

Empire State Manufacturing Survey

Survey responses were collected between December 2 and December 9.

Business activity held steady in New York State in December, according to firms responding to the *Empire State Manufacturing Survey*. After rising sharply last month, the headline general business conditions index retreated thirty-one points to 0.2. New orders and shipments increased modestly. Delivery times shortened somewhat, and supply availability was little changed. Inventories increased at a substantial clip. Labor market indicators pointed to small decline in employment and a slightly shorter average workweek. Both input and selling price increases moderated. Firms remained optimistic about the six-month outlook, though somewhat less so than in November.

Conditions Hold Steady

Manufacturing activity was little changed in New York State, according to the December survey. After shooting up over forty points last month, the general business conditions index fell thirty-one points to 0.2. The new orders and shipments indexes retreated, but remained positive at 6.1 and 9.4, respectively, pointing to modest gains in both orders

ECONOMIST COMMENTARY

“On the heels of a strong November, manufacturing activity held steady in New York State in December. The pace of price increases moderated, and employment declined modestly. Firms were fairly optimistic about future conditions.”

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

and shipments. Unfilled orders continued to fall. The inventories index climbed to 10.5, signaling that inventories grew. The delivery times index fell eleven points to -7.4, suggesting that delivery times were shorter, and the supply availability index came in at 1.1, a sign that supply availability was little changed.

Price Increases Slow

Labor market conditions worsened somewhat. The index for number of employees moved down to -5.8, and the average workweek index fell to -3.9, pointing to a small decline in both employment and hours worked. The prices

paid index fell seven points to 21.1, and the prices received index declined eight points to 4.2, suggesting that both input and selling price increases moderated.

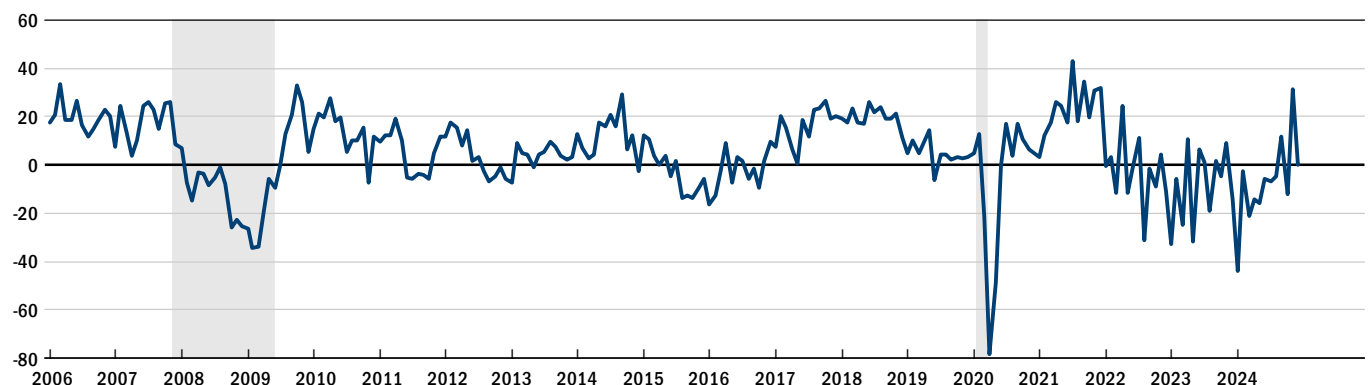
Firms Remain Optimistic

Firms were fairly optimistic that conditions would continue to improve in the months ahead, though less so than they were in November. The index for future business activity fell nine points to 24.6, with forty-two percent of respondents expecting conditions to improve over the next six months. Inventories are expected to continue to grow, and capital spending plans remained modest. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

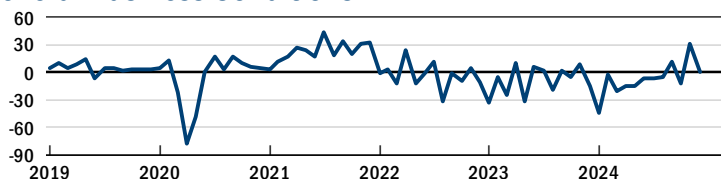


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

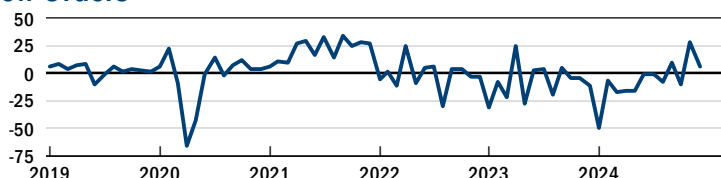
Change from Preceding Month

General Business Conditions



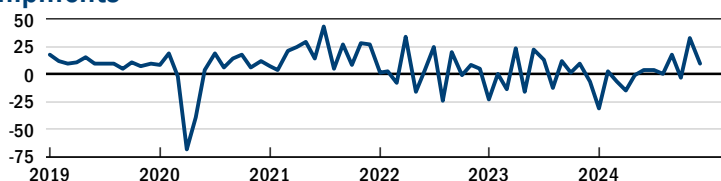
	Percent Reporting		Index
	Higher	Lower	
Nov	40.9	9.7	31.2
Dec	25.8	25.6	0.2
Change			-31.0

New Orders



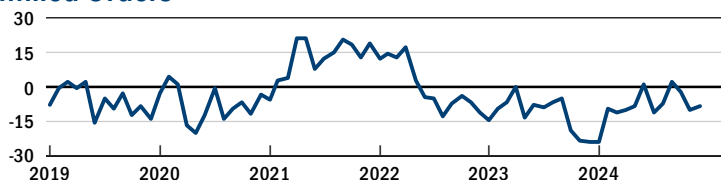
	Percent Reporting		Index
	Higher	Lower	
Nov	42.0	14.0	28.0
Dec	27.3	21.2	6.1
Change			-21.9

Shipments



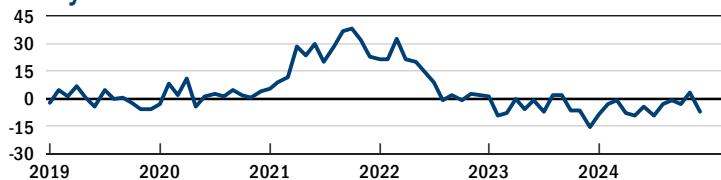
	Percent Reporting		Index
	Higher	Lower	
Nov	45.8	13.4	32.5
Dec	30.7	21.2	9.4
Change			-23.1

Unfilled Orders



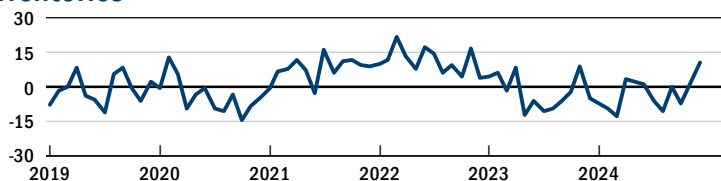
	Percent Reporting		Index
	Higher	Lower	
Nov	13.4	23.7	-10.3
Dec	10.5	18.9	-8.4
Change			1.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	13.4	10.3	3.1
Dec	7.4	14.7	-7.4
Change			-10.5

Inventories

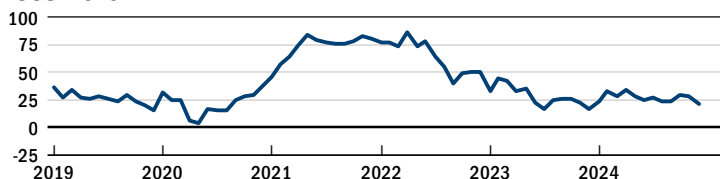


	Percent Reporting		Index
	Higher	Lower	
Nov	19.6	18.6	1.0
Dec	24.2	13.7	10.5
Change			9.5

Current Indicators, *continued*

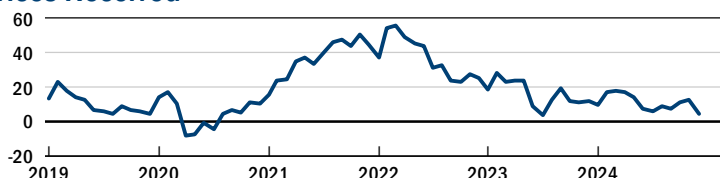
Change from Preceding Month

Prices Paid



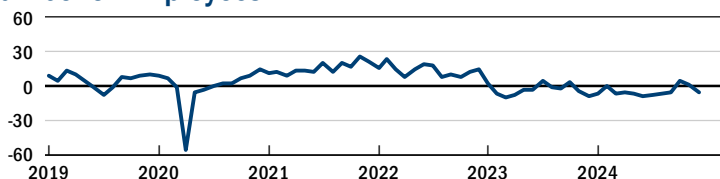
	Percent Reporting		Index
	Higher	Lower	
Nov	27.8	0.0	27.8
Dec	24.2	3.2	21.1
Change			-6.7

Prices Received



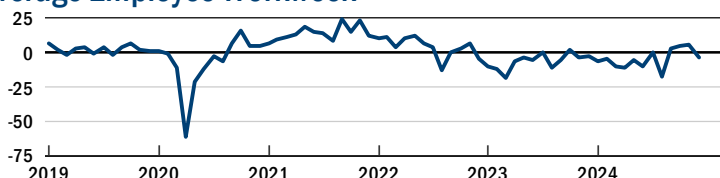
	Percent Reporting		Index
	Higher	Lower	
Nov	14.4	2.1	12.4
Dec	11.6	7.4	4.2
Change			-8.2

Number of Employees



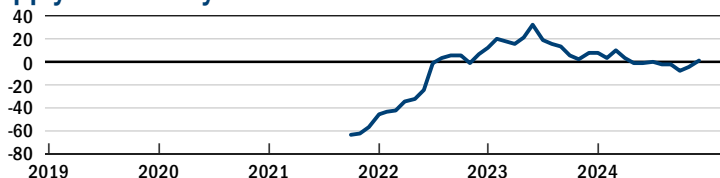
	Percent Reporting		Index
	Higher	Lower	
Nov	12.1	11.2	0.9
Dec	7.9	13.8	-5.8
Change			-6.7

Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Nov	11.8	5.7	6.1
Dec	7.2	11.1	-3.9
Change			-10.0

Supply Availability



	Percent Reporting		Index
	Higher	Lower	
Nov	2.1	6.2	-4.1
Dec	4.2	3.2	1.1
Change			5.2

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

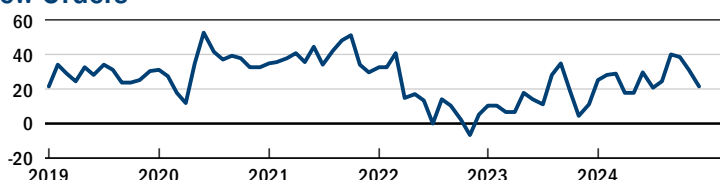
Expectations Six Months Ahead

General Business Conditions



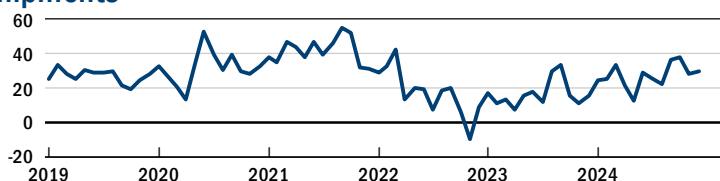
	Percent Reporting		Index
	Higher	Lower	
Nov	49.6	16.4	33.2
Dec	41.9	17.4	24.6
Change			-8.6

New Orders



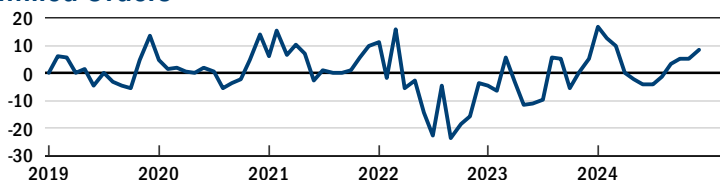
	Percent Reporting		Index
	Higher	Lower	
Nov	50.4	19.0	31.4
Dec	43.5	21.8	21.8
Change			-9.6

Shipments



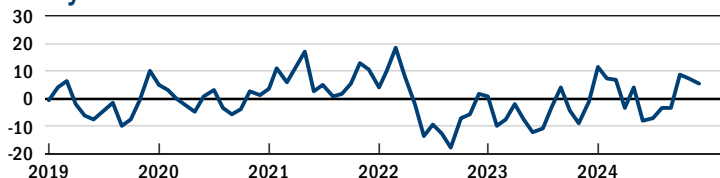
	Percent Reporting		Index
	Higher	Lower	
Nov	47.4	19.5	27.9
Dec	44.1	14.7	29.4
Change			1.5

Unfilled Orders



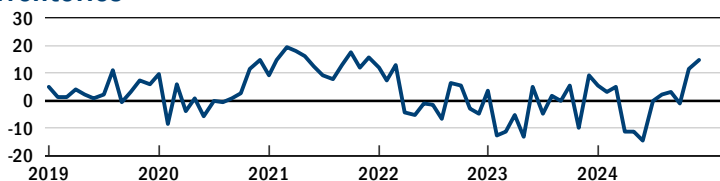
	Percent Reporting		Index
	Higher	Lower	
Nov	17.5	12.4	5.2
Dec	21.1	12.6	8.4
Change			3.2

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	16.5	9.3	7.2
Dec	14.7	9.5	5.3
Change			-1.9

Inventories

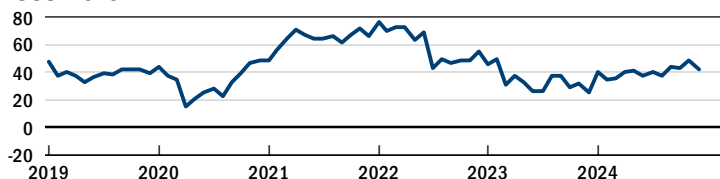


	Percent Reporting		Index
	Higher	Lower	
Nov	24.7	13.4	11.3
Dec	28.4	13.7	14.7
Change			3.4

Forward-Looking Indicators, *continued*

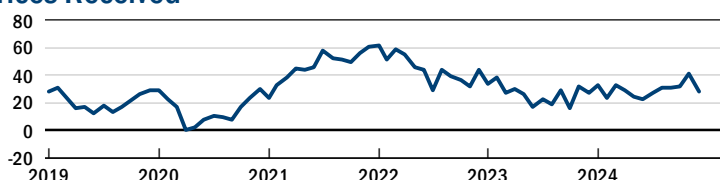
Expectations Six Months Ahead

Prices Paid



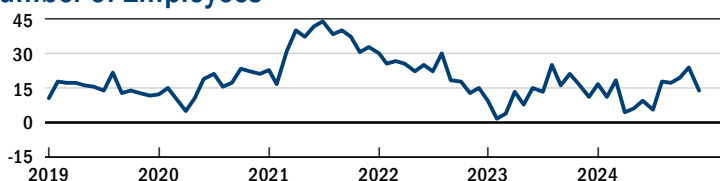
	Percent Reporting		Index
	Higher	Lower	
Nov	50.5	2.1	48.5
Dec	50.5	8.4	42.1
Change			-6.4

Prices Received



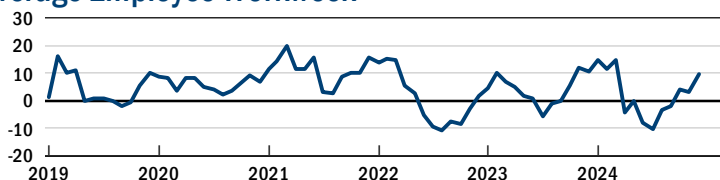
	Percent Reporting		Index
	Higher	Lower	
Nov	46.4	5.2	41.2
Dec	36.8	8.4	28.4
Change			-12.8

Number of Employees



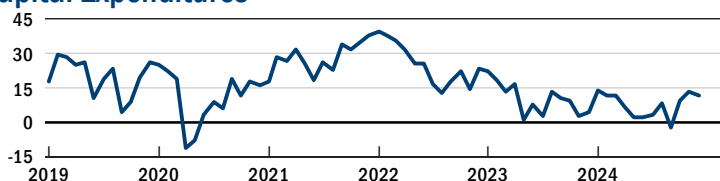
	Percent Reporting		Index
	Higher	Lower	
Nov	31.8	7.9	23.9
Dec	24.1	10.2	13.8
Change			-10.1

Average Employee Workweek



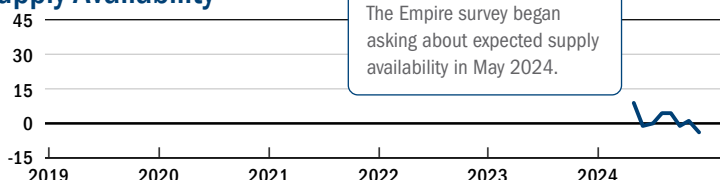
	Percent Reporting		Index
	Higher	Lower	
Nov	12.4	9.3	3.1
Dec	17.9	8.4	9.5
Change			6.4

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Nov	24.7	11.3	13.4
Dec	21.1	9.5	11.6
Change			-1.8

Supply Availability



	Percent Reporting		Index
	Higher	Lower	
Nov	6.2	5.2	1.0
Dec	5.3	9.5	-4.2
Change			-5.2

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.