

Empire State Manufacturing Survey

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

Business activity declined in New York State for the first time since early in the pandemic, according to firms responding to the March 2022 *Empire State Manufacturing Survey*. The headline general business conditions index fell fifteen points to -11.8, its lowest level since May 2020. New orders and shipments declined modestly, while unfilled orders increased. Delivery times continued to lengthen substantially, and inventories expanded. Labor market indicators pointed to a modest increase in employment and a slightly longer average workweek. The prices paid index remained very elevated, and the prices received index reached yet another record high. Plans for capital and technology spending remained solid. Looking ahead, firms were slightly more optimistic than last

month that conditions would improve over the next six months.

Activity Declines

Manufacturing activity declined in New York State for the first time since mid-2020, according to the March survey. The general business conditions index dropped fifteen points to -11.8. Twenty-four percent of respondents reported that conditions had improved over the month, while 35 percent reported that conditions had worsened. The new orders index fell to -11.2, and the shipments index moved down to -7.4, pointing to declines in orders and shipments. The unfilled orders index came in at 13.1. The delivery times index climbed eleven points to 32.7, pointing to a substantial increase in delivery times, and inventories rose at the fastest pace in years.

Selling Price Increases Hit Fresh Record

The index for number of employees dropped nine points to 14.5, pointing to a modest increase in employment levels, and the average workweek index moved down to 3.5, indicating a slightly longer workweek. The prices paid index edged down three points to 73.8, while the prices received index rose two points to a record high of 56.1, signaling ongoing substantial increases in both input prices and selling prices.

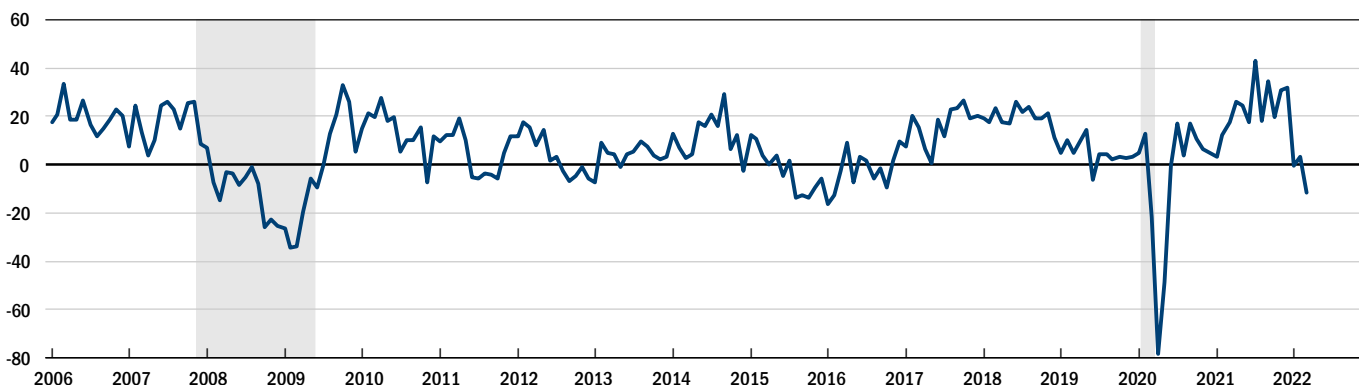
Outlook Improves

Firms were generally optimistic about the six-month outlook. The index for future business conditions climbed eight points to 36.6. Longer delivery times, higher prices, and increases in employment are all expected in the months ahead, and capital spending plans remained firm. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

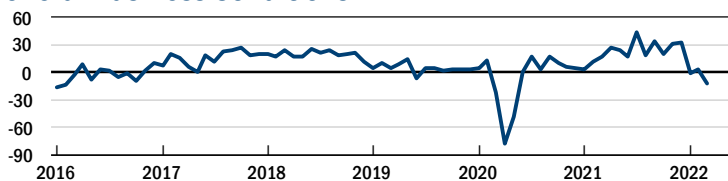


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

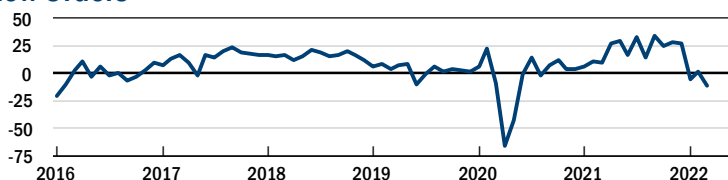
Change from Preceding Month

General Business Conditions



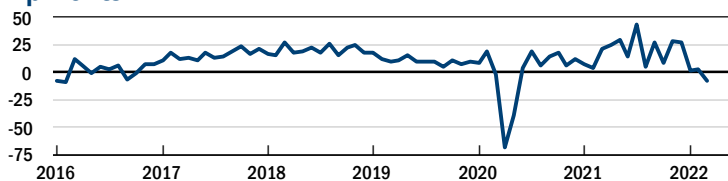
	Percent Reporting		Index
	Higher	Lower	
Feb	33.5	30.5	3.1
Mar	23.6	35.4	-11.8
Change			-14.9

New Orders



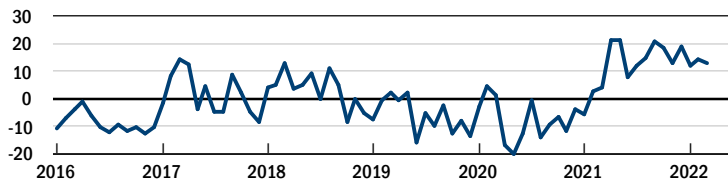
	Percent Reporting		Index
	Higher	Lower	
Feb	35.9	34.5	1.4
Mar	23.9	35.1	-11.2
Change			-12.6

Shipments



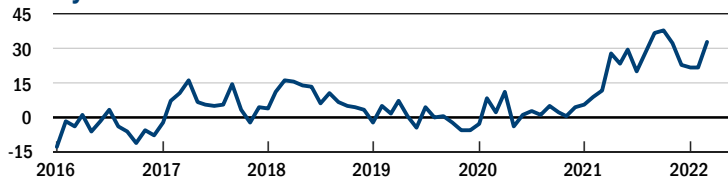
	Percent Reporting		Index
	Higher	Lower	
Feb	32.5	29.6	2.9
Mar	26.2	33.6	-7.4
Change			-10.3

Unfilled Orders



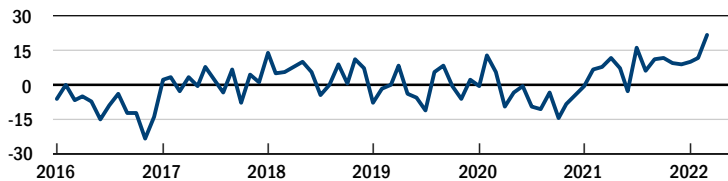
	Percent Reporting		Index
	Higher	Lower	
Feb	28.8	14.4	14.4
Mar	28.0	15.0	13.1
Change			-1.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	35.1	13.5	21.6
Mar	38.3	5.6	32.7
Change			11.1

Inventories

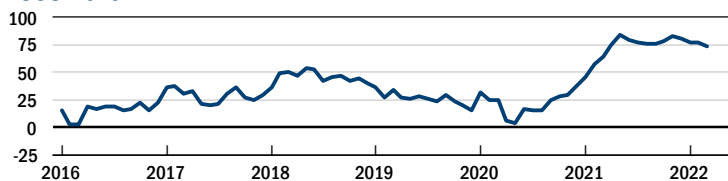


	Percent Reporting		Index
	Higher	Lower	
Feb	29.7	18.0	11.7
Mar	31.8	10.3	21.5
Change			9.8

Current Indicators, *continued*

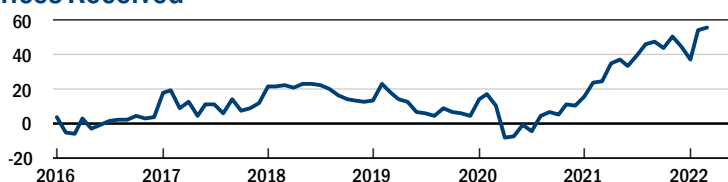
Change from Preceding Month

Prices Paid



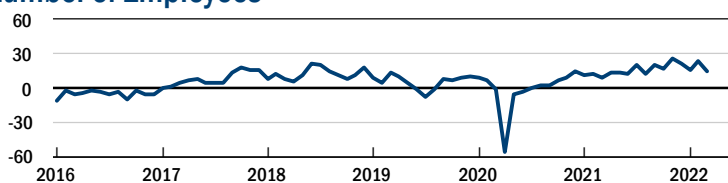
	Percent Reporting		Index
	Higher	Lower	
Feb	79.3	2.7	76.6
Mar	74.8	0.9	73.8
Change			-2.8

Prices Received



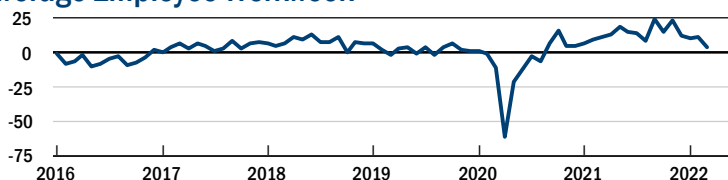
	Percent Reporting		Index
	Higher	Lower	
Feb	58.6	4.5	54.1
Mar	57.0	0.9	56.1
Change			2.0

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Feb	29.4	6.3	23.1
Mar	20.7	6.2	14.5
Change			-8.6

Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Feb	22.5	11.7	10.9
Mar	11.7	8.3	3.5
Change			-7.4

Note: Data are seasonally adjusted.

Forward-Looking Indicators

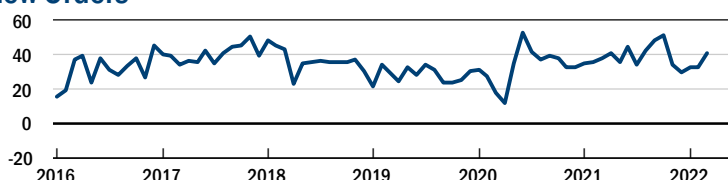
Expectations Six Months Ahead

General Business Conditions



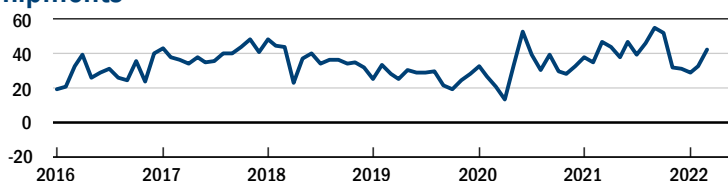
	Percent Reporting		Index
	Higher	Lower	
Feb	42.7	14.5	28.2
Mar	50.7	14.2	36.6
Change			8.4

New Orders



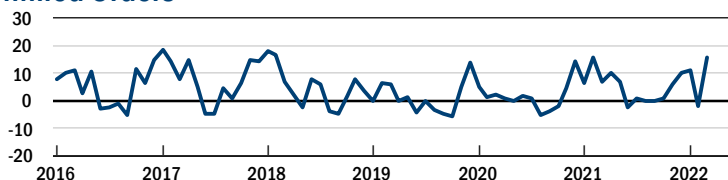
	Percent Reporting		Index
	Higher	Lower	
Feb	44.6	12.1	32.5
Mar	54.1	13.0	41.1
Change			8.6

Shipments



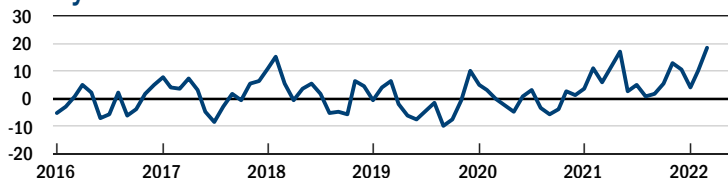
	Percent Reporting		Index
	Higher	Lower	
Feb	47.5	15.0	32.6
Mar	53.8	11.5	42.3
Change			9.7

Unfilled Orders



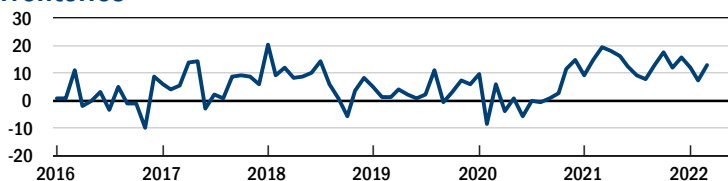
	Percent Reporting		Index
	Higher	Lower	
Feb	18.9	20.7	-1.8
Mar	28.0	12.1	15.9
Change			17.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	26.1	16.2	9.9
Mar	29.0	10.3	18.7
Change			8.8

Inventories

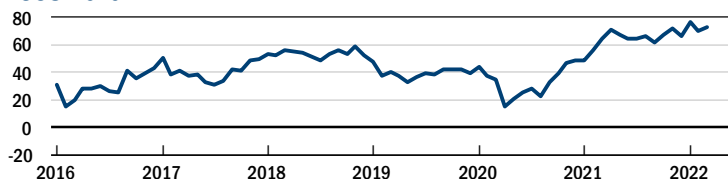


	Percent Reporting		Index
	Higher	Lower	
Feb	23.4	16.2	7.2
Mar	33.6	20.6	13.1
Change			5.9

Forward-Looking Indicators, *continued*

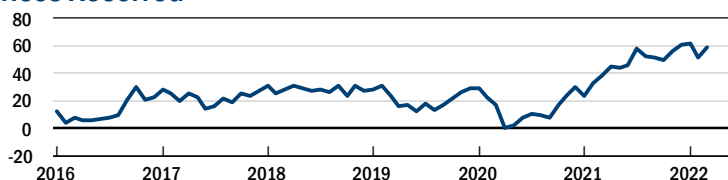
Expectations Six Months Ahead

Prices Paid



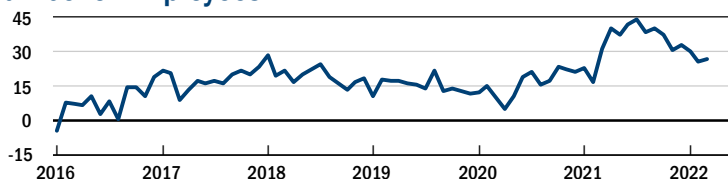
	Percent Reporting		Index
	Higher	Lower	
Feb	75.7	5.4	70.3
Mar	78.5	5.6	72.9
Change			2.6

Prices Received



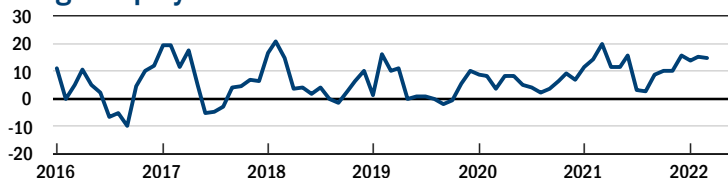
	Percent Reporting		Index
	Higher	Lower	
Feb	57.7	6.3	51.4
Mar	63.6	4.7	58.9
Change			7.5

Number of Employees



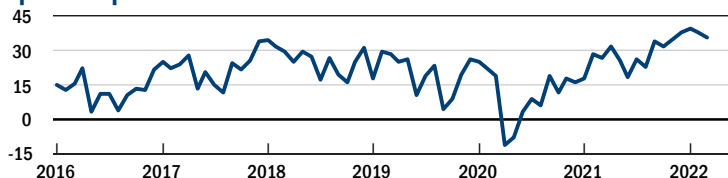
	Percent Reporting		Index
	Higher	Lower	
Feb	35.9	10.4	25.5
Mar	31.0	4.0	27.0
Change			1.5

Average Employee Workweek



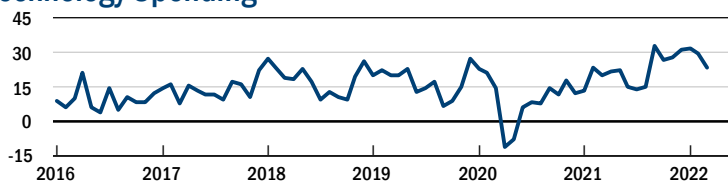
	Percent Reporting		Index
	Higher	Lower	
Feb	22.5	7.2	15.3
Mar	20.6	5.6	15.0
Change			-0.3

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Feb	44.1	6.3	37.8
Mar	40.2	4.7	35.5
Change			-2.3

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Feb	34.2	4.5	29.7
Mar	29.0	5.6	23.4
Change			-6.3

Note: Data are seasonally adjusted.