

# Empire State Manufacturing Survey

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

Business activity continued to grow strongly in New York State, according to firms responding to the December 2021 *Empire State Manufacturing Survey*. The headline general business conditions index held steady at 31.9. New orders and shipments posted substantial increases, and firms had more unfilled orders. Delivery times lengthened significantly, though less so than last month. Labor market indicators pointed to a solid increase in employment and a longer average workweek. Both price indexes moved somewhat lower but remained near recent record highs. Plans for capital and technology spending were strong. Looking ahead, firms remained optimistic that conditions would improve over the next six months, though optimism is still lower than it was in the fall.

## Sturdy Growth Continues

Manufacturing activity grew strongly in New York State, according to the

December survey. The general business conditions index held steady at 31.9. Forty-five percent of respondents reported that conditions had improved over the month, while 13 percent reported that conditions had worsened. The new orders index and shipments indexes were both little changed at 27.1, pointing to another month of strong growth in both areas. The unfilled orders index rose six points to 19.0. The delivery times index fell nine points to 23.1, suggesting that delivery times lengthened significantly, but less so than last month. Inventories increased modestly.

## Price Increases Remain Substantial

The index for number of employees came in at 21.4, indicating a solid increase in employment, and the average workweek index fell to 12.1, suggesting a modest increase in hours

worked. The prices paid index edged down three points to 80.2, and the prices received index fell six points to 44.6, signaling ongoing substantial increases in both input prices and selling prices, though at a slightly slower pace than in November.

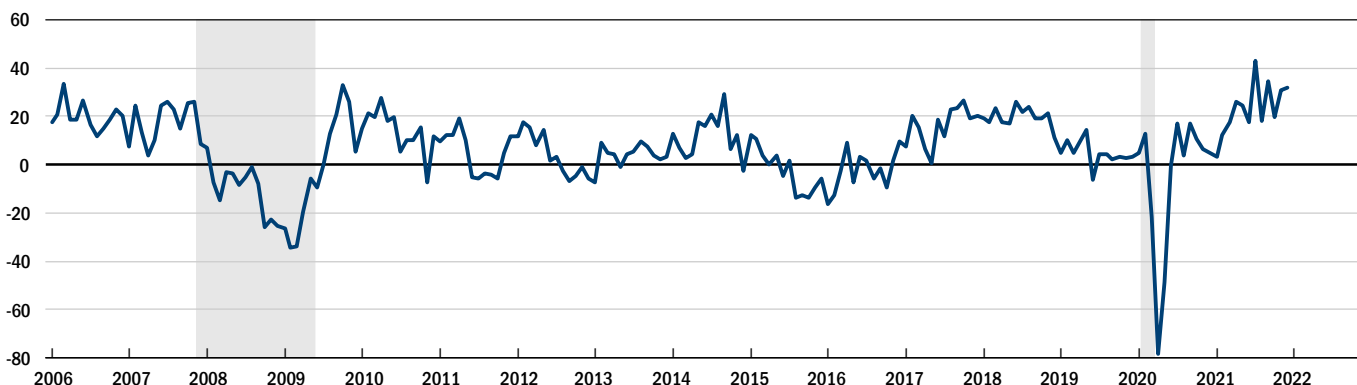
## Firms Generally Optimistic

Firms were generally optimistic about the six-month outlook, though optimism remained below levels seen in September and October. The index for future business conditions held steady at 36.4. Longer delivery times, higher prices, and increases in employment are all expected in the months ahead. The capital expenditures index climbed three points to 38.0, and the technology spending index moved up to 31.4, suggesting that firms plan significant increases in both capital spending and technology spending. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

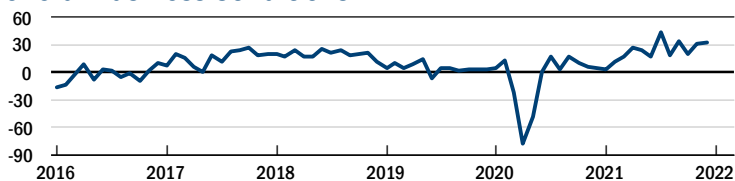


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

# Current Indicators

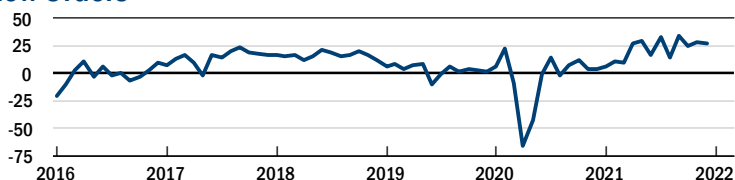
Change from Preceding Month

## General Business Conditions



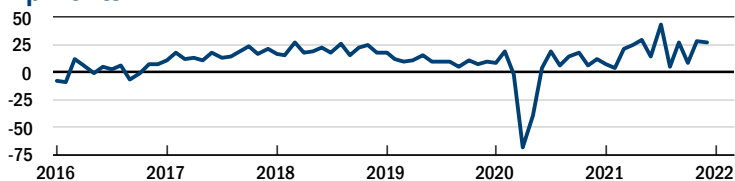
	Percent Reporting		Index
	Higher	Lower	
Nov	43.0	12.1	30.9
Dec	45.2	13.2	31.9
Change			1.0

## New Orders



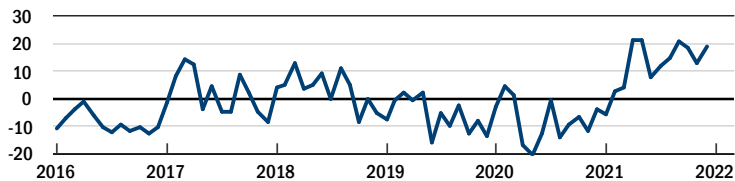
	Percent Reporting		Index
	Higher	Lower	
Nov	41.5	12.7	28.8
Dec	42.0	14.9	27.1
Change			-1.7

## Shipments



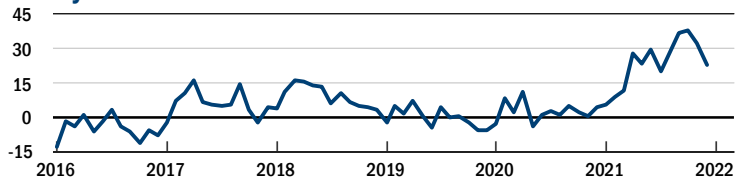
	Percent Reporting		Index
	Higher	Lower	
Nov	43.1	14.9	28.2
Dec	44.4	17.3	27.1
Change			-1.1

## Unfilled Orders



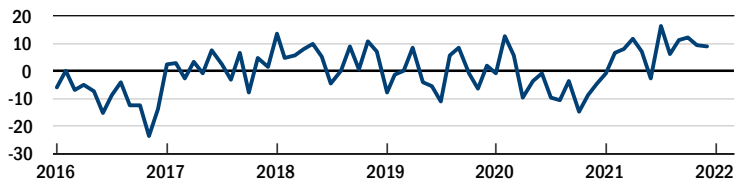
	Percent Reporting		Index
	Higher	Lower	
Nov	29.7	16.9	12.7
Dec	35.5	16.5	19.0
Change			6.3

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	38.1	5.9	32.2
Dec	34.7	11.6	23.1
Change			-9.1

## Inventories

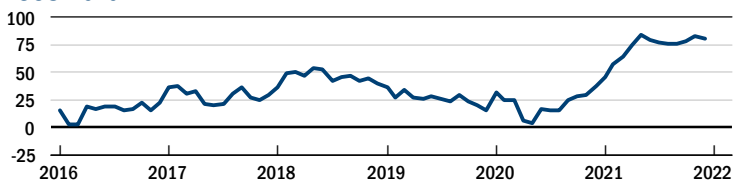


	Percent Reporting		Index
	Higher	Lower	
Nov	31.4	22.0	9.3
Dec	28.1	19.0	9.1
Change			-0.2

# Current Indicators, *continued*

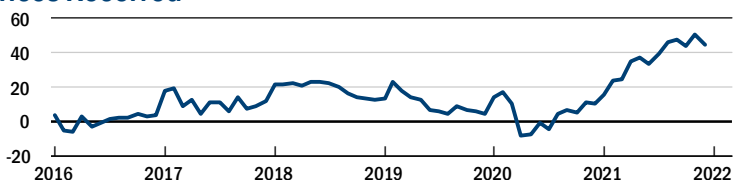
Change from Preceding Month

## Prices Paid



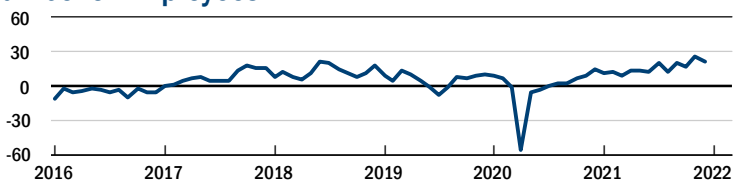
	Percent Reporting		Index
	Higher	Lower	
Nov	83.1	0.0	83.0
Dec	81.8	1.7	80.2
Change			-2.8

## Prices Received



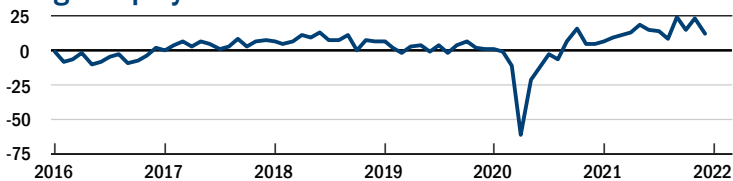
	Percent Reporting		Index
	Higher	Lower	
Nov	51.7	0.8	50.8
Dec	47.1	2.5	44.6
Change			-6.2

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Nov	29.2	3.2	26.0
Dec	26.7	5.3	21.4
Change			-4.6

## Average Employee Workweek



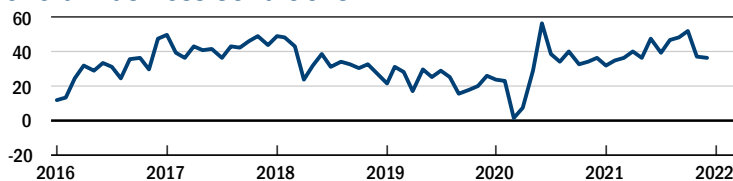
	Percent Reporting		Index
	Higher	Lower	
Nov	26.6	3.5	23.1
Dec	19.5	7.4	12.1
Change			-11.0

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

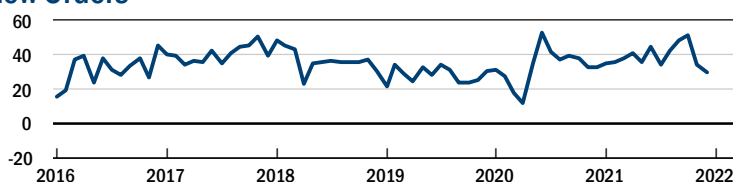
Expectations Six Months Ahead

## General Business Conditions



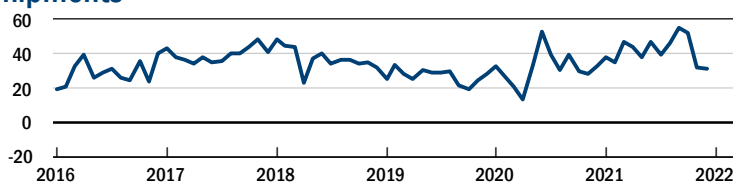
	Percent Reporting		Index
	Higher	Lower	
Nov	50.4	13.5	36.9
Dec	46.5	10.1	36.4
Change			-0.5

## New Orders



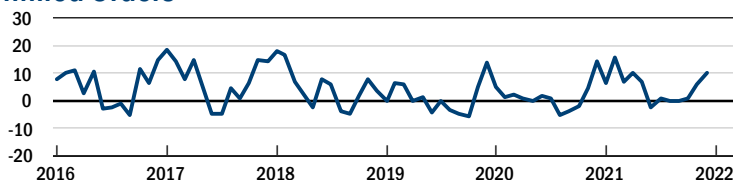
	Percent Reporting		Index
	Higher	Lower	
Nov	50.2	15.8	34.4
Dec	44.2	14.2	30.0
Change			-4.4

## Shipments



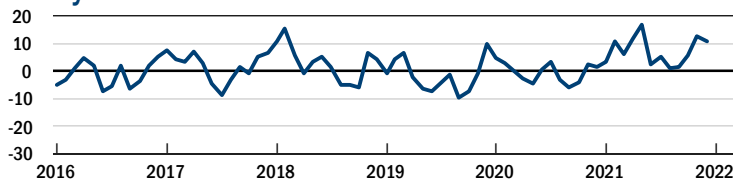
	Percent Reporting		Index
	Higher	Lower	
Nov	49.4	17.3	32.2
Dec	41.2	9.7	31.5
Change			-0.7

## Unfilled Orders



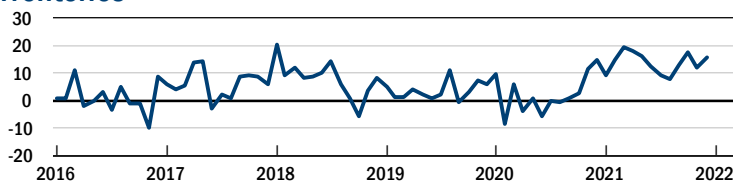
	Percent Reporting		Index
	Higher	Lower	
Nov	24.6	18.6	5.9
Dec	28.1	18.2	9.9
Change			4.0

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	27.1	14.4	12.7
Dec	26.4	15.7	10.7
Change			-2.0

## Inventories

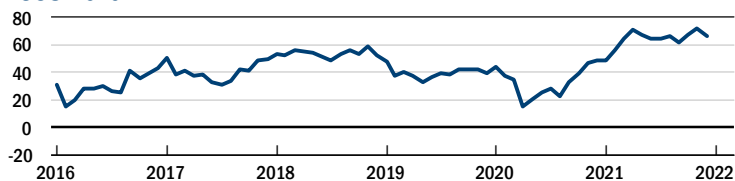


	Percent Reporting		Index
	Higher	Lower	
Nov	31.4	19.5	11.9
Dec	34.7	19.0	15.7
Change			3.8

# Forward-Looking Indicators, *continued*

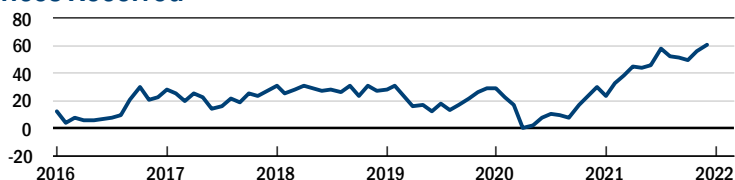
Expectations Six Months Ahead

## Prices Paid



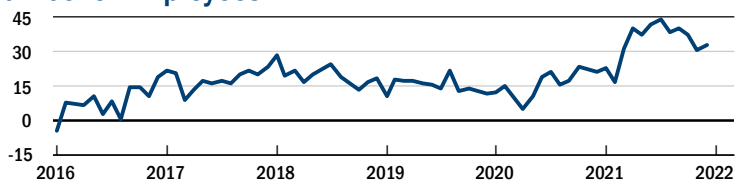
	Percent Reporting		Index
	Higher	Lower	
Nov	75.4	3.4	72.0
Dec	73.6	7.4	66.1
Change			-5.9

## Prices Received



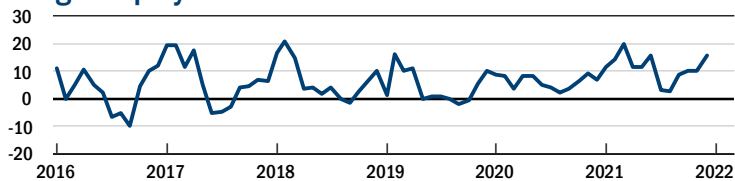
	Percent Reporting		Index
	Higher	Lower	
Nov	60.2	4.2	55.9
Dec	66.9	6.6	60.3
Change			4.4

## Number of Employees



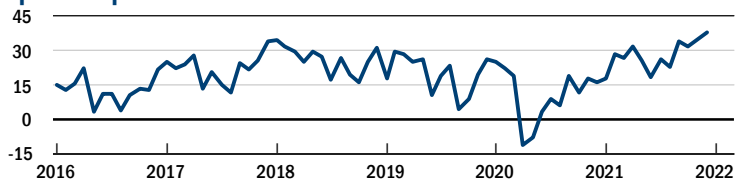
	Percent Reporting		Index
	Higher	Lower	
Nov	35.5	4.9	30.6
Dec	37.1	4.5	32.6
Change			2.0

## Average Employee Workweek



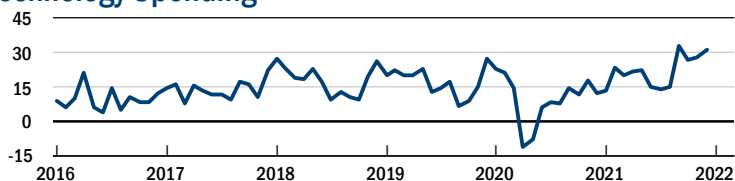
	Percent Reporting		Index
	Higher	Lower	
Nov	19.5	9.3	10.2
Dec	23.1	7.4	15.7
Change			5.5

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Nov	40.7	5.9	34.7
Dec	43.0	5.0	38.0
Change			3.3

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Nov	33.1	5.1	28.0
Dec	36.4	5.0	31.4
Change			3.4

Note: Data are seasonally adjusted.