

# Empire State Manufacturing Survey

Note: Survey responses were collected between May 4 and May 11.

Business activity grew strongly in New York State in May, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index climbed nine points to 19.6, its highest level in more than four years. New orders and shipments increased considerably for the second consecutive month. Unfilled orders rose. Delivery times lengthened substantially, and supply availability worsened somewhat. Employment levels and the average workweek both continued to increase. The pace of input price increases and selling price increases picked up sharply. Looking ahead, firms grew more optimistic about the outlook.

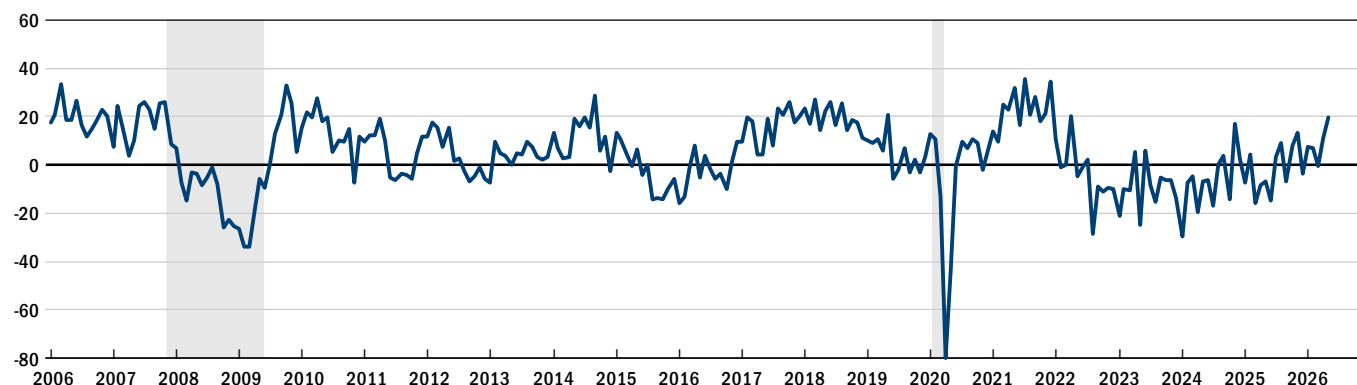
## Activity Grows Markedly

Manufacturing activity in New York State grew strongly, according to the May survey. The general business conditions index rose nine points to 19.6, its highest reading since April 2022. The new orders index rose three points to 22.7, its highest level in more than four years. The shipments index was little changed at 18.9, pointing to another solid increase in shipments. Unfilled orders increased for the fourth consecutive month.

## General Business Conditions

Seasonally Adjusted

Diffusion Index



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

### ECONOMIST COMMENTARY

“New York State manufacturing activity grew at its fastest pace in over four years in May. New orders and shipments rose strongly, and employment continued to increase. However, the pace of price increases surged while delivery times and supply availability worsened.”

~Richard Deitz, Economic Research Advisor at the New York Fed

The delivery time index rose eight points to 20.4, a four-year high, and the supply availability index remained negative at -10.7, suggesting that delivery times were much longer and supply availability worsened. Inventories increased modestly.

## Pace of Price Increases Jumps

The index for number of employees was little changed at 8.3, and the average workweek index came in at 11.5, pointing to an ongoing increase in employment levels and hours worked. Both price indexes picked up to their highest levels since 2022. The prices paid index rose

twelve points to 62.6, pointing to a sharp acceleration in input price increases for a second consecutive month, and the prices received index climbed ten points to 31.8.

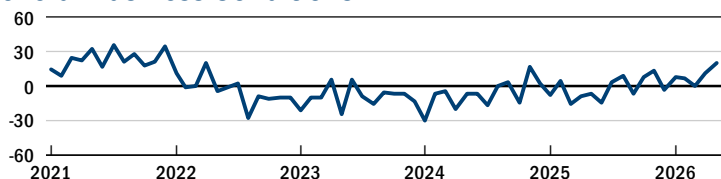
## Optimism Grows

Firms became more optimistic about the outlook. The index for future business conditions rose fourteen points to 33.5, with over fifty percent of respondents expecting conditions to improve over the next six months. Employment is expected to grow. Capital spending plans remained modest. Prices are expected to continue to rise, and supply availability is expected to worsen. ■

# Current Indicators

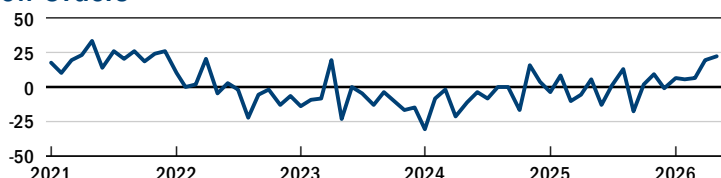
Change from Preceding Month

## General Business Conditions



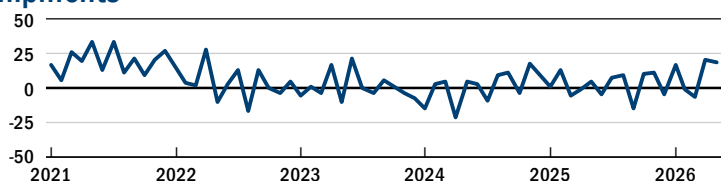
	Percent Reporting		Index
	Higher	Lower	
Apr	36.3	25.2	11.0
May	44.5	24.9	19.6
Change			8.6

## New Orders



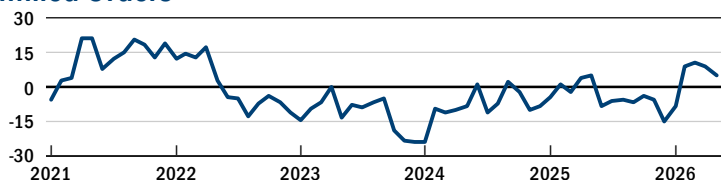
	Percent Reporting		Index
	Higher	Lower	
Apr	42.3	23.0	19.3
May	45.8	23.1	22.7
Change			3.4

## Shipments



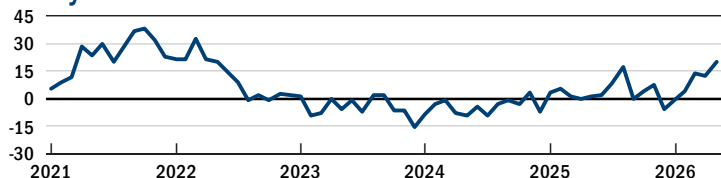
	Percent Reporting		Index
	Higher	Lower	
Apr	43.5	23.4	20.2
May	40.5	21.6	18.9
Change			-1.3

## Unfilled Orders



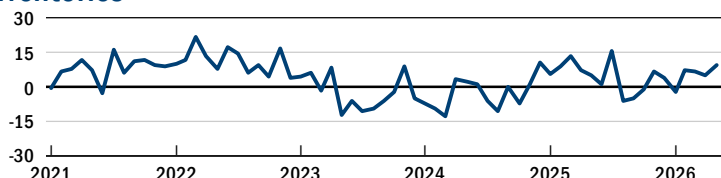
	Percent Reporting		Index
	Higher	Lower	
Apr	22.2	13.1	9.1
May	22.3	17.5	4.9
Change			-4.2

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	21.2	9.1	12.1
May	25.2	4.9	20.4
Change			8.3

## Inventories

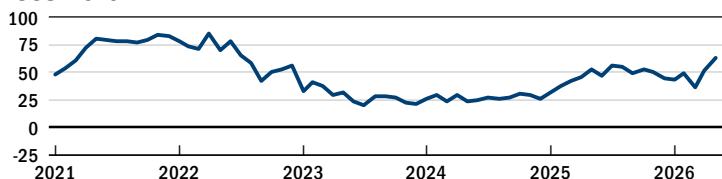


	Percent Reporting		Index
	Higher	Lower	
Apr	20.2	15.2	5.1
May	30.1	20.4	9.7
Change			4.6

# Current Indicators, *continued*

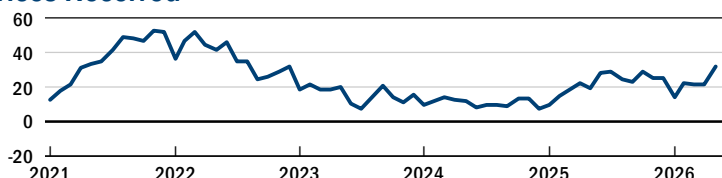
Change from Preceding Month

## Prices Paid



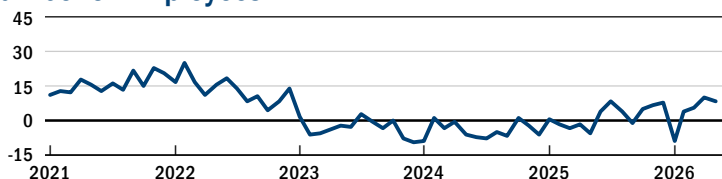
	Percent Reporting		Index
	Higher	Lower	
Apr	54.9	3.9	51.0
May	63.3	0.7	62.6
Change			11.6

## Prices Received



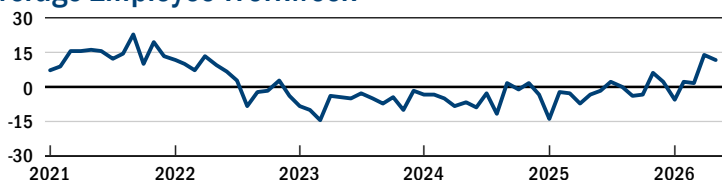
	Percent Reporting		Index
	Higher	Lower	
Apr	27.3	5.5	21.8
May	33.7	1.9	31.8
Change			10.0

## Number of Employees



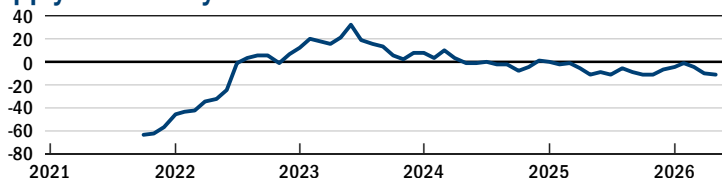
	Percent Reporting		Index
	Higher	Lower	
Apr	19.5	9.7	9.8
May	16.8	8.5	8.3
Change			-1.5

## Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Apr	20.9	7.2	13.7
May	20.5	9.1	11.5
Change			-2.2

## Supply Availability



	Percent Reporting		Index
	Higher	Lower	
Apr	4.0	14.1	-10.1
May	1.0	11.7	-10.7
Change			-0.6

Note: Data are seasonally adjusted. The current supply availability index was added to the report in June 2024 and included a history of data points going back to 2021.

# Forward-Looking Indicators

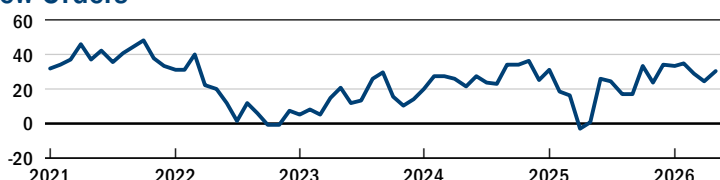
Expectations Six Months Ahead

## General Business Conditions



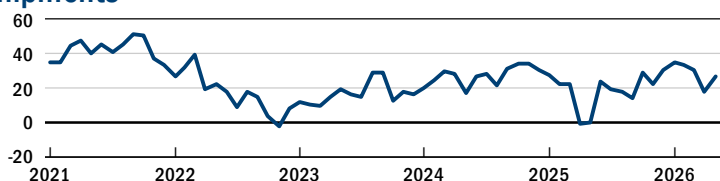
	Percent Reporting		Index
	Higher	Lower	
Apr	45.1	25.6	19.6
May	50.8	17.3	33.5
Change			13.9

## New Orders



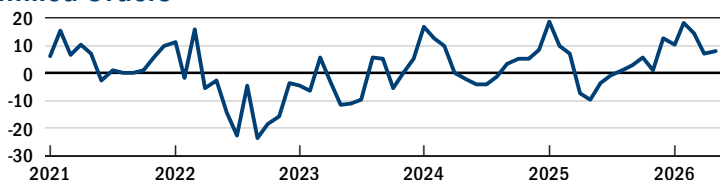
	Percent Reporting		Index
	Higher	Lower	
Apr	48.1	23.3	24.8
May	47.1	17.0	30.1
Change			5.3

## Shipments



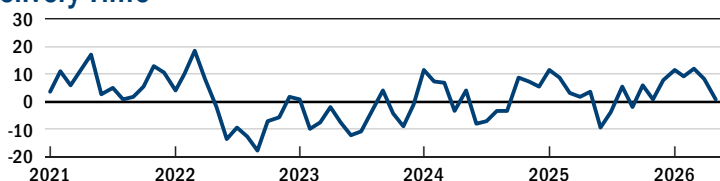
	Percent Reporting		Index
	Higher	Lower	
Apr	41.8	24.1	17.7
May	44.4	17.8	26.6
Change			8.9

## Unfilled Orders



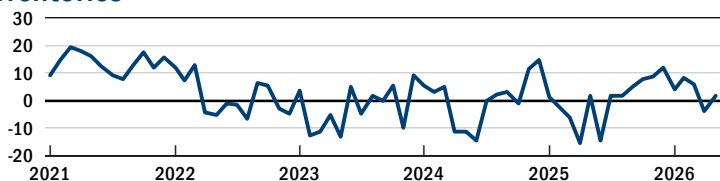
	Percent Reporting		Index
	Higher	Lower	
Apr	18.2	11.1	7.1
May	20.4	12.6	7.8
Change			0.7

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	16.2	8.1	8.1
May	13.6	12.6	1.0
Change			-7.1

## Inventories

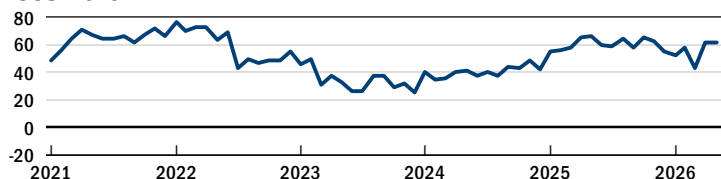


	Percent Reporting		Index
	Higher	Lower	
Apr	19.2	23.2	-4.0
May	21.4	19.4	1.9
Change			5.9

# Forward-Looking Indicators, *continued*

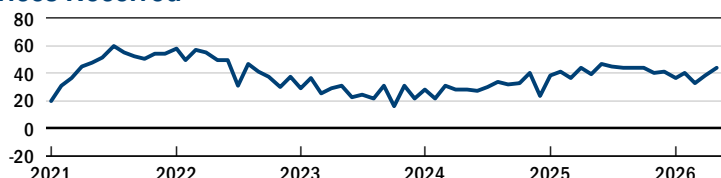
Expectations Six Months Ahead

## Prices Paid



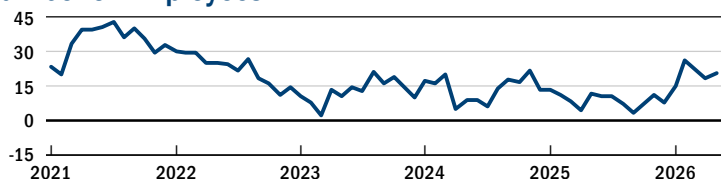
	Percent Reporting		Index
	Higher	Lower	
Apr	65.7	4.0	61.6
May	65.0	2.9	62.1
Change			0.5

## Prices Received



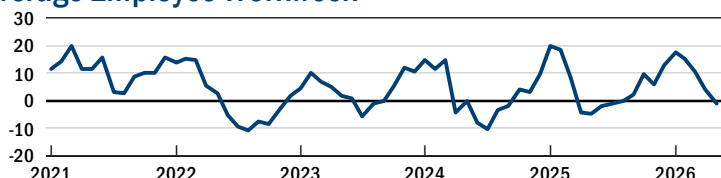
	Percent Reporting		Index
	Higher	Lower	
Apr	44.8	6.2	38.6
May	46.4	2.8	43.6
Change			5.0

## Number of Employees



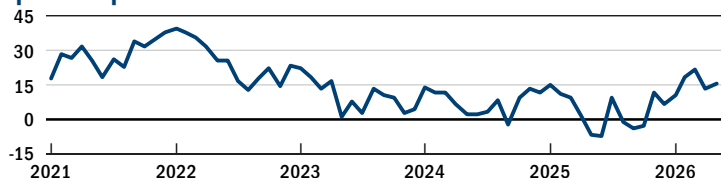
	Percent Reporting		Index
	Higher	Lower	
Apr	25.9	7.8	18.1
May	28.0	7.3	20.6
Change			2.5

## Average Employee Workweek



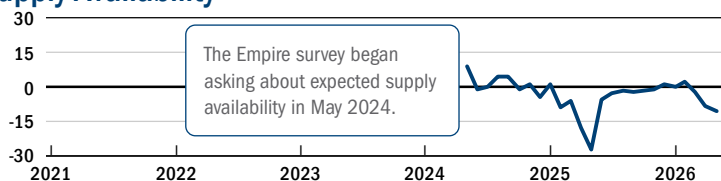
	Percent Reporting		Index
	Higher	Lower	
Apr	14.1	10.1	4.0
May	14.6	15.5	-1.0
Change			-5.0

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Apr	26.3	13.1	13.1
May	25.2	9.7	15.5
Change			2.4

## Supply Availability



	Percent Reporting		Index
	Higher	Lower	
Apr	2.0	10.1	-8.1
May	1.9	12.6	-10.7
Change			-2.6

Note: Data are seasonally adjusted. The expected supply availability index was added to the report in June 2024 and included one additional data point from May 2024. The technology spending index was discontinued at this time.