Empire State Manufacturing Survey

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

After posting strong growth last month, business activity increased modestly in New York State in November, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index remained positive but fell eighteen points to 7.8. New orders and shipments both increased. Unfilled orders rose, delivery times continued to lengthen, and supply availability worsened. Inventories moved higher. Employment expanded at the fastest pace in more than four years, and the average workweek increased. The pace of input and selling price increases slowed but remained elevated. Capital spending plans strengthened. Firms grew more optimistic that conditions would improve in the months ahead.

ECONOMIST COMMENTARY

"Manufacturing activity grew modestly in New York State in November after posting strong growth in October. Employment rose sharply, while the pace of price increases slowed but remained elevated."

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

Activity Continues to Grow

Following a strong increase in October, manufacturing activity expanded modestly in New York State, according to the November survey. The general business conditions index fell from a multi-year high but remained positive at 7.8. The new orders index moved down to 3.0, pointing to a slight increase in orders, and the shipments index came in at 8.8, pointing to a modest increase in shipments. The unfilled orders index came in at 10.3, and the delivery times index was 13.8, suggesting a continued increase in unfilled orders and longer delivery times. Inventories increased. The supply availability index rose six points but remained negative at -9.2, pointing to worsening supply availability, though less so than in recent months.

Labor Market Indicators Strengthen

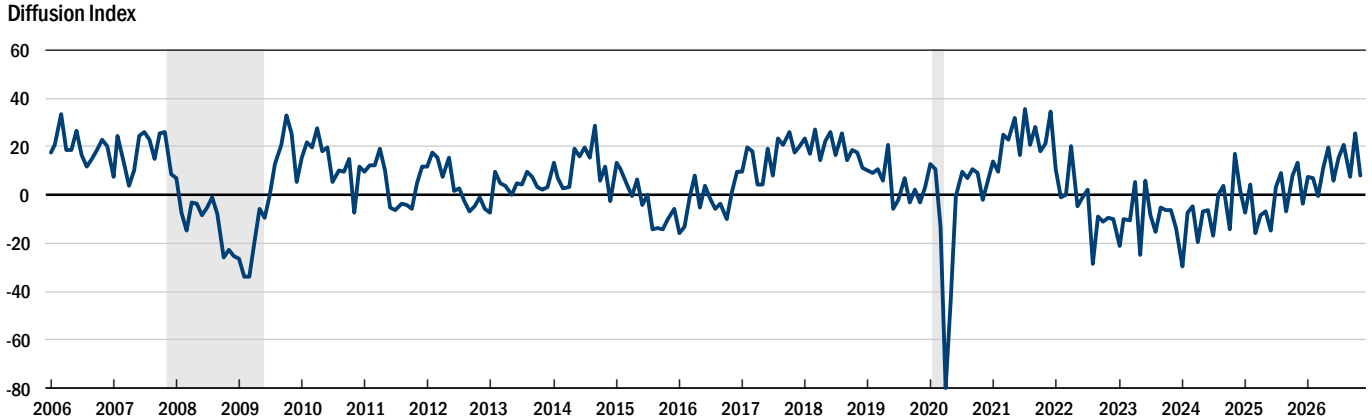
The index for number of employees rose sharply to 18.1, its highest level since June 2022, and the average workweek index increased four points to 13.5, suggesting strong growth in both employment and hours worked. Prices continued to rise at an elevated pace, though more slowly than in October. The prices paid index dropped fourteen points to 45.9, pointing to a significant moderation in input price increases, and the prices received index dipped three points to 27.2.

Optimism Improves

The index for future business conditions rose eight points to 28.9, with close to half of firms expecting conditions to improve in the months ahead. New orders and shipments are expected to increase, and employment is expected to grow. Supply availability is expected to worsen only slightly, and price increases are expected to remain elevated. The capital expenditures index rose nine points to 23.0, its highest level since December 2022, indicating that capital spending plans strengthened. ■

General Business Conditions

Seasonally Adjusted

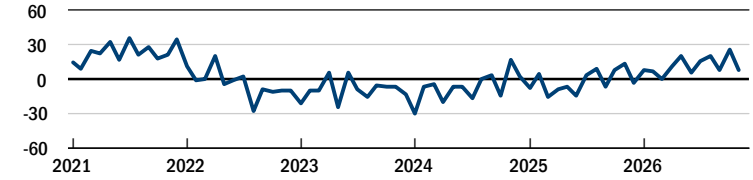


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

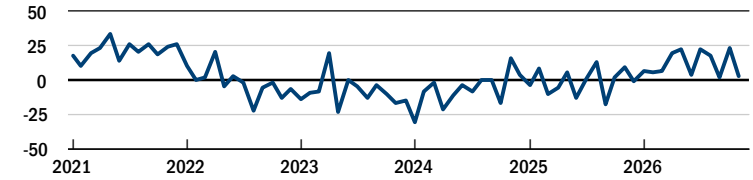
Change from Preceding Month

General Business Conditions



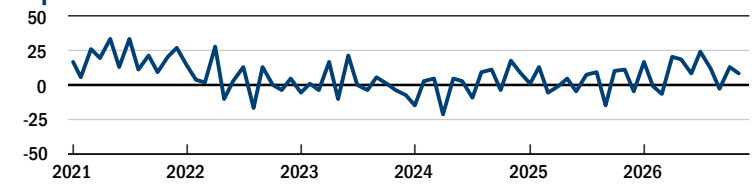
	Percent Reporting		
	Higher	Lower	Index
Oct	44.4	18.9	25.5
Nov	31.0	23.2	7.8
Change			-17.7

New Orders



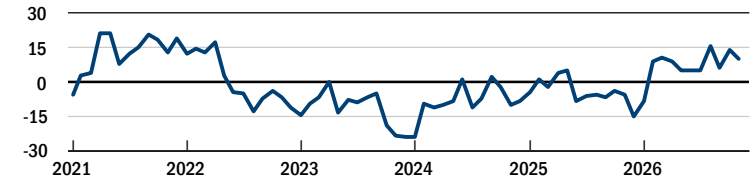
	Percent Reporting		
	Higher	Lower	Index
Oct	42.9	19.7	23.2
Nov	28.3	25.2	3.0
Change			-20.2

Shipments



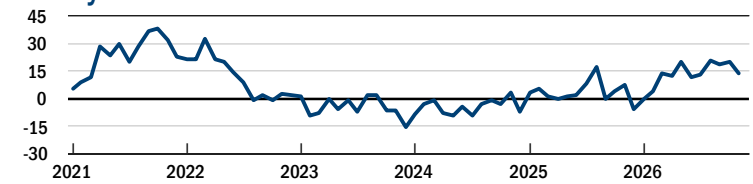
	Percent Reporting		
	Higher	Lower	Index
Oct	37.1	23.9	13.1
Nov	35.2	26.4	8.8
Change			-4.3

Unfilled Orders



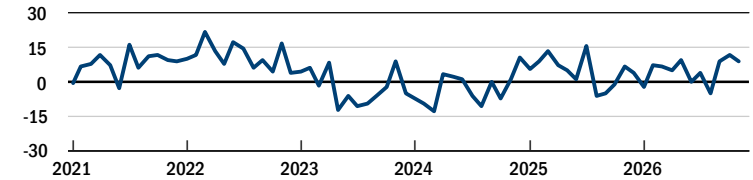
	Percent Reporting		
	Higher	Lower	Index
Oct	26.7	12.8	14.0
Nov	24.1	13.8	10.3
Change			-3.7

Delivery Time



	Percent Reporting		
	Higher	Lower	Index
Oct	29.1	9.3	19.8
Nov	21.8	8.0	13.8
Change			-6.0

Inventories

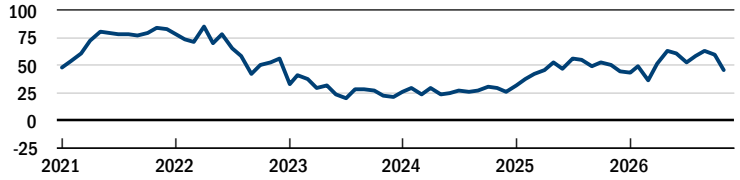


	Percent Reporting		
	Higher	Lower	Index
Oct	30.2	18.6	11.6
Nov	26.4	17.2	9.2
Change			-2.4

Current Indicators, *continued*

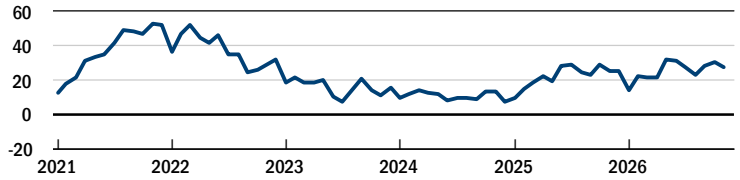
Change from Preceding Month

Prices Paid



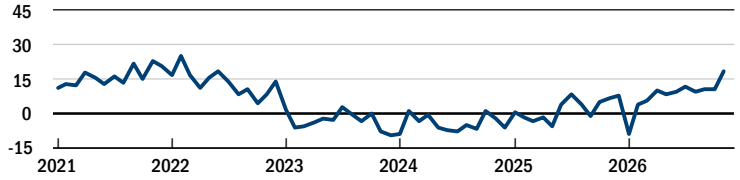
	Percent Reporting		
	Higher	Lower	Index
Oct	60.5	1.0	59.5
Nov	45.9	0.0	45.9
Change			-13.6

Prices Received



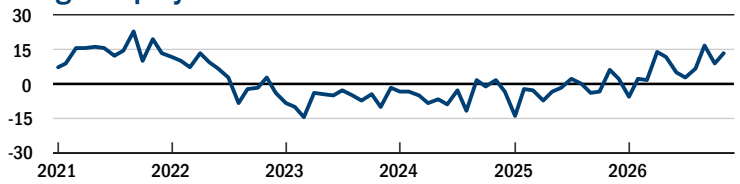
	Percent Reporting		
	Higher	Lower	Index
Oct	33.6	2.9	30.6
Nov	27.2	0.0	27.2
Change			-3.4

Number of Employees



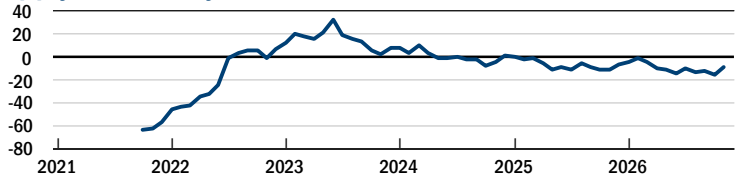
	Percent Reporting		
	Higher	Lower	Index
Oct	20.0	9.8	10.3
Nov	21.5	3.4	18.1
Change			7.8

Average Employee Workweek



	Percent Reporting		
	Higher	Lower	Index
Oct	17.1	7.9	9.1
Nov	18.2	4.7	13.5
Change			4.4

Supply Availability



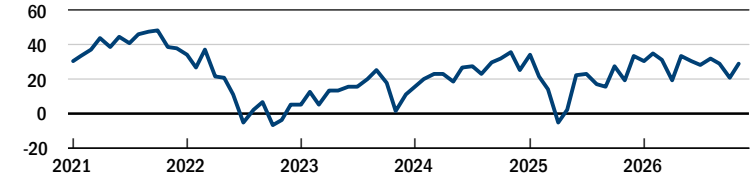
	Percent Reporting		
	Higher	Lower	Index
Oct	3.5	18.6	-15.1
Nov	4.6	13.8	-9.2
Change			5.9

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

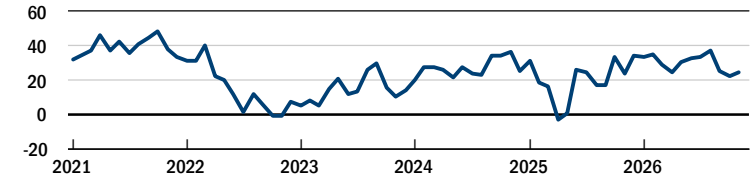
Expectations Six Months Ahead

General Business Conditions



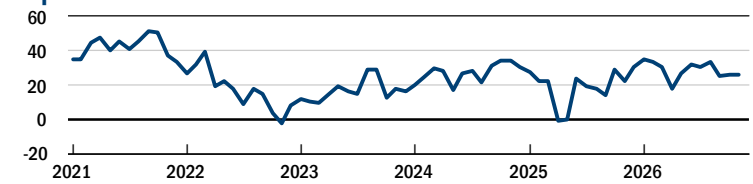
	Percent Reporting		
	Higher	Lower	Index
Oct	45.1	24.2	21.0
Nov	47.1	18.2	28.9
Change			7.9

New Orders



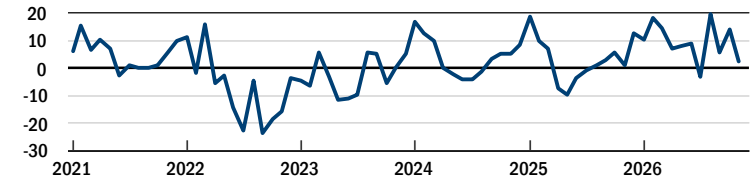
	Percent Reporting		
	Higher	Lower	Index
Oct	46.6	24.2	22.4
Nov	45.2	20.8	24.5
Change			2.1

Shipments



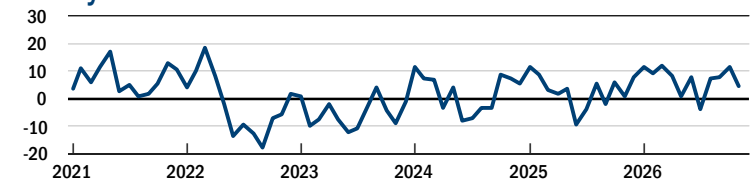
	Percent Reporting		
	Higher	Lower	Index
Oct	50.4	24.2	26.2
Nov	41.4	15.6	25.8
Change			-0.4

Unfilled Orders



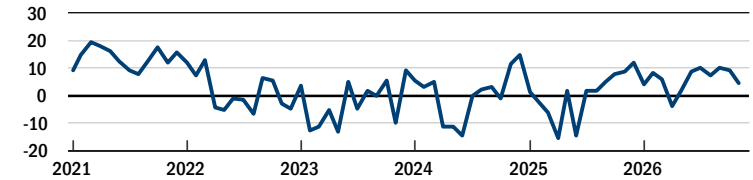
	Percent Reporting		
	Higher	Lower	Index
Oct	27.9	14.0	14.0
Nov	18.4	16.1	2.3
Change			-11.7

Delivery Time



	Percent Reporting		
	Higher	Lower	Index
Oct	24.4	12.8	11.6
Nov	18.4	13.8	4.6
Change			-7.0

Inventories

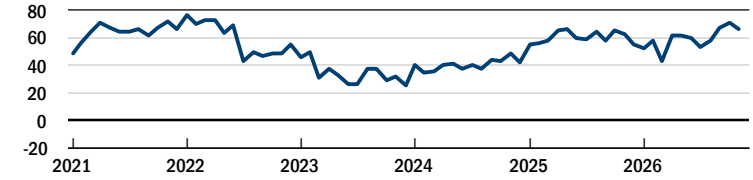


	Percent Reporting		
	Higher	Lower	Index
Oct	31.4	22.1	9.3
Nov	21.8	17.2	4.6
Change			-4.7

Forward-Looking Indicators, *continued*

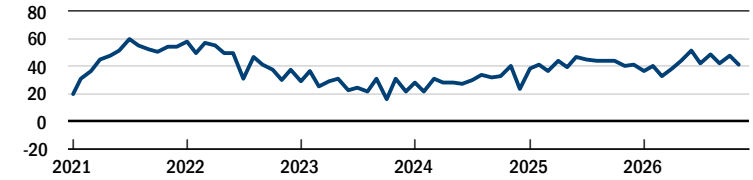
Expectations Six Months Ahead

Prices Paid



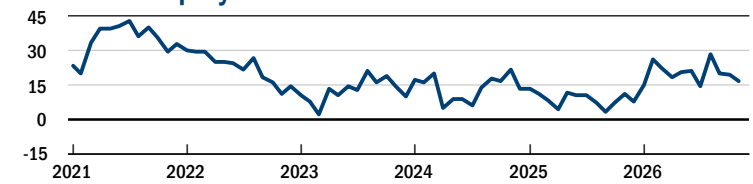
	Percent Reporting		
	Higher	Lower	Index
Oct	74.4	3.5	70.9
Nov	70.1	3.4	66.7
Change			-4.2

Prices Received



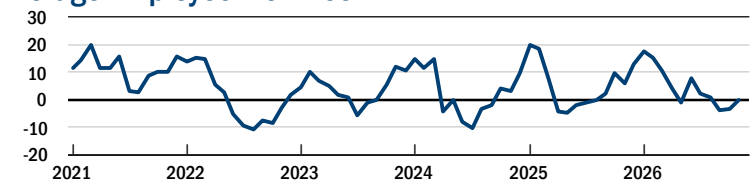
	Percent Reporting		
	Higher	Lower	Index
Oct	53.5	5.5	48.0
Nov	47.2	6.0	41.2
Change			-6.8

Number of Employees



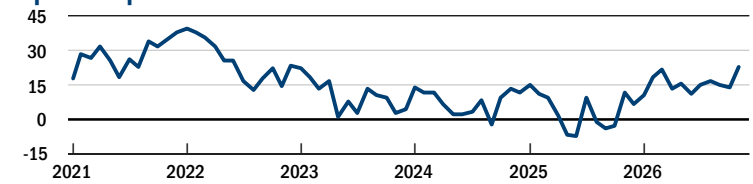
	Percent Reporting		
	Higher	Lower	Index
Oct	34.5	15.0	19.5
Nov	27.4	10.5	16.8
Change			-2.7

Average Employee Workweek



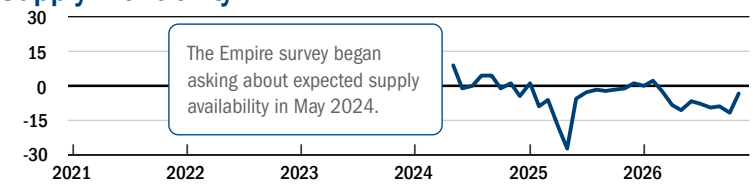
	Percent Reporting		
	Higher	Lower	Index
Oct	12.8	16.3	-3.5
Nov	11.5	11.5	0.0
Change			3.5

Capital Expenditures



	Percent Reporting		
	Higher	Lower	Index
Oct	29.1	15.1	14.0
Nov	33.3	10.3	23.0
Change			9.0

Supply Availability



	Percent Reporting		
	Higher	Lower	Index
Oct	4.7	16.3	-11.6
Nov	10.3	13.8	-3.4
Change			8.2

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.