

Empire State Manufacturing Survey

Note: Survey responses were collected between July 1 and July 9.

Business activity grew at a record-setting pace in New York State, according to firms responding to the July 2021 *Empire State Manufacturing Survey*. The headline general business conditions index shot up twenty-six points to 43.0. New orders and shipments increased robustly. Delivery times continued to lengthen substantially, and inventories expanded. Employment grew strongly, and the average workweek increased. Input prices continued to increase sharply, and selling prices rose at the fastest pace on record. Looking ahead, firms remained optimistic that conditions would improve over the next six months, with the index for future employment reaching another record high.

Activity Surges

Manufacturing activity surged in New York State, according to the July survey. The general business conditions

index rose twenty-six points to 43.0, a record high. Half of respondents reported that conditions had improved over the month, while just seven percent reported that conditions had worsened. The new orders index climbed seventeen points to 33.2, and the shipments index increased thirty points to 43.8, pointing to rapid growth in both orders and shipments. Unfilled orders rose. The delivery times index fell ten points from last month's record high, though at 20.2, it indicated that significantly longer delivery times are an ongoing issue. Inventories expanded considerably.

Selling Prices Increase at Record-Setting Pace

The index for number of employees increased eight points to 20.6, and the average workweek index held steady at 14.0, pointing to ongoing gains in

employment and hours worked. Both price indexes were at or near record highs, indicating that price increases remain significant. The prices paid index edged down just slightly to 76.8, while the prices received index climbed six points to 39.4, a new record.

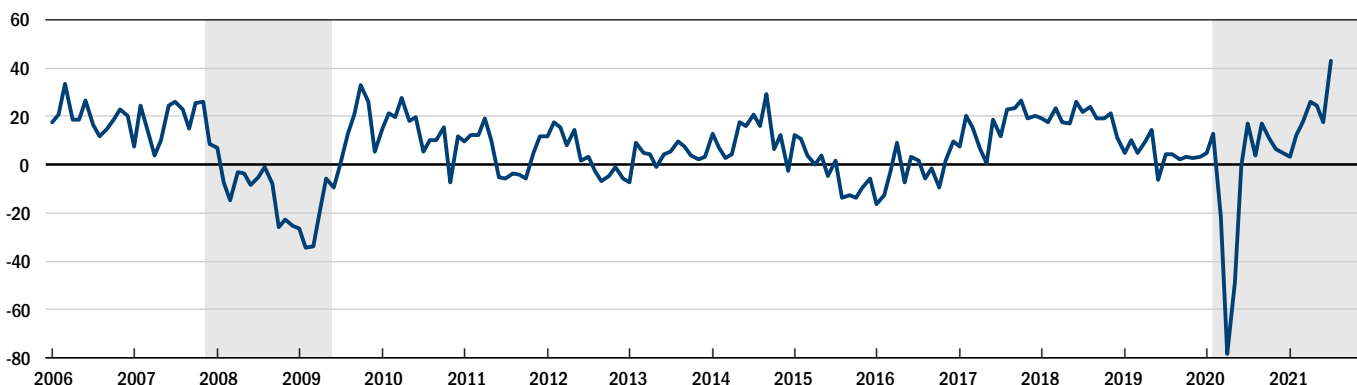
Firms Remain Optimistic

The index for future business conditions fell eight points, but at 39.5 indicated ongoing optimism about future conditions. The indexes for future new orders and shipments fell to similar levels. The index for future employment edged up to a new record high of 43.9, with half of firms reporting that they expect to increase employment over the next six months. The indexes for future prices paid and future prices received remained elevated. The capital expenditures index rose to 26.3, and the technology spending index held steady at 14.1. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

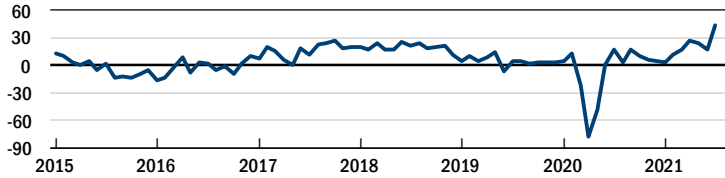


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

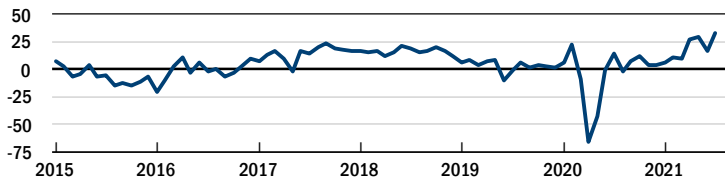
Change from Preceding Month

General Business Conditions



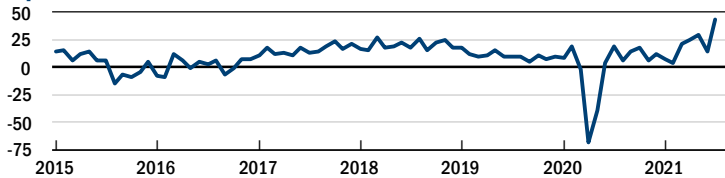
	Percent Reporting		Index
	Higher	Lower	
Jun	38.5	21.1	17.4
Jul	50.3	7.3	43.0
Change			25.6

New Orders



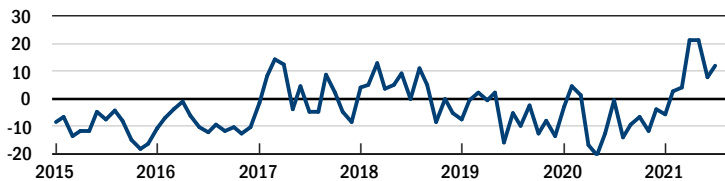
	Percent Reporting		Index
	Higher	Lower	
Jun	39.0	22.7	16.3
Jul	48.3	15.1	33.2
Change			16.9

Shipments



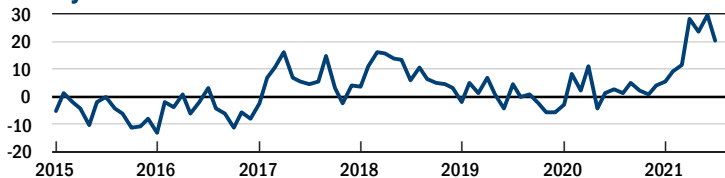
	Percent Reporting		Index
	Higher	Lower	
Jun	36.7	22.5	14.2
Jul	52.8	9.0	43.8
Change			29.6

Unfilled Orders



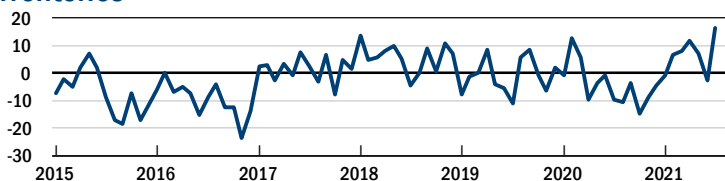
	Percent Reporting		Index
	Higher	Lower	
Jun	26.3	18.4	7.9
Jul	31.3	19.2	12.1
Change			4.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	36.0	6.1	29.8
Jul	32.3	12.1	20.2
Change			-9.6

Inventories

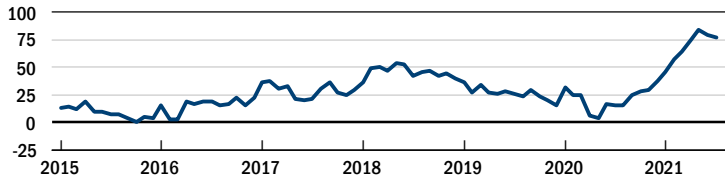


	Percent Reporting		Index
	Higher	Lower	
Jun	17.5	20.2	-2.6
Jul	30.3	14.1	16.2
Change			18.8

Current Indicators, *continued*

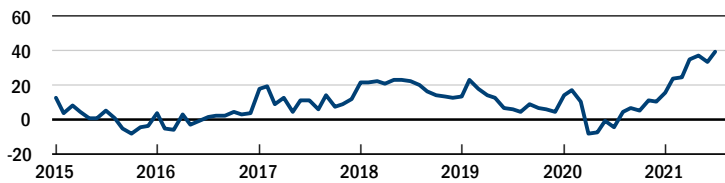
Change from Preceding Month

Prices Paid



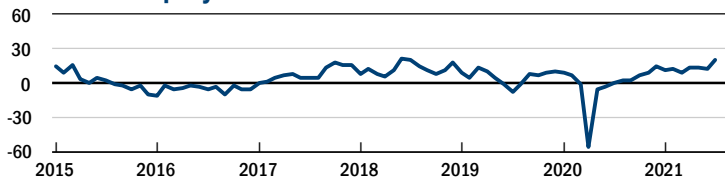
	Percent Reporting		Index
	Higher	Lower	
Jun	80.7	0.9	79.8
Jul	78.8	2.0	76.8
Change			-3.0

Prices Received



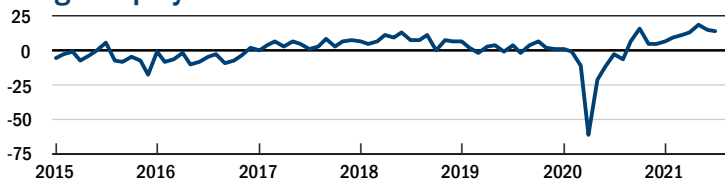
	Percent Reporting		Index
	Higher	Lower	
Jun	36.8	3.5	33.3
Jul	41.4	2.0	39.4
Change			6.1

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jun	23.5	11.2	12.3
Jul	29.5	8.9	20.6
Change			8.3

Average Employee Workweek



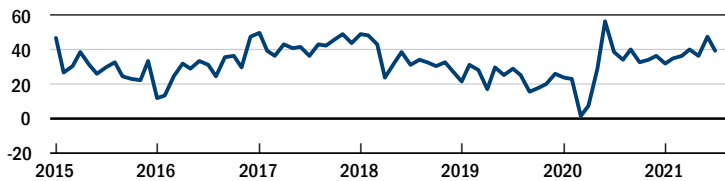
	Percent Reporting		Index
	Higher	Lower	
Jun	21.2	6.1	15.1
Jul	21.2	7.2	14.0
Change			-1.1

Note: Data are seasonally adjusted.

Forward-Looking Indicators

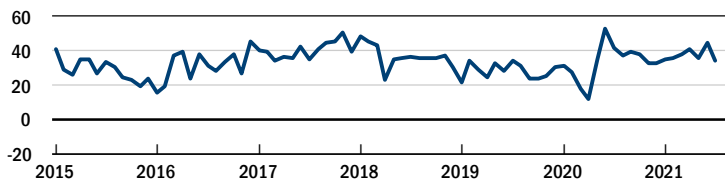
Expectations Six Months Ahead

General Business Conditions



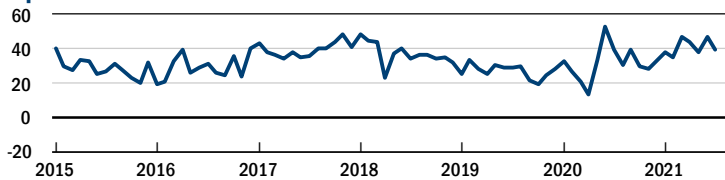
	Percent Reporting		Index
	Higher	Lower	
Jun	60.8	13.1	47.7
Jul	52.8	13.3	39.5
Change			-8.2

New Orders



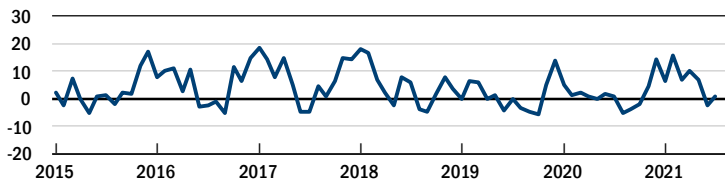
	Percent Reporting		Index
	Higher	Lower	
Jun	58.6	14.2	44.5
Jul	52.9	18.7	34.2
Change			-10.3

Shipments



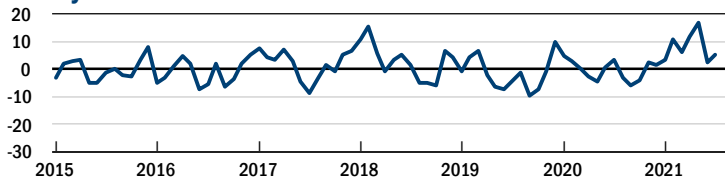
	Percent Reporting		Index
	Higher	Lower	
Jun	60.4	13.3	47.1
Jul	55.0	15.7	39.3
Change			-7.8

Unfilled Orders



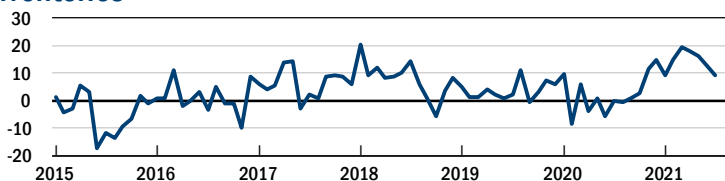
	Percent Reporting		Index
	Higher	Lower	
Jun	21.9	24.6	-2.6
Jul	25.3	24.2	1.0
Change			3.6

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jun	23.7	21.1	2.6
Jul	26.3	21.2	5.1
Change			2.5

Inventories

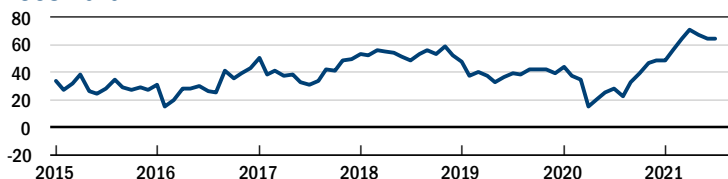


	Percent Reporting		Index
	Higher	Lower	
Jun	27.2	14.9	12.3
Jul	27.3	18.2	9.1
Change			-3.2

Forward-Looking Indicators, *continued*

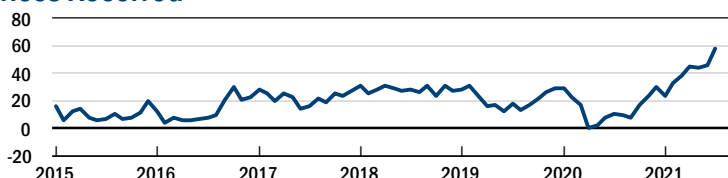
Expectations Six Months Ahead

Prices Paid



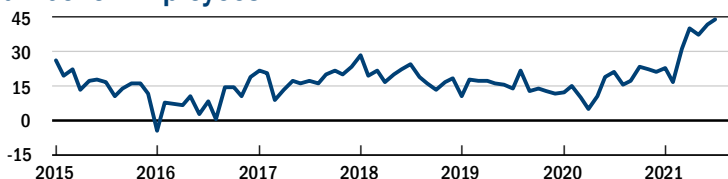
	Percent Reporting		Index
	Higher	Lower	
Jun	70.2	6.1	64.0
Jul	71.7	7.1	64.6
Change			0.6

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Jun	50.9	5.3	45.6
Jul	62.6	5.1	57.6
Change			12.0

Number of Employees



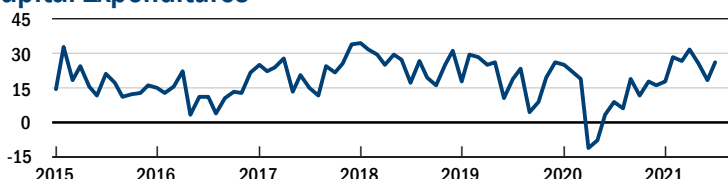
	Percent Reporting		Index
	Higher	Lower	
Jun	44.7	3.0	41.7
Jul	50.3	6.4	43.9
Change			2.2

Average Employee Workweek



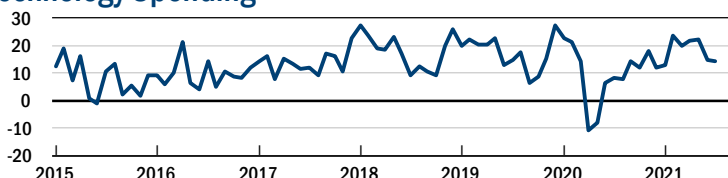
	Percent Reporting		Index
	Higher	Lower	
Jun	24.6	8.8	15.8
Jul	17.2	14.1	3.0
Change			-12.8

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jun	27.2	8.8	18.4
Jul	38.4	12.1	26.3
Change			7.9

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jun	23.7	8.8	14.9
Jul	23.2	9.1	14.1
Change			-0.8

Note: Data are seasonally adjusted.