

# Empire State Manufacturing Survey

Business activity increased modestly in New York State, according to firms responding to the August 2019 *Empire State Manufacturing Survey*. The headline general business conditions index was little changed at 4.8. New orders increased after declining for the prior two months, and shipments continued to expand. Unfilled orders fell, delivery times were steady, and inventories increased. The employment and average workweek indexes were both slightly below zero, pointing to sluggishness in labor market conditions. Input prices increased at a slightly slower pace than last month, and selling price increases were little changed. Indexes assessing the six-month outlook indicated that firms were somewhat less optimistic about future conditions than they were in July.

## A Second Month of Modest Growth

Manufacturing firms in New York State reported that business activity

grew modestly in August. The general business conditions index was little changed at 4.8, pointing to two months of modest growth after a brief decline in activity in June. Twenty-seven percent of respondents reported that conditions had improved over the month, while 22 percent reported that conditions had worsened. The new orders index climbed above zero, and at 6.7, indicated that orders increased. The shipments index moved slightly higher to 9.3, pointing to an increase in shipments. Unfilled orders declined for a third consecutive month. Delivery times were steady, and inventories rose for the first time since April.

## Employment Conditions Remain Weak

The index for number of employees held below zero for a third consecutive month, coming in at -1.6, and the average workweek index was -1.3, pointing to ongoing sluggishness

in employment levels and hours worked. The prices paid index edged down two points to 23.2, suggesting a slightly slower pace of input price increases than last month. The prices received index was little changed at 4.5, with selling price increases maintaining a modest pace.

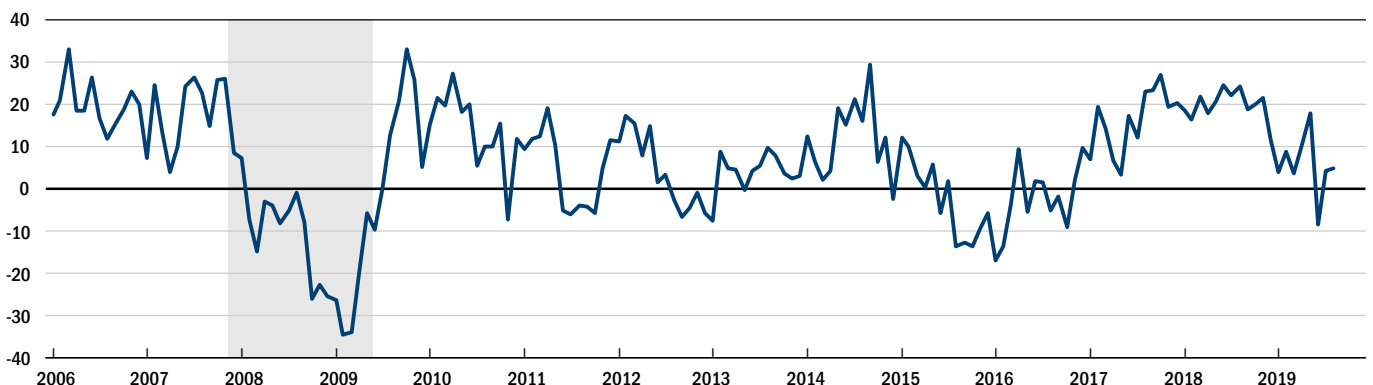
## Optimism Wanes

Indexes assessing the six-month outlook suggested that firms were somewhat less optimistic about future conditions than they were last month. The index for future business conditions fell five points to 25.7, and the index for future new orders also moved lower. Firms expected increases in employment levels but no change in the average workweek in the months ahead. The capital expenditures index rose four points to 23.2, and the technology spending index moved up to 17.4. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

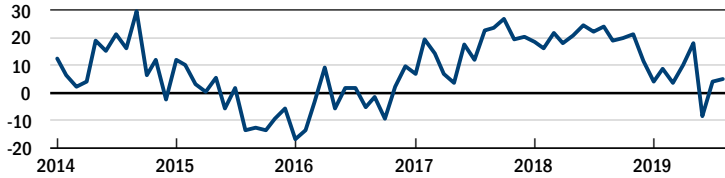


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

# Current Indicators

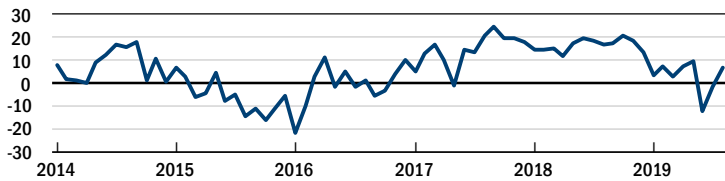
Change from Preceding Month

## General Business Conditions



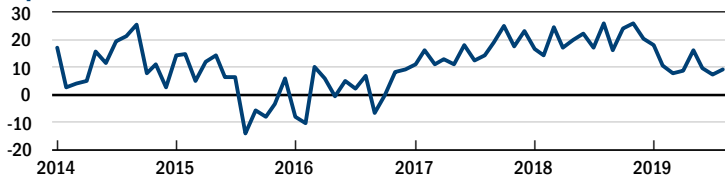
	Percent Reporting		Index
	Higher	Lower	
Jul	29.8	25.6	4.3
Aug	27.2	22.4	4.8
Change			0.5

## New Orders



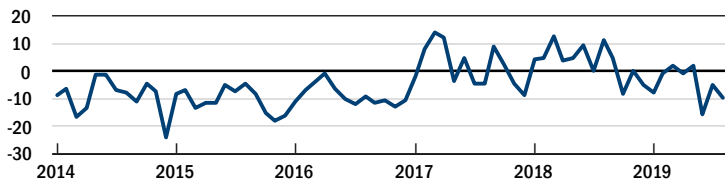
	Percent Reporting		Index
	Higher	Lower	
Jul	27.1	28.6	-1.5
Aug	29.9	23.2	6.7
Change			8.2

## Shipments



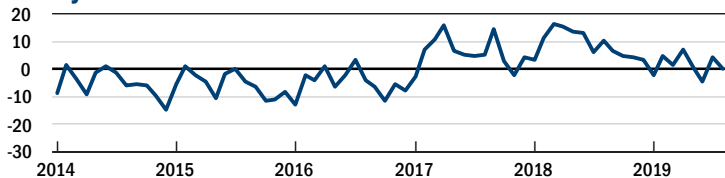
	Percent Reporting		Index
	Higher	Lower	
Jul	30.8	23.6	7.2
Aug	31.6	22.3	9.3
Change			2.1

## Unfilled Orders



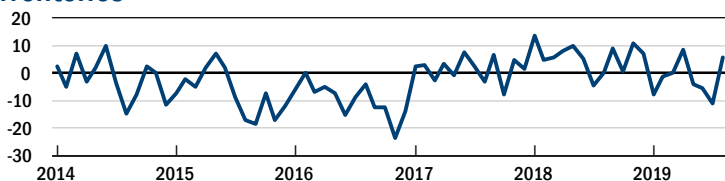
	Percent Reporting		Index
	Higher	Lower	
Jul	13.9	19.0	-5.1
Aug	13.5	23.2	-9.7
Change			-4.6

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	13.9	9.5	4.4
Aug	13.5	13.5	0.0
Change			-4.4

## Inventories

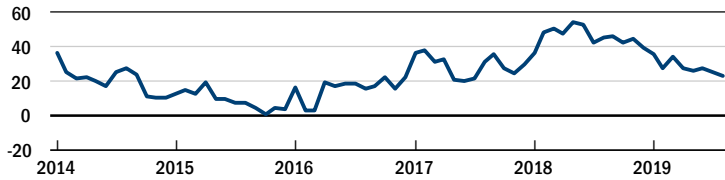


	Percent Reporting		Index
	Higher	Lower	
Jul	13.9	24.8	-10.9
Aug	23.2	17.4	5.8
Change			16.7

# Current Indicators, *continued*

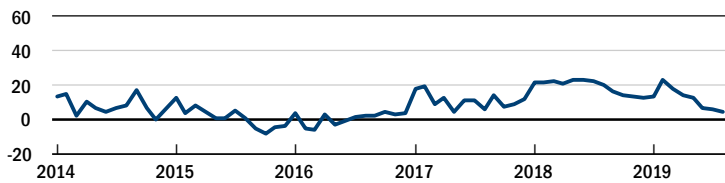
Change from Preceding Month

## Prices Paid



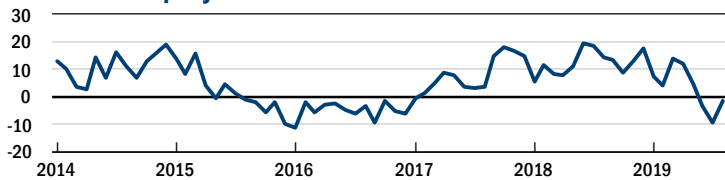
	Percent Reporting		Index
	Higher	Lower	
Jul	32.1	6.6	25.5
Aug	27.7	4.5	23.2
Change			-2.3

## Prices Received



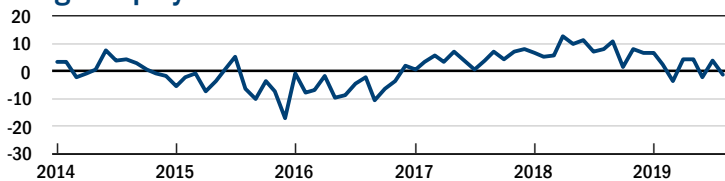
	Percent Reporting		Index
	Higher	Lower	
Jul	14.6	8.8	5.8
Aug	11.0	6.5	4.5
Change			-1.3

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jul	10.1	19.7	-9.6
Aug	13.6	15.2	-1.6
Change			8.0

## Average Employee Workweek



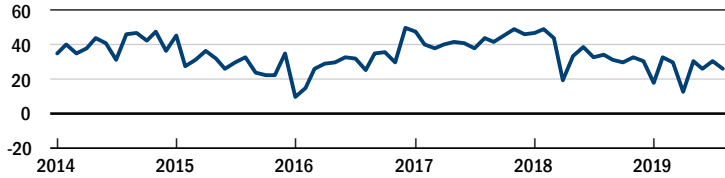
	Percent Reporting		Index
	Higher	Lower	
Jul	16.8	13.0	3.8
Aug	10.5	11.8	-1.3
Change			-5.1

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

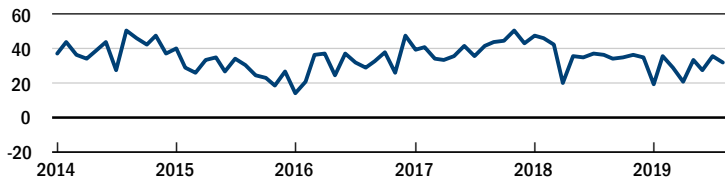
Expectations Six Months Ahead

## General Business Conditions



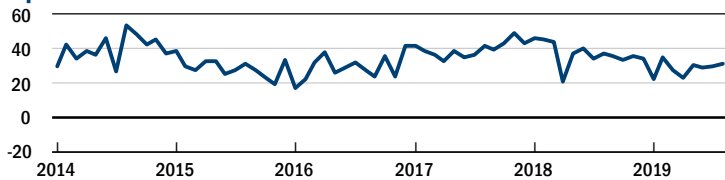
	Percent Reporting		Index
	Higher	Lower	
Jul	48.6	17.9	30.8
Aug	42.6	16.9	25.7
Change			-5.1

## New Orders



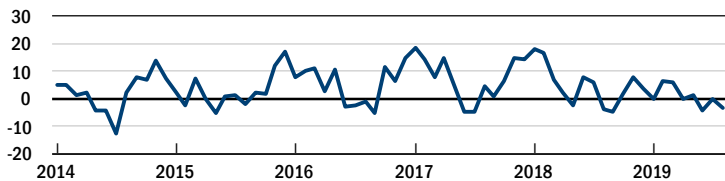
	Percent Reporting		Index
	Higher	Lower	
Jul	50.1	14.7	35.4
Aug	46.4	14.6	31.7
Change			-3.7

## Shipments



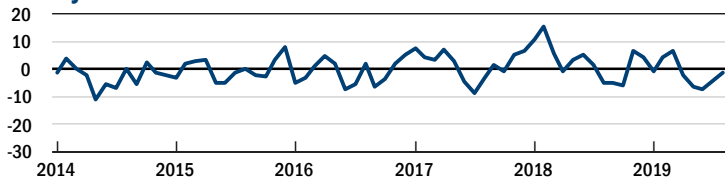
	Percent Reporting		Index
	Higher	Lower	
Jul	45.6	16.1	29.5
Aug	47.7	16.5	31.1
Change			1.6

## Unfilled Orders



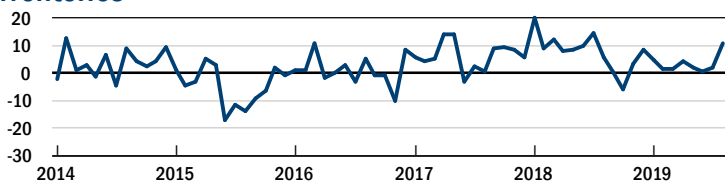
	Percent Reporting		Index
	Higher	Lower	
Jul	14.6	14.6	0.0
Aug	12.9	16.1	-3.2
Change			-3.2

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	9.5	13.9	-4.4
Aug	12.3	13.5	-1.3
Change			3.1

## Inventories

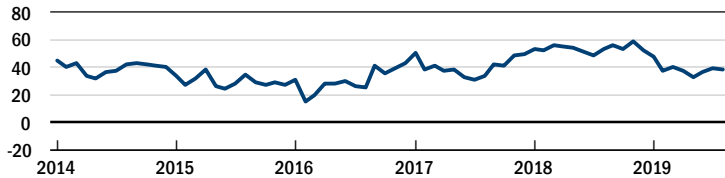


	Percent Reporting		Index
	Higher	Lower	
Jul	24.1	21.9	2.2
Aug	29.0	18.1	11.0
Change			8.8

# Forward-Looking Indicators, *continued*

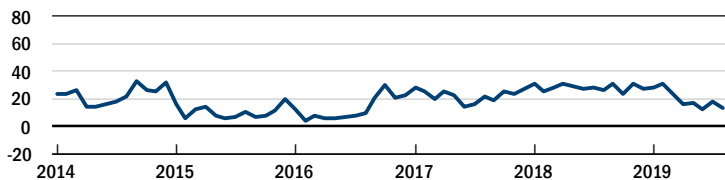
Expectations Six Months Ahead

## Prices Paid



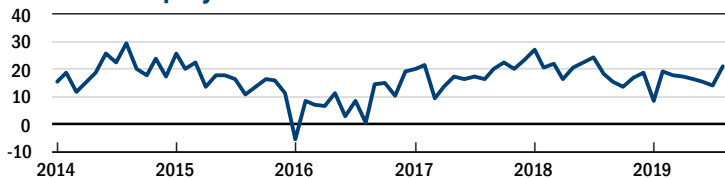
	Percent Reporting		Index
	Higher	Lower	
Jul	42.3	2.9	39.4
Aug	41.9	3.9	38.1
Change			-1.3

## Prices Received



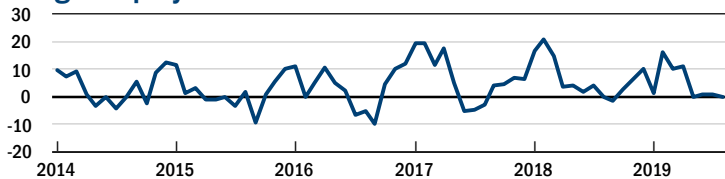
	Percent Reporting		Index
	Higher	Lower	
Jul	26.3	8.0	18.2
Aug	23.2	10.3	12.9
Change			-5.3

## Number of Employees



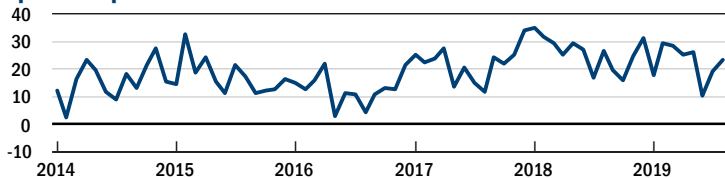
	Percent Reporting		Index
	Higher	Lower	
Jul	23.5	9.3	14.2
Aug	35.6	14.5	21.1
Change			6.9

## Average Employee Workweek



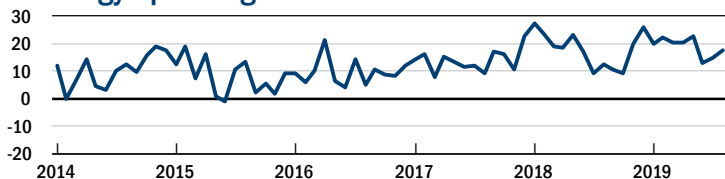
	Percent Reporting		Index
	Higher	Lower	
Jul	13.9	13.1	0.7
Aug	18.1	18.1	0.0
Change			-0.7

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jul	30.7	11.7	19.0
Aug	32.9	9.7	23.2
Change			4.2

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jul	24.1	9.5	14.6
Aug	27.1	9.7	17.4
Change			2.8

Note: Data are seasonally adjusted.