

Empire State Manufacturing Survey

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

Business activity grew at a solid clip in New York State, according to firms responding to the March 2021 *Empire State Manufacturing Survey*. The headline general business conditions index climbed five points to 17.4, its highest level since last summer. New orders increased modestly, and shipments were up substantially. Delivery times continued to lengthen, and inventories were somewhat higher. Employment levels and the average workweek both increased modestly. Input price increases continued to pick up, rising at the fastest pace in nearly a decade, and selling prices increased significantly. Looking ahead, firms remained optimistic that conditions would improve over the next six months, anticipating significant increases in employment.

Enduring Growth

Manufacturing activity grew substantially in New York State in

March. The general business conditions index rose five points to 17.4, its ninth consecutive positive reading, and its highest level since July of last year. Thirty-four percent of respondents reported that conditions had improved over the month, while 17 percent reported that conditions had worsened. The new orders index was little changed at 9.1, indicating that orders increased, and the shipments index shot up 17 points to 21.1, its highest level since before the pandemic. Delivery times again rose at the fastest pace in a year, and inventories edged higher.

Input Prices Continue to Accelerate

The index for number of employees was little changed at 9.4, indicating ongoing modest gains in employment, and the average workweek index inched up to 10.9, signaling an increase in hours worked. The prices paid index rose seven points to 64.4, again reaching its

highest level in a decade, pointing to sharp input price increases. The prices received index was little changed from last month's two-year high, pointing to ongoing selling price increases.

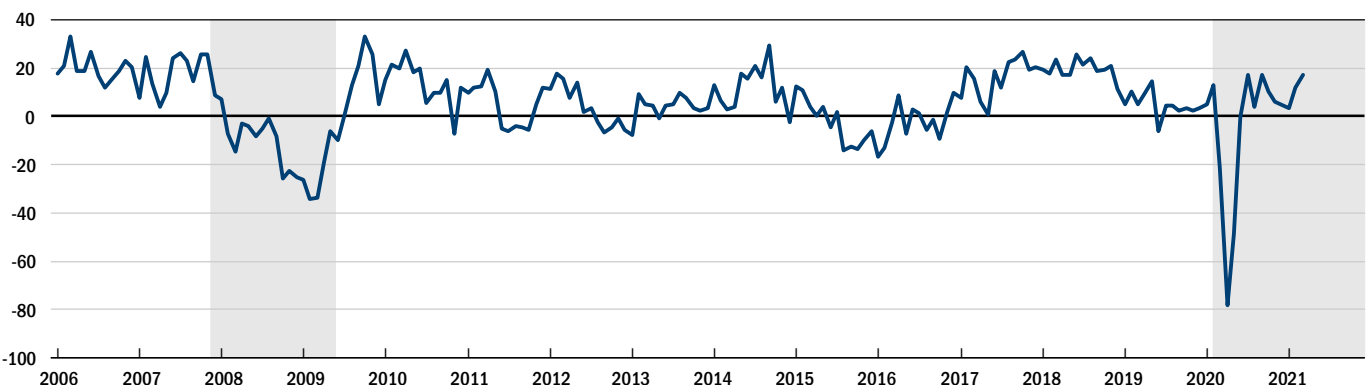
Substantial Employment Increases Expected

The index for future business conditions was little changed at 36.4, suggesting that firms remained optimistic about future conditions. The index for future shipments bounced up to 46.5. The index for future inventories rose to a multi-year high, and both the future prices paid and prices received indexes continued to march upward. The index for future employment rose to its highest level in over ten years, suggesting that firms widely expect to increase employment in the months ahead. The capital expenditures index came in at 26.8, and the technology spending index was 20.1. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

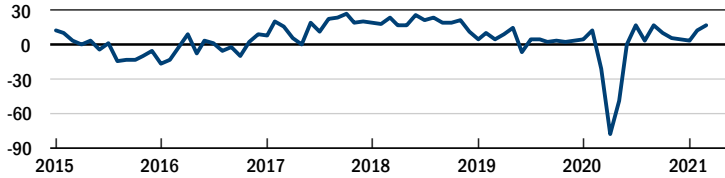


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

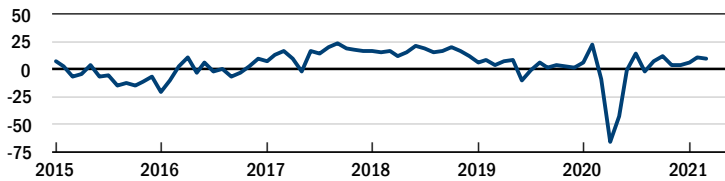
Change from Preceding Month

General Business Conditions



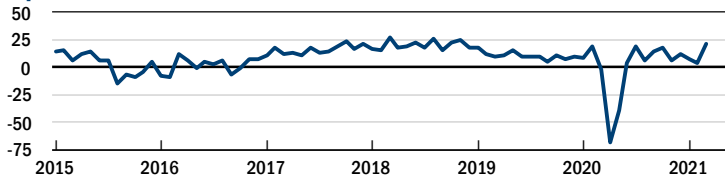
	Percent Reporting		Index
	Higher	Lower	
Feb	32.2	20.0	12.1
Mar	34.2	16.8	17.4
Change			5.3

New Orders



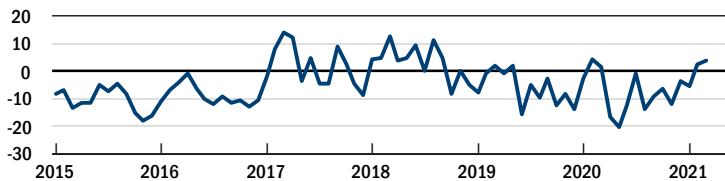
	Percent Reporting		Index
	Higher	Lower	
Feb	35.3	24.5	10.8
Mar	28.9	19.8	9.1
Change			-1.7

Shipments



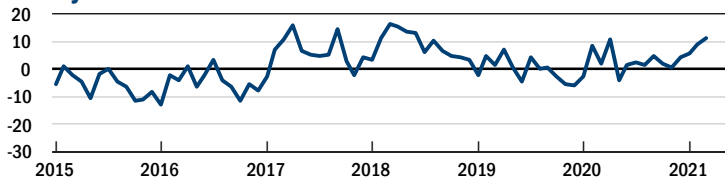
	Percent Reporting		Index
	Higher	Lower	
Feb	28.9	24.9	4.0
Mar	35.4	14.3	21.1
Change			17.1

Unfilled Orders



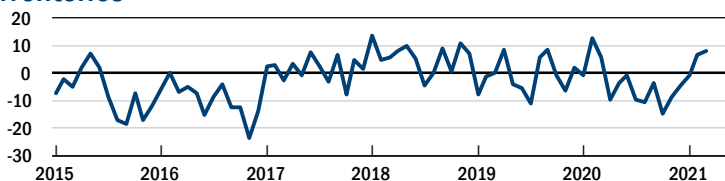
	Percent Reporting		Index
	Higher	Lower	
Feb	22.1	19.5	2.6
Mar	20.8	16.8	4.0
Change			1.4

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	20.8	11.7	9.1
Mar	19.5	8.1	11.4
Change			2.3

Inventories

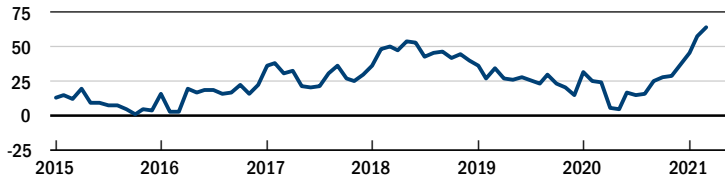


	Percent Reporting		Index
	Higher	Lower	
Feb	24.0	17.5	6.5
Mar	25.5	17.4	8.1
Change			1.6

Current Indicators, *continued*

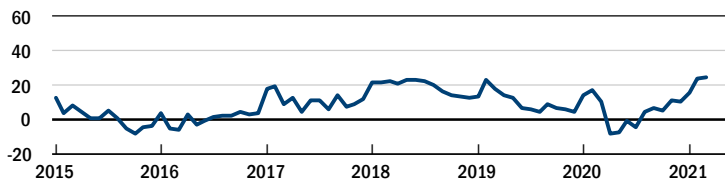
Change from Preceding Month

Prices Paid



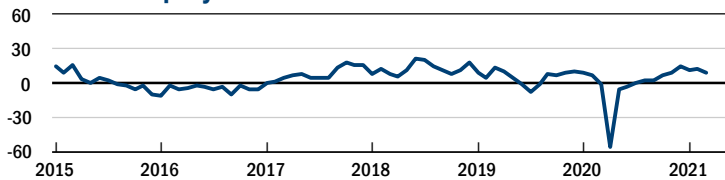
	Percent Reporting		Index
	Higher	Lower	
Feb	59.1	1.3	57.8
Mar	65.8	1.3	64.4
Change			6.6

Prices Received



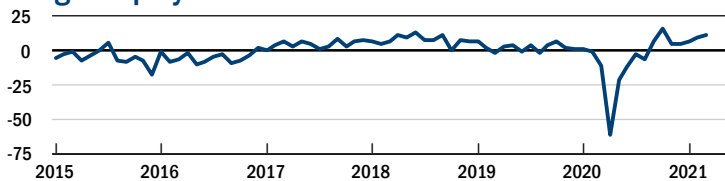
	Percent Reporting		Index
	Higher	Lower	
Feb	26.0	2.6	23.4
Mar	27.5	3.4	24.2
Change			0.8

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Feb	19.8	7.8	12.1
Mar	20.8	11.4	9.4
Change			-2.7

Average Employee Workweek



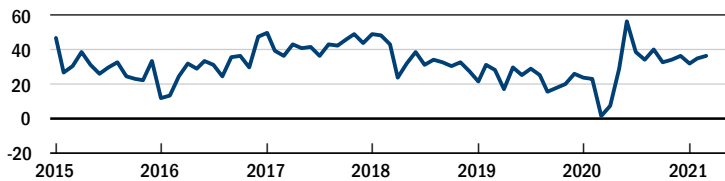
	Percent Reporting		Index
	Higher	Lower	
Feb	21.2	12.2	9.0
Mar	18.9	7.9	10.9
Change			1.9

Note: Data are seasonally adjusted.

Forward-Looking Indicators

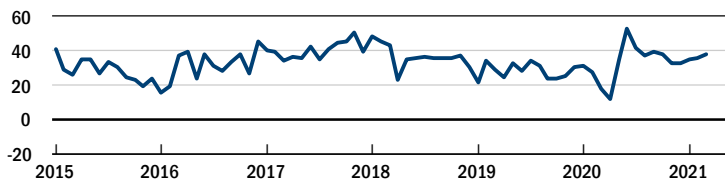
Expectations Six Months Ahead

General Business Conditions



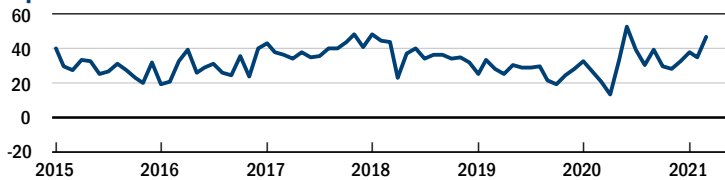
	Percent Reporting		Index
	Higher	Lower	
Feb	50.9	16.0	34.9
Mar	52.5	16.1	36.4
Change			1.5

New Orders



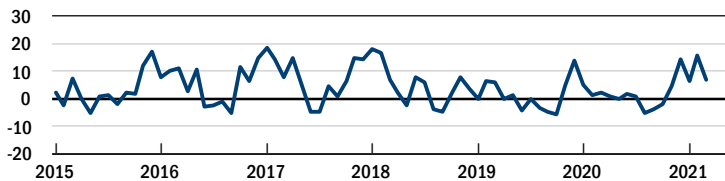
	Percent Reporting		Index
	Higher	Lower	
Feb	52.8	17.2	35.6
Mar	51.0	13.1	37.9
Change			2.3

Shipments



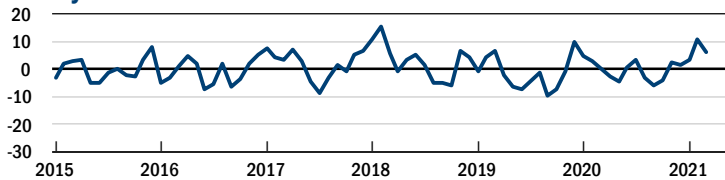
	Percent Reporting		Index
	Higher	Lower	
Feb	49.5	14.4	35.1
Mar	54.8	8.3	46.5
Change			11.4

Unfilled Orders



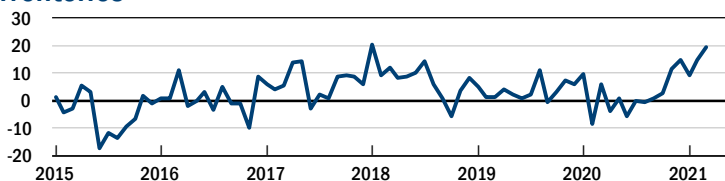
	Percent Reporting		Index
	Higher	Lower	
Feb	29.9	14.3	15.6
Mar	22.1	15.4	6.7
Change			-8.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	22.7	11.7	11.0
Mar	18.8	12.8	6.0
Change			-5.0

Inventories

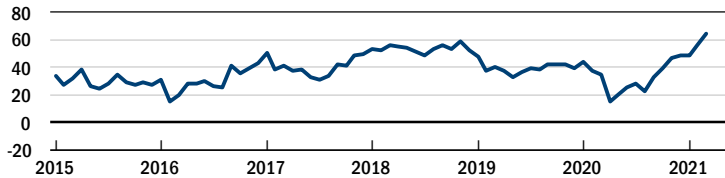


	Percent Reporting		Index
	Higher	Lower	
Feb	31.8	16.9	14.9
Mar	35.6	16.1	19.5
Change			4.6

Forward-Looking Indicators, *continued*

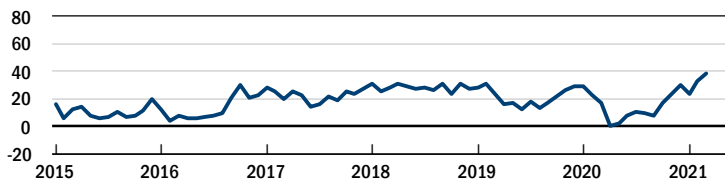
Expectations Six Months Ahead

Prices Paid



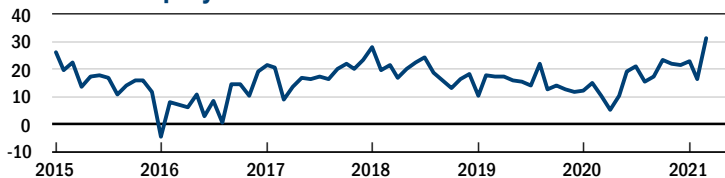
	Percent Reporting		Index
	Higher	Lower	
Feb	59.7	3.9	55.8
Mar	66.4	2.0	64.4
Change			8.6

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Feb	37.7	5.2	32.5
Mar	43.0	4.7	38.3
Change			5.8

Number of Employees



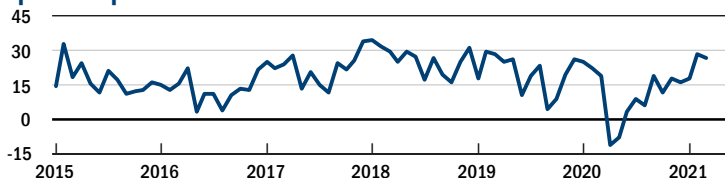
	Percent Reporting		Index
	Higher	Lower	
Feb	28.7	12.1	16.6
Mar	37.1	5.8	31.4
Change			14.8

Average Employee Workweek



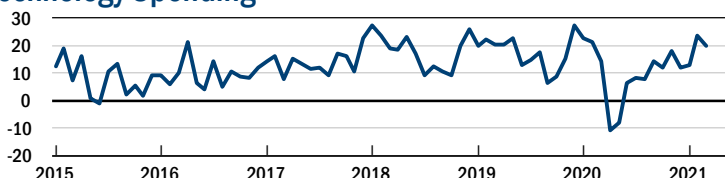
	Percent Reporting		Index
	Higher	Lower	
Feb	21.4	7.1	14.3
Mar	26.8	6.7	20.1
Change			5.8

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Feb	35.1	6.5	28.6
Mar	34.2	7.4	26.8
Change			-1.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Feb	29.9	6.5	23.4
Mar	26.2	6.0	20.1
Change			-3.3

Note: Data are seasonally adjusted.