

# Empire State Manufacturing Survey

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

After growing strongly last month, business activity declined in New York State, according to firms responding to the May 2022 *Empire State Manufacturing Survey*. The headline general business conditions index dropped thirty-six points to -11.6. New orders declined, and shipments fell at the fastest pace since early in the pandemic. Delivery times continued to lengthen, and inventories expanded. Labor market indicators pointed to a modest increase in employment and the average workweek. Both the prices paid and prices received indexes moved lower, but were still elevated. Looking ahead, optimism about the six-month outlook remained subdued.

## Activity Declines

After growing significantly last month, manufacturing activity declined in

New York State, according to the May survey. The general business conditions index retreated thirty-six points to -11.6, its second negative reading in the past three months. Twenty percent of respondents reported that conditions had improved over the month, while thirty-two percent reported that conditions had worsened. The new orders index fell thirty-four points to -8.8, and the shipments index plunged fifty points to -15.4, marking a sharp reversal for the two measures, both of which increased last month. The unfilled orders index fell to 2.6. The delivery times index held steady at 20.2, pointing to continued lengthening in delivery times, and inventories increased.

## A Modest Increase in Employment

The index for number of employees increased seven points to 14.0, and the

average workweek index held steady at 11.9, indicating a modest increase in employment levels and the average workweek. After reaching a record high last month, the prices paid index fell thirteen points to a still elevated 73.7, and the prices received index edged down to 45.6, signaling ongoing substantial increases in both input prices and selling prices, though at a slower pace than last month.

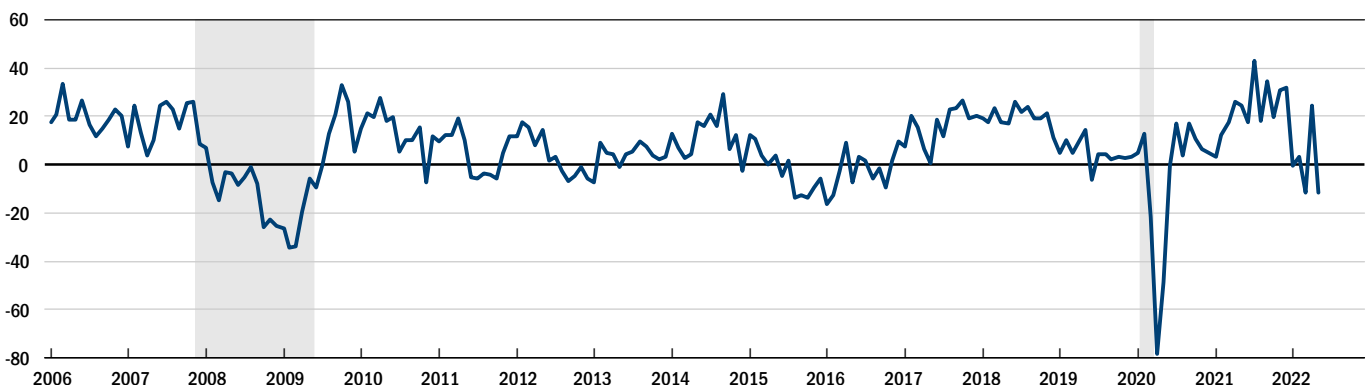
## Optimism Remains Subdued

As in April, firms expressed less optimism about the six-month outlook than they did earlier this year. The index for future business conditions was little changed at 18.0. Increases in prices and employment are expected to continue in the months ahead. The capital expenditures index fell to its lowest level in several months. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

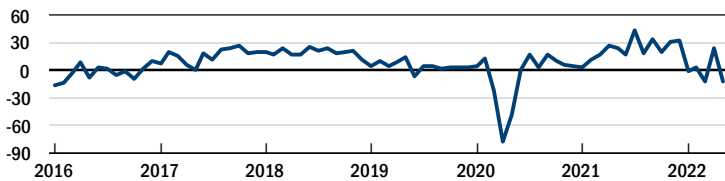


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

# Current Indicators

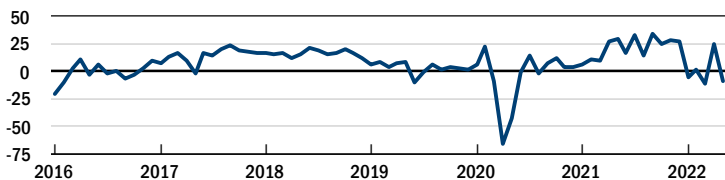
Change from Preceding Month

## General Business Conditions



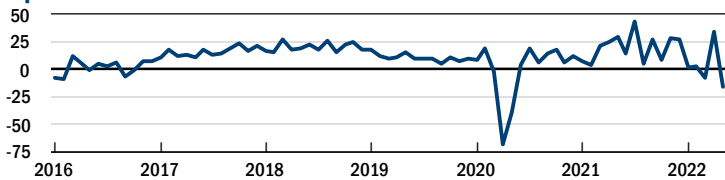
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 39.6              | 15.0  | 24.6  |
| May    | 19.9              | 31.5  | -11.6 |
| Change |                   |       | -36.2 |

## New Orders



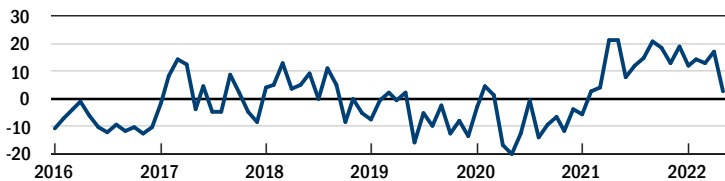
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 43.3              | 18.2  | 25.1  |
| May    | 24.9              | 33.7  | -8.8  |
| Change |                   |       | -33.9 |

## Shipments



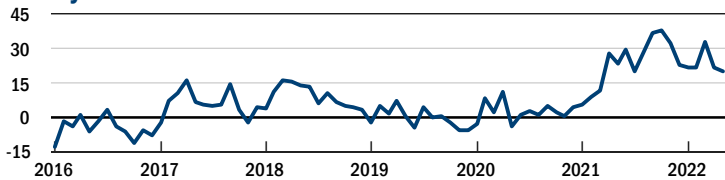
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 45.4              | 10.9  | 34.5  |
| May    | 22.0              | 37.4  | -15.4 |
| Change |                   |       | -49.9 |

## Unfilled Orders



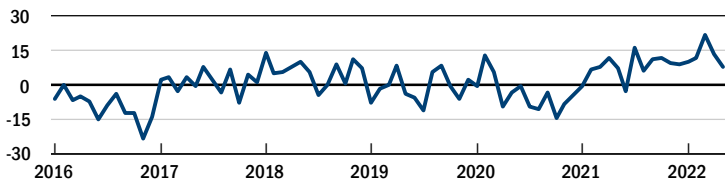
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 30.9              | 13.6  | 17.3  |
| May    | 20.2              | 17.5  | 2.6   |
| Change |                   |       | -14.7 |

## Delivery Time



|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 31.8              | 10.0  | 21.8  |
| May    | 28.9              | 8.8   | 20.2  |
| Change |                   |       | -1.6  |

## Inventories

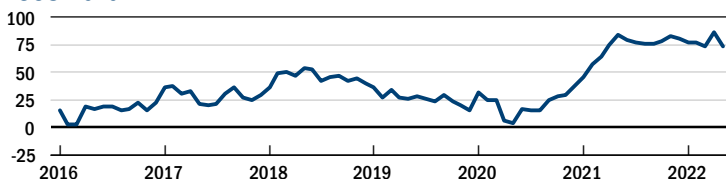


|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 31.8              | 18.2  | 13.6  |
| May    | 27.2              | 19.3  | 7.9   |
| Change |                   |       | -5.7  |

# Current Indicators, *continued*

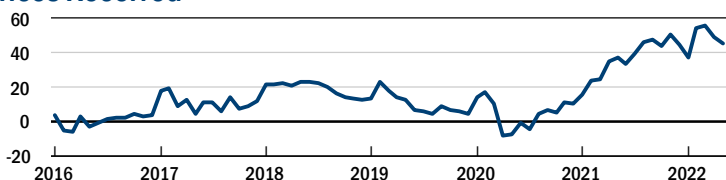
Change from Preceding Month

## Prices Paid



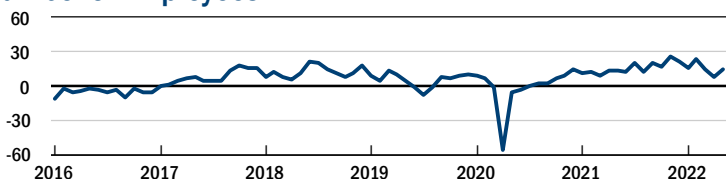
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 86.4              | 0.0   | 86.4  |
| May    | 76.3              | 2.6   | 73.7  |
| Change |                   |       | -12.7 |

## Prices Received



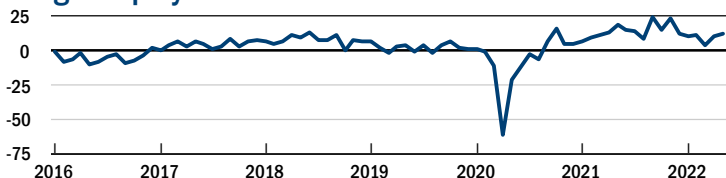
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 49.1              | 0.0   | 49.1  |
| May    | 51.8              | 6.1   | 45.6  |
| Change |                   |       | -3.5  |

## Number of Employees



|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 15.2              | 7.9   | 7.3   |
| May    | 20.9              | 6.8   | 14.0  |
| Change |                   |       | 6.7   |

## Average Employee Workweek



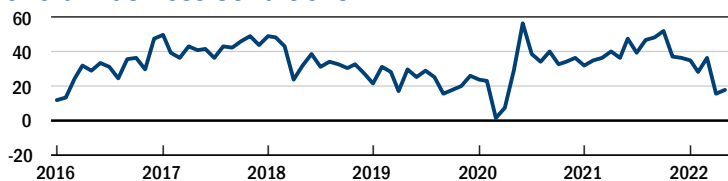
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 12.3              | 2.2   | 10.0  |
| May    | 20.2              | 8.3   | 11.9  |
| Change |                   |       | 1.9   |

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

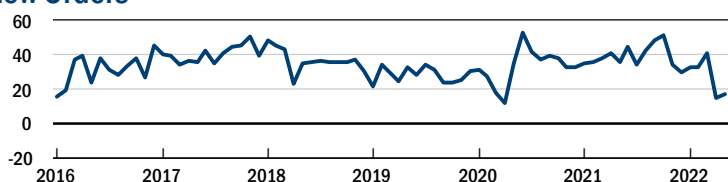
Expectations Six Months Ahead

## General Business Conditions



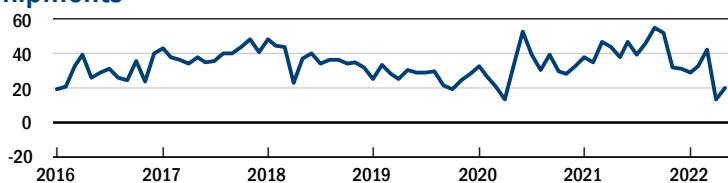
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 38.9              | 23.7  | 15.2  |
| May    | 37.6              | 19.5  | 18.0  |
| Change |                   |       | 2.8   |

## New Orders



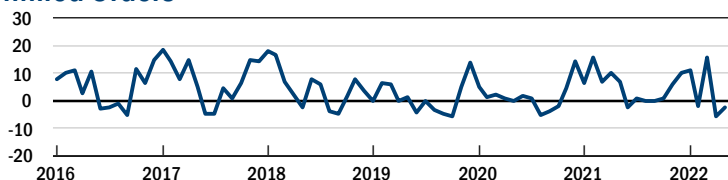
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 38.0              | 23.0  | 15.0  |
| May    | 36.0              | 18.7  | 17.3  |
| Change |                   |       | 2.3   |

## Shipments



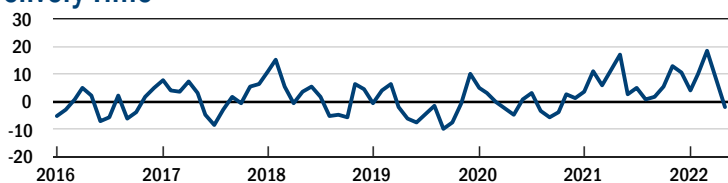
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 38.4              | 25.0  | 13.4  |
| May    | 36.1              | 16.4  | 19.7  |
| Change |                   |       | 6.3   |

## Unfilled Orders



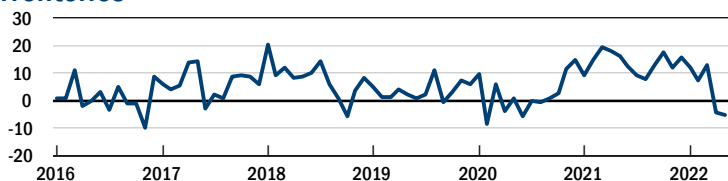
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 15.5              | 20.9  | -5.5  |
| May    | 19.3              | 21.9  | -2.6  |
| Change |                   |       | 2.9   |

## Delivery Time



|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 20.9              | 12.7  | 8.2   |
| May    | 21.9              | 23.7  | -1.8  |
| Change |                   |       | -10.0 |

## Inventories

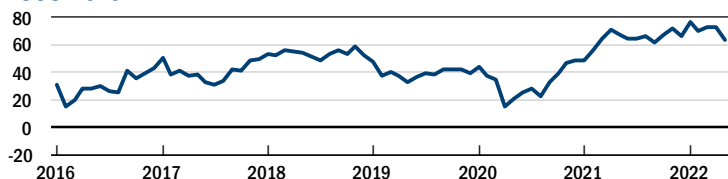


|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 19.1              | 23.6  | -4.5  |
| May    | 23.7              | 28.9  | -5.3  |
| Change |                   |       | -0.8  |

# Forward-Looking Indicators, *continued*

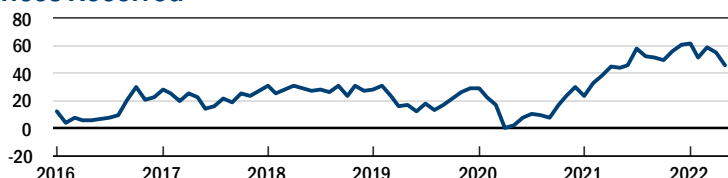
Expectations Six Months Ahead

## Prices Paid



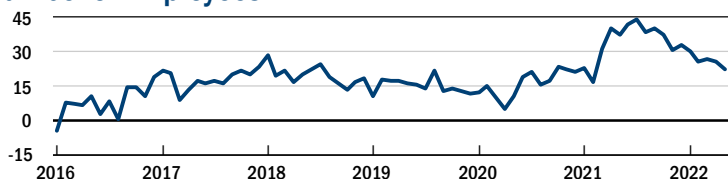
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 75.5              | 2.7   | 72.7  |
| May    | 66.7              | 3.5   | 63.2  |
| Change |                   |       | -9.5  |

## Prices Received



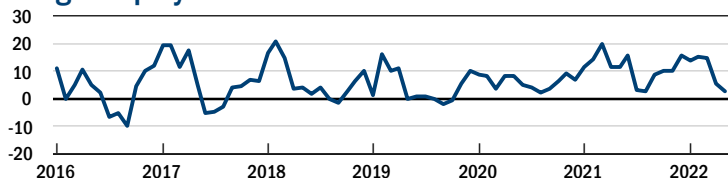
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 58.2              | 2.7   | 55.5  |
| May    | 50.0              | 4.4   | 45.6  |
| Change |                   |       | -9.9  |

## Number of Employees



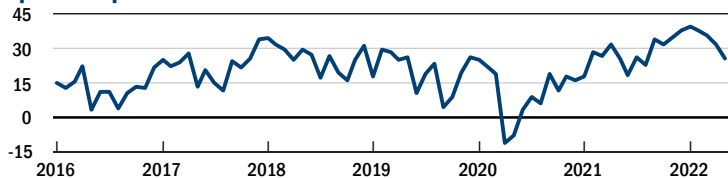
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 33.7              | 7.9   | 25.8  |
| May    | 31.6              | 9.4   | 22.2  |
| Change |                   |       | -3.6  |

## Average Employee Workweek



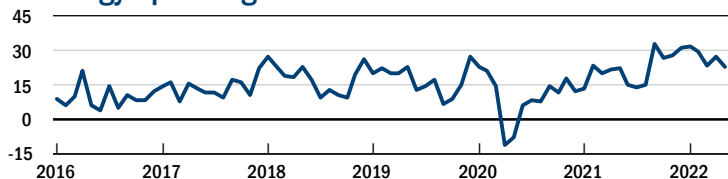
|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 14.5              | 9.1   | 5.5   |
| May    | 12.3              | 9.6   | 2.6   |
| Change |                   |       | -2.9  |

## Capital Expenditures



|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 38.2              | 6.4   | 31.8  |
| May    | 34.2              | 8.8   | 25.4  |
| Change |                   |       | -6.4  |

## Technology Spending



|        | Percent Reporting |       | Index |
|--------|-------------------|-------|-------|
|        | Higher            | Lower |       |
| Apr    | 32.7              | 5.5   | 27.3  |
| May    | 27.2              | 4.4   | 22.8  |
| Change |                   |       | -4.5  |

Note: Data are seasonally adjusted.