

Empire State Manufacturing Survey

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

Business activity declined sharply in New York State, according to firms responding to the August 2022 *Empire State Manufacturing Survey*. The headline general business conditions index plummeted forty-two points to -31.3. New orders and shipments plunged, and unfilled orders declined. Delivery times held steady for the first time in nearly two years, and inventories edged higher. Labor market indicators pointed to a small increase in employment, but a decline in the average workweek. While still elevated, the prices paid index moved lower, and the prices received index held steady. Looking ahead, firms did not expect much improvement in business conditions over the next six months.

Headline Index Plunges

Manufacturing activity declined significantly in New York State, according to the August survey. The general business conditions index

plunged forty-two points to -31.3, the second largest monthly decline in the index on record, and among the lowest levels in the survey's history. Twelve percent of respondents reported that conditions had improved over the month, and forty-four percent reported that conditions had worsened. The new orders index dropped thirty-six points to -29.6, and the shipments index plummeted nearly fifty points to -24.1, indicating a sharp decline in both orders and shipments. The unfilled orders index fell to -12.7, indicating that unfilled orders shrank for a third consecutive month. The delivery times index declined to around zero, indicating that delivery times held steady, the first month they have not lengthened in nearly two years. The inventories index fell to 6.4, signaling that inventories increased marginally.

Labor Market Indicators Weaken

The index for number of employees moved down eleven points to 7.4,

pointing to a small increase in employment, and the average workweek index fell to -13.1, indicating a decline in hours worked. The prices paid index fell nine points to 55.5, its lowest level in over a year, indicating a deceleration in input price increases. The prices received index was little changed at 32.7.

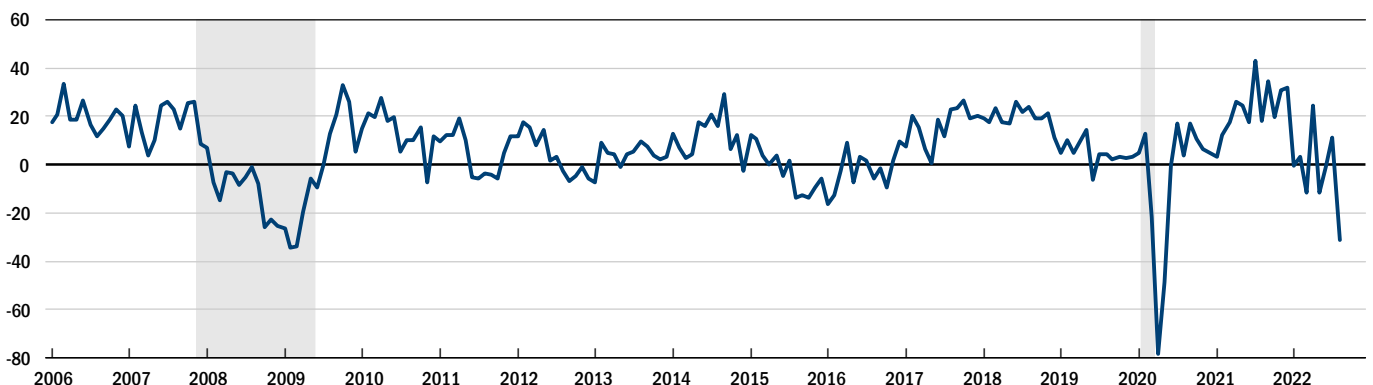
Firms Expect Little Improvement

The index for future business conditions came in at 2.1, suggesting that firms were not optimistic about the six-month outlook. The indexes for future new orders and shipments were positive, but remained at low levels. Employment is expected to pick up, and delivery times are expected to decline over the next six months. Only modest increases in capital spending and technology spending are planned for the months ahead. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

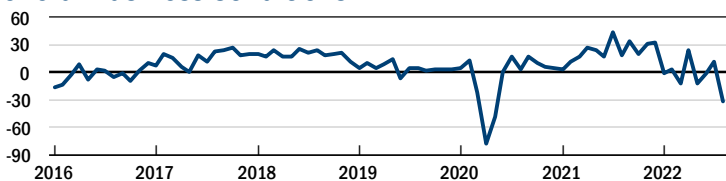


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

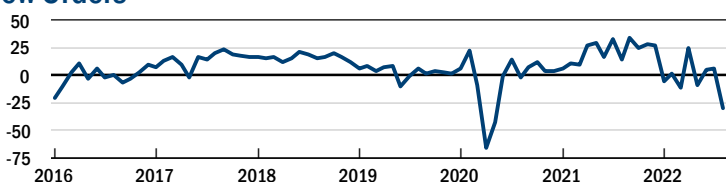
Change from Preceding Month

General Business Conditions



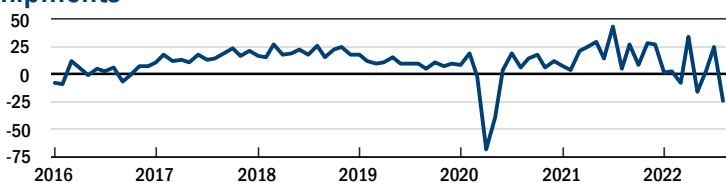
	Percent Reporting		Index
	Higher	Lower	
Jul	33.6	22.6	11.1
Aug	12.2	43.6	-31.3
Change			-42.4

New Orders



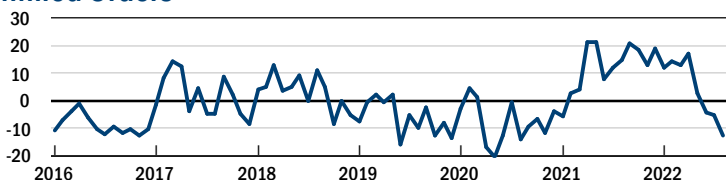
	Percent Reporting		Index
	Higher	Lower	
Jul	33.7	27.5	6.2
Aug	16.5	46.1	-29.6
Change			-35.8

Shipments



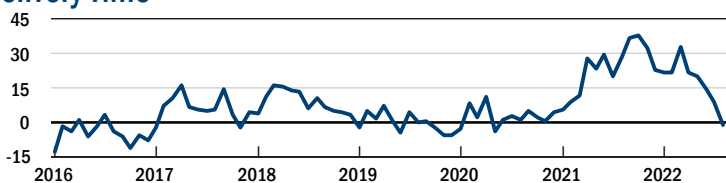
	Percent Reporting		Index
	Higher	Lower	
Jul	39.9	14.5	25.3
Aug	15.4	39.5	-24.1
Change			-49.4

Unfilled Orders



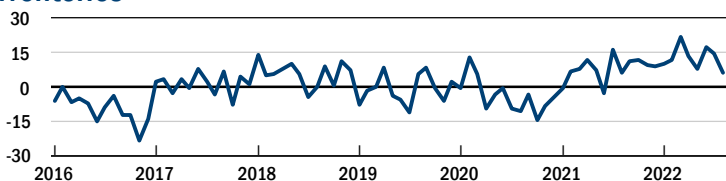
	Percent Reporting		Index
	Higher	Lower	
Jul	18.3	23.5	-5.2
Aug	14.5	27.3	-12.7
Change			-7.5

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	19.1	10.4	8.7
Aug	18.2	19.1	-0.9
Change			-9.6

Inventories

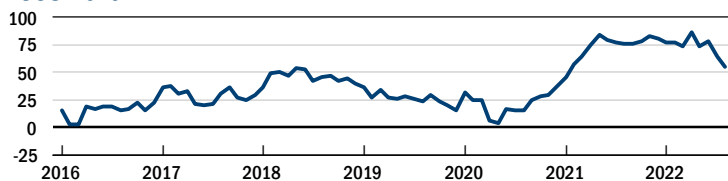


	Percent Reporting		Index
	Higher	Lower	
Jul	27.8	13.0	14.8
Aug	29.1	22.7	6.4
Change			-8.4

Current Indicators, *continued*

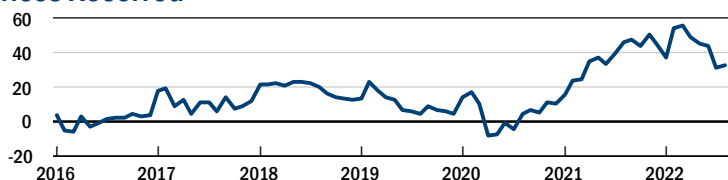
Change from Preceding Month

Prices Paid



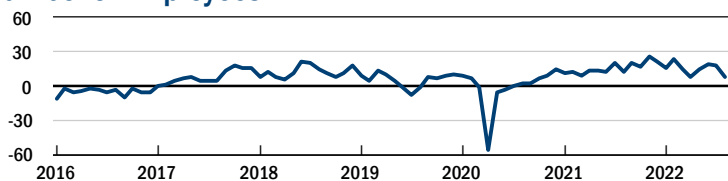
	Percent Reporting		Index
	Higher	Lower	
Jul	67.8	3.5	64.3
Aug	60.9	5.5	55.5
Change			-8.8

Prices Received



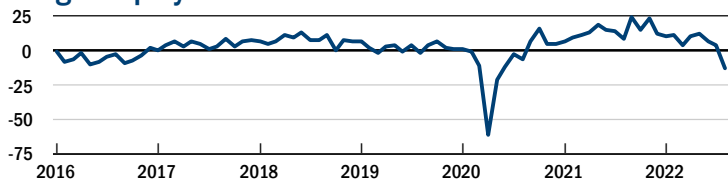
	Percent Reporting		Index
	Higher	Lower	
Jul	36.5	5.2	31.3
Aug	36.4	3.6	32.7
Change			1.4

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jul	29.5	11.5	18.0
Aug	22.9	15.4	7.4
Change			-10.6

Average Employee Workweek



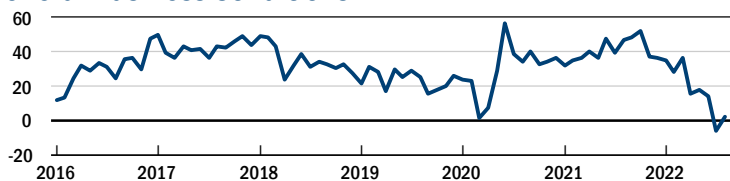
	Percent Reporting		Index
	Higher	Lower	
Jul	11.3	7.0	4.3
Aug	5.9	19.0	-13.1
Change			-17.4

Note: Data are seasonally adjusted.

Forward-Looking Indicators

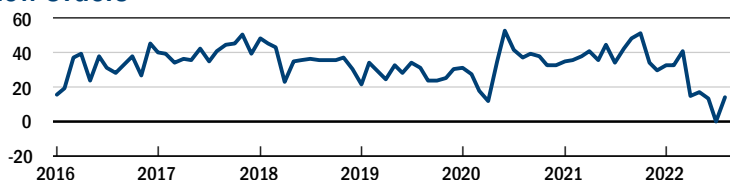
Expectations Six Months Ahead

General Business Conditions



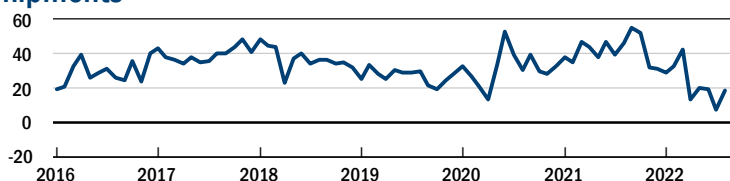
	Percent Reporting		Index
	Higher	Lower	
Jul	27.7	33.9	-6.2
Aug	31.2	29.1	2.1
Change			8.3

New Orders



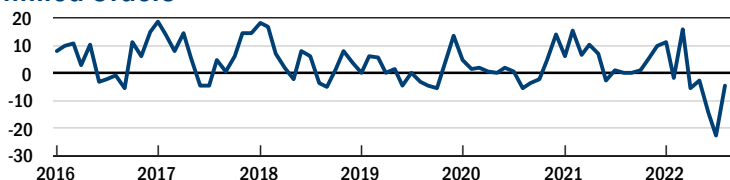
	Percent Reporting		Index
	Higher	Lower	
Jul	28.6	28.5	0.0
Aug	41.0	27.0	14.0
Change			14.0

Shipments



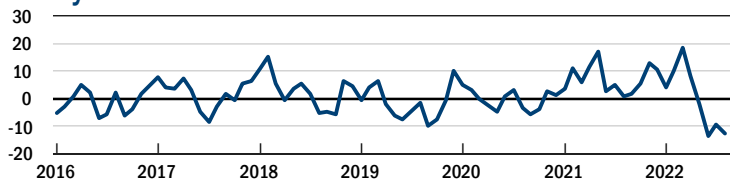
	Percent Reporting		Index
	Higher	Lower	
Jul	31.6	24.4	7.2
Aug	41.0	22.4	18.7
Change			11.5

Unfilled Orders



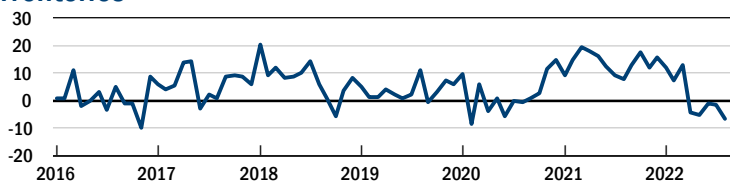
	Percent Reporting		Index
	Higher	Lower	
Jul	9.6	32.2	-22.6
Aug	19.1	23.6	-4.5
Change			18.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	13.9	23.5	-9.6
Aug	11.8	24.5	-12.7
Change			-3.1

Inventories

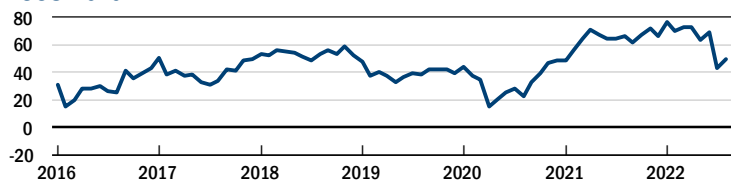


	Percent Reporting		Index
	Higher	Lower	
Jul	22.6	24.3	-1.7
Aug	21.8	28.2	-6.4
Change			-4.7

Forward-Looking Indicators, *continued*

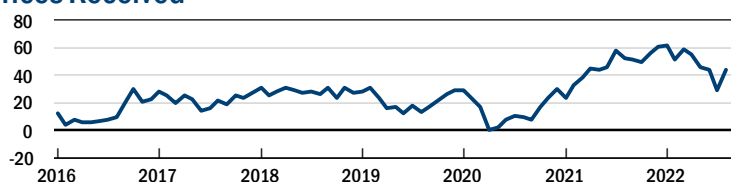
Expectations Six Months Ahead

Prices Paid



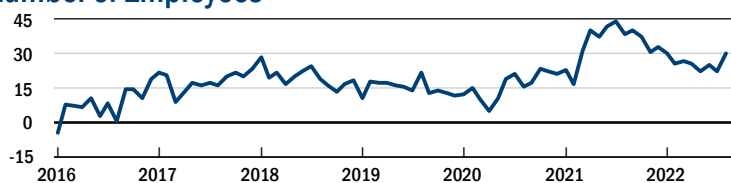
	Percent Reporting		Index
	Higher	Lower	
Jul	51.3	7.8	43.5
Aug	58.2	9.1	49.1
Change			5.6

Prices Received



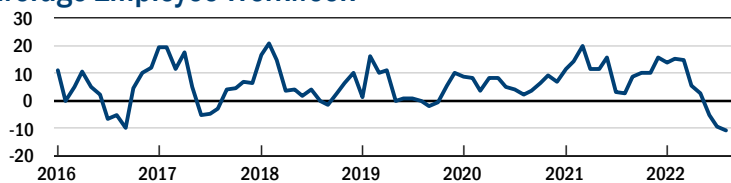
	Percent Reporting		Index
	Higher	Lower	
Jul	36.5	7.8	28.7
Aug	51.8	8.2	43.6
Change			14.9

Number of Employees



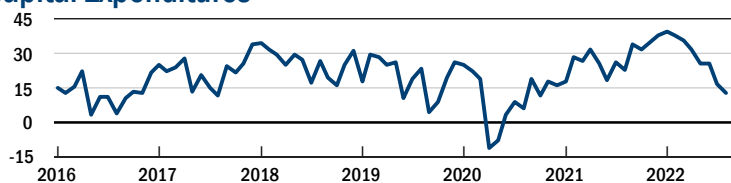
	Percent Reporting		Index
	Higher	Lower	
Jul	32.8	10.3	22.5
Aug	38.0	8.0	30.0
Change			7.5

Average Employee Workweek



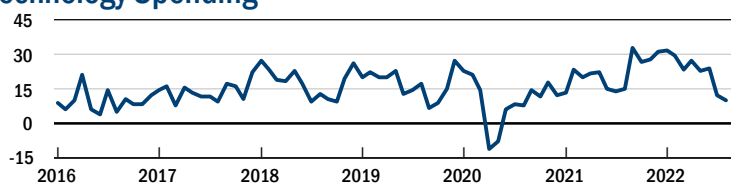
	Percent Reporting		Index
	Higher	Lower	
Jul	7.8	17.4	-9.6
Aug	8.2	19.1	-10.9
Change			-1.3

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jul	28.7	12.2	16.5
Aug	29.1	16.4	12.7
Change			-3.8

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jul	22.6	10.4	12.2
Aug	21.8	11.8	10.0
Change			-2.2

Note: Data are seasonally adjusted.