

Empire State Manufacturing Survey

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

Business activity continued to expand in New York State, though at a slower pace than last month, according to firms responding to the June 2021 *Empire State Manufacturing Survey*. The headline general business conditions index fell seven points to 17.4. New orders and shipments increased moderately, and there was a rise in unfilled orders. Delivery times lengthened at a record-setting pace, and inventories edged lower. Employment levels and the average workweek continued to grow modestly, and both input prices and selling prices continued to rise sharply. Looking ahead, firms remained optimistic that conditions would improve over the next six months, with the index for future employment reaching a record high.

Activity Expands for a Twelfth Consecutive Month

Manufacturing activity grew solidly in New York State, according to the June survey, though at a slower pace than

seen in the past few months. The general business conditions index moved down seven points to 17.4. Thirty-nine percent of respondents reported that conditions had improved over the month, while 21 percent reported that conditions had worsened. The new orders index fell thirteen points to 16.3, and the shipments index fell sixteen points to 14.2, pointing to ongoing gains in orders and shipments, though at a milder pace than last month. Unfilled orders were slightly higher. The delivery times index hit another record high, rising six points to 29.8, pointing to significantly longer delivery times. Inventories edged somewhat lower.

Price Indexes Down Just Slightly from Record Highs

The index for number of employees held steady at 12.3, and the average workweek index fell four points to 15.1, indicating ongoing modest gains in employment and hours worked. Both price indexes retreated

only slightly from last month's record highs, suggesting ongoing significant price increases: the prices paid index fell four points to 79.8, and the prices received index declined four points to 33.3.

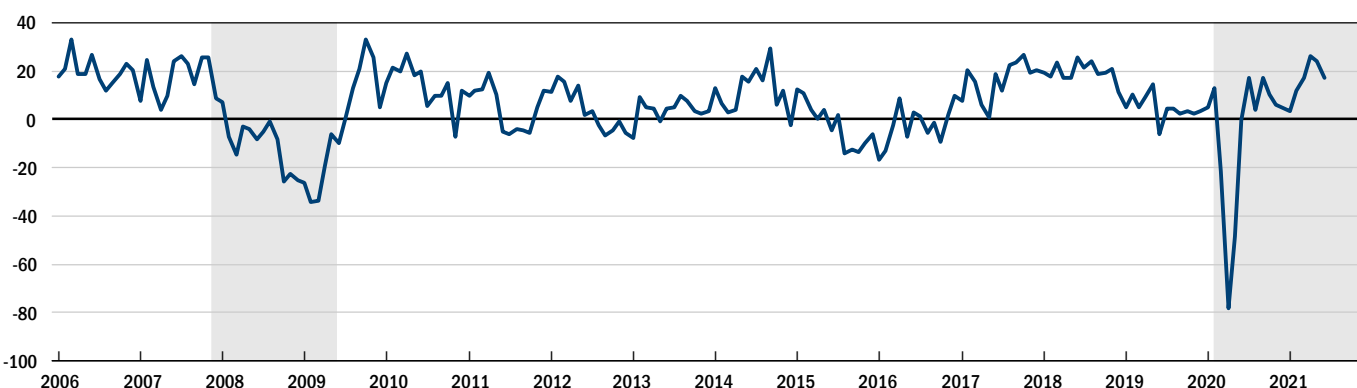
Outlook Remains Highly Optimistic

The index for future business conditions rose eleven points to 47.7, and the indexes for future new orders and shipments rose to similar levels, indicating that firms remained very optimistic about future conditions. The index for future employment rose to a record 41.7, with 45 percent of firms reporting that they expect to increase employment over the next six months. The indexes for future prices paid and future prices received remained elevated. The capital expenditures index fell seven points to 18.4, and the technology spending index fell seven points to 14.9, suggesting some slowing in capital spending and technology spending plans. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

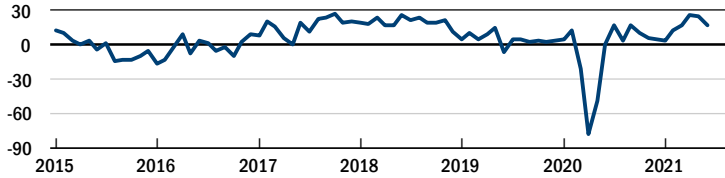


Note: The shaded areas indicate a period designated a recession by the National Bureau of Economic Research.

Current Indicators

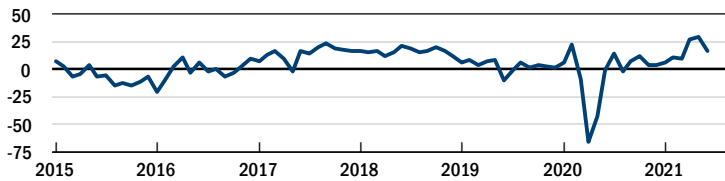
Change from Preceding Month

General Business Conditions



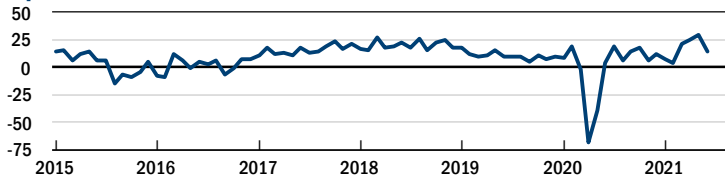
	Percent Reporting		Index
	Higher	Lower	
May	37.0	12.8	24.3
Jun	38.5	21.1	17.4
Change			-6.9

New Orders



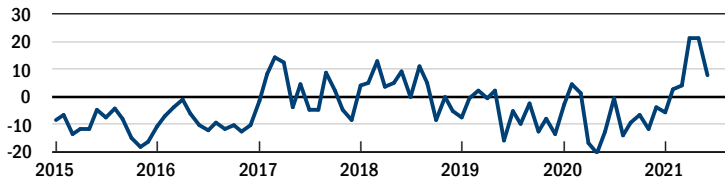
	Percent Reporting		Index
	Higher	Lower	
May	41.1	12.2	28.9
Jun	39.0	22.7	16.3
Change			-12.6

Shipments



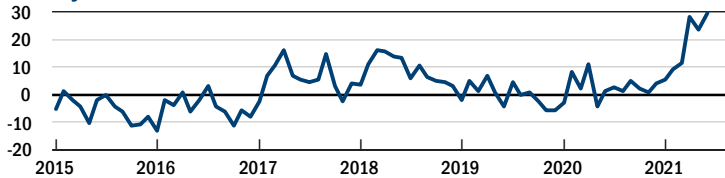
	Percent Reporting		Index
	Higher	Lower	
May	41.4	11.7	29.7
Jun	36.7	22.5	14.2
Change			-15.5

Unfilled Orders



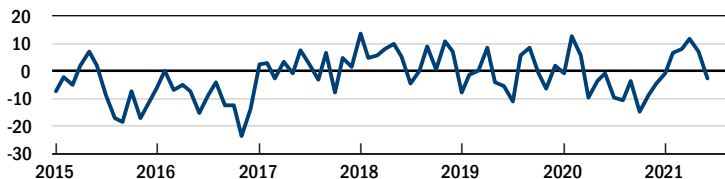
	Percent Reporting		Index
	Higher	Lower	
May	35.0	13.6	21.4
Jun	26.3	18.4	7.9
Change			-13.5

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
May	30.0	6.4	23.6
Jun	36.0	6.1	29.8
Change			6.2

Inventories

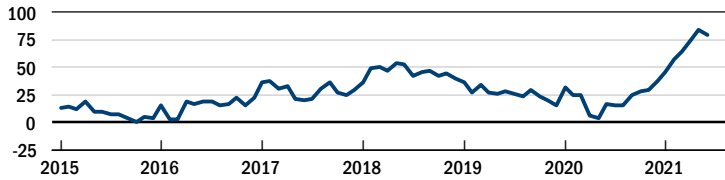


	Percent Reporting		Index
	Higher	Lower	
May	27.1	20.0	7.1
Jun	17.5	20.2	-2.6
Change			-9.7

Current Indicators, *continued*

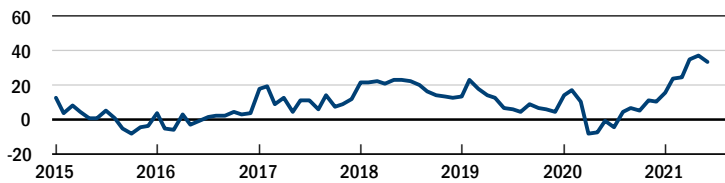
Change from Preceding Month

Prices Paid



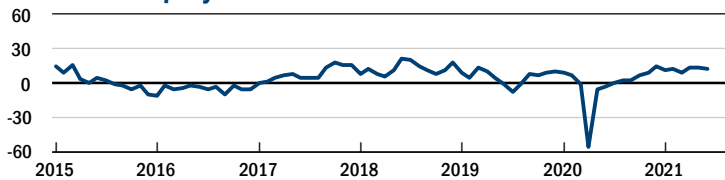
	Percent Reporting		Index
	Higher	Lower	
May	83.5	0.0	83.5
Jun	80.7	0.9	79.8
Change			-3.7

Prices Received



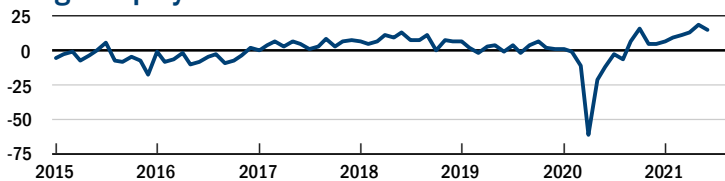
	Percent Reporting		Index
	Higher	Lower	
May	39.3	2.1	37.1
Jun	36.8	3.5	33.3
Change			-3.8

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
May	20.0	6.4	13.6
Jun	23.5	11.2	12.3
Change			-1.3

Average Employee Workweek



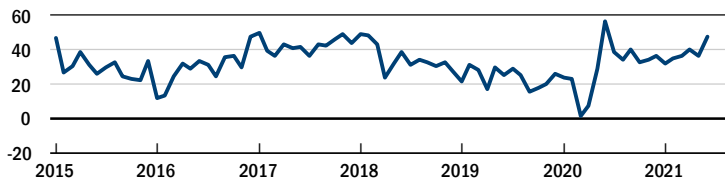
	Percent Reporting		Index
	Higher	Lower	
May	24.7	5.9	18.7
Jun	21.2	6.1	15.1
Change			-3.6

Note: Data are seasonally adjusted.

Forward-Looking Indicators

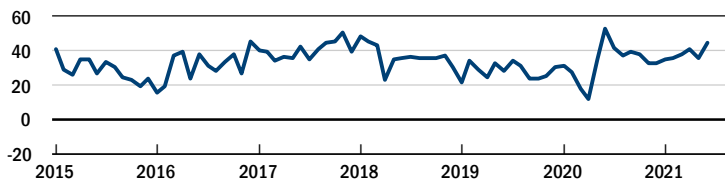
Expectations Six Months Ahead

General Business Conditions



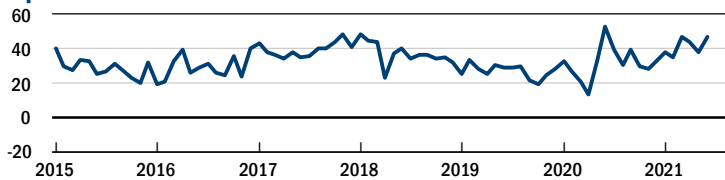
	Percent Reporting		Index
	Higher	Lower	
May	48.9	12.3	36.6
Jun	60.8	13.1	47.7
Change			11.1

New Orders



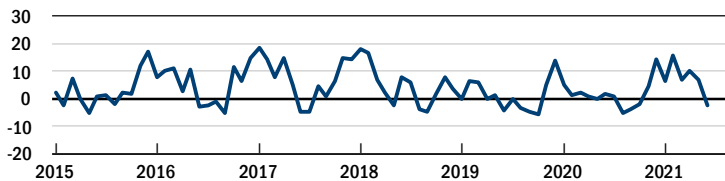
	Percent Reporting		Index
	Higher	Lower	
May	49.1	13.9	35.3
Jun	58.6	14.2	44.5
Change			9.2

Shipments



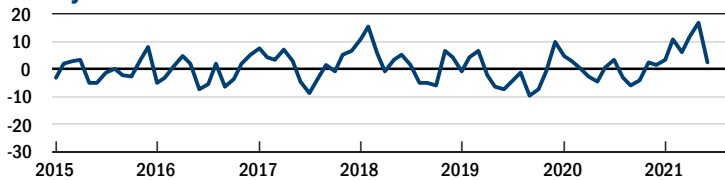
	Percent Reporting		Index
	Higher	Lower	
May	51.4	13.4	38.0
Jun	60.4	13.3	47.1
Change			9.1

Unfilled Orders



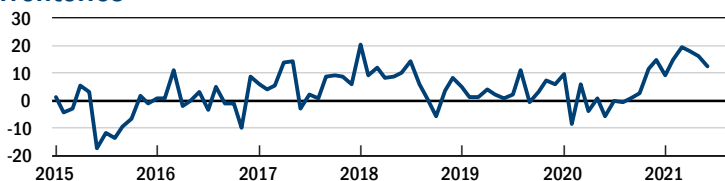
	Percent Reporting		Index
	Higher	Lower	
May	23.6	16.4	7.1
Jun	21.9	24.6	-2.6
Change			-9.7

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
May	27.1	10.0	17.1
Jun	23.7	21.1	2.6
Change			-14.5

Inventories

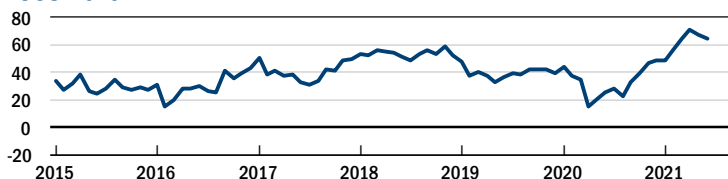


	Percent Reporting		Index
	Higher	Lower	
May	31.4	15.0	16.4
Jun	27.2	14.9	12.3
Change			-4.1

Forward-Looking Indicators, *continued*

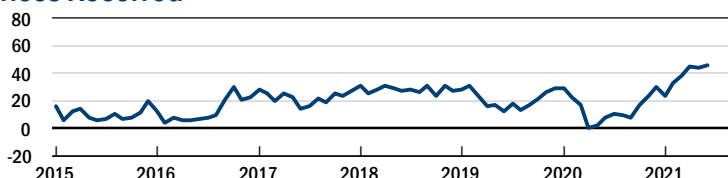
Expectations Six Months Ahead

Prices Paid



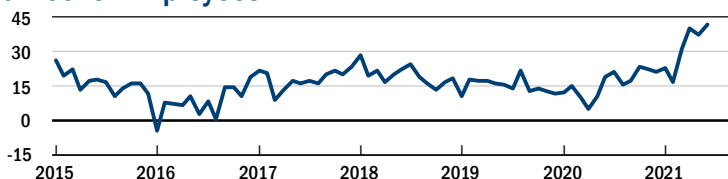
	Percent Reporting		Index
	Higher	Lower	
May	70.7	3.6	67.1
Jun	70.2	6.1	64.0
Change			-3.1

Prices Received



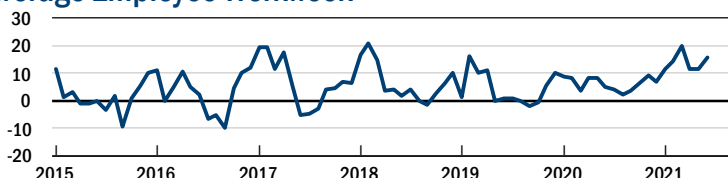
	Percent Reporting		Index
	Higher	Lower	
May	47.9	4.3	43.6
Jun	50.9	5.3	45.6
Change			2.0

Number of Employees



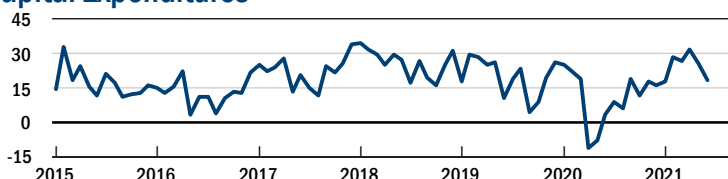
	Percent Reporting		Index
	Higher	Lower	
May	45.0	7.7	37.3
Jun	44.7	3.0	41.7
Change			4.4

Average Employee Workweek



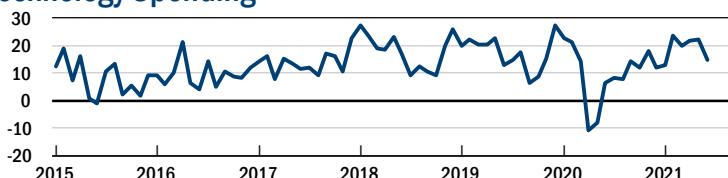
	Percent Reporting		Index
	Higher	Lower	
May	22.9	11.4	11.4
Jun	24.6	8.8	15.8
Change			4.4

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
May	33.6	7.9	25.7
Jun	27.2	8.8	18.4
Change			-7.3

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
May	27.1	5.0	22.1
Jun	23.7	8.8	14.9
Change			-7.2

Note: Data are seasonally adjusted.