

Empire State Manufacturing Survey

Note: Survey responses were collected between May 4 and May 10.

Business activity continued to deteriorate significantly in New York State, according to firms responding to the May 2020 *Empire State Manufacturing Survey*. The headline general business conditions index climbed thirty points, but remained well below zero at -48.5. New orders and shipments continued to decline sharply, though not as steeply as in April. Delivery times were slightly shorter, and inventories were slightly lower. After plunging last month, employment levels and the average workweek fell further in May. Input prices were slightly higher, and selling prices continued to decline modestly. While current conditions remained extremely weak, firms grew more optimistic that conditions would be better six months from now.

Activity Continues to Plummet

Manufacturing firms in New York State reported that business activity continued to decline sharply in May.

While the general business conditions index climbed thirty points from the record low set last month, it came in at -48.5, its second worst reading in the survey's history. Fifteen percent reported that conditions were better in May than they were in April, while 63 percent reported that conditions had worsened. The new orders and shipments indexes also increased, but remained well below zero at -42.4 and -39.0, respectively, pointing to another month of significant declines in orders and shipments. Delivery times were slightly shorter than last month, and inventories were slightly lower.

Employment Declines Moderate after Hefty April Drop

After plunging last month, the index for number of employees increased nearly 50 points to -6.1, suggesting that after declining sharply last month, employment levels fell somewhat further

in May. The average workweek index also increased, but at -21.6, the index pointed to ongoing declines in hours worked. Price indexes were little changed from last month. At 4.1, the prices paid index indicated modest selling price increases, while the prices received index was -7.4, pointing to a second consecutive monthly decline in selling prices.

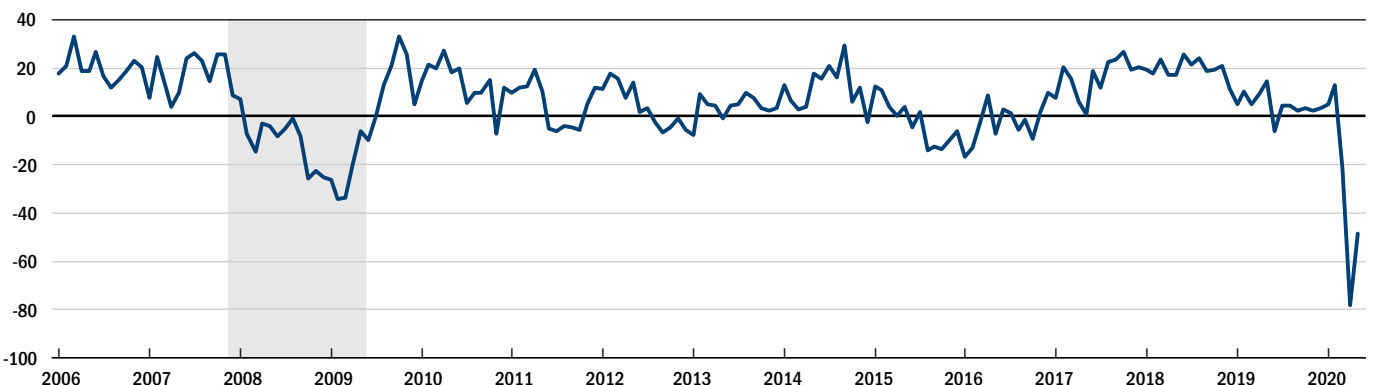
Conditions Expected to Improve

On the whole, firms expected business conditions to be better in six months. The index for future business conditions rose 22 points to 29.1. The indexes for future new orders and future shipments also posted significant increases. Indexes for future employment and the average workweek remained modestly positive. The capital expenditures and technology spending indexes both remained below zero, a sign that firms planned to reduce both kinds of spending. ■

General Business Conditions

Seasonally Adjusted

Diffusion Index

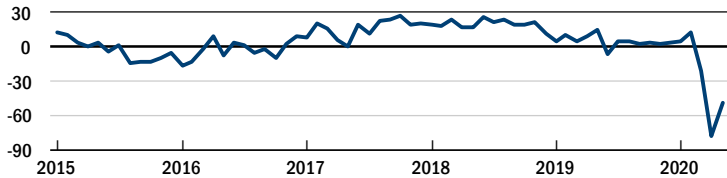


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

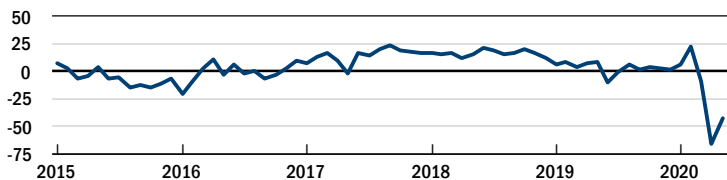
Change from Preceding Month

General Business Conditions



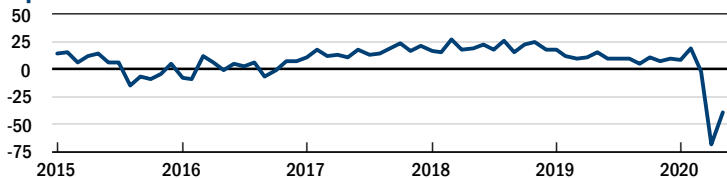
	Percent Reporting		Index
	Higher	Lower	
Apr	7.0	85.2	-78.2
May	14.5	63.1	-48.5
Change			29.7

New Orders



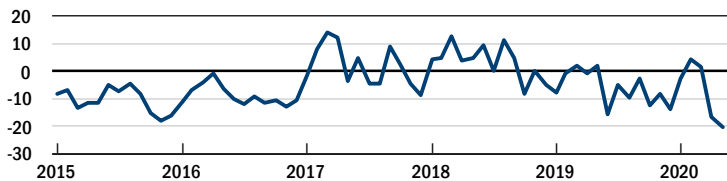
	Percent Reporting		Index
	Higher	Lower	
Apr	10.3	76.6	-66.3
May	17.8	60.2	-42.4
Change			23.9

Shipments



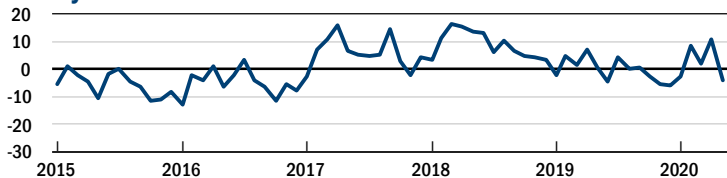
	Percent Reporting		Index
	Higher	Lower	
Apr	7.4	75.5	-68.1
May	18.0	57.0	-39.0
Change			29.1

Unfilled Orders



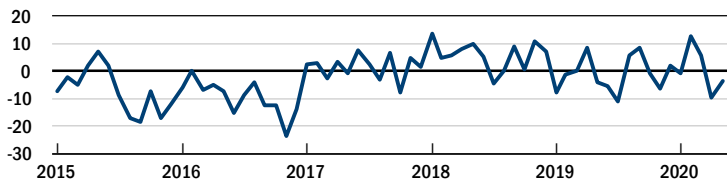
	Percent Reporting		Index
	Higher	Lower	
Apr	18.1	34.8	-16.8
May	14.2	34.5	-20.3
Change			-3.5

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	32.3	21.3	11.0
May	16.2	20.3	-4.1
Change			-15.1

Inventories

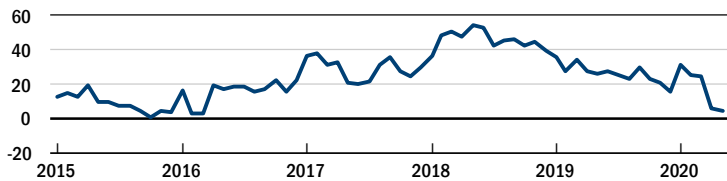


	Percent Reporting		Index
	Higher	Lower	
Apr	24.5	34.2	-9.7
May	24.3	27.7	-3.4
Change			6.3

Current Indicators, *continued*

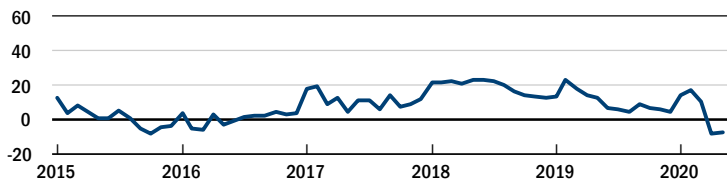
Change from Preceding Month

Prices Paid



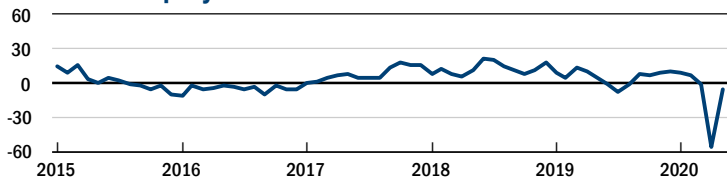
	Percent Reporting		Index
	Higher	Lower	
Apr	16.1	10.3	5.8
May	12.2	8.1	4.1
Change			-1.7

Prices Received



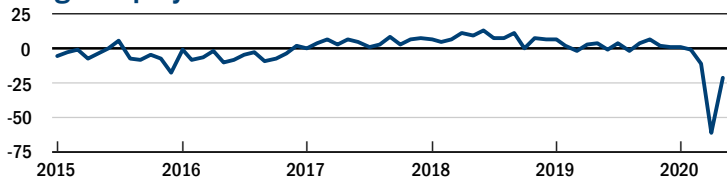
	Percent Reporting		Index
	Higher	Lower	
Apr	5.2	13.5	-8.4
May	4.1	11.5	-7.4
Change			1.0

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Apr	3.3	58.6	-55.3
May	14.7	20.8	-6.1
Change			49.2

Average Employee Workweek



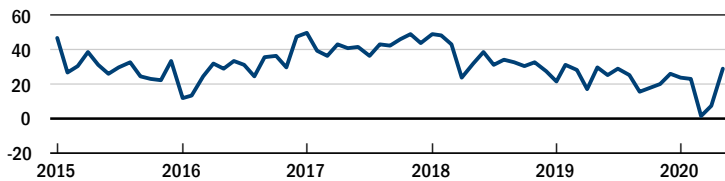
	Percent Reporting		Index
	Higher	Lower	
Apr	3.1	64.7	-61.6
May	12.8	34.4	-21.6
Change			40.0

Note: Data are seasonally adjusted.

Forward-Looking Indicators

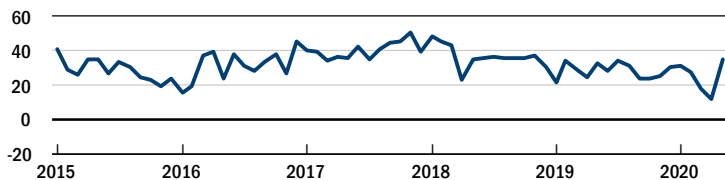
Expectations Six Months Ahead

General Business Conditions



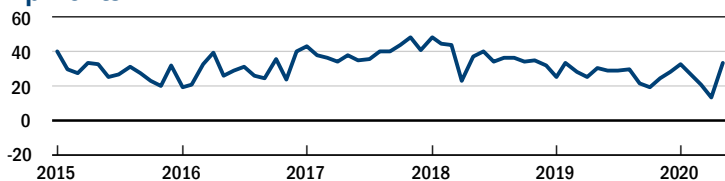
	Percent Reporting		Index
	Higher	Lower	
Apr	48.6	41.6	7.0
May	55.8	26.6	29.1
Change			22.1

New Orders



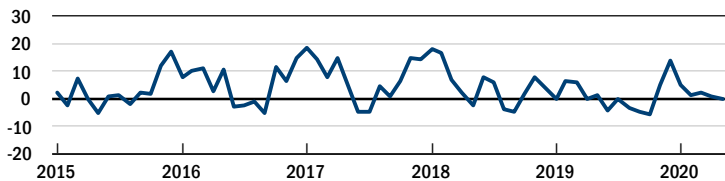
	Percent Reporting		Index
	Higher	Lower	
Apr	49.5	37.8	11.7
May	56.7	21.7	35.0
Change			23.3

Shipments



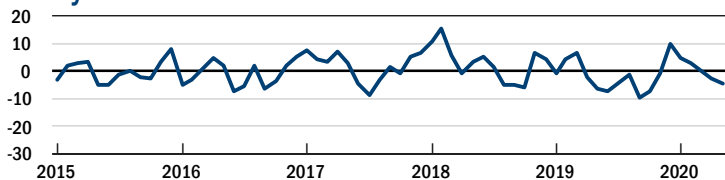
	Percent Reporting		Index
	Higher	Lower	
Apr	49.3	36.2	13.1
May	58.1	24.9	33.3
Change			20.2

Unfilled Orders



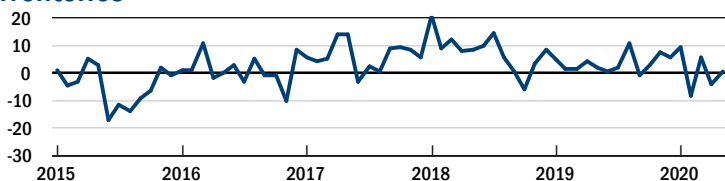
	Percent Reporting		Index
	Higher	Lower	
Apr	26.0	25.3	0.6
May	22.3	22.3	0.0
Change			-0.6

Delivery Time



	Percent Reporting		Index
	Higher	Lower	
Apr	20.8	23.4	-2.6
May	14.9	19.6	-4.7
Change			-2.1

Inventories

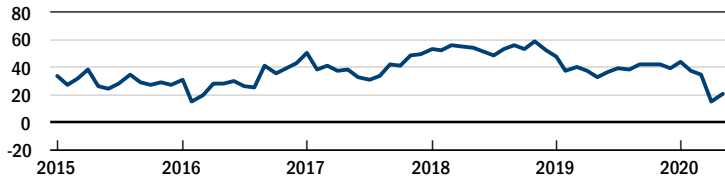


	Percent Reporting		Index
	Higher	Lower	
Apr	26.6	30.5	-3.9
May	25.7	25.0	0.7
Change			4.6

Forward-Looking Indicators, *continued*

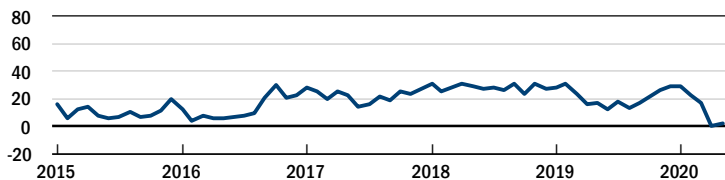
Expectations Six Months Ahead

Prices Paid



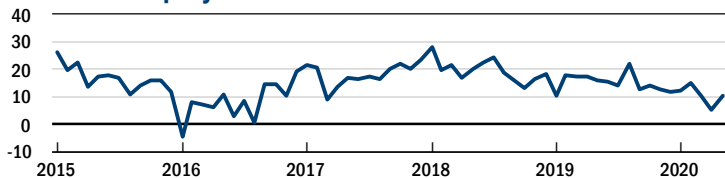
	Percent Reporting		Index
	Higher	Lower	
Apr	27.3	12.3	14.9
May	28.4	8.1	20.3
Change			5.4

Prices Received



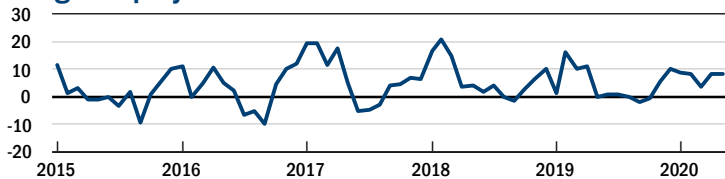
	Percent Reporting		Index
	Higher	Lower	
Apr	12.3	11.7	0.6
May	16.2	14.2	2.0
Change			1.4

Number of Employees



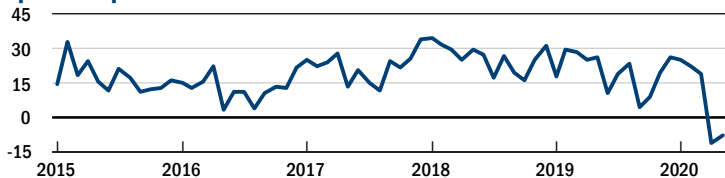
	Percent Reporting		Index
	Higher	Lower	
Apr	32.2	27.1	5.2
May	28.4	18.0	10.4
Change			5.2

Average Employee Workweek



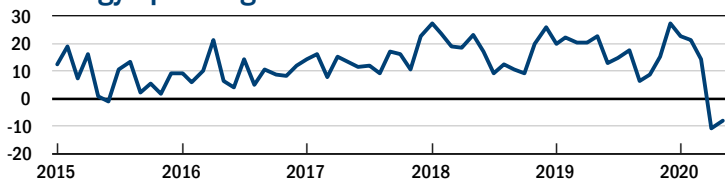
	Percent Reporting		Index
	Higher	Lower	
Apr	35.7	27.3	8.4
May	26.4	18.2	8.1
Change			-0.3

Capital Expenditures



	Percent Reporting		Index
	Higher	Lower	
Apr	22.6	33.5	-11.0
May	21.6	29.7	-8.1
Change			2.9

Technology Spending



	Percent Reporting		Index
	Higher	Lower	
Apr	17.4	28.4	-11.0
May	16.9	25.0	-8.1
Change			2.9

Note: Data are seasonally adjusted.