

Empire State Manufacturing Survey

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

Business activity rose modestly in New York State in January, according to firms responding to the *Empire State Manufacturing Survey*. After dipping slightly below zero last month, the headline general business conditions index climbed eleven points to 7.7. New orders increased, and shipments grew at a solid pace. Delivery times were unchanged and inventories edged down, while supply availability worsened slightly. Employment and the average workweek both declined after increasing over the prior two months. The pace of input price increases was little changed and remained elevated, while the pace of selling price increases slowed to its lowest pace in nearly a year. Capital spending plans grew modestly for a third consecutive month. Firms remained fairly optimistic about the outlook, with half expecting conditions to improve over the next six months.

Business Activity Increases

Manufacturing activity increased in New York State, according to the January survey. The general business conditions index rose eleven points to 7.7, returning to positive territory after a small dip below zero in December. New orders and shipments increased, with

ECONOMIST COMMENTARY

"After a small dip in December, manufacturing activity increased modestly in New York State in January. Selling prices rose at the slowest pace in nearly a year. Firms remained fairly optimistic that conditions would improve."

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

the new orders index rising eight points to 6.6 and the shipments index climbing twenty-one points to 16.3, its highest level in over a year. Unfilled orders decreased. Inventories edged down and delivery times were unchanged. The supply availability index came in at -4.1, suggesting supply availability was slightly worse than last month.

Selling Price Increases Slow Significantly

The index for number of employees fell seventeen points to -9.0, its lowest reading in two years, while the average workweek index fell eight points to -5.4, suggesting a decrease both in employment levels and in hours worked. The prices paid index held steady at 42.8, indicating input price increases

remained elevated, and the prices received index dropped eleven points to 14.4, its lowest level since February 2025, pointing to slowing in selling price increases.

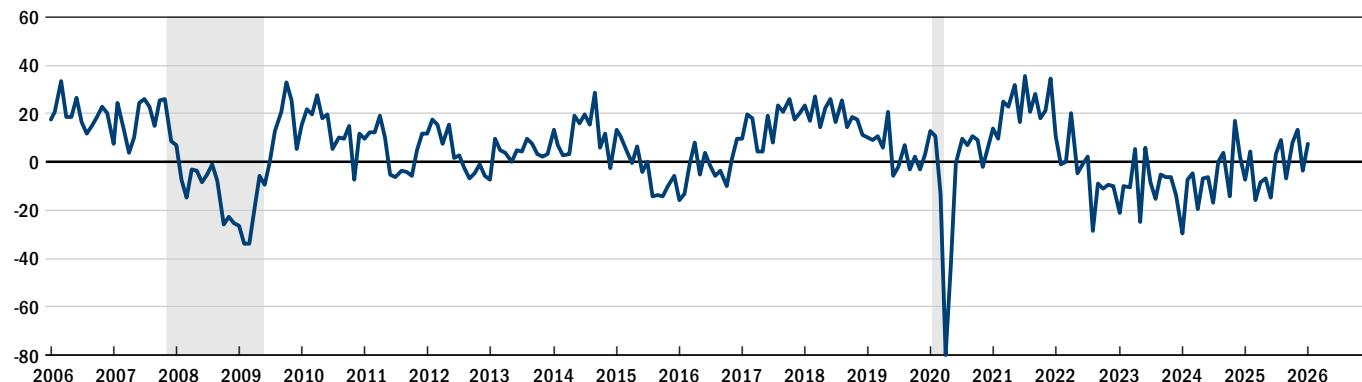
Firms Expect Conditions to Improve

Firms remained fairly optimistic about the outlook. The index for future business conditions came in at 30.3, with about half of respondents expecting conditions to improve over the next six months. New orders and shipments are expected to increase. Supply availability is expected to be unchanged. Firms continue to anticipate significant price increases, though somewhat less so than in recent months. The capital expenditures index rose three points to 10.3, pointing to ongoing modest capital spending plans. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

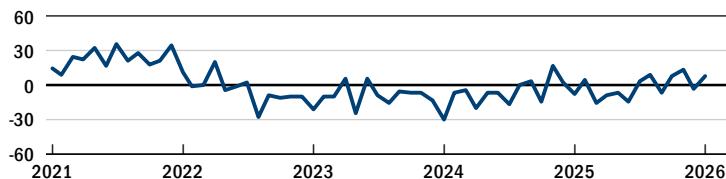


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

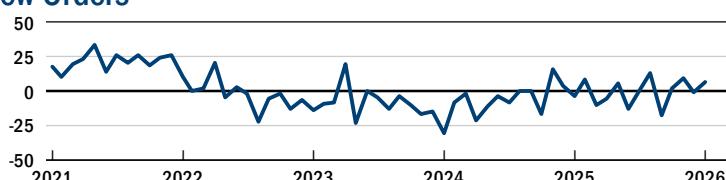
Change from Preceding Month

General Business Conditions



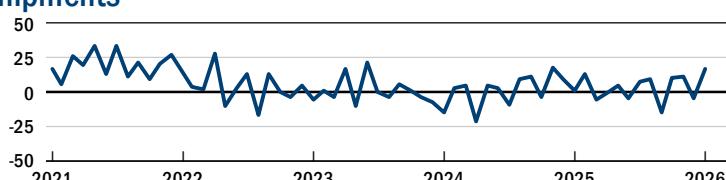
	Percent Reporting		Index
	Higher	Lower	
Dec	31.7	35.4	-3.7
Jan	34.2	26.5	7.7
Change			11.4

New Orders



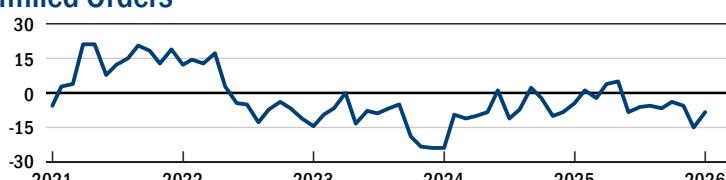
	Percent Reporting		Index
	Higher	Lower	
Dec	32.0	33.1	-1.0
Jan	36.2	29.6	6.6
Change			7.6

Shipments



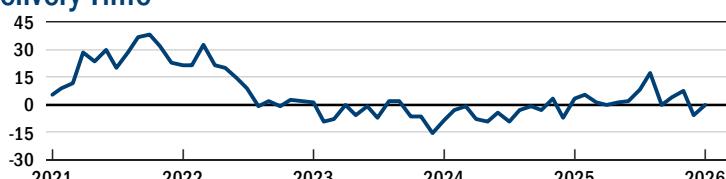
	Percent Reporting		Index
	Higher	Lower	
Dec	30.0	34.9	-5.0
Jan	38.7	22.3	16.3
Change			21.3

Unfilled Orders



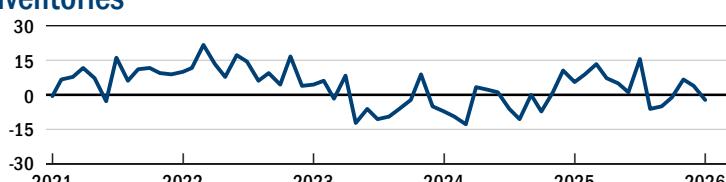
	Percent Reporting		Index
	Higher	Lower	
Dec	10.9	25.7	-14.9
Jan	12.4	20.6	-8.2
Change			6.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	9.9	15.8	-5.9
Jan	12.4	12.4	0.0
Change			5.9

Inventories

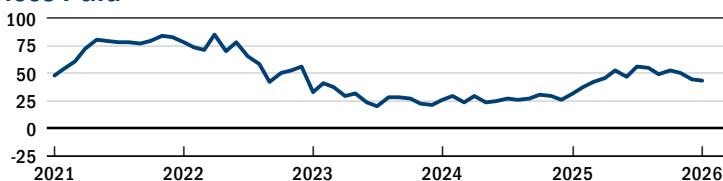


	Percent Reporting		Index
	Higher	Lower	
Dec	21.8	17.8	4.0
Jan	16.5	18.6	-2.1
Change			-6.1

Current Indicators, *continued*

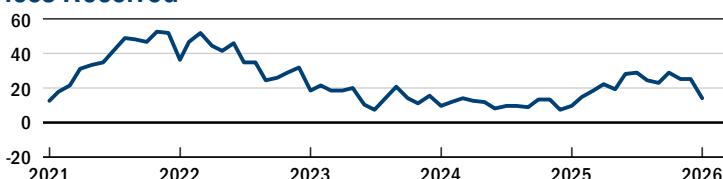
Change from Preceding Month

Prices Paid



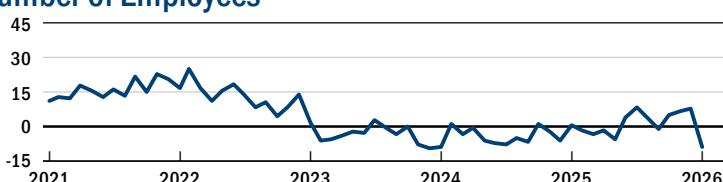
Percent Reporting			
	Higher	Lower	Index
Dec	46.2	1.9	44.2
Jan	44.5	1.7	42.8
Change			-1.4

Prices Received



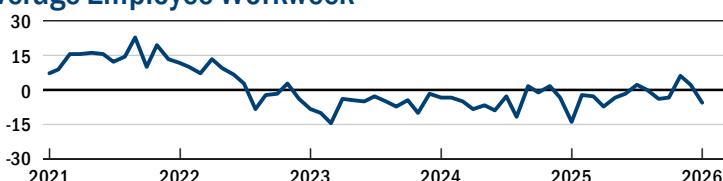
Percent Reporting			
	Higher	Lower	Index
Dec	27.5	2.1	25.4
Jan	18.9	4.4	14.4
Change			-11.0

Number of Employees



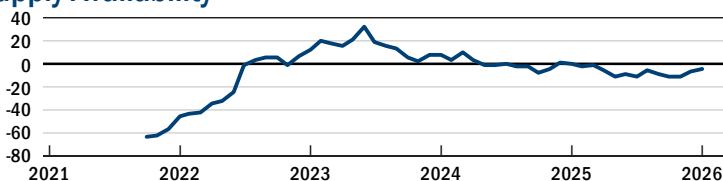
Percent Reporting			
	Higher	Lower	Index
Dec	16.1	8.7	7.5
Jan	7.9	16.8	-9.0
Change			-16.5

Average Employee Workweek



Percent Reporting			
	Higher	Lower	Index
Dec	12.0	9.5	2.5
Jan	13.8	19.2	-5.4
Change			-7.9

Supply Availability



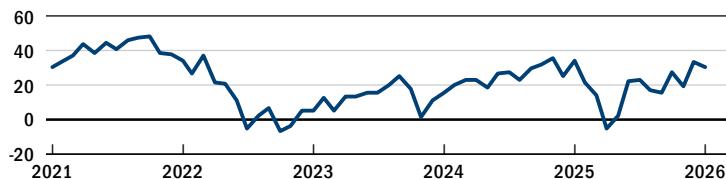
Percent Reporting			
	Higher	Lower	Index
Dec	2.0	8.9	-6.9
Jan	2.1	6.2	-4.1
Change			2.8

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

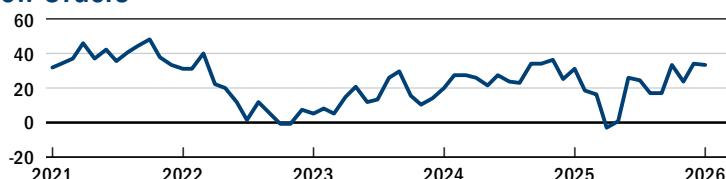
Expectations Six Months Ahead

General Business Conditions



	Percent Reporting		Index
	Higher	Lower	
Dec	52.0	18.5	33.5
Jan	50.6	20.3	30.3
Change			-3.2

New Orders



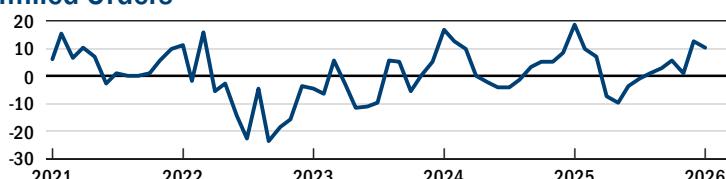
	Percent Reporting		Index
	Higher	Lower	
Dec	53.2	18.6	34.5
Jan	54.4	21.1	33.3
Change			-1.2

Shipments



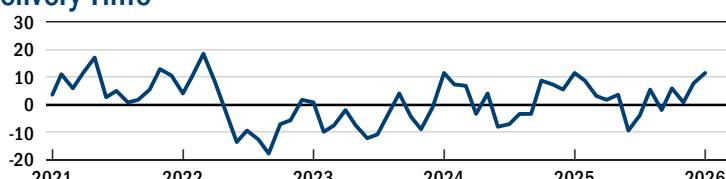
	Percent Reporting		Index
	Higher	Lower	
Dec	50.4	19.6	30.7
Jan	51.0	16.1	34.9
Change			4.2

Unfilled Orders



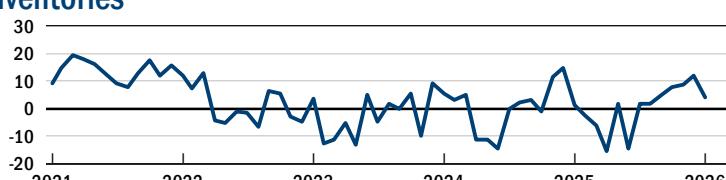
	Percent Reporting		Index
	Higher	Lower	
Dec	25.7	12.9	12.9
Jan	22.7	12.4	10.3
Change			-2.6

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	18.8	10.9	7.9
Jan	17.5	6.2	11.3
Change			3.4

Inventories

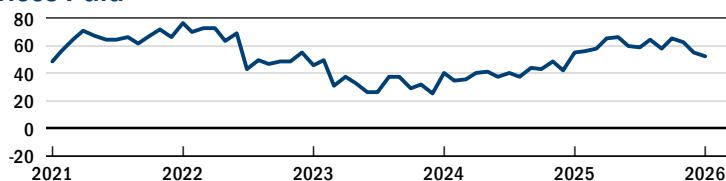


	Percent Reporting		Index
	Higher	Lower	
Dec	26.7	14.9	11.9
Jan	22.7	18.6	4.1
Change			-7.8

Forward-Looking Indicators, *continued*

Expectations Six Months Ahead

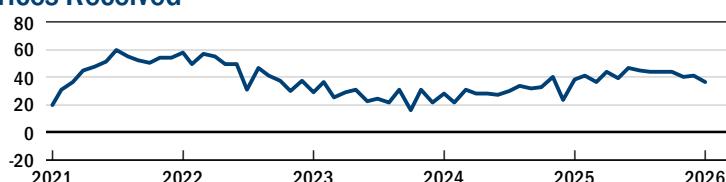
Prices Paid



Percent Reporting

	Higher	Lower	Index
Dec	58.4	3.0	55.4
Jan	56.7	4.1	52.6
Change			-2.8

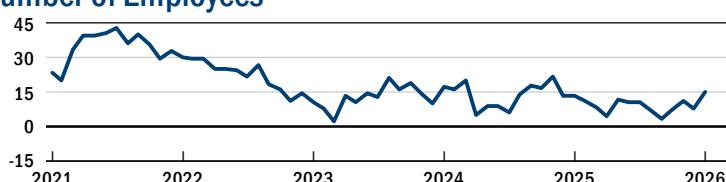
Prices Received



Percent Reporting

	Higher	Lower	Index
Dec	42.6	1.0	41.6
Jan	40.8	4.3	36.5
Change			-5.1

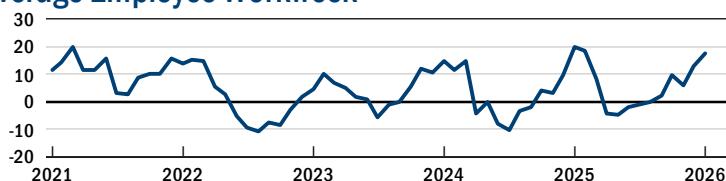
Number of Employees



Percent Reporting

	Higher	Lower	Index
Dec	19.8	11.9	7.8
Jan	22.0	7.0	14.9
Change			7.1

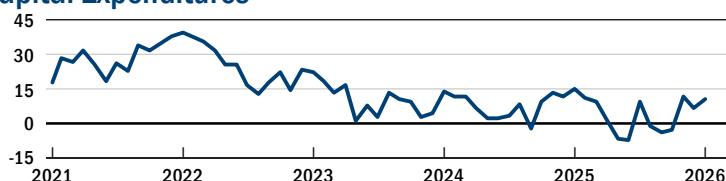
Average Employee Workweek



Percent Reporting

	Higher	Lower	Index
Dec	18.8	5.9	12.9
Jan	22.7	5.2	17.5
Change			4.6

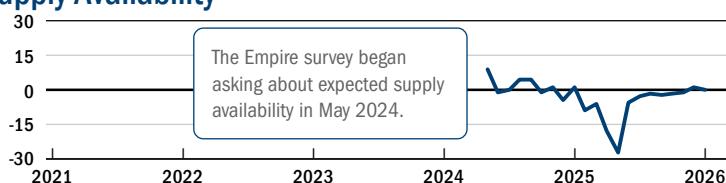
Capital Expenditures



Percent Reporting

	Higher	Lower	Index
Dec	22.8	15.8	6.9
Jan	24.7	14.4	10.3
Change			3.4

Supply Availability



Percent Reporting

	Higher	Lower	Index
Dec	6.9	5.9	1.0
Jan	4.1	4.1	0.0
Change			-1.0

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.