

Empire State Manufacturing Survey

Note: Survey responses were collected between March 3 and March 11.

Business activity dropped significantly in New York State in March, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index fell twenty-six points to -20.0. New orders and shipments declined. Delivery times and supply availability held steady, and inventories continued to grow. Employment levels and hours worked continued to move slightly lower. Input prices increased at the fastest pace in more than two years, and selling price increases also continued to pick up. Optimism about the outlook waned considerably for a second consecutive month.

Conditions Deteriorate

Manufacturing activity contracted in New York State, according to the March survey. The general business conditions index dropped twenty-six points to -20.0. The new orders index fell twenty-six points to -14.9, and the shipments index fell twenty-three points to -8.5, indicating that both orders and shipments declined after increasing last month. Unfilled orders

ECONOMIST COMMENTARY

“Manufacturing activity dropped significantly in New York State in March. Input price increases climbed for a third straight month to hit their fastest pace in more than two years. In addition, supply availability is expected to contract and firms continued to grow less optimistic about the future business outlook.”

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

held steady. The inventories index moved up five points to 13.3, its highest reading in more than two years, signaling that business inventories continued to expand. The delivery times index came in at 1.0, and the supply availability index was -1.0, suggesting delivery times and supply availability were little changed.

Price Increases Pick Up Again

The index for number of employees held steady at -4.1, and the average workweek index was -2.5, pointing to a slight decline in both employment and hours worked. Both price indexes climbed for a third consecutive month. The prices paid index

rose five points to 44.9, its highest level in more than two years, and the prices received index rose three points to 22.4, its highest reading since May 2023.

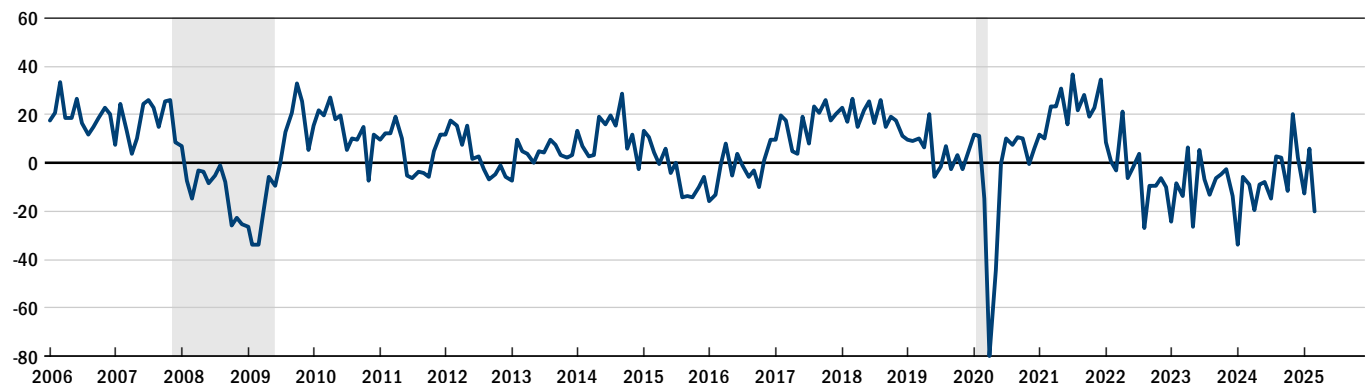
Optimism Drops for a Second Consecutive Month

Firms continued to grow less optimistic about the outlook. After dropping fifteen points last month, the index for future business activity fell another ten points to 12.7. Capital spending plans remained soft. Input price increases are expected to remain significant, and supply availability is expected to contract somewhat in the months ahead. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

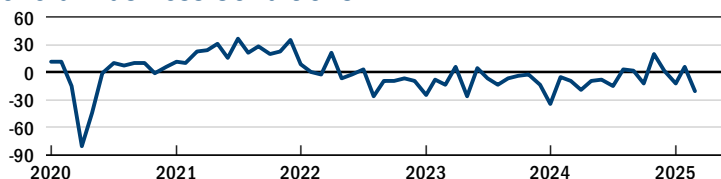


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

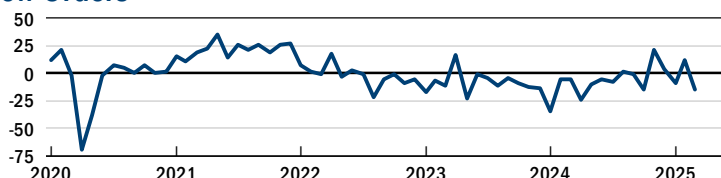
Change from Preceding Month

General Business Conditions



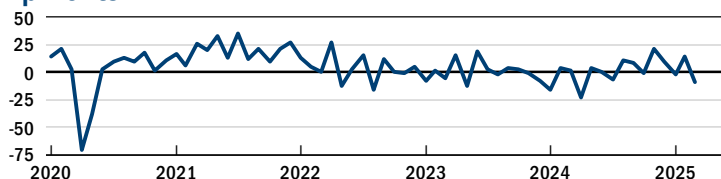
	Percent Reporting		Index
	Higher	Lower	
Feb	26.9	21.2	5.7
Mar	19.0	39.1	-20.0
Change			-25.7

New Orders



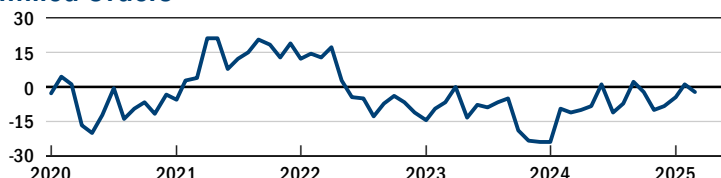
	Percent Reporting		Index
	Higher	Lower	
Feb	31.8	20.3	11.4
Mar	25.3	40.2	-14.9
Change			-26.3

Shipments



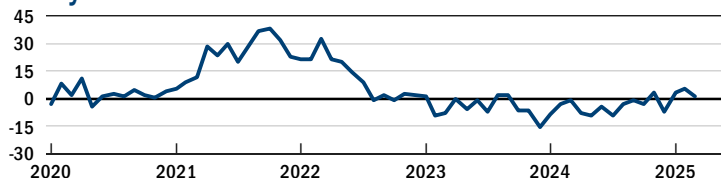
	Percent Reporting		Index
	Higher	Lower	
Feb	29.2	15.1	14.2
Mar	25.2	33.6	-8.5
Change			-22.7

Unfilled Orders



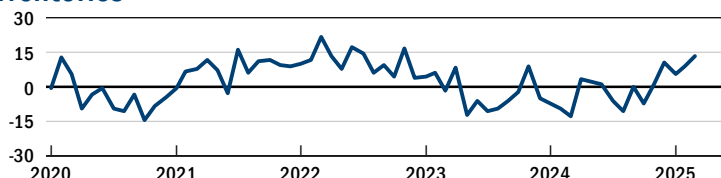
	Percent Reporting		Index
	Higher	Lower	
Feb	15.2	14.1	1.1
Mar	14.3	16.3	-2.0
Change			-3.1

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	8.7	3.3	5.4
Mar	13.3	12.2	1.0
Change			-4.4

Inventories

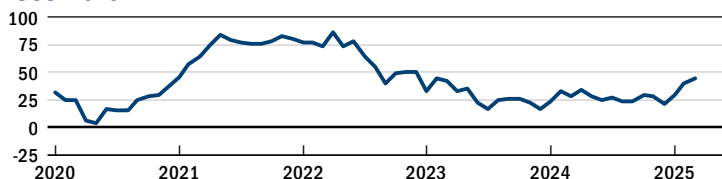


	Percent Reporting		Index
	Higher	Lower	
Feb	21.7	13.0	8.7
Mar	25.5	12.2	13.3
Change			4.6

Current Indicators, *continued*

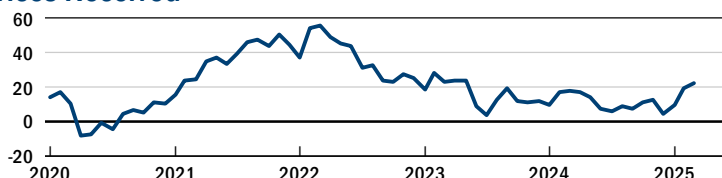
Change from Preceding Month

Prices Paid



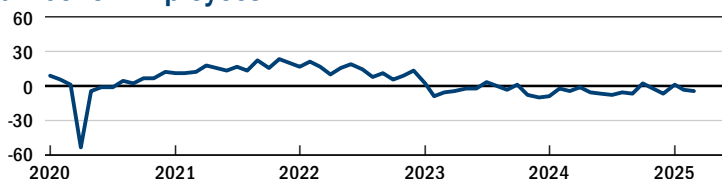
	Percent Reporting		Index
	Higher	Lower	
Feb	41.3	1.1	40.2
Mar	45.9	1.0	44.9
Change			4.7

Prices Received



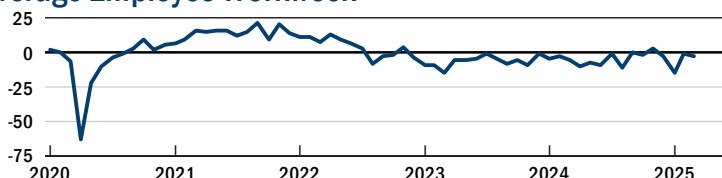
	Percent Reporting		Index
	Higher	Lower	
Feb	23.9	4.3	19.6
Mar	26.5	4.1	22.4
Change			2.8

Number of Employees



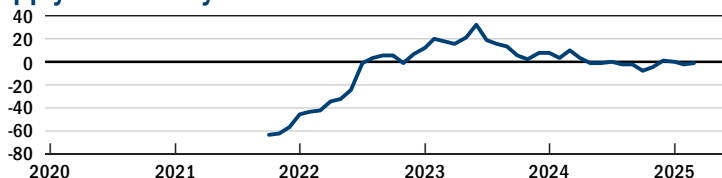
	Percent Reporting		Index
	Higher	Lower	
Feb	7.6	11.3	-3.6
Mar	9.4	13.5	-4.1
Change			-0.5

Average Employee Workweek



	Percent Reporting		Index
	Higher	Lower	
Feb	10.7	11.9	-1.2
Mar	9.7	12.2	-2.5
Change			-1.3

Supply Availability



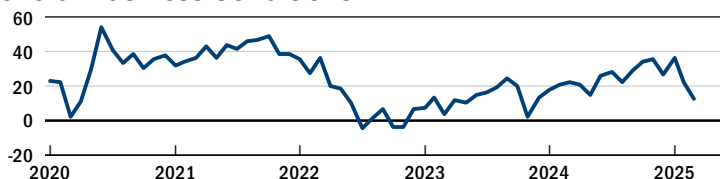
	Percent Reporting		Index
	Higher	Lower	
Feb	4.3	6.5	-2.2
Mar	3.1	4.1	-1.0
Change			1.2

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

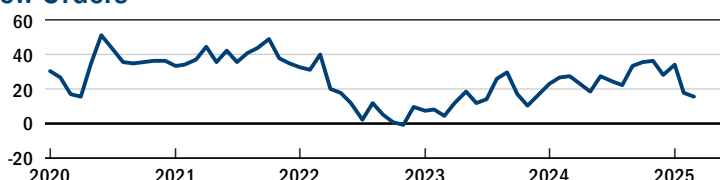
Expectations Six Months Ahead

General Business Conditions



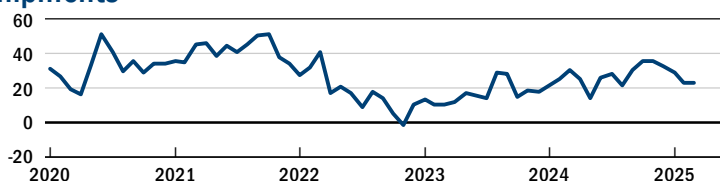
	Percent Reporting		Index
	Higher	Lower	
Feb	43.2	21.0	22.2
Mar	41.6	28.9	12.7
Change			-9.5

New Orders



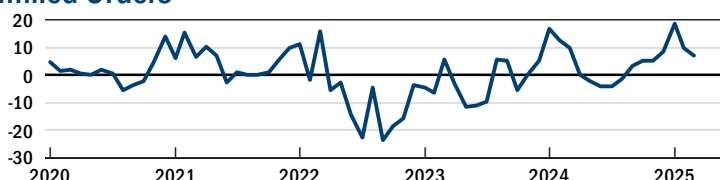
	Percent Reporting		Index
	Higher	Lower	
Feb	42.4	24.6	17.8
Mar	41.8	26.4	15.5
Change			-2.3

Shipments



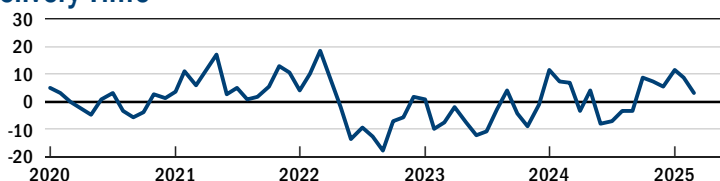
	Percent Reporting		Index
	Higher	Lower	
Feb	45.0	22.2	22.7
Mar	43.0	20.0	23.0
Change			0.3

Unfilled Orders



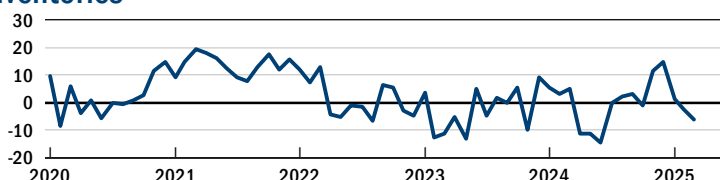
	Percent Reporting		Index
	Higher	Lower	
Feb	21.7	12.0	9.8
Mar	16.3	9.2	7.1
Change			-2.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Feb	16.3	7.6	8.7
Mar	14.3	11.2	3.1
Change			-5.6

Inventories

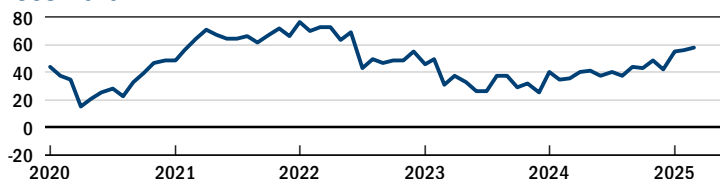


	Percent Reporting		Index
	Higher	Lower	
Feb	19.6	21.7	-2.2
Mar	17.3	23.5	-6.1
Change			-3.9

Forward-Looking Indicators, *continued*

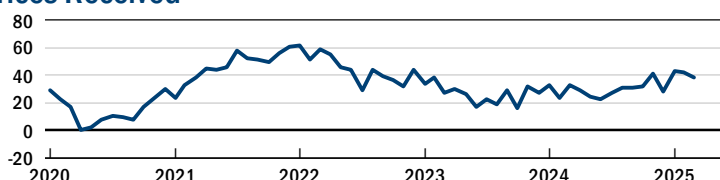
Expectations Six Months Ahead

Prices Paid



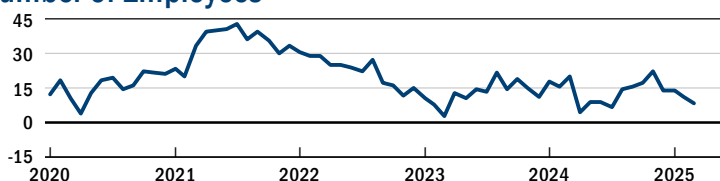
	Percent Reporting		Index
	Higher	Lower	
Feb	60.9	4.3	56.5
Mar	60.2	2.0	58.2
Change			1.7

Prices Received



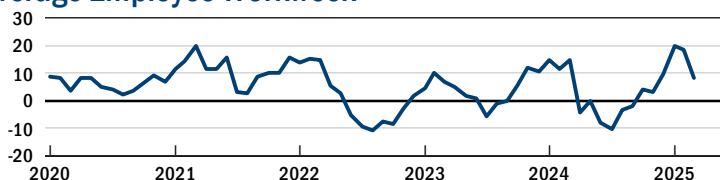
	Percent Reporting		Index
	Higher	Lower	
Feb	48.9	6.5	42.4
Mar	44.9	6.1	38.8
Change			-3.6

Number of Employees



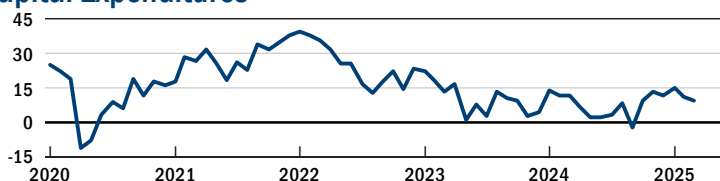
	Percent Reporting		Index
	Higher	Lower	
Feb	22.5	11.3	11.2
Mar	20.4	12.2	8.2
Change			-3.0

Average Employee Workweek



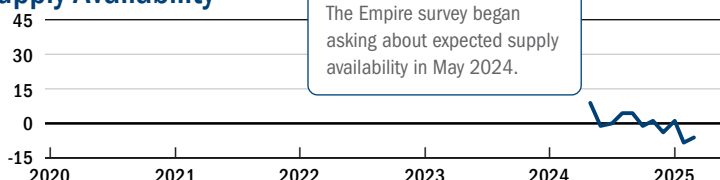
	Percent Reporting		Index
	Higher	Lower	
Feb	21.7	3.3	18.5
Mar	16.3	8.2	8.2
Change			-10.3

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Feb	22.8	12.0	10.9
Mar	23.5	14.3	9.2
Change			-1.7

Supply Availability



	Percent Reporting		Index
	Higher	Lower	
Feb	6.5	15.2	-8.7
Mar	5.1	11.2	-6.1
Change			2.6

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.