

Empire State Manufacturing Survey

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

Business activity expanded at a solid clip in New York State, according to firms responding to the September 2020 *Empire State Manufacturing Survey*. The headline general business conditions index climbed thirteen points to 17.0. New orders increased modestly, and shipments grew significantly. Unfilled orders continued to decline. Inventories edged slightly lower, and delivery times were somewhat longer. Employment was again little changed this month, though the average workweek picked up. Input prices increased at a faster pace than in August, and selling prices continued to increase modestly. Looking ahead, firms remained optimistic that conditions would improve over the next six months.

Conditions Improve Noticeably

Manufacturing activity in New York State grew significantly in September.

The general business conditions index rose thirteen points to 17.0, its third consecutive positive reading. Forty percent of respondents reported that conditions had improved over the month, while 23 percent reported that conditions had worsened. The new orders index climbed nine points to 7.1, pointing to a modest increase in orders, and the shipments index rose seven points to 14.1, indicating a significant increase in shipments. Delivery times increased, while unfilled orders and inventories declined.

Selling Prices Increase for a Second Consecutive Month

The index for number of employees held steady at 2.6, indicating little change in employment levels. The average workweek index rose fourteen points to 6.7, its first positive reading since the pandemic began,

signaling an increase in hours worked. The prices paid index rose nine points to 25.2, pointing to a pickup in input price increases. The prices received index edged up to 6.5, its highest level since March, indicating that selling prices increased for a second consecutive month.

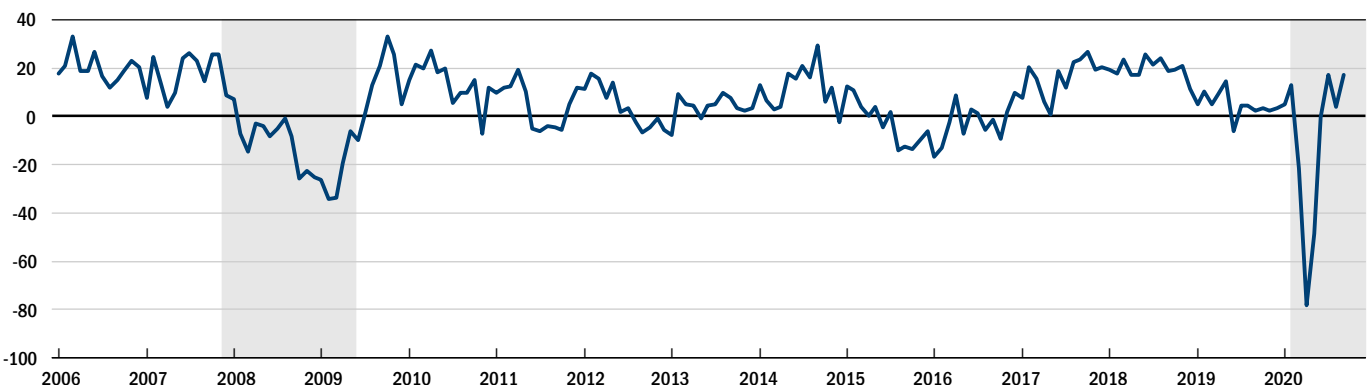
Firms Remain Optimistic about Future Conditions

The index for future business conditions moved up six points to 40.3, suggesting that firms remained optimistic about future conditions, and to a greater degree than last month. The indexes for future new orders and future shipments posted similar readings, and firms expect to increase employment in the months ahead. The capital expenditures index rose thirteen points to 18.7, its highest level in several months, a sign that firms, on net, planned to increase capital spending. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

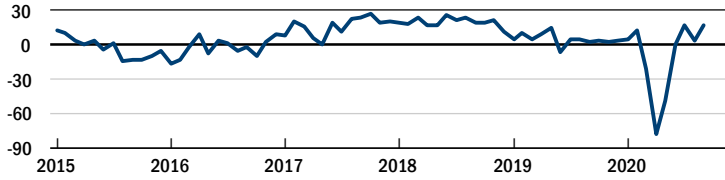


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

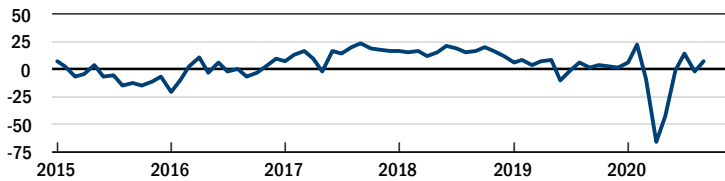
Change from Preceding Month

General Business Conditions



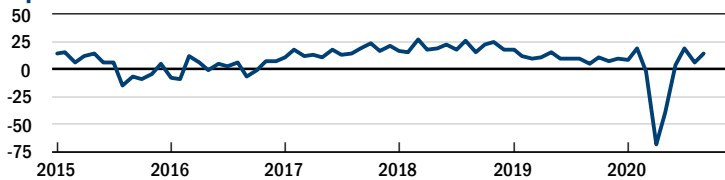
	Percent Reporting		Index
	Higher	Lower	
Aug	33.6	29.8	3.7
Sep	39.8	22.8	17.0
Change			13.3

New Orders



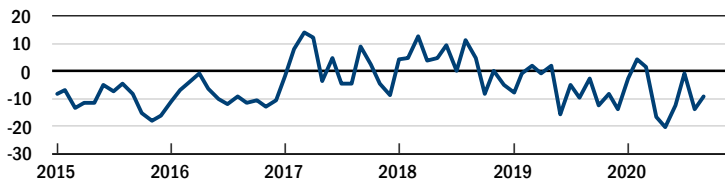
	Percent Reporting		Index
	Higher	Lower	
Aug	32.8	34.6	-1.7
Sep	34.9	27.7	7.1
Change			8.8

Shipments



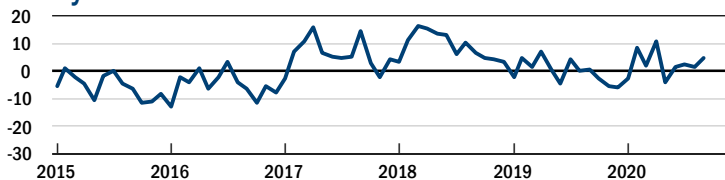
	Percent Reporting		Index
	Higher	Lower	
Aug	34.4	27.6	6.7
Sep	34.0	19.9	14.1
Change			7.4

Unfilled Orders



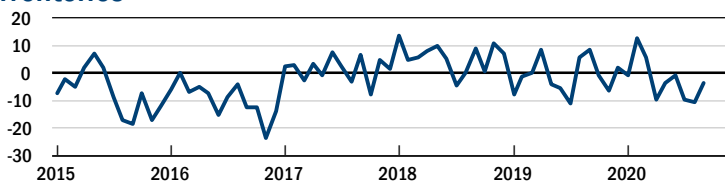
	Percent Reporting		Index
	Higher	Lower	
Aug	16.0	30.0	-14.0
Sep	15.8	25.2	-9.4
Change			4.6

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	14.7	13.3	1.3
Sep	19.4	14.4	5.0
Change			3.7

Inventories

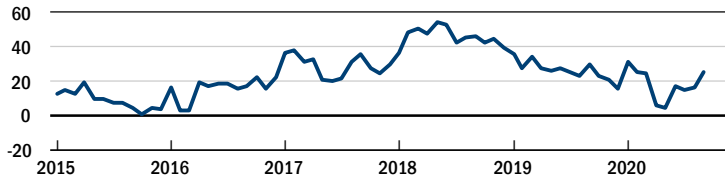


	Percent Reporting		Index
	Higher	Lower	
Aug	14.0	24.7	-10.7
Sep	19.4	23.0	-3.6
Change			7.1

Current Indicators, *continued*

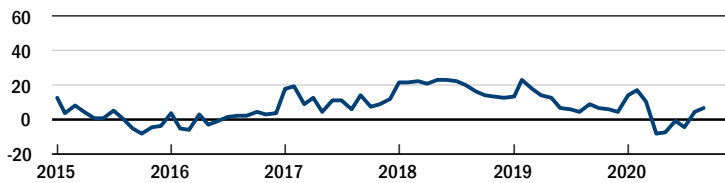
Change from Preceding Month

Prices Paid



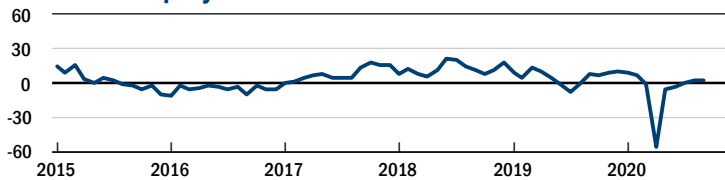
	Percent Reporting		Index
	Higher	Lower	
Aug	21.3	5.3	16.0
Sep	27.3	2.2	25.2
Change			9.2

Prices Received



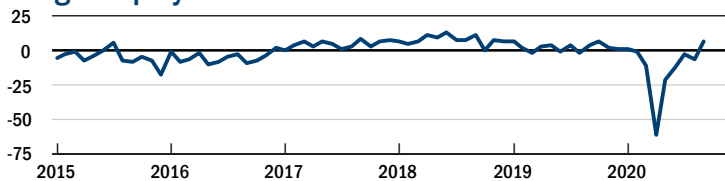
	Percent Reporting		Index
	Higher	Lower	
Aug	8.7	4.0	4.7
Sep	11.5	5.0	6.5
Change			1.8

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Aug	19.3	17.0	2.4
Sep	16.6	14.0	2.6
Change			0.2

Average Employee Workweek



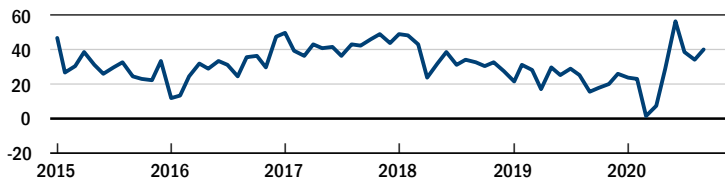
	Percent Reporting		Index
	Higher	Lower	
Aug	12.7	19.5	-6.8
Sep	19.2	12.5	6.7
Change			13.5

Note: Data are seasonally adjusted.

Forward-Looking Indicators

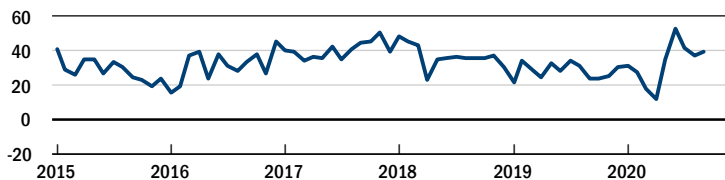
Expectations Six Months Ahead

General Business Conditions



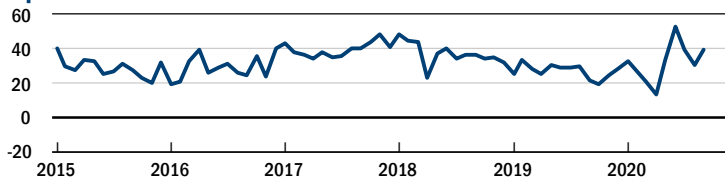
	Percent Reporting		Index
	Higher	Lower	
Aug	54.6	20.2	34.3
Sep	52.9	12.7	40.3
Change			6.0

New Orders



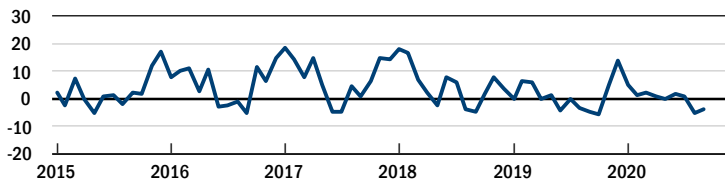
	Percent Reporting		Index
	Higher	Lower	
Aug	54.2	17.0	37.2
Sep	52.8	13.6	39.1
Change			1.9

Shipments



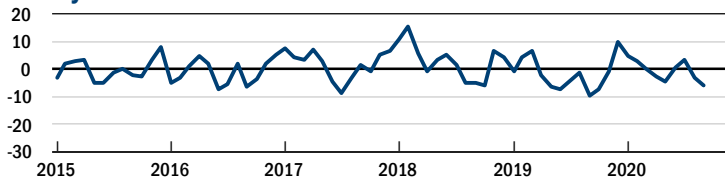
	Percent Reporting		Index
	Higher	Lower	
Aug	50.6	19.8	30.8
Sep	53.0	14.0	39.0
Change			8.2

Unfilled Orders



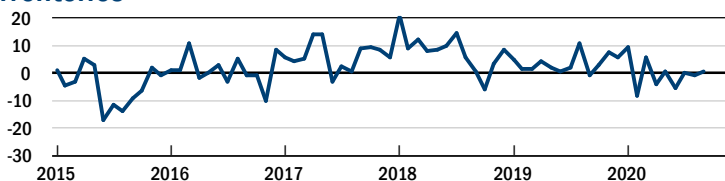
	Percent Reporting		Index
	Higher	Lower	
Aug	17.3	22.7	-5.3
Sep	15.8	19.4	-3.6
Change			1.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Aug	12.7	16.0	-3.3
Sep	11.5	17.3	-5.8
Change			-2.5

Inventories

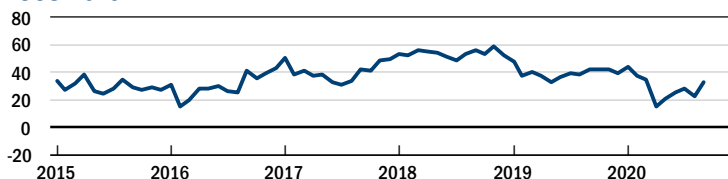


	Percent Reporting		Index
	Higher	Lower	
Aug	22.0	22.7	-0.7
Sep	20.1	19.4	0.7
Change			1.4

Forward-Looking Indicators, *continued*

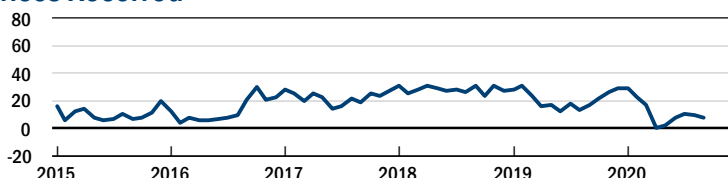
Expectations Six Months Ahead

Prices Paid



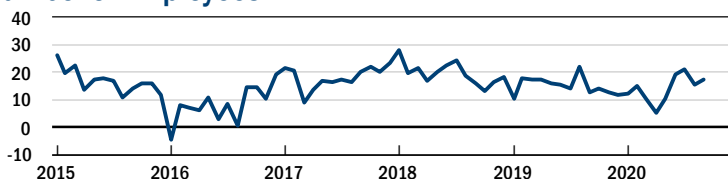
	Percent Reporting		Index
	Higher	Lower	
Aug	27.3	4.7	22.7
Sep	39.6	6.5	33.1
Change			10.4

Prices Received



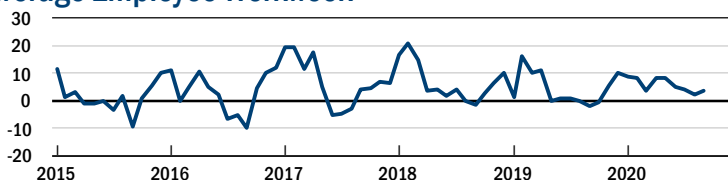
	Percent Reporting		Index
	Higher	Lower	
Aug	15.3	6.0	9.3
Sep	19.4	11.5	7.9
Change			-1.4

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Aug	31.9	16.4	15.5
Sep	31.0	13.7	17.2
Change			1.7

Average Employee Workweek



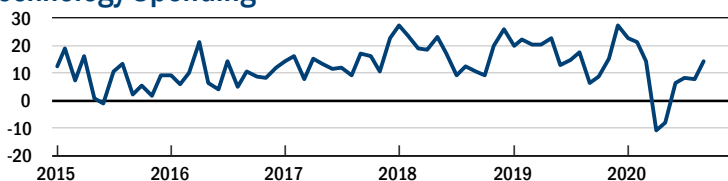
	Percent Reporting		Index
	Higher	Lower	
Aug	19.3	17.3	2.0
Sep	16.5	12.9	3.6
Change			1.6

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Aug	22.7	16.7	6.0
Sep	30.2	11.5	18.7
Change			12.7

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Aug	23.3	15.3	8.0
Sep	23.0	8.6	14.4
Change			6.4

Note: Data are seasonally adjusted.