Empire State Manufacturing Survey

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

Business activity grew modestly in New York State in August, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index rose six points to 11.9, its highest reading in several months. New orders and shipments increased. Delivery times lengthened significantly, and supply availability worsened somewhat. Inventories declined after growing last month. Employment edged slightly higher, while the average workweek held steady. The pace of input price increases remained elevated but was little changed from last month, while the pace of selling price increases was slightly lower. Capital spending plans were soft. Firms expect conditions to improve in the months ahead, though optimism diminished compared to last month.

ECONOMIST COMMENTARY

"Manufacturing activity grew modestly in New York State in August, with the survey's headline index rising to its highest level since November 2024. New orders and shipments increased. While firms expect business conditions to improve, optimism edged down compared to last month."

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

Business Activity Continues to Expand

Manufacturing activity in New York State picked up for a second consecutive month, according to the August survey. The general business conditions index climbed six points to 11.9, its highest level since November 2024. The new orders index rose thirteen points to 15.4, and the shipments index held steady at 12.2, pointing to increases in both orders and shipments. Unfilled orders edged lower. After rising sharply last month, the inventories index retreated twenty-two points to -6.4, indicating that business inventories shrank. Delivery times were significantly longer, and supply availability was somewhat worse.

Input Price Increases Remain Elevated

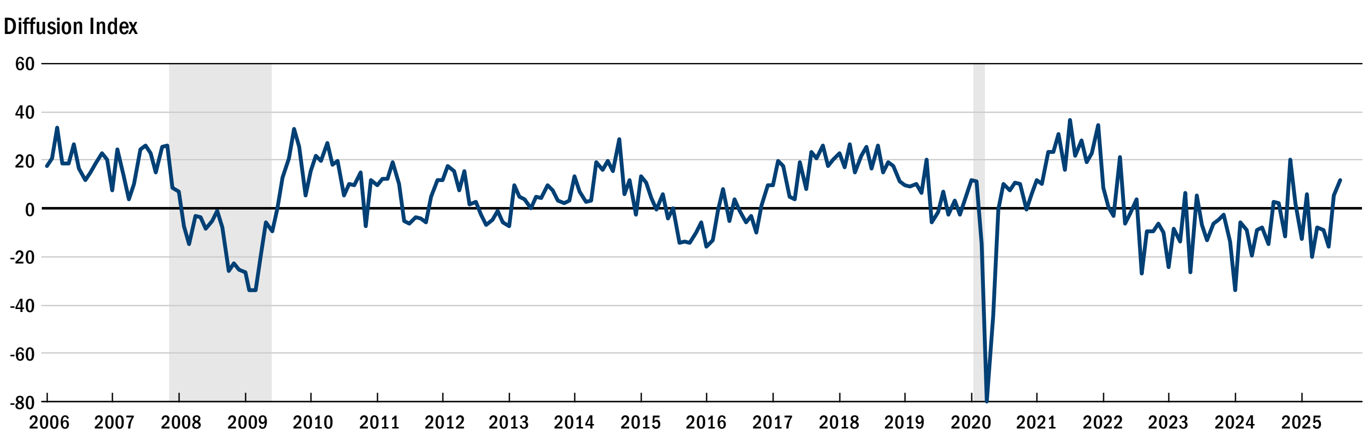
The index for number of employees remained positive at 4.4, pointing to a slight increase in employment, and the average workweek index came in at around zero, suggesting that hours worked held steady. The prices paid index was little changed at 54.1, a sign that input price increases remained steep, while the prices received index edged down to 22.9, suggesting that selling price increases remained moderate.

Firms Expect Some Improvement

The index for future general business conditions fell eight points to 16.0, suggesting that businesses expect activity to increase in the months ahead, but firms were less optimistic than they were last month. New orders and shipments are expected to increase. Two-thirds of respondents expect input prices to pick up further over the next six months. Capital spending plans were soft. ■

General Business Conditions

Seasonally Adjusted

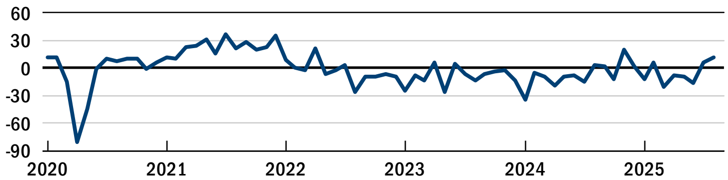


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

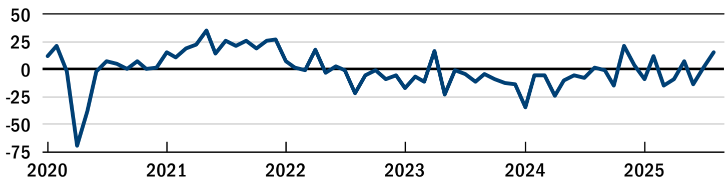
Change from Preceding Month

General Business Conditions



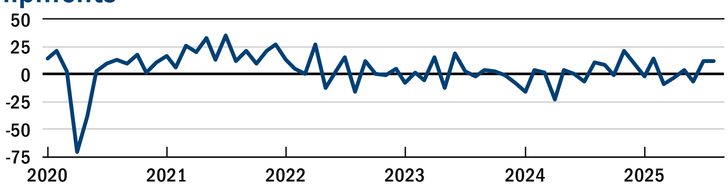
	Percent Reporting		
	Higher	Lower	Index
Jul	32.4	26.9	5.5
Aug	34.7	22.8	11.9
Change			6.4

New Orders



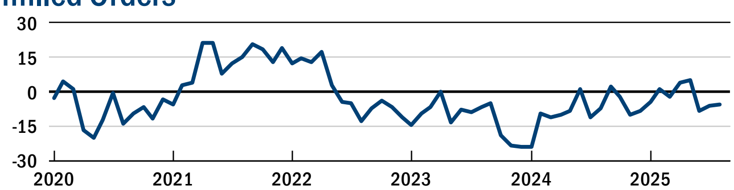
	Percent Reporting		
	Higher	Lower	Index
Jul	34.9	32.9	2.0
Aug	35.9	20.4	15.4
Change			13.4

Shipments



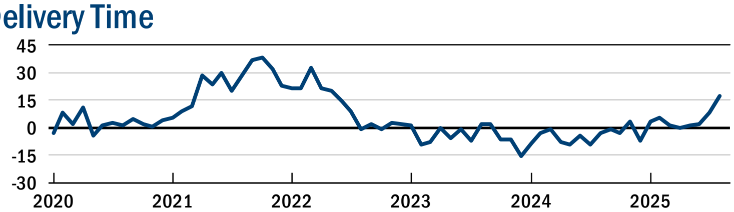
	Percent Reporting		
	Higher	Lower	Index
Jul	35.0	23.5	11.5
Aug	33.9	21.6	12.2
Change			0.7

Unfilled Orders



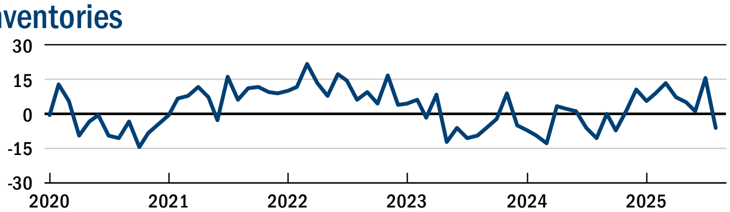
	Percent Reporting		
	Higher	Lower	Index
Jul	11.9	18.3	-6.4
Aug	15.6	21.1	-5.5
Change			0.9

Delivery Time



	Percent Reporting		
	Higher	Lower	Index
Jul	14.7	6.4	8.3
Aug	20.2	2.8	17.4
Change			9.1

Inventories

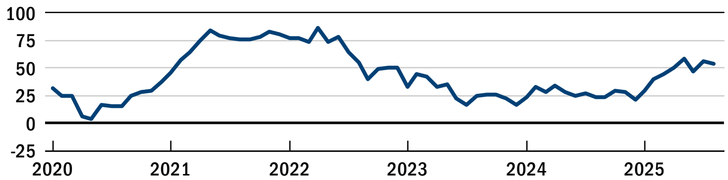


	Percent Reporting		
	Higher	Lower	Index
Jul	28.4	12.8	15.6
Aug	17.4	23.9	-6.4
Change			-22.0

Current Indicators, *continued*

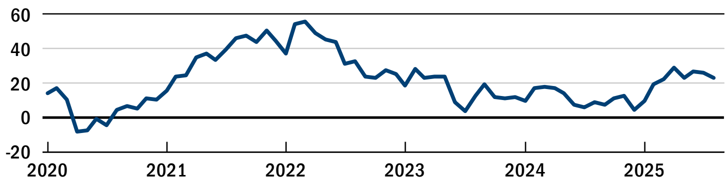
Change from Preceding Month

Prices Paid



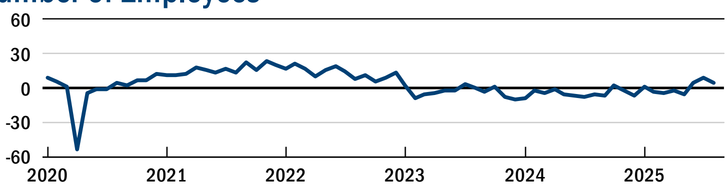
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	56.9	0.9	56.0
Aug	55.0	0.9	54.1
Change			-1.9

Prices Received



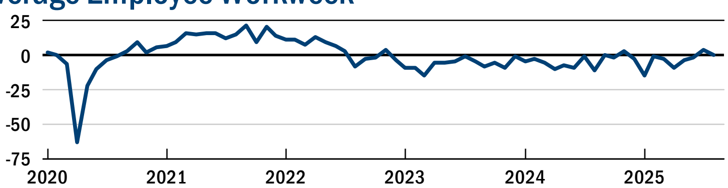
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	29.4	3.7	25.7
Aug	25.7	2.8	22.9
Change			-2.8

Number of Employees



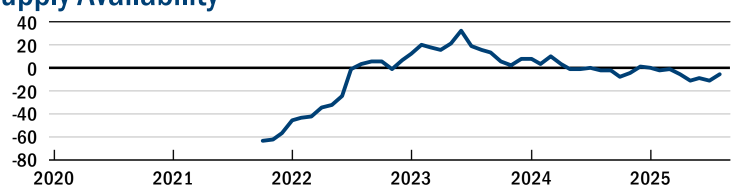
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	16.0	6.9	9.2
Aug	15.2	10.8	4.4
Change			-4.8

Average Employee Workweek



	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	12.7	8.5	4.2
Aug	9.2	9.1	0.2
Change			-4.0

Supply Availability



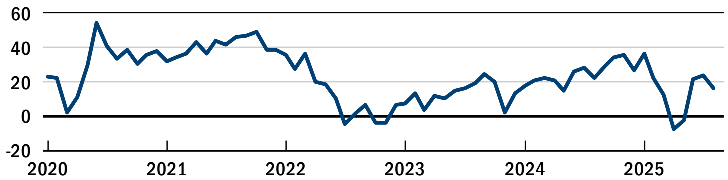
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	0.0	11.0	-11.0
Aug	3.7	9.2	-5.5
Change			5.5

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

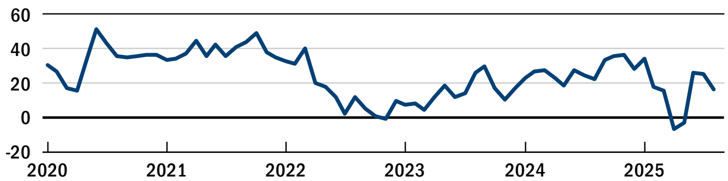
Expectations Six Months Ahead

General Business Conditions



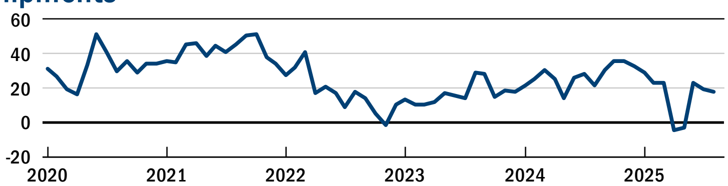
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	43.2	19.1	24.1
Aug	41.4	25.4	16.0
Change			-8.1

New Orders



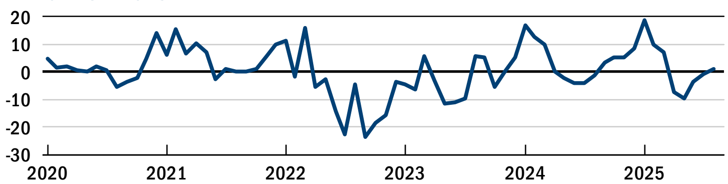
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	44.7	19.4	25.3
Aug	40.6	24.3	16.3
Change			-9.0

Shipments



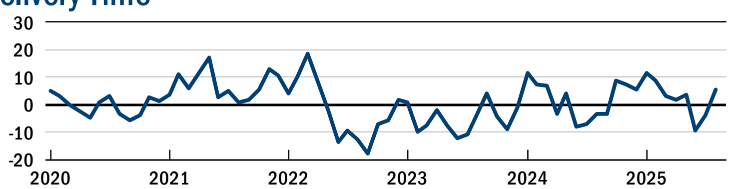
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	39.2	19.9	19.3
Aug	40.0	22.1	17.9
Change			-1.4

Unfilled Orders



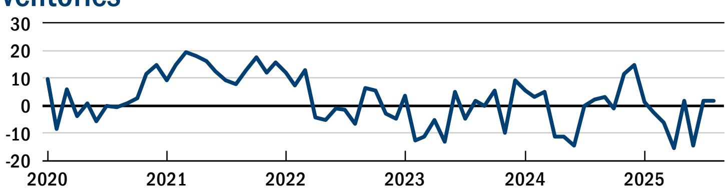
	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	14.7	15.6	-0.9
Aug	18.3	17.4	0.9
Change			1.8

Delivery Time



	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	11.0	14.7	-3.7
Aug	17.4	11.9	5.5
Change			9.2

Inventories

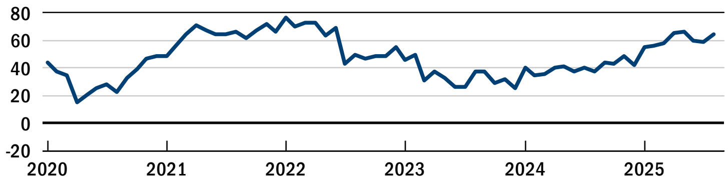


	Percent Reporting Higher	Percent Reporting Lower	Index
Jul	21.1	19.3	1.8
Aug	21.1	19.3	1.8
Change			0.0

Forward-Looking Indicators, *continued*

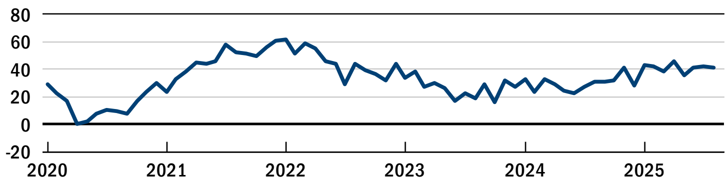
Expectations Six Months Ahead

Prices Paid



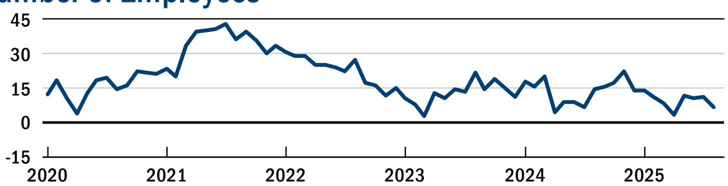
	Percent Reporting		
	Higher	Lower	Index
Jul	58.7	0.0	58.7
Aug	66.1	1.8	64.2
Change			5.5

Prices Received



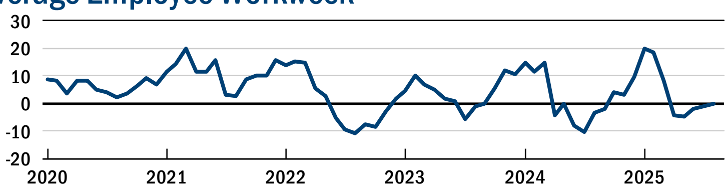
	Percent Reporting		
	Higher	Lower	Index
Jul	46.8	4.6	42.2
Aug	45.0	3.7	41.3
Change			-0.9

Number of Employees



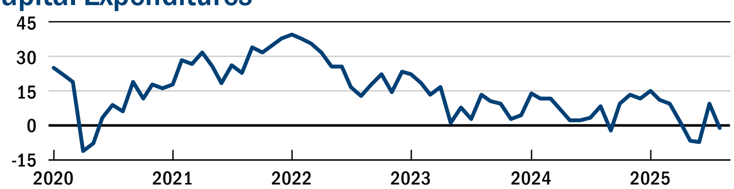
	Percent Reporting		
	Higher	Lower	Index
Jul	21.8	10.8	11.0
Aug	20.9	14.0	6.9
Change			-4.1

Average Employee Workweek



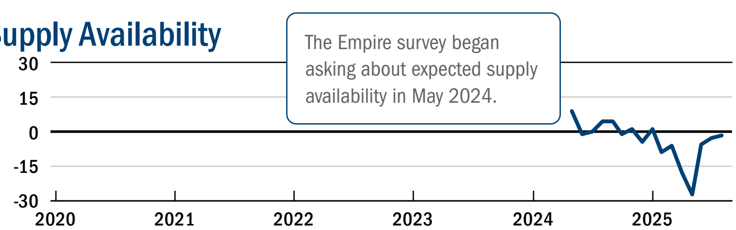
	Percent Reporting		
	Higher	Lower	Index
Jul	15.6	16.5	-0.9
Aug	13.8	13.8	0.0
Change			0.9

Capital Expenditures



	Percent Reporting		
	Higher	Lower	Index
Jul	22.0	12.8	9.2
Aug	17.4	18.3	-0.9
Change			-10.1

Supply Availability



	Percent Reporting		
	Higher	Lower	Index
Jul	4.6	7.3	-2.8
Aug	7.3	9.2	-1.8
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.