

# Empire State Manufacturing Survey

*Note: Survey responses were collected between January 3 and January 10.*

Business activity abruptly leveled off in New York State, according to firms responding to the January 2022 *Empire State Manufacturing Survey*. The headline general business conditions index fell thirty-three points to -0.7. New orders declined slightly, while shipments held steady. Delivery times continued to lengthen, and unfilled orders increased. Labor market indicators pointed to a moderate increase in employment and a longer average workweek. Both price indexes moved lower, but remained elevated. Plans for capital and technology spending were strong. Looking ahead, firms remained optimistic that conditions would improve over the next six months.

## A Sharp Decline in the Headline Index

Manufacturing activity was little changed in New York State according to the January survey, suggesting

that growth stalled after a period of significant expansion. After eighteen months of positive readings, the general business conditions fell a steep thirty-three points to -0.7. Twenty-two percent of respondents reported that conditions had improved over the month, while 23 percent reported that conditions had worsened. The new orders index also posted a steep decline, falling thirty-two points to -5.0, pointing to a slight decline in orders. The shipments index fell to 1.0, indicating that shipments were little changed. The unfilled orders index came in at 12.1. The delivery times index held steady at 21.6, suggesting that delivery times continued to lengthen significantly, and inventories increased modestly.

## Price Increases Remain Substantial

The index for number of employees fell five points to 16.1, and the average

workweek index fell to 10.3, indicating that firms increased employment and hours worked. The prices paid index edged down four points to 76.7, and the prices received index fell eight points to 37.1, signaling ongoing substantial increases in both input prices and selling prices, though at a slower pace than last month.

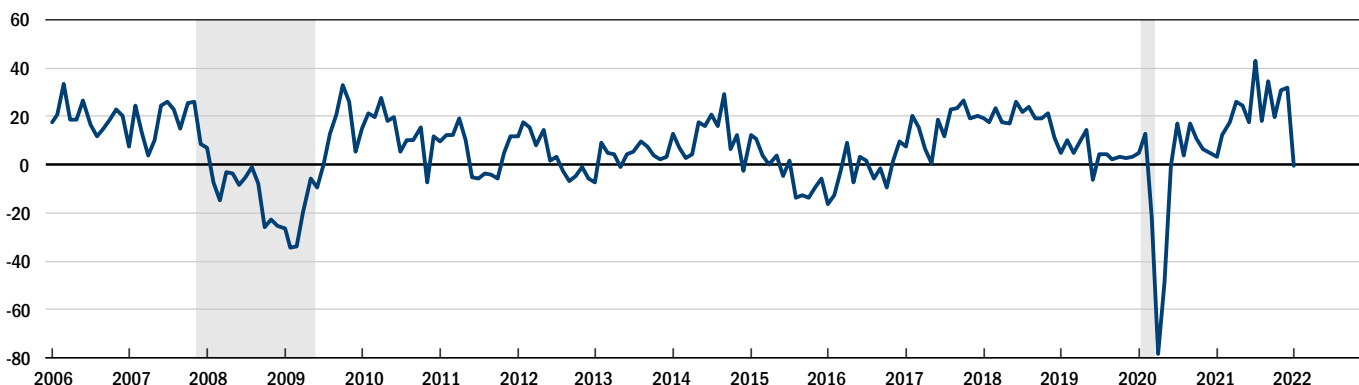
## Firms Remain Optimistic

Firms were generally optimistic about the six-month outlook. The index for future business conditions held steady at 35.1. The indexes for future prices paid and received both rose to record highs. The capital expenditures index climbed two points to 39.7, a multi-year high, and the technology spending index held steady at 31.9, suggesting that firms plan significant increases in both capital spending and technology spending in the months ahead. ■

## General Business Conditions

Seasonally Adjusted

Diffusion Index

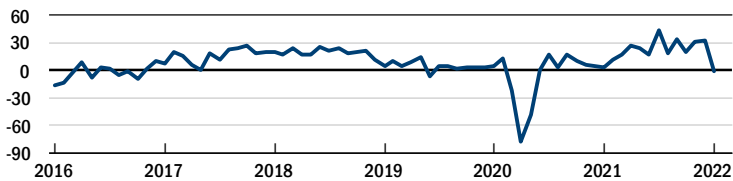


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

# Current Indicators

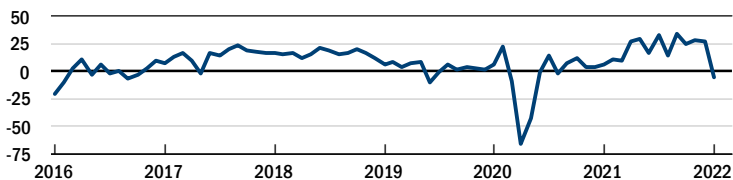
Change from Preceding Month

## General Business Conditions



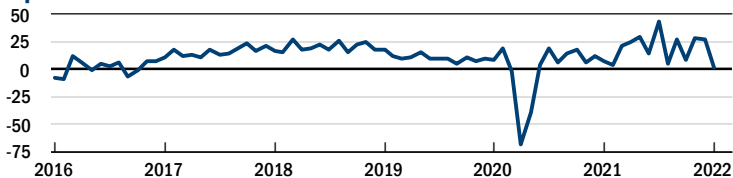
	Percent Reporting		Index
	Higher	Lower	
Dec	45.2	13.2	31.9
Jan	22.1	22.8	-0.7
Change			-32.6

## New Orders



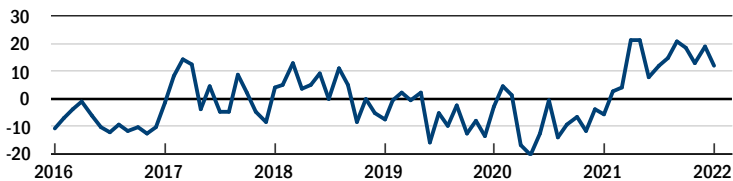
	Percent Reporting		Index
	Higher	Lower	
Dec	42.0	14.9	27.1
Jan	28.4	33.5	-5.0
Change			-32.1

## Shipments



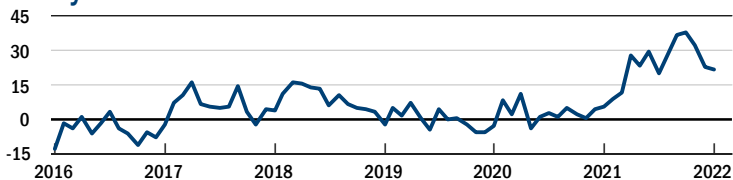
	Percent Reporting		Index
	Higher	Lower	
Dec	44.4	17.3	27.1
Jan	24.1	23.1	1.0
Change			-26.1

## Unfilled Orders



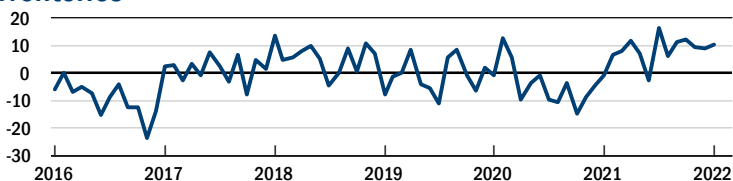
	Percent Reporting		Index
	Higher	Lower	
Dec	35.5	16.5	19.0
Jan	26.7	14.7	12.1
Change			-6.9

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	34.7	11.6	23.1
Jan	29.3	7.8	21.6
Change			-1.5

## Inventories

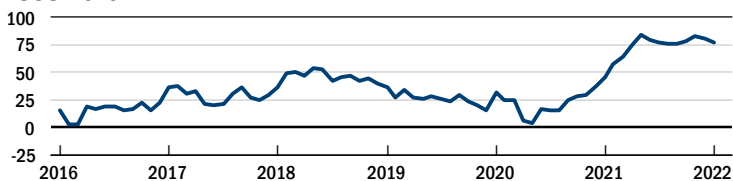


	Percent Reporting		Index
	Higher	Lower	
Dec	28.1	19.0	9.1
Jan	25.9	15.5	10.3
Change			1.2

# Current Indicators, *continued*

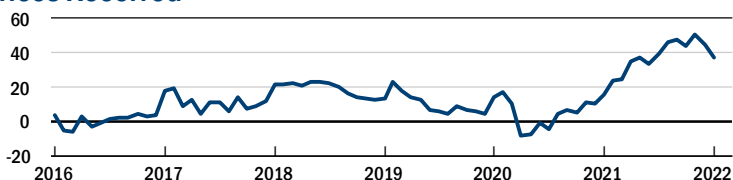
Change from Preceding Month

## Prices Paid



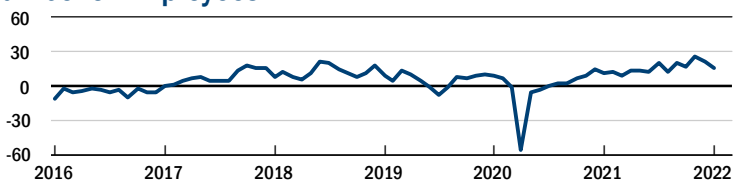
	Percent Reporting		Index
	Higher	Lower	
Dec	81.8	1.7	80.2
Jan	77.6	0.9	76.7
Change			-3.5

## Prices Received



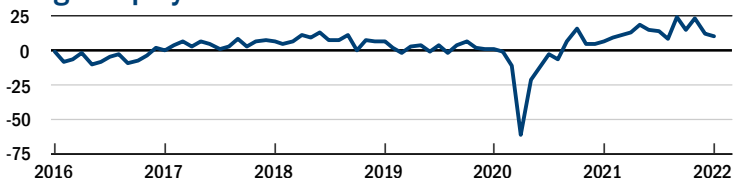
	Percent Reporting		Index
	Higher	Lower	
Dec	47.1	2.5	44.6
Jan	38.8	1.7	37.1
Change			-7.5

## Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Dec	26.7	5.3	21.4
Jan	20.0	3.9	16.1
Change			-5.3

## Average Employee Workweek



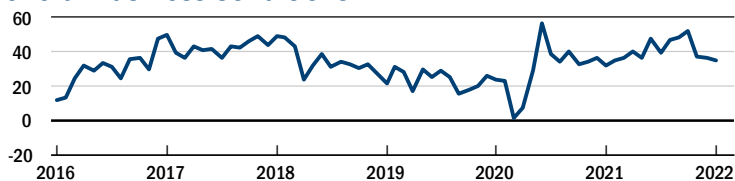
	Percent Reporting		Index
	Higher	Lower	
Dec	19.5	7.4	12.1
Jan	17.3	6.9	10.3
Change			-1.8

Note: Data are seasonally adjusted.

# Forward-Looking Indicators

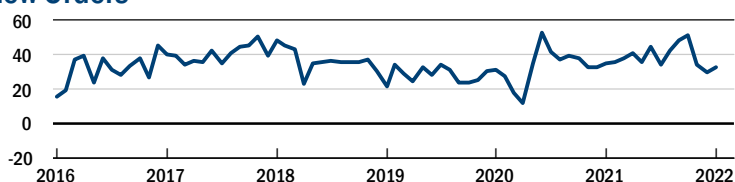
Expectations Six Months Ahead

## General Business Conditions



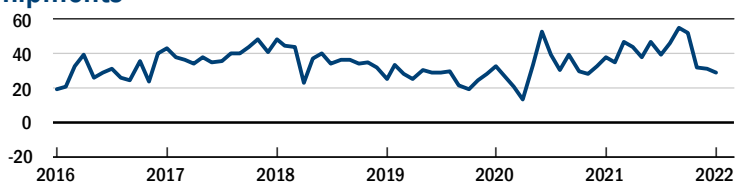
	Percent Reporting		Index
	Higher	Lower	
Dec	46.5	10.1	36.4
Jan	43.9	8.9	35.1
Change			-1.3

## New Orders



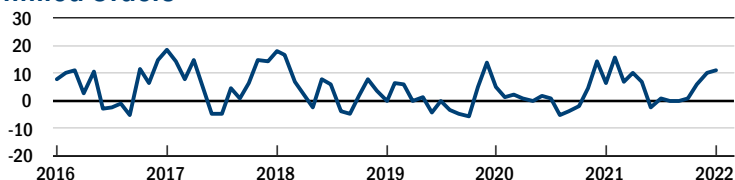
	Percent Reporting		Index
	Higher	Lower	
Dec	44.2	14.2	30.0
Jan	41.2	8.3	32.9
Change			2.9

## Shipments



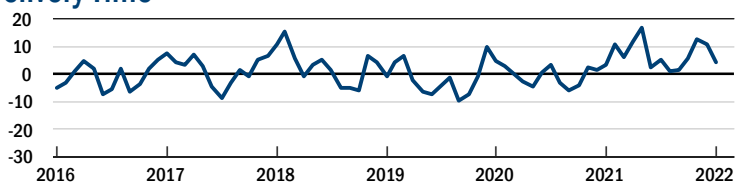
	Percent Reporting		Index
	Higher	Lower	
Dec	41.2	9.7	31.5
Jan	39.4	10.0	29.3
Change			-2.2

## Unfilled Orders



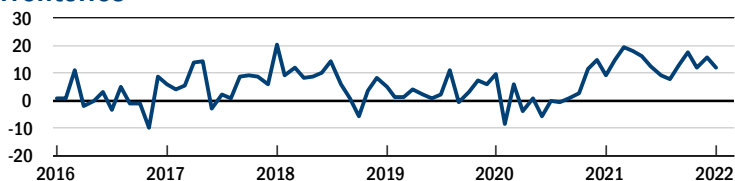
	Percent Reporting		Index
	Higher	Lower	
Dec	28.1	18.2	9.9
Jan	29.3	18.1	11.2
Change			1.3

## Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Dec	26.4	15.7	10.7
Jan	19.8	15.5	4.3
Change			-6.4

## Inventories

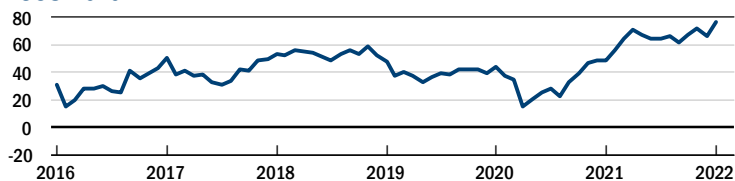


	Percent Reporting		Index
	Higher	Lower	
Dec	34.7	19.0	15.7
Jan	28.4	16.4	12.1
Change			-3.6

# Forward-Looking Indicators, *continued*

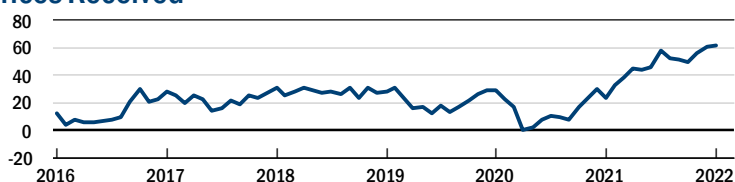
Expectations Six Months Ahead

## Prices Paid



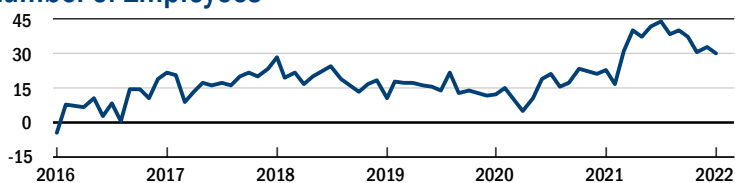
	Percent Reporting		Index
	Higher	Lower	
Dec	73.6	7.4	66.1
Jan	78.4	1.7	76.7
Change			10.6

## Prices Received



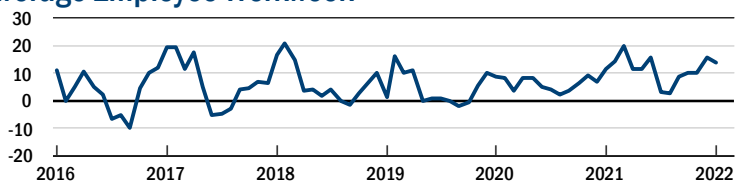
	Percent Reporting		Index
	Higher	Lower	
Dec	66.9	6.6	60.3
Jan	64.7	2.6	62.1
Change			1.8

## Number of Employees



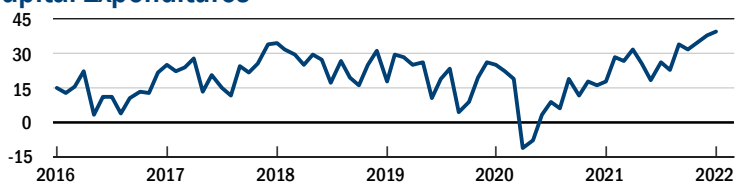
	Percent Reporting		Index
	Higher	Lower	
Dec	37.1	4.5	32.6
Jan	37.2	7.3	29.9
Change			-2.7

## Average Employee Workweek



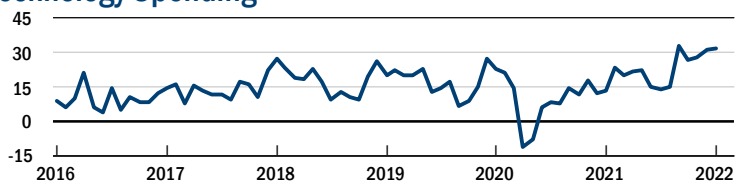
	Percent Reporting		Index
	Higher	Lower	
Dec	23.1	7.4	15.7
Jan	21.6	7.8	13.8
Change			-1.9

## Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Dec	43.0	5.0	38.0
Jan	43.1	3.4	39.7
Change			1.7

## Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Dec	36.4	5.0	31.4
Jan	34.5	2.6	31.9
Change			0.5

Note: Data are seasonally adjusted.