Higher	Lower	
Feb	40.9	3.0	37.9
Mar	38.1	3.6	34.5
Change			-3.4

Prices Received



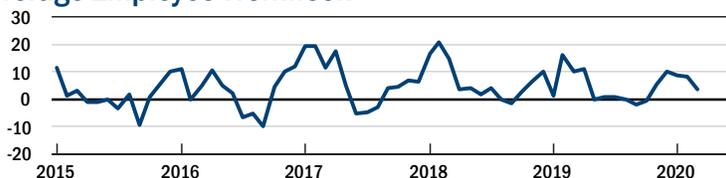
	Percent Reporting		Index
	Higher	Lower	
Feb	29.5	6.8	22.7
Mar	24.5	7.2	17.3
Change			-5.4

Number of Employees



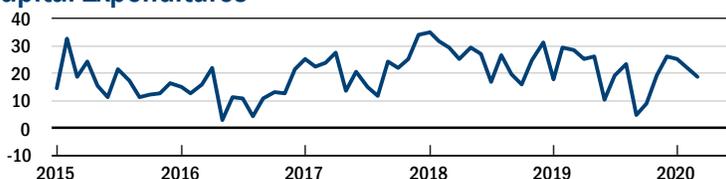
	Percent Reporting		Index
	Higher	Lower	
Feb	29.0	14.0	15.0
Mar	24.1	13.9	10.2
Change			-4.8

Average Employee Workweek



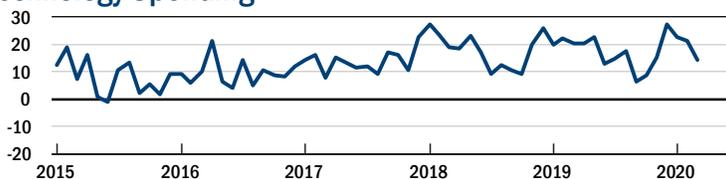
	Percent Reporting		Index
	Higher	Lower	
Feb	21.2	12.9	8.3
Mar	16.5	12.9	3.6
Change			-4.7

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Feb	32.6	10.6	22.0
Mar	33.1	14.4	18.7
Change			-3.3

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Feb	28.8	7.6	21.2
Mar	25.2	10.8	14.4
Change			-6.8

Note: Data are seasonally adjusted.