

# Empire State Manufacturing Survey

Note: Survey responses were collected between August 3 and August 10.

Business activity edged slightly higher in New York State, according to firms responding to the August 2020 *Empire State Manufacturing Survey*. The headline general business conditions index fell fourteen points to 3.7, signaling a slower pace of growth than in July. New orders were little changed, and shipments increased modestly. Unfilled orders were down, and inventories declined. Employment inched higher, while the average workweek declined. Input prices increased at about the same pace as last month, while selling prices increased for the first time in several months. Firms remained optimistic that conditions would improve over the next six months, though optimism fell for a second consecutive month.

## Growth Slows following July's Sturdy Increase

After increasing significantly in July for the first time since the pandemic

began, manufacturing activity in New York State grew only slightly in August. The general business conditions index fell fourteen points to 3.7. Thirty-four percent of respondents reported that conditions had improved over the month, while 30 percent reported that conditions had worsened. The new orders index fell sixteen points to -1.7, indicating that orders levelled off, and the shipments index fell twelve points to 6.7, pointing to a modest increase in shipments. Delivery times were steady. Unfilled orders and inventories declined.

## Selling Prices Increase for the First Time in Months

The index for number of employees edged up to 2.4, indicating that employment levels inched slightly higher. The average workweek index fell four points

to -6.8, pointing to a decline in hours worked. The prices paid index was little changed at 16.0, signaling that input prices increased at about the same pace as last month. The prices received index climbed above zero, indicating that selling prices increased for the first time since March.

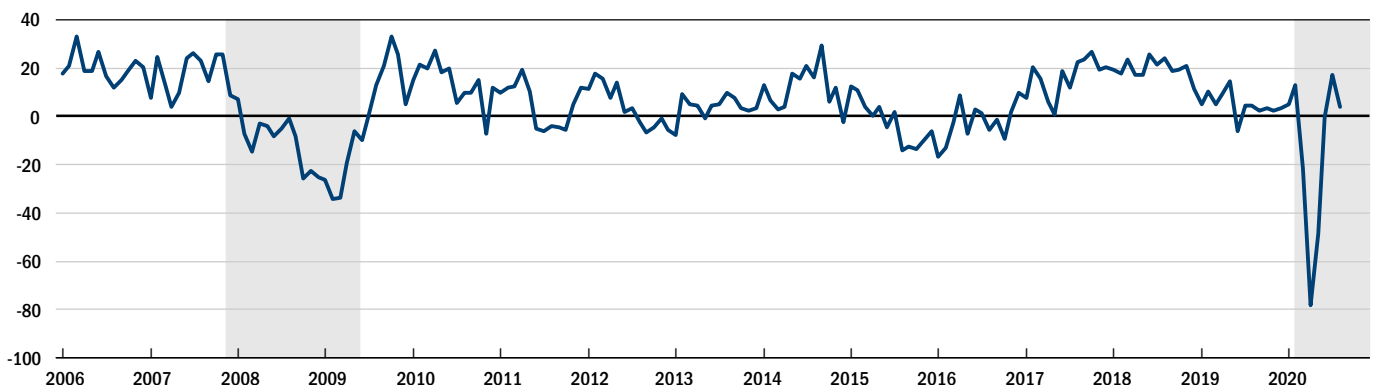
## Conditions Expected to Improve

The index for future business conditions moved down four points to 34.3, suggesting that firms remained optimistic about future conditions, though less so than the prior two months. The indexes for future new orders and future shipments posted similar readings, and firms expect to increase employment in the months ahead. The capital expenditures index came in at 6.0, a sign that firms, on net, planned small increases in capital spending. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

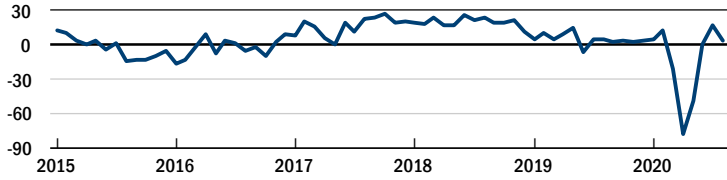


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

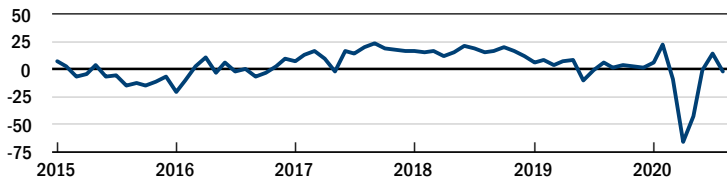
Change from Preceding Month

## General Business Conditions



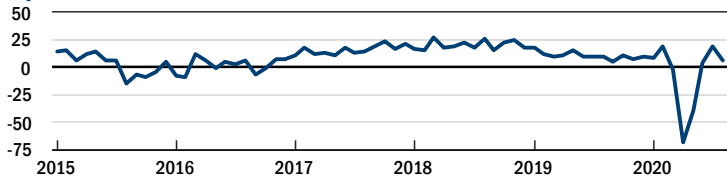
	Percent Reporting		Index
	Higher	Lower	
Jul	41.2	24.0	17.2
Aug	33.6	29.8	3.7
Change			-13.5

## New Orders



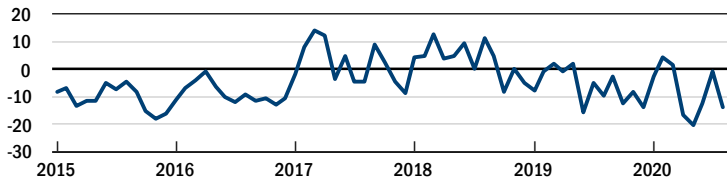
	Percent Reporting		Index
	Higher	Lower	
Jul	39.9	26.0	13.9
Aug	32.8	34.6	-1.7
Change			-15.6

## Shipments



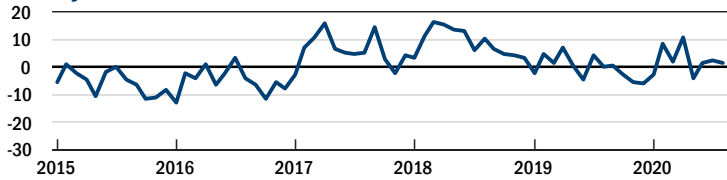
	Percent Reporting		Index
	Higher	Lower	
Jul	41.4	22.9	18.5
Aug	34.4	27.6	6.7
Change			-11.8

## Unfilled Orders



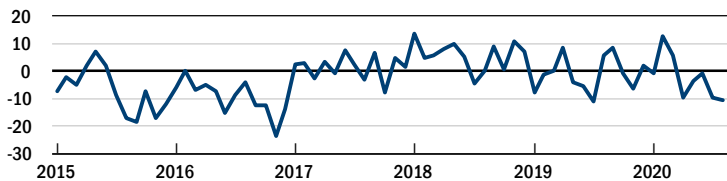
	Percent Reporting		Index
	Higher	Lower	
Jul	16.2	16.9	-0.6
Aug	16.0	30.0	-14.0
Change			-13.4

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	12.3	9.7	2.6
Aug	14.7	13.3	1.3
Change			-1.3

## Inventories

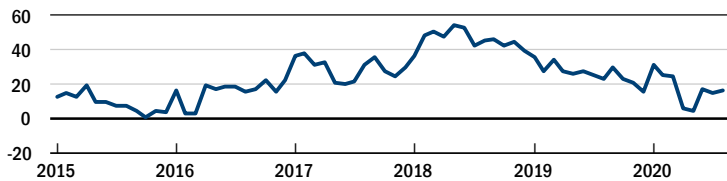


	Percent Reporting		Index
	Higher	Lower	
Jul	18.2	27.9	-9.7
Aug	14.0	24.7	-10.7
Change			-1.0

# Current Indicators, *continued*

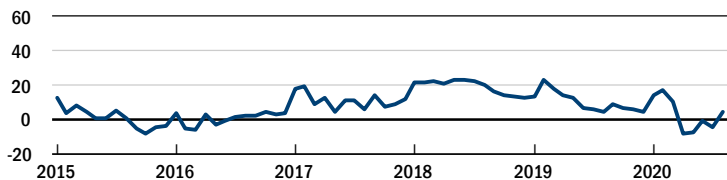
Change from Preceding Month

## Prices Paid



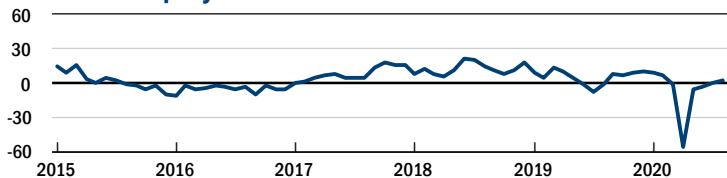
	Percent Reporting		Index
	Higher	Lower	
Jul	20.8	5.8	14.9
Aug	21.3	5.3	16.0
Change			1.1

## Prices Received



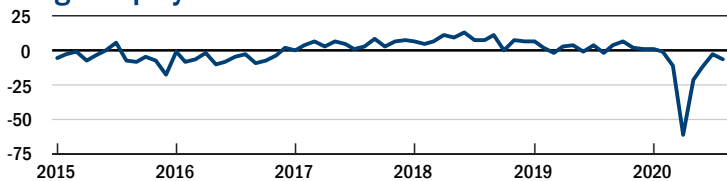
	Percent Reporting		Index
	Higher	Lower	
Jul	5.2	9.7	-4.5
Aug	8.7	4.0	4.7
Change			9.2

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jul	22.4	21.9	0.4
Aug	19.3	17.0	2.4
Change			2.0

## Average Employee Workweek



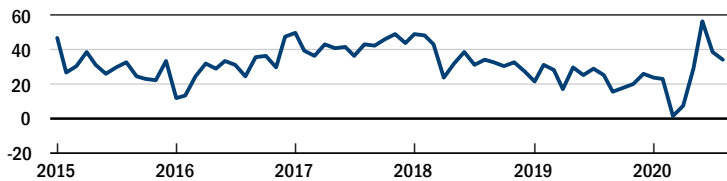
	Percent Reporting		Index
	Higher	Lower	
Jul	16.8	19.4	-2.6
Aug	12.7	19.5	-6.8
Change			-4.2

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

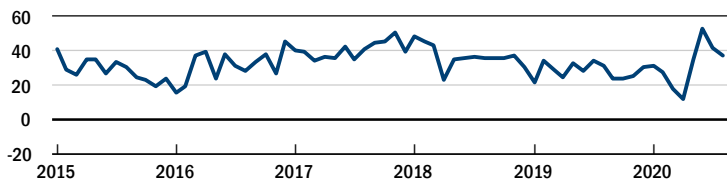
Expectations Six Months Ahead

## General Business Conditions



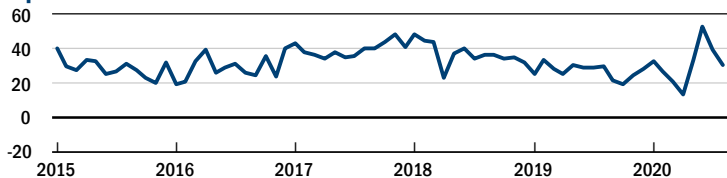
	Percent Reporting		Index
	Higher	Lower	
Jul	54.3	15.9	38.4
Aug	54.6	20.2	34.3
Change			-4.1

## New Orders



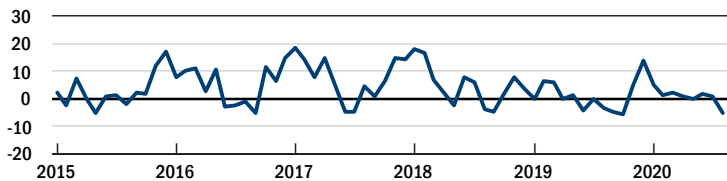
	Percent Reporting		Index
	Higher	Lower	
Jul	56.7	14.9	41.9
Aug	54.2	17.0	37.2
Change			-4.7

## Shipments



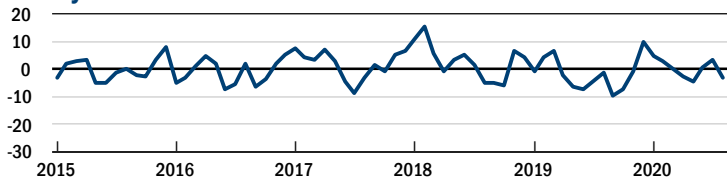
	Percent Reporting		Index
	Higher	Lower	
Jul	55.5	16.2	39.4
Aug	50.6	19.8	30.8
Change			-8.6

## Unfilled Orders



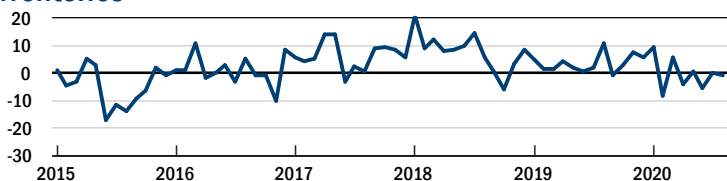
	Percent Reporting		Index
	Higher	Lower	
Jul	16.9	16.2	0.6
Aug	17.3	22.7	-5.3
Change			-5.9

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	14.9	11.7	3.2
Aug	12.7	16.0	-3.3
Change			-6.5

## Inventories

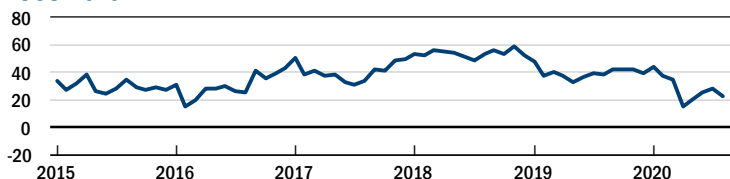


	Percent Reporting		Index
	Higher	Lower	
Jul	21.4	21.4	0.0
Aug	22.0	22.7	-0.7
Change			-0.7

# Forward-Looking Indicators, *continued*

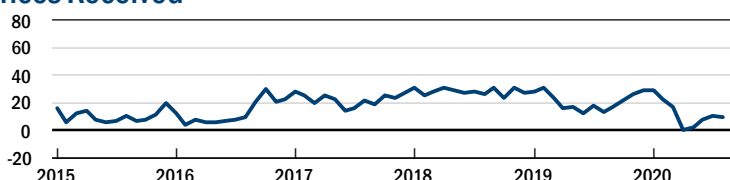
Expectations Six Months Ahead

## Prices Paid



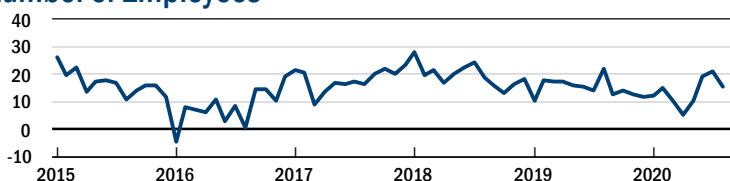
	Percent Reporting		Index
	Higher	Lower	
Jul	34.4	5.8	28.6
Aug	27.3	4.7	22.7
Change			-5.9

## Prices Received



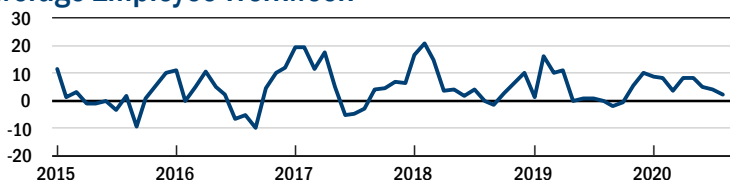
	Percent Reporting		Index
	Higher	Lower	
Jul	19.5	9.1	10.4
Aug	15.3	6.0	9.3
Change			-1.1

## Number of Employees



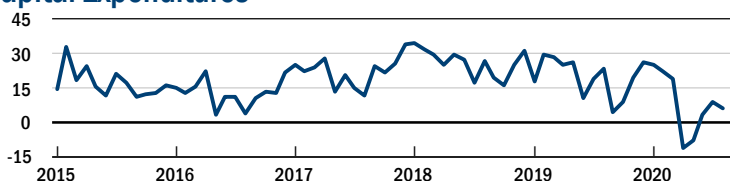
	Percent Reporting		Index
	Higher	Lower	
Jul	33.6	12.5	21.1
Aug	31.9	16.4	15.5
Change			-5.6

## Average Employee Workweek



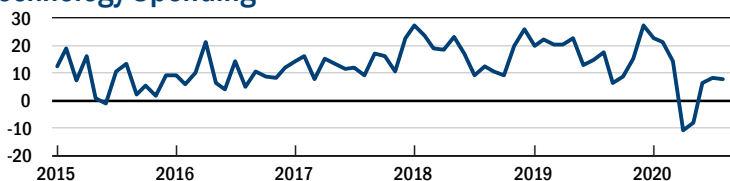
	Percent Reporting		Index
	Higher	Lower	
Jul	20.1	16.2	3.9
Aug	19.3	17.3	2.0
Change			-1.9

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jul	28.6	19.5	9.1
Aug	22.7	16.7	6.0
Change			-3.1

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jul	23.4	14.9	8.4
Aug	23.3	15.3	8.0
Change			-0.4

Note: Data are seasonally adjusted.