

# Business Leaders Survey

*Covering service firms in New York, northern New Jersey, and southwestern Connecticut*

The Federal Reserve Bank of New York's August 2015 *Business Leaders Survey* indicates that activity in the region's service sector expanded modestly. The survey's headline business activity index fell six points to 4.6, indicating a slower pace of growth than in July. The business climate index edged down one point to -8.3, signaling that, on balance, respondents continued to view the business climate as worse than normal. At 14.6, the employment index indicated that employment continued to grow at a steady clip. The wages index climbed three points to 37.7, pointing to slightly faster pace of wage growth. Price increases slowed this month: the prices paid index retreated five points to 38.9, and the prices received index moved down five points to 6.9. Indexes assessing the six-month outlook suggested that firms were fairly optimistic about future business conditions.

## Growth in Business Activity Slows

Business activity continued to grow in the region's service sector, according to the August survey, but at a slower pace than last month. The survey's headline business activity index fell six points to 4.6. This month, 31 percent of respondents reported that conditions improved, while 27 percent reported that conditions worsened. The business climate index inched down one point to -8.3, indicating that, on balance, firms continued to view the business climate as worse than normal.

## Employment and Wages Continue to Expand

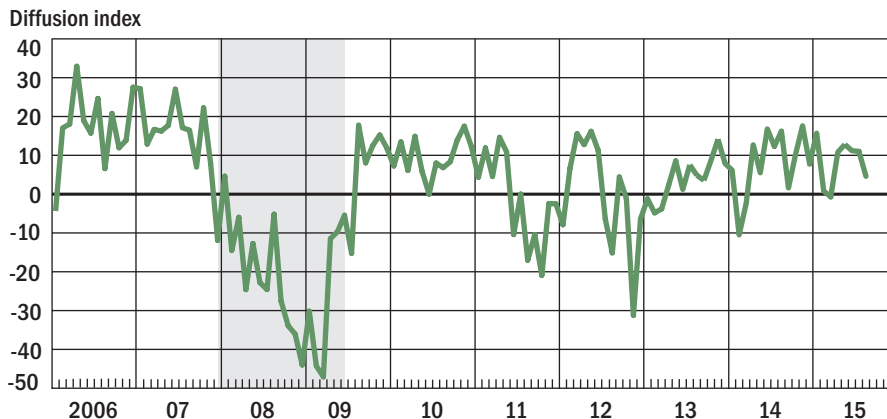
The employment index slipped two points to 14.6, suggesting that employment continued to grow at a moderate pace. The wages index edged up three points to 37.7, indicating a slightly faster pace of wage growth than last month. Price indexes were

lower, signaling a slightly slower pace of increase in both input prices and selling prices. The prices paid index fell for a second consecutive month, moving down five points to 38.9, and the prices received index declined five points to 6.9. The capital spending index climbed two points to 10.9.

## Outlook Improves Slightly

Indexes assessing the six-month outlook suggested that firms were slightly more optimistic about future business conditions than last month. The index for expected business activity crept up one point to 33.1, and the index for future business climate rose two points to 18.1. The index for expected employment advanced two points to 22.2, while the index for future wages dropped ten points to 36.3. Indexes for future prices declined, and the index for expected capital spending fell four points to 9.5. ■

## Business Activity



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

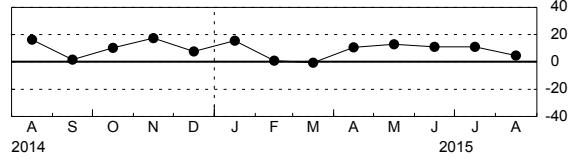
# Current Indicators

Change from Preceding Month

## Business Activity

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	38.69	33.58	27.74	10.95
Aug	31.06	42.42	26.52	4.55

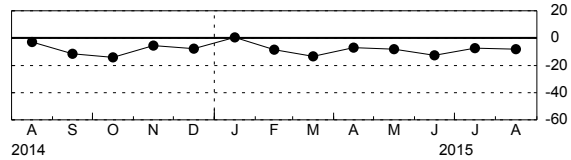
## Business Activity - Diffusion Index



## Business Climate

	<u>Better</u>	<u>Normal</u>	<u>Worse</u>	<u>Index</u>
Jul	21.90	48.91	29.20	-7.30
Aug	18.80	54.14	27.07	-8.27

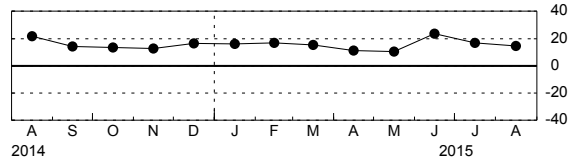
## Business Climate - Diffusion Index



## Employment

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	32.35	52.21	15.44	16.91
Aug	30.77	53.08	16.15	14.62

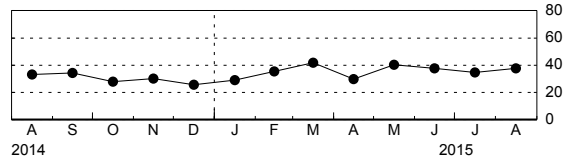
## Employment - Diffusion Index



## Wages

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	37.50	59.56	2.94	34.56
Aug	39.23	59.23	1.54	37.69

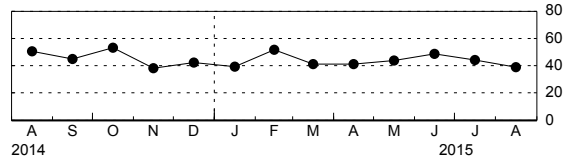
## Wages - Diffusion Index



## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	46.32	51.47	2.21	44.12
Aug	45.80	47.33	6.87	38.93

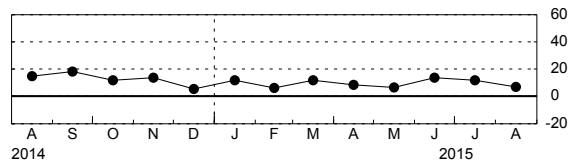
## Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	22.22	67.41	10.37	11.85
Aug	20.00	66.92	13.08	6.92

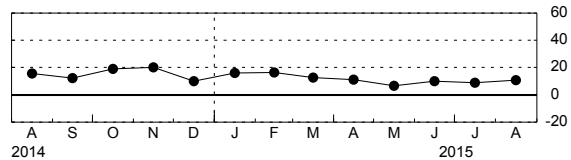
## Prices Received - Diffusion Index



## Capital Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	32.09	44.78	23.13	8.96
Aug	29.46	51.94	18.60	10.85

## Capital Spending - Diffusion Index



Note: Data are not seasonally adjusted.

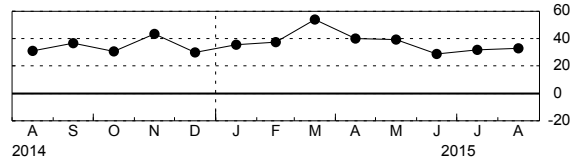
# Forward-Looking Indicators

Expectations Six Months Ahead

## Business Activity

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	43.70	44.44	11.85	31.85
Aug	44.62	43.85	11.54	33.08

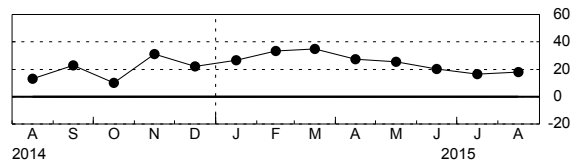
Business Activity - Diffusion Index



## Business Climate

	<u>Better</u>	<u>Same</u>	<u>Worse</u>	<u>Index</u>
Jul	28.89	58.52	12.59	16.30
Aug	31.58	54.89	13.53	18.05

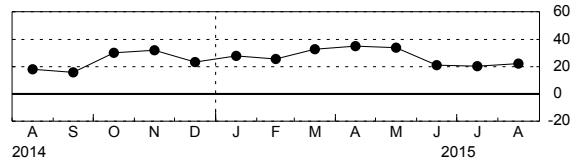
Business Climate - Diffusion Index



## Employment

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	30.71	59.06	10.24	20.47
Aug	36.51	49.21	14.29	22.22

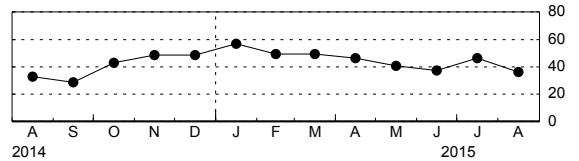
Employment - Diffusion Index



## Wages

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	48.03	50.39	1.57	46.46
Aug	38.71	58.87	2.42	36.29

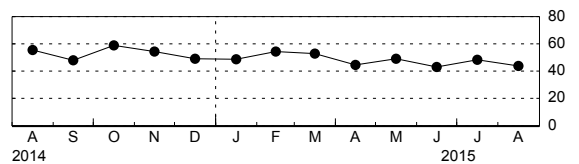
Wages - Diffusion Index



## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	49.22	50.00	0.78	48.44
Aug	49.21	45.24	5.56	43.65

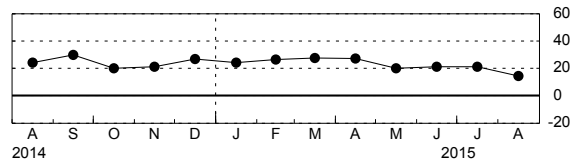
Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	32.81	55.47	11.72	21.09
Aug	25.60	63.20	11.20	14.40

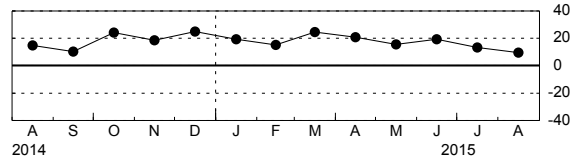
Prices Received - Diffusion Index



## Capital Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Jul	34.65	44.09	21.26	13.39
Aug	29.37	50.79	19.84	9.52

Capital Spending - Diffusion Index



Note: Data are not seasonally adjusted.