

Empire State Manufacturing Survey

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

Business activity continued to expand in New York State, according to firms responding to the August 2021 *Empire State Manufacturing Survey*, though growth was significantly slower than last month's record-setting pace. The headline general business conditions index fell twenty-five points to 18.3. New orders increased modestly, and shipments grew slightly. Delivery times continued to lengthen substantially, and inventories were somewhat higher. Employment and the average workweek increased modestly. Input prices continued to rise sharply, and the pace of selling price increases set another record. Looking ahead, firms remained optimistic that conditions would improve over the next six months, with substantial increases in employment and prices expected.

Growth Slows

Manufacturing activity continued to increase in New York State, according

to the August survey, but growth was much slower than in July. The general business conditions index fell twenty-five points to 18.3. Just over one-third of respondents reported that conditions had improved over the month, while 16 percent reported that conditions had worsened. The new orders index fell eighteen points to 14.8, pointing to a solid increase in orders, while the shipments index tumbled nearly forty points to 4.4, suggesting a slight increase in shipments. Unfilled orders rose. The delivery times index climbed to 28.3, indicating significantly longer delivery times, as has been the case for the past several months. Inventories edged higher.

Selling Price Increase Sets Another Record

The index for number of employees dipped eight points to 12.8, and the average workweek index dropped to

8.9, indicating a modest increase in employment and hours worked. Both price indexes remained at or near record highs: the prices paid index held steady at 76.1, while the prices received index climbed seven points to 46.0, setting a new record.

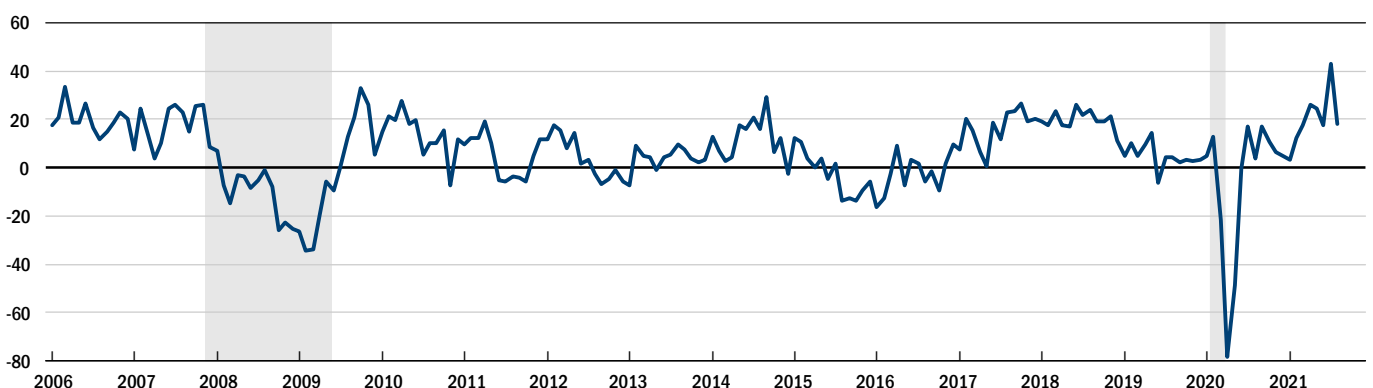
Firms Remain Optimistic

The index for future business conditions climbed seven points to 46.5, pointing to ongoing optimism about future conditions. The indexes for future new orders and shipments rose to similar levels. Substantial increases in employment and prices are expected in the months ahead. The capital expenditures index was little changed at 23.0, and the technology spending index held steady at 15.0. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

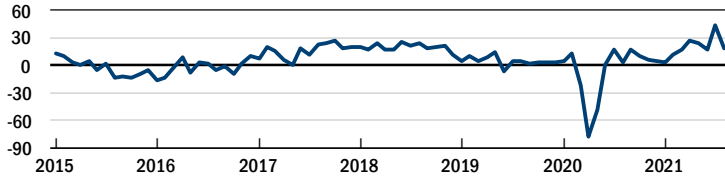


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

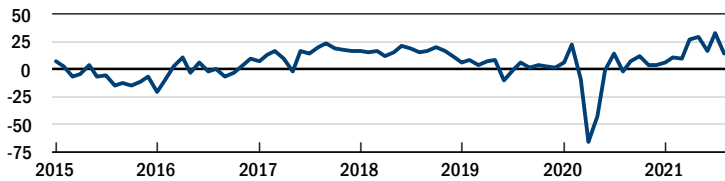
Change from Preceding Month

General Business Conditions



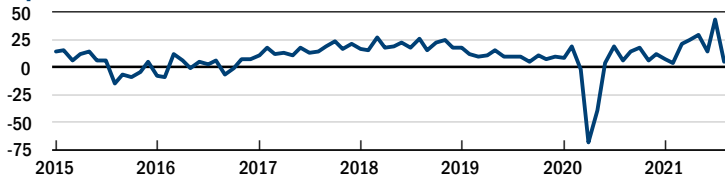
	Percent Reporting		Index
	Higher	Lower	
Jul	50.3	7.3	43.0
Aug	34.5	16.3	18.3
Change			-24.7

New Orders



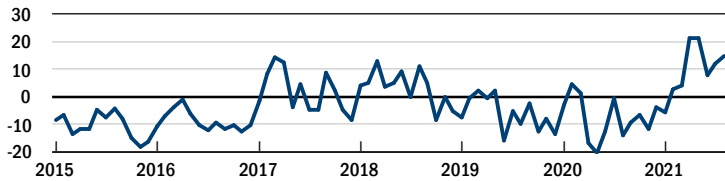
	Percent Reporting		Index
	Higher	Lower	
Jul	48.3	15.1	33.2
Aug	35.6	20.8	14.8
Change			-18.4

Shipments



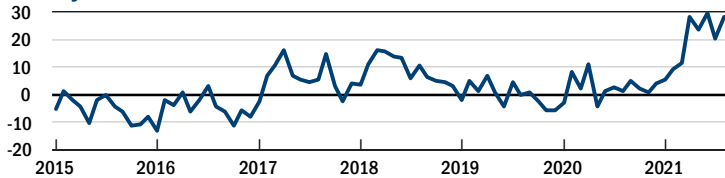
	Percent Reporting		Index
	Higher	Lower	
Jul	52.8	9.0	43.8
Aug	28.6	24.2	4.4
Change			-39.4

Unfilled Orders



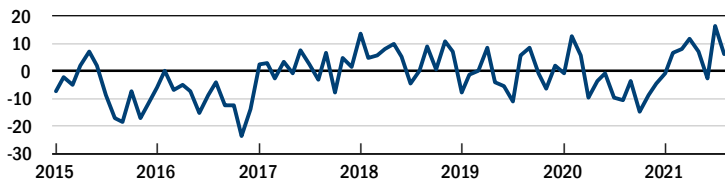
	Percent Reporting		Index
	Higher	Lower	
Jul	31.3	19.2	12.1
Aug	28.3	13.3	15.0
Change			2.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	32.3	12.1	20.2
Aug	36.3	8.0	28.3
Change			8.1

Inventories

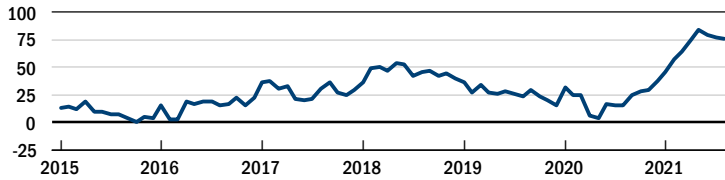


	Percent Reporting		Index
	Higher	Lower	
Jul	30.3	14.1	16.2
Aug	23.9	17.7	6.2
Change			-10.0

Current Indicators, *continued*

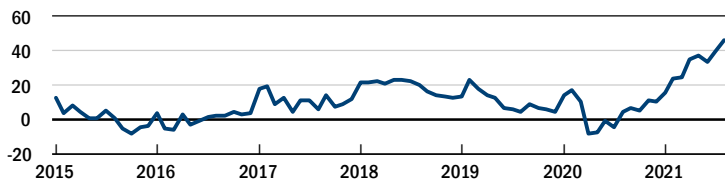
Change from Preceding Month

Prices Paid



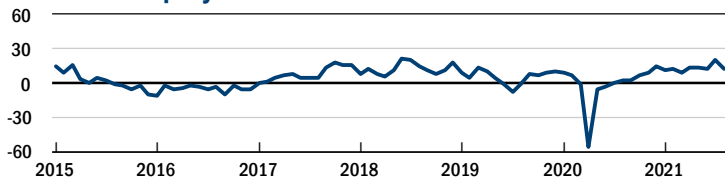
	Percent Reporting		Index
	Higher	Lower	
Jul	78.8	2.0	76.8
Aug	77.0	0.9	76.1
Change			-0.7

Prices Received



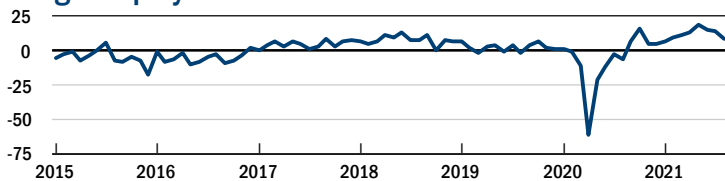
	Percent Reporting		Index
	Higher	Lower	
Jul	41.4	2.0	39.4
Aug	47.8	1.8	46.0
Change			6.6

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Jul	29.5	8.9	20.6
Aug	23.1	10.4	12.8
Change			-7.8

Average Employee Workweek



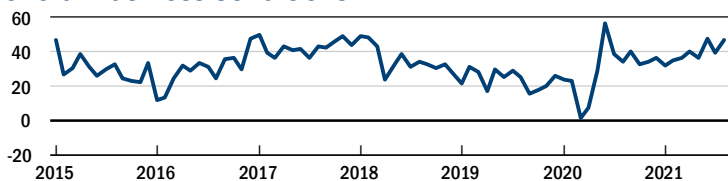
	Percent Reporting		Index
	Higher	Lower	
Jul	21.2	7.2	14.0
Aug	17.8	9.0	8.9
Change			-5.1

Note: Data are seasonally adjusted.

Forward-Looking Indicators

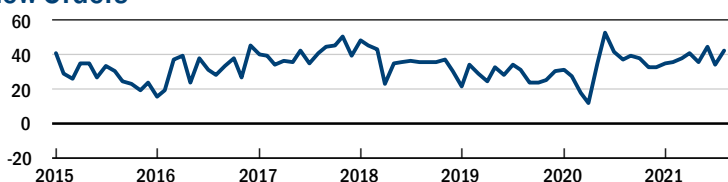
Expectations Six Months Ahead

General Business Conditions



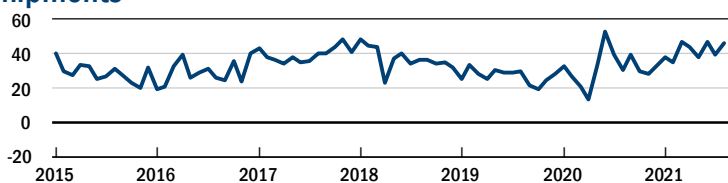
	Percent Reporting		Index
	Higher	Lower	
Jul	52.8	13.3	39.5
Aug	58.9	12.4	46.5
Change			7.0

New Orders



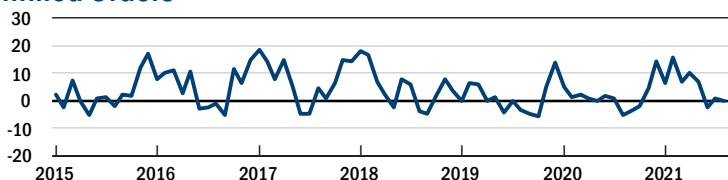
	Percent Reporting		Index
	Higher	Lower	
Jul	52.9	18.7	34.2
Aug	55.6	12.9	42.7
Change			8.5

Shipments



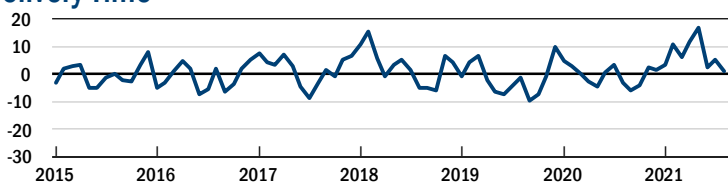
	Percent Reporting		Index
	Higher	Lower	
Jul	55.0	15.7	39.3
Aug	56.3	10.4	45.9
Change			6.6

Unfilled Orders



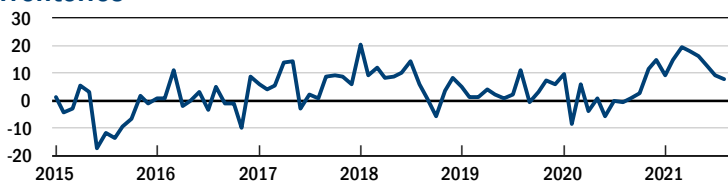
	Percent Reporting		Index
	Higher	Lower	
Jul	25.3	24.2	1.0
Aug	15.9	15.9	0.0
Change			-1.0

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Jul	26.3	21.2	5.1
Aug	19.5	18.6	0.9
Change			-4.2

Inventories

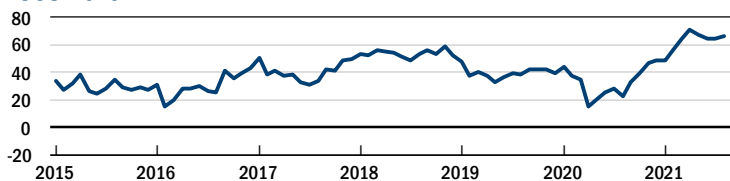


	Percent Reporting		Index
	Higher	Lower	
Jul	27.3	18.2	9.1
Aug	24.8	16.8	8.0
Change			-1.1

Forward-Looking Indicators, *continued*

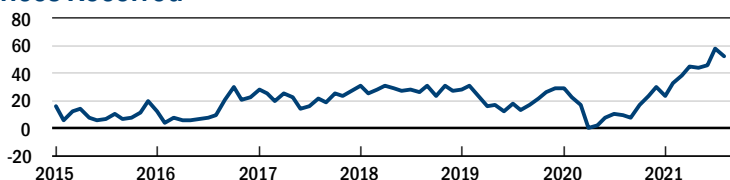
Expectations Six Months Ahead

Prices Paid



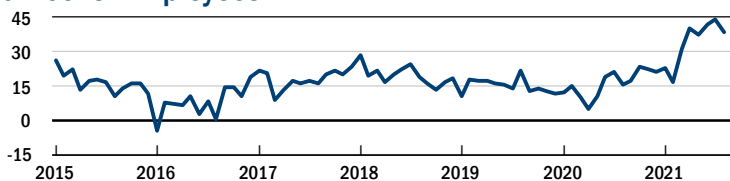
	Percent Reporting		Index
	Higher	Lower	
Jul	71.7	7.1	64.6
Aug	69.9	3.5	66.4
Change			1.8

Prices Received



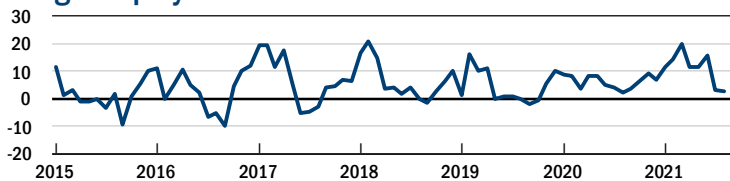
	Percent Reporting		Index
	Higher	Lower	
Jul	62.6	5.1	57.6
Aug	56.6	4.4	52.2
Change			-5.4

Number of Employees



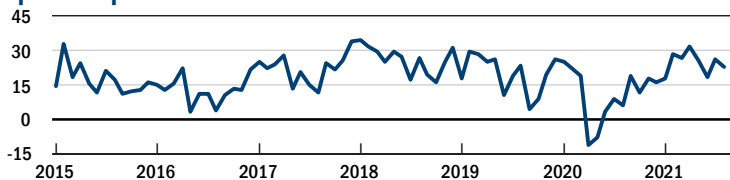
	Percent Reporting		Index
	Higher	Lower	
Jul	50.3	6.4	43.9
Aug	44.9	6.4	38.5
Change			-5.4

Average Employee Workweek



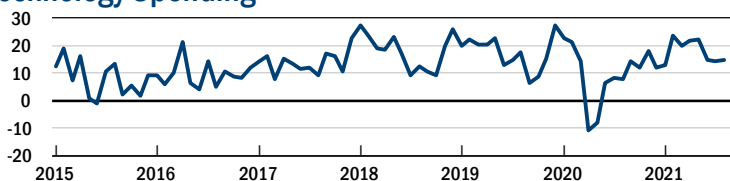
	Percent Reporting		Index
	Higher	Lower	
Jul	17.2	14.1	3.0
Aug	14.2	11.5	2.7
Change			-0.3

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Jul	38.4	12.1	26.3
Aug	34.5	11.5	23.0
Change			-3.3

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Jul	23.2	9.1	14.1
Aug	22.1	7.1	15.0
Change			0.9

Note: Data are seasonally adjusted.