

Empire State Manufacturing Survey

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

Business activity edged slightly higher in New York State, according to firms responding to the December 2020 *Empire State Manufacturing Survey*. The headline general business conditions index was little changed at 4.9. New orders increased marginally, and shipments were modestly higher. Inventories continued to move lower, and delivery times edged up. Employment posted its strongest gain in months, and the average workweek lengthened somewhat. Input prices increased at the fastest pace in two years, while selling prices increased at about the same pace as last month. Looking ahead, firms remained optimistic that conditions would improve over the next six months.

Very Little Growth in Activity

Like last month, manufacturing activity in New York State expanded only to a small

degree in December. The general business conditions index held steady at 4.9. Twenty-six percent of respondents reported that conditions had improved over the month, while 21 percent reported that conditions had worsened. The new orders index was little changed at 3.4, indicating a slight increase in orders, and the shipments index climbed six points to 12.1, pointing to a relatively substantial increase in shipments. Delivery times were somewhat longer, and inventories edged lower.

Employment Grows at a Faster Pace

The index for number of employees rose five points to 14.2, its highest level in over a year, pointing to ongoing significant gains in employment. The average workweek index was unchanged at 4.8, signaling a small increase in hours worked. The prices paid index rose eight points to

37.1, its highest level in two years, indicating a pickup in input price increases. The prices received index held steady at 10.0, pointing to ongoing modest selling price increases.

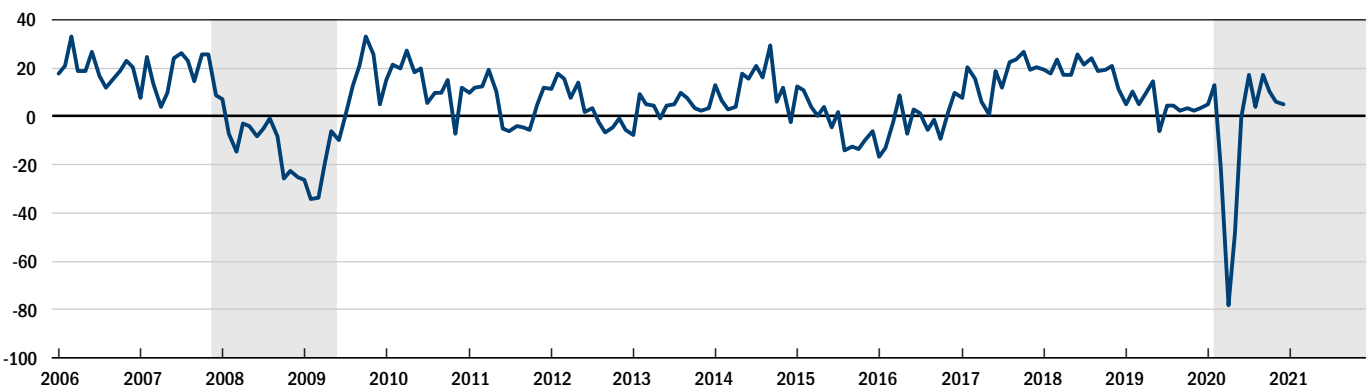
Firms Remain Optimistic

The index for future business conditions was little changed at 36.3, suggesting that firms remained optimistic about future conditions. The indexes for future new orders and shipments were positive and similar to last month's readings. Employment levels and the average workweek are expected to continue to increase in the months ahead. The indexes for future prices paid and prices received both picked up for a third consecutive month. The capital expenditures index came in at 16.4, and technology spending indexes moved down to 12.1. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

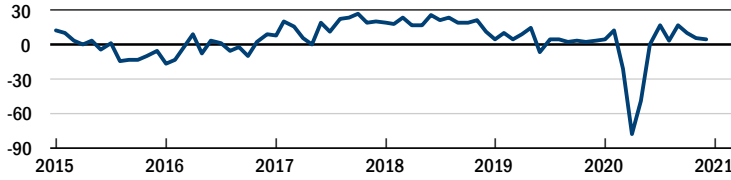


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

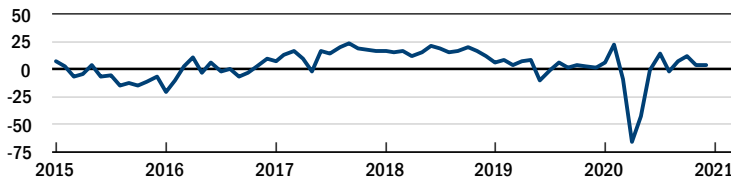
Change from Preceding Month

General Business Conditions



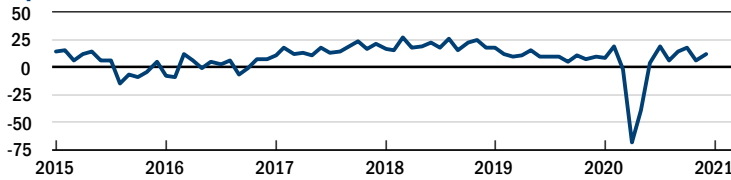
	Percent Reporting		Index
	Higher	Lower	
Nov	30.8	24.4	6.3
Dec	25.8	20.9	4.9
Change			-1.4

New Orders



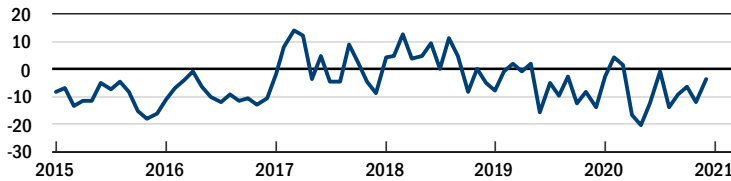
	Percent Reporting		Index
	Higher	Lower	
Nov	30.9	27.1	3.7
Dec	26.9	23.6	3.4
Change			-0.3

Shipments



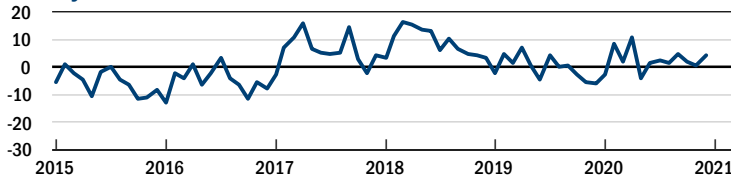
	Percent Reporting		Index
	Higher	Lower	
Nov	31.6	25.3	6.3
Dec	29.8	17.7	12.1
Change			5.8

Unfilled Orders



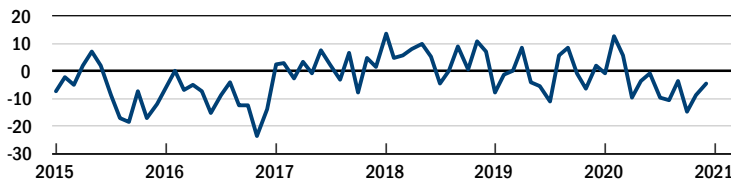
	Percent Reporting		Index
	Higher	Lower	
Nov	14.6	26.5	-11.9
Dec	17.1	20.7	-3.6
Change			8.3

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	17.2	16.6	0.7
Dec	16.4	12.1	4.3
Change			3.6

Inventories

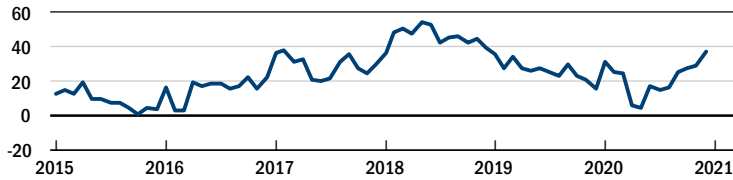


	Percent Reporting		Index
	Higher	Lower	
Nov	17.2	25.8	-8.6
Dec	17.1	21.4	-4.3
Change			4.3

Current Indicators, *continued*

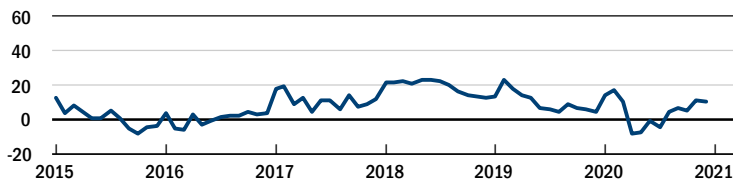
Change from Preceding Month

Prices Paid



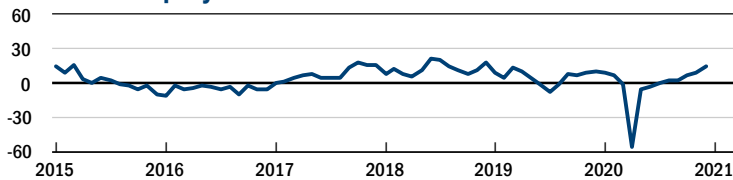
	Percent Reporting		Index
	Higher	Lower	
Nov	33.1	4.0	29.1
Dec	37.9	0.7	37.1
Change			8.0

Prices Received



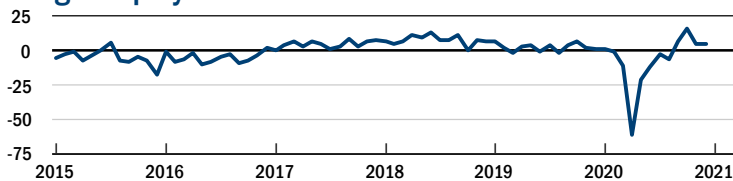
	Percent Reporting		Index
	Higher	Lower	
Nov	15.9	4.6	11.3
Dec	13.6	3.6	10.0
Change			-1.3

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Nov	20.2	10.8	9.4
Dec	20.5	6.3	14.2
Change			4.8

Average Employee Workweek



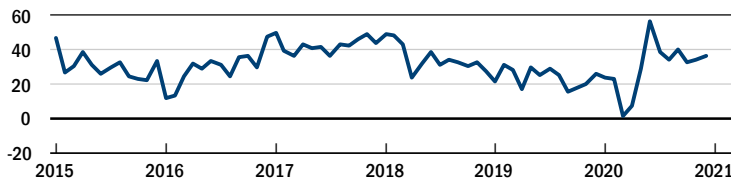
	Percent Reporting		Index
	Higher	Lower	
Nov	15.1	10.3	4.8
Dec	16.1	11.3	4.8
Change			0.0

Note: Data are seasonally adjusted.

Forward-Looking Indicators

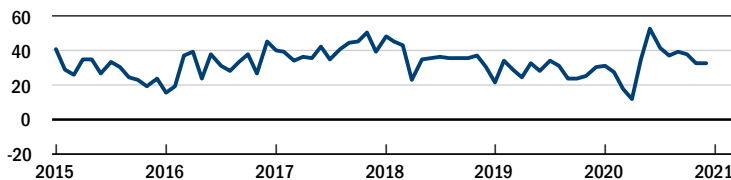
Expectations Six Months Ahead

General Business Conditions



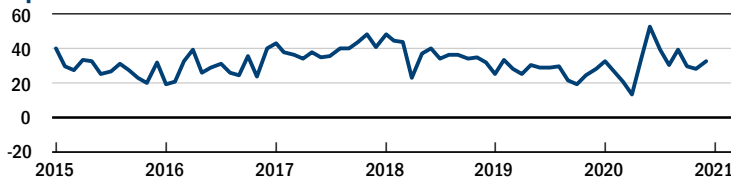
	Percent Reporting		Index
	Higher	Lower	
Nov	48.7	14.7	33.9
Dec	49.7	13.4	36.3
Change			2.4

New Orders



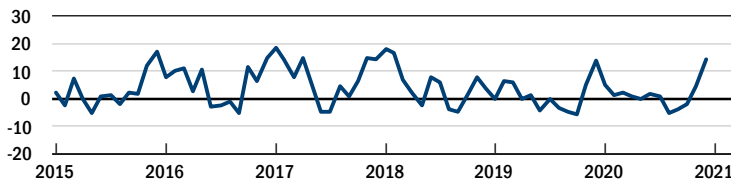
	Percent Reporting		Index
	Higher	Lower	
Nov	50.4	17.5	32.9
Dec	47.4	15.1	32.3
Change			-0.6

Shipments



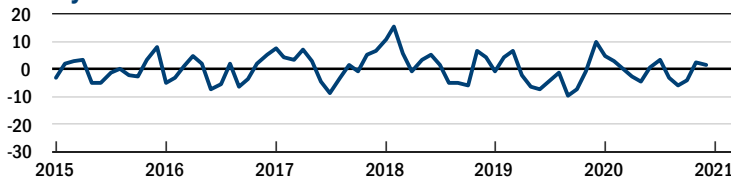
	Percent Reporting		Index
	Higher	Lower	
Nov	47.9	19.7	28.2
Dec	47.6	15.0	32.7
Change			4.5

Unfilled Orders



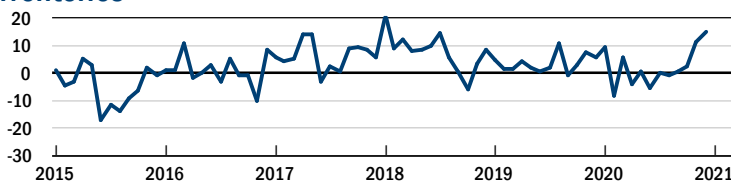
	Percent Reporting		Index
	Higher	Lower	
Nov	19.9	15.2	4.6
Dec	25.7	11.4	14.3
Change			9.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Nov	14.6	11.9	2.6
Dec	16.4	15.0	1.4
Change			-1.2

Inventories

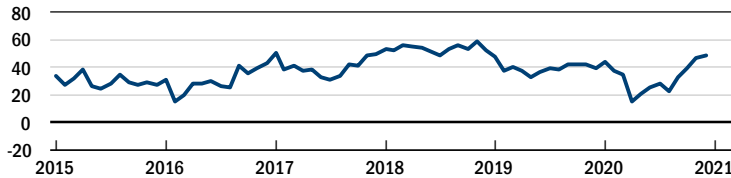


	Percent Reporting		Index
	Higher	Lower	
Nov	27.2	15.9	11.3
Dec	29.3	14.3	15.0
Change			3.7

Forward-Looking Indicators, *continued*

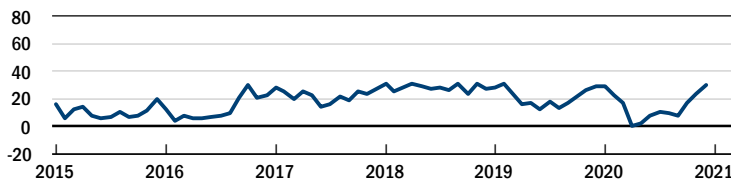
Expectations Six Months Ahead

Prices Paid



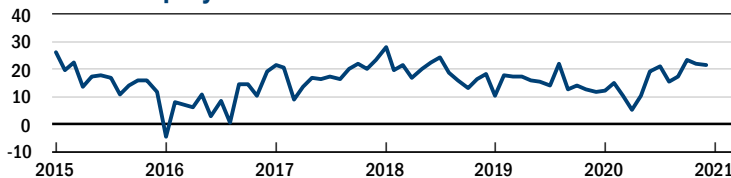
	Percent Reporting		Index
	Higher	Lower	
Nov	50.3	4.0	46.4
Dec	52.1	3.6	48.6
Change			2.2

Prices Received



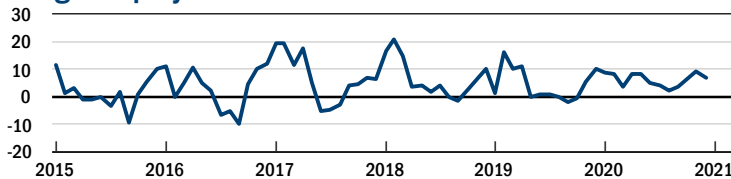
	Percent Reporting		Index
	Higher	Lower	
Nov	31.1	7.9	23.2
Dec	35.0	5.0	30.0
Change			6.8

Number of Employees



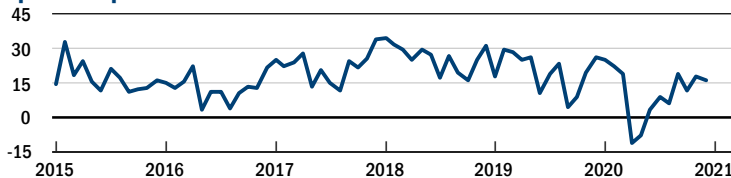
	Percent Reporting		Index
	Higher	Lower	
Nov	33.7	11.5	22.2
Dec	32.9	11.6	21.3
Change			-0.9

Average Employee Workweek



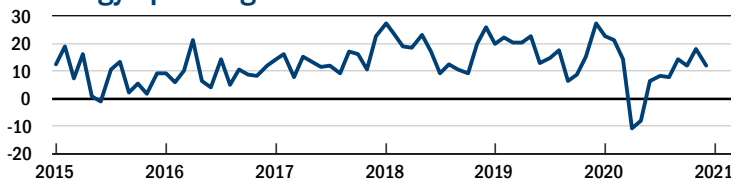
	Percent Reporting		Index
	Higher	Lower	
Nov	18.5	9.3	9.3
Dec	22.9	15.7	7.1
Change			-2.2

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Nov	30.5	12.6	17.9
Dec	32.9	16.4	16.4
Change			-1.5

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Nov	29.1	11.3	17.9
Dec	26.4	14.3	12.1
Change			-5.8

Note: Data are seasonally adjusted.