

Empire State Manufacturing Survey

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

Business activity steadied in New York State, according to firms responding to the June 2020 *Empire State Manufacturing Survey*. After breaching record lows in April and May, the headline general business conditions index climbed forty-eight points to -0.2. New orders were unchanged from last month, and shipments inched higher. Delivery times and inventories were little changed. Employment levels edged slightly lower and the average workweek continued to decline. Input price increases picked up, and selling prices stabilized. Firms were notably more optimistic that conditions would be better in six months, with the index for future business conditions rising to its highest level in more than a decade.

Activity Holds Steady

Manufacturing firms in New York State reported that business activity held steady in June after deteriorating sharply over the prior two months. The general business conditions index climbed nearly

fifty points from the unprecedented lows in April and May, reaching -0.2. The index has climbed a total of nearly eighty points over the past two months. Thirty-six percent of respondents reported that conditions had improved in June, and an equal percentage reported that conditions had worsened. The new orders index rose forty-two points to a level of around zero, indicating that the quantity of orders was unchanged from last month, and the shipments index climbed forty-two points to 3.3, pointing to a slight increase in shipments. Delivery times and inventories both held steady.

Selling Prices Firm

The index for number of employees was little changed at -3.5, pointing to a second consecutive month of slight employment declines. Notably, 18 percent of firms said that employment levels increased in June. The average workweek index increased ten points, but remained negative at -12.0, indicating an ongoing decline in

hours worked, though at a slower pace than in recent months. The prices paid index increased thirteen points to 16.9, indicating that input prices increased at a faster pace than in May. The prices received index moved up to -0.6, its near zero value indicating that selling prices halted their recent decline and held steady this month.

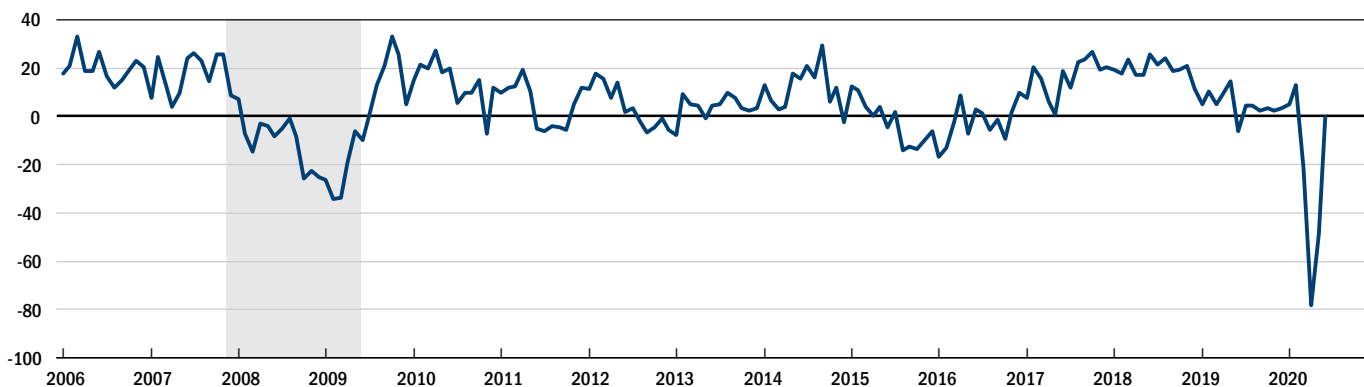
Optimism Shoots Up

Firms were much more optimistic about future conditions. The index for future business conditions rose twenty-seven points to 56.5, its highest level in more than a decade. The indexes for future new orders and future shipments also posted significant increases. The index for future employment rose to 19.0, its highest level in many months, suggesting firms expect to increase employment in the months ahead. The capital expenditures index climbed slightly above below zero, a sign that firms, on net, planned to increase capital spending. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

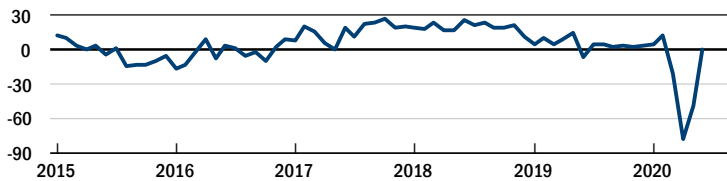


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

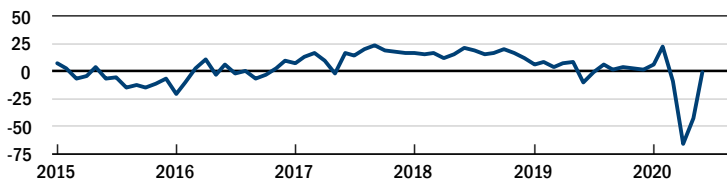
Change from Preceding Month

General Business Conditions



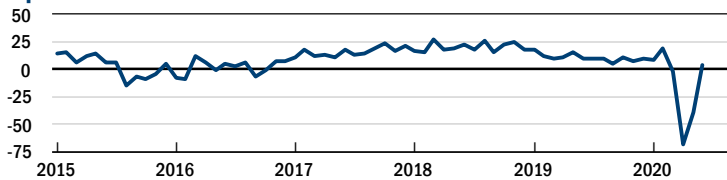
	Percent Reporting		Index
	Higher	Lower	
May	14.5	63.1	-48.5
Jun	36.1	36.3	-0.2
Change			48.3

New Orders



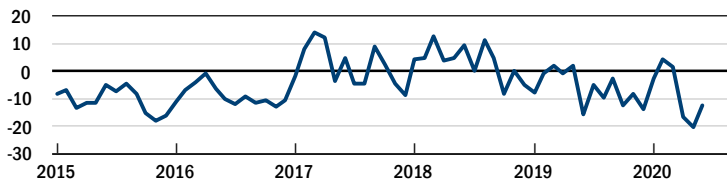
	Percent Reporting		Index
	Higher	Lower	
May	17.8	60.2	-42.4
Jun	35.3	36.0	-0.6
Change			41.8

Shipments



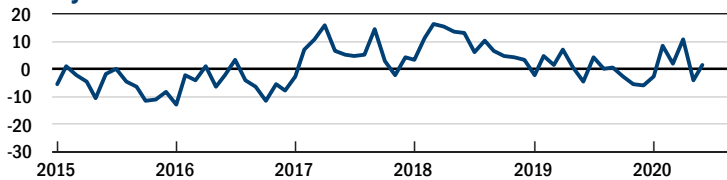
	Percent Reporting		Index
	Higher	Lower	
May	18.0	57.0	-39.0
Jun	39.6	36.3	3.3
Change			42.3

Unfilled Orders



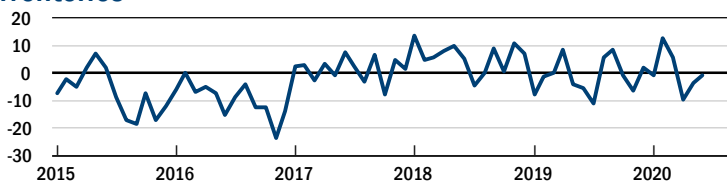
	Percent Reporting		Index
	Higher	Lower	
May	14.2	34.5	-20.3
Jun	15.0	27.5	-12.5
Change			7.8

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
May	16.2	20.3	-4.1
Jun	16.9	15.6	1.3
Change			5.4

Inventories

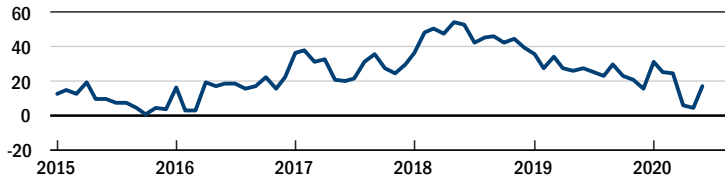


	Percent Reporting		Index
	Higher	Lower	
May	24.3	27.7	-3.4
Jun	25.0	25.6	-0.6
Change			2.8

Current Indicators, *continued*

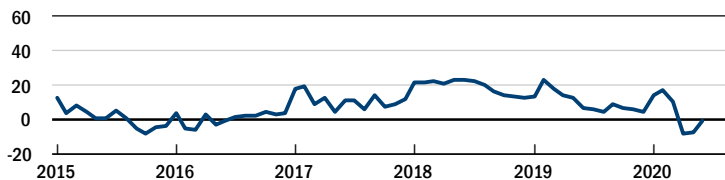
Change from Preceding Month

Prices Paid



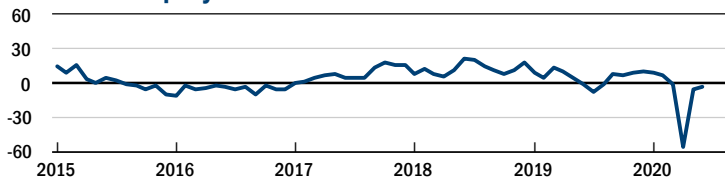
	Percent Reporting		Index
	Higher	Lower	
May	12.2	8.1	4.1
Jun	23.8	6.9	16.9
Change			12.8

Prices Received



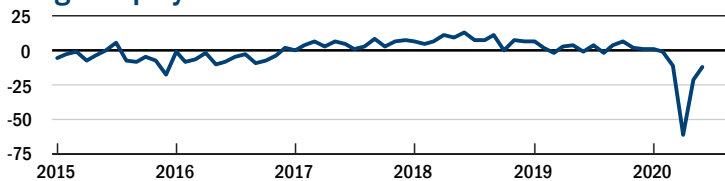
	Percent Reporting		Index
	Higher	Lower	
May	4.1	11.5	-7.4
Jun	8.1	8.8	-0.6
Change			6.8

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
May	14.7	20.8	-6.1
Jun	18.4	21.9	-3.5
Change			2.6

Average Employee Workweek



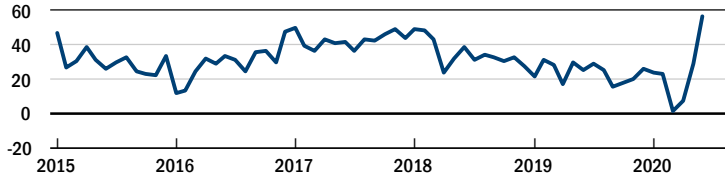
	Percent Reporting		Index
	Higher	Lower	
May	12.8	34.4	-21.6
Jun	12.1	24.1	-12.0
Change			9.6

Note: Data are seasonally adjusted.

Forward-Looking Indicators

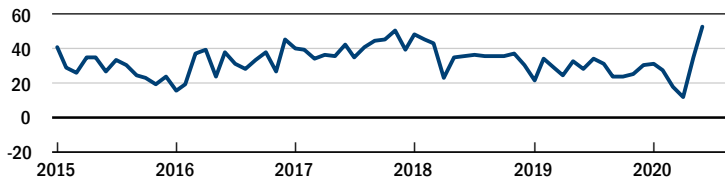
Expectations Six Months Ahead

General Business Conditions



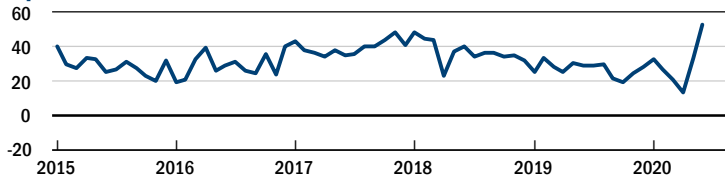
	Percent Reporting		Index
	Higher	Lower	
May	55.8	26.6	29.1
Jun	68.6	12.1	56.5
Change			27.4

New Orders



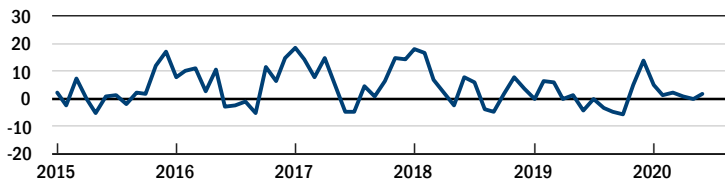
	Percent Reporting		Index
	Higher	Lower	
May	56.7	21.7	35.0
Jun	65.5	12.6	52.9
Change			17.9

Shipments



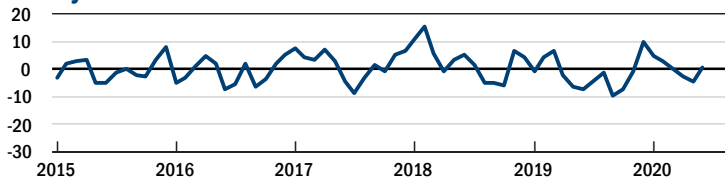
	Percent Reporting		Index
	Higher	Lower	
May	58.1	24.9	33.3
Jun	65.6	12.4	53.1
Change			19.8

Unfilled Orders



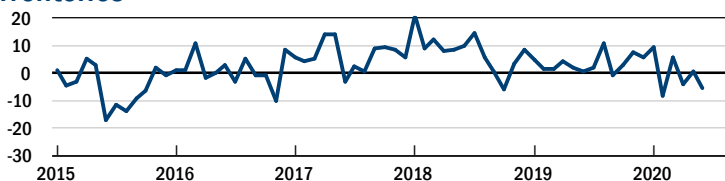
	Percent Reporting		Index
	Higher	Lower	
May	22.3	22.3	0.0
Jun	23.1	21.3	1.9
Change			1.9

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
May	14.9	19.6	-4.7
Jun	17.5	16.9	0.6
Change			5.3

Inventories

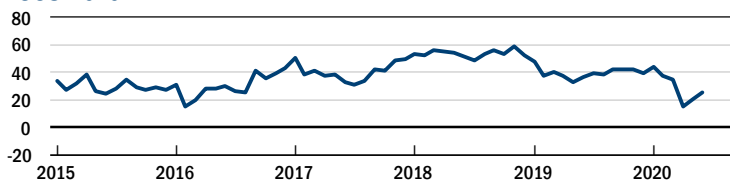


	Percent Reporting		Index
	Higher	Lower	
May	25.7	25.0	0.7
Jun	22.5	28.1	-5.6
Change			-6.3

Forward-Looking Indicators, *continued*

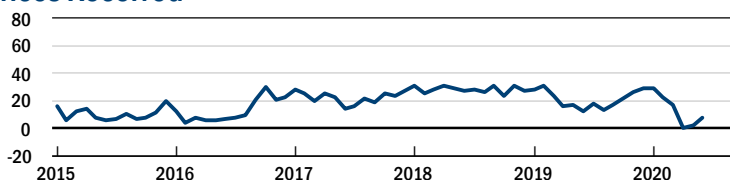
Expectations Six Months Ahead

Prices Paid



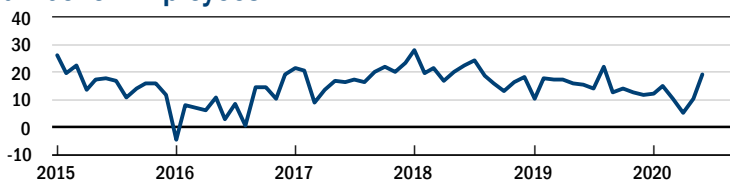
	Percent Reporting		Index
	Higher	Lower	
May	28.4	8.1	20.3
Jun	30.6	5.0	25.6
Change			5.3

Prices Received



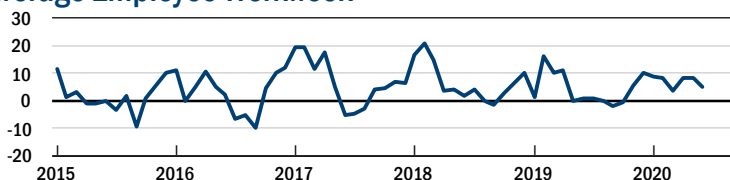
	Percent Reporting		Index
	Higher	Lower	
May	16.2	14.2	2.0
Jun	18.1	10.6	7.5
Change			5.5

Number of Employees



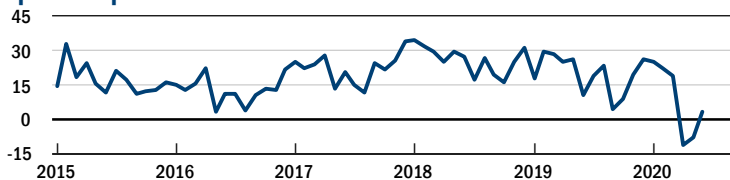
	Percent Reporting		Index
	Higher	Lower	
May	28.4	18.0	10.4
Jun	35.0	16.0	19.0
Change			8.6

Average Employee Workweek



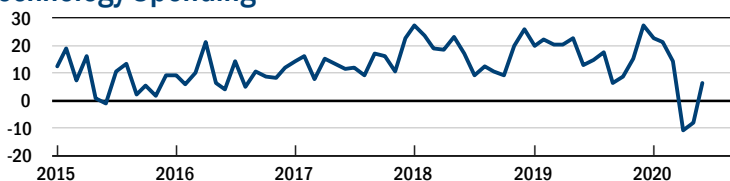
	Percent Reporting		Index
	Higher	Lower	
May	26.4	18.2	8.1
Jun	22.5	17.5	5.0
Change			-3.1

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
May	21.6	29.7	-8.1
Jun	23.8	20.6	3.1
Change			11.2

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
May	16.9	25.0	-8.1
Jun	23.8	17.5	6.3
Change			14.4

Note: Data are seasonally adjusted.