

Empire State Manufacturing Survey

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

Business activity continued to decline in New York State, according to firms responding to the March 2024 *Empire State Manufacturing Survey*. The headline general business conditions index fell nineteen points to -20.9. Demand softened as new orders declined significantly, and shipments were lower. Unfilled orders continued to shrink, and delivery times were little changed. Inventories declined. Labor market indicators weakened, as employment and hours worked both decreased. The pace of input price increases moderated somewhat, while the pace of selling price increases held steady. Firms expect conditions to improve over the next six months, though optimism remained subdued.

Activity Continues to Shrink

Manufacturing activity contracted in New York State, according to the March survey. The general business conditions index fell nineteen points to -20.9. The new orders index fell eleven

ECONOMIST COMMENTARY

“Manufacturing activity fell significantly in New York State in March, with a decline in new orders pointing to softening demand. Labor market conditions remained weak as both employment and hours worked decreased.”

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

points to -17.2, and the shipments index moved down ten points to -6.9, pointing to a decline in orders and shipments. The unfilled orders index held steady at -10.9, a sign that unfilled orders continued to fall. The inventories index was little changed at -12.9, suggesting that inventories were lower, and the delivery times index came in at -1.0, indicating that delivery times held steady.

Labor Market Indicators Weaken

The index for number of employees fell seven points to -7.1, and the average workweek index fell six points to

-10.4, pointing to a modest decline in employment levels and hours worked. The prices paid index edged down four points to 28.7, indicating that input price increases slowed, and the prices received index was unchanged at 17.8.

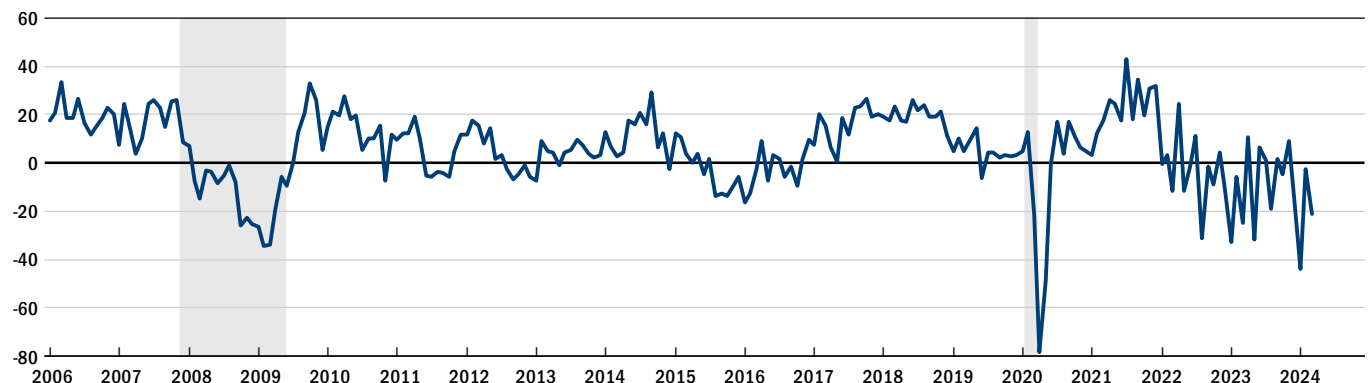
Optimism Remains Muted

Firms expect conditions to improve over the next six months, though optimism continued to be subdued. The index for future business conditions held steady at 21.6. The capital spending index was little changed at 11.9, suggesting capital spending plans remained somewhat soft. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

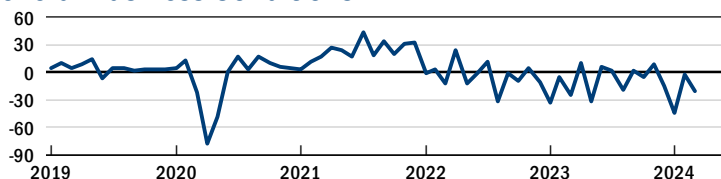


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

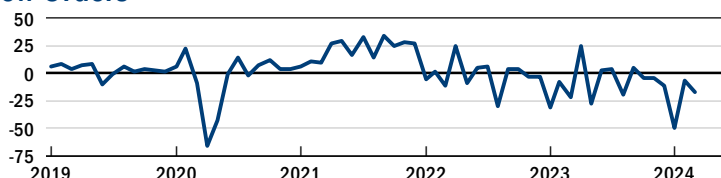
Change from Preceding Month

General Business Conditions



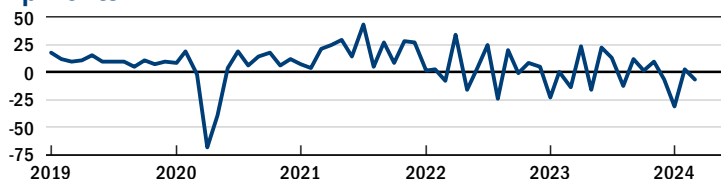
	Percent Reporting		Index
	Higher	Lower	
Feb	32.4	34.8	-2.4
Mar	25.1	46.0	-20.9
Change			-18.5

New Orders



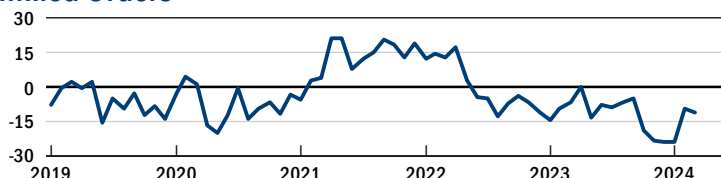
	Percent Reporting		Index
	Higher	Lower	
Feb	33.0	39.3	-6.3
Mar	23.2	40.4	-17.2
Change			-10.9

Shipments



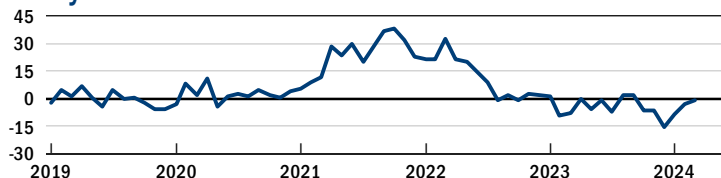
	Percent Reporting		Index
	Higher	Lower	
Feb	34.4	31.5	2.8
Mar	27.1	34.1	-6.9
Change			-9.7

Unfilled Orders



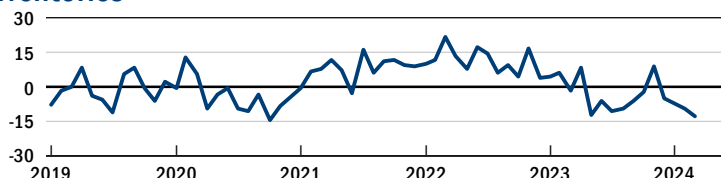
	Percent Reporting		Index
	Higher	Lower	
Feb	16.0	25.5	-9.6
Mar	8.9	19.8	-10.9
Change			-1.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	13.8	17.0	-3.2
Mar	11.9	12.9	-1.0
Change			2.2

Inventories

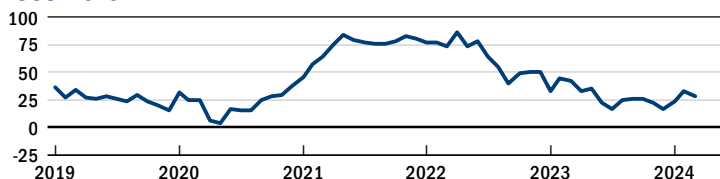


	Percent Reporting		Index
	Higher	Lower	
Feb	16.0	25.5	-9.6
Mar	14.9	27.7	-12.9
Change			-3.3

Current Indicators, *continued*

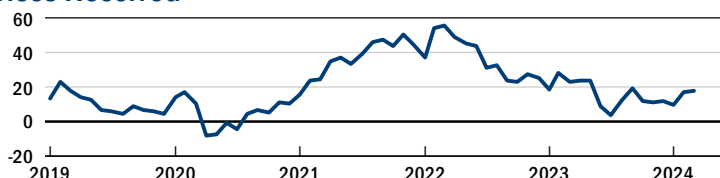
Change from Preceding Month

Prices Paid



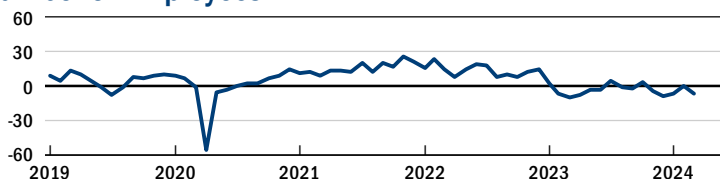
	Percent Reporting		Index
	Higher	Lower	
Feb	37.2	4.3	33.0
Mar	33.7	5.0	28.7
Change			-4.3

Prices Received



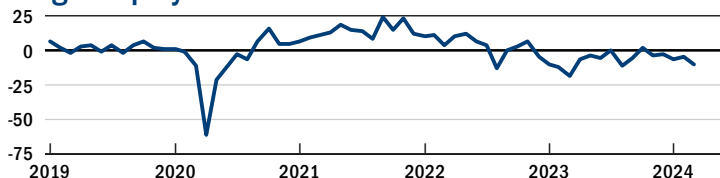
	Percent Reporting		Index
	Higher	Lower	
Feb	21.3	4.3	17.0
Mar	24.8	6.9	17.8
Change			0.8

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Feb	12.6	12.7	-0.2
Mar	9.5	16.5	-7.1
Change			-6.9

Average Employee Workweek



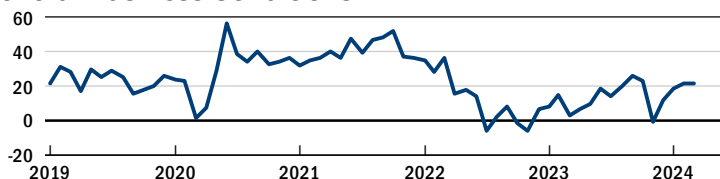
	Percent Reporting		Index
	Higher	Lower	
Feb	16.3	21.0	-4.7
Mar	9.3	19.6	-10.4
Change			-5.7

Note: Data are seasonally adjusted.

Forward-Looking Indicators

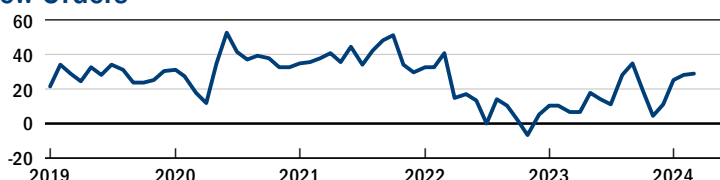
Expectations Six Months Ahead

General Business Conditions



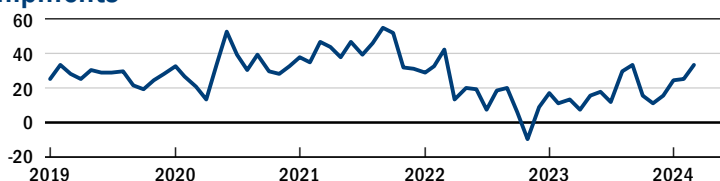
	Percent Reporting		Index
	Higher	Lower	
Feb	41.1	19.6	21.5
Mar	42.1	20.5	21.6
Change			0.1

New Orders



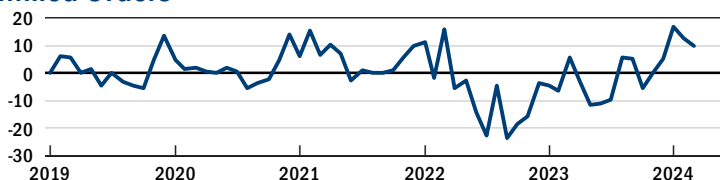
	Percent Reporting		Index
	Higher	Lower	
Feb	46.6	18.3	28.3
Mar	49.5	20.2	29.3
Change			1.0

Shipments



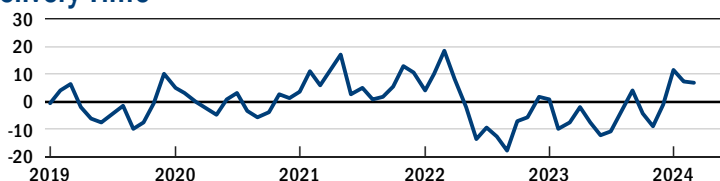
	Percent Reporting		Index
	Higher	Lower	
Feb	42.8	17.5	25.3
Mar	48.2	14.6	33.7
Change			8.4

Unfilled Orders



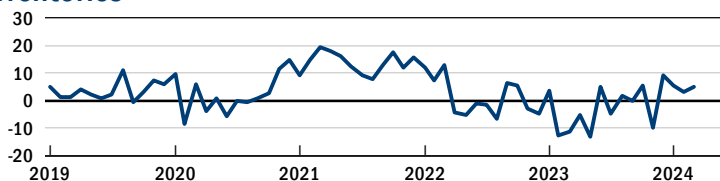
	Percent Reporting		Index
	Higher	Lower	
Feb	22.3	9.6	12.8
Mar	21.8	11.9	9.9
Change			-2.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	14.9	7.4	7.4
Mar	17.8	10.9	6.9
Change			-0.5

Inventories

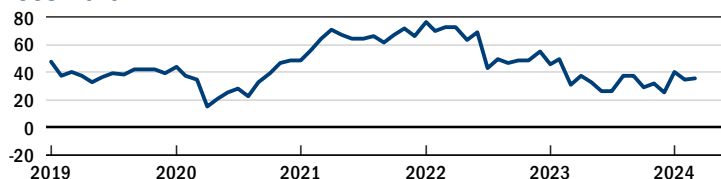


	Percent Reporting		Index
	Higher	Lower	
Feb	23.4	20.2	3.2
Mar	22.8	17.8	5.0
Change			1.8

Forward-Looking Indicators, *continued*

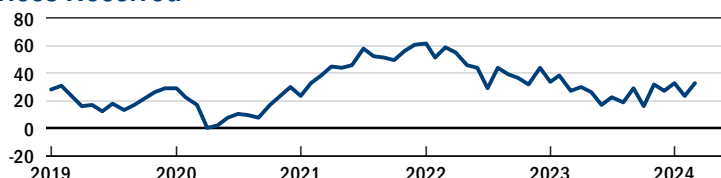
Expectations Six Months Ahead

Prices Paid



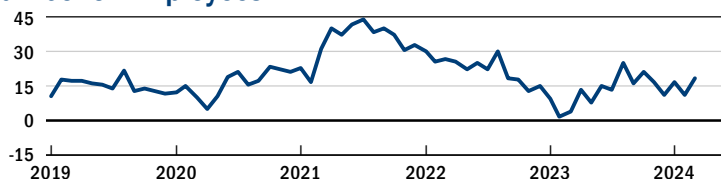
	Percent Reporting		Index
	Higher	Lower	
Feb	40.4	5.3	35.1
Mar	39.6	4.0	35.6
Change			0.5

Prices Received



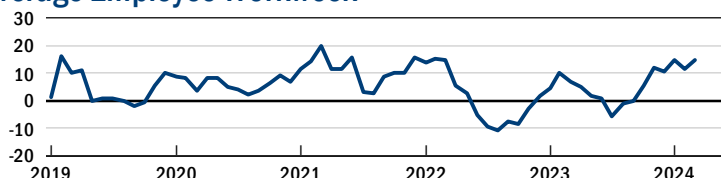
	Percent Reporting		Index
	Higher	Lower	
Feb	29.8	6.4	23.4
Mar	36.6	4.0	32.7
Change			9.3

Number of Employees



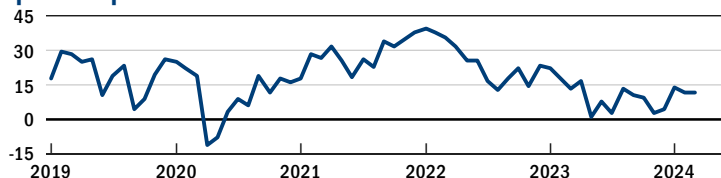
	Percent Reporting		Index
	Higher	Lower	
Feb	26.1	15.1	11.0
Mar	25.8	7.5	18.3
Change			7.3

Average Employee Workweek



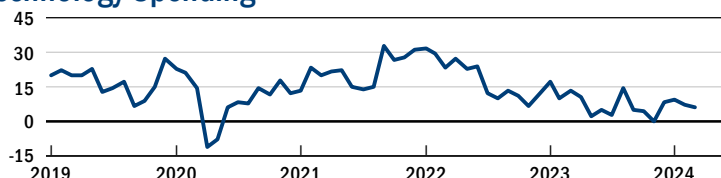
	Percent Reporting		Index
	Higher	Lower	
Feb	21.3	9.6	11.7
Mar	19.8	5.0	14.9
Change			3.2

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Feb	27.7	16.0	11.7
Mar	25.7	13.9	11.9
Change			0.2

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Feb	22.3	14.9	7.4
Mar	18.8	12.9	5.9
Change			-1.5

Note: Data are seasonally adjusted.