

Business Leaders Survey

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

Note: Survey responses were collected between April 4 and April 11.

Business activity grew solidly in the region's service sector, according to firms responding to the Federal Reserve Bank of New York's April 2022 Business Leaders Survey. The survey's headline business activity index rose six points to 24.2. The business climate index moved up nine points but remained negative at -14.4, indicating that firms generally viewed the business climate as worse than normal for this time of year. Employment levels continued to grow, and wage increases remained substantial. The prices paid index and the prices received index held at near record-high levels. Firms were fairly optimistic about future conditions, though optimism remained below levels seen earlier this year.

Activity Expands Strongly

Business activity in the region's service sector expanded significantly for a second consecutive month, according to the April survey. The headline business activity index rose six points to 24.2. Forty-two percent of respondents reported that conditions improved over the month and 18 percent said that conditions worsened. The business climate index increased nine points to -14.4, indicating that on net, firms continued to view the business climate as worse than normal, though to a lesser extent than last month.

Strong Increases in Employment and Wages

The employment index climbed six points to 19.9, pointing to a modest increase

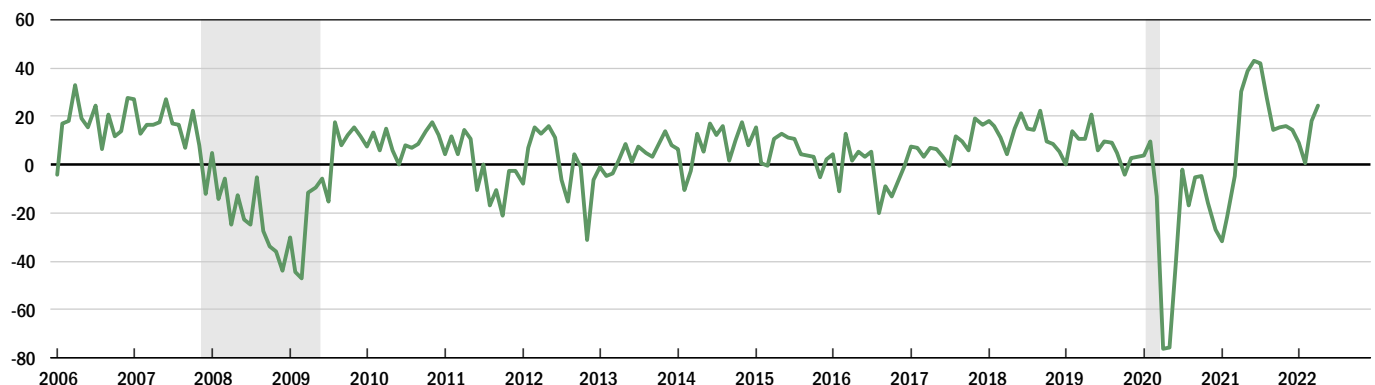
in employment levels. The wages index moved up slightly to 55.0, signaling another month of strong wage growth. Input and selling price increases remained near record levels. The prices paid index held steady at 86.4, and the prices received index was just slightly lower than last month's record high, at 43.4. The capital spending index dipped to 8.6.

Optimism Declines

While firms generally expected conditions to improve over the next six months, optimism waned for a second consecutive month. The index for future business activity fell seven points to 29.4. Strong gains in employment, wages, and prices are expected in the months ahead, and capital spending plans remained solid. ■

Business Activity

Diffusion Index

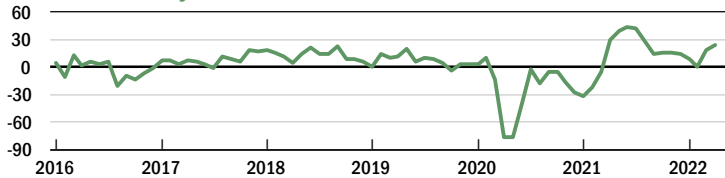


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

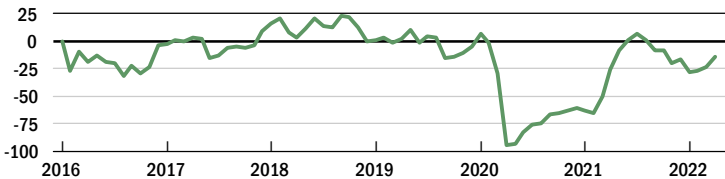
Change from Preceding Month

Business Activity



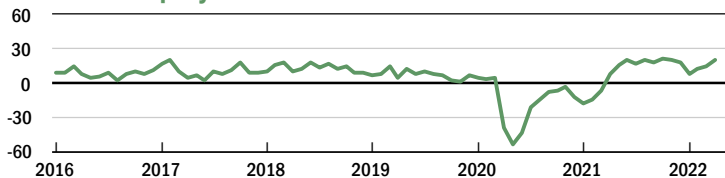
	Percent Reporting		Index
	Higher	Lower	
Mar	40.8	22.5	18.3
Apr	42.3	18.0	24.2
Change			5.9

Business Climate



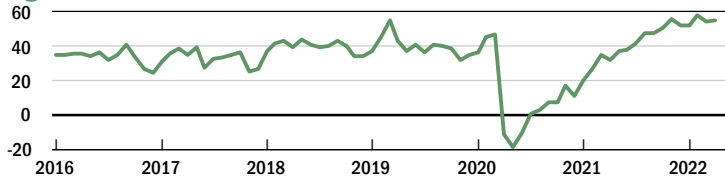
	Percent Reporting		Index
	Favorable	Unfavorable	
Mar	22.3	45.6	-23.3
Apr	24.7	39.2	-14.4
Change			8.9

Number of Employees



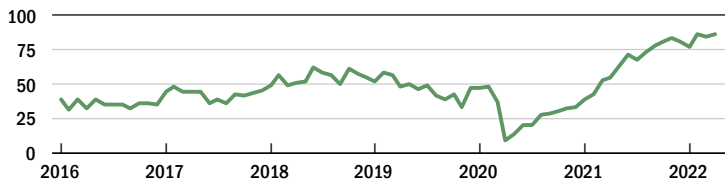
	Percent Reporting		Index
	Higher	Lower	
Mar	30.1	16.1	14.0
Apr	34.0	14.1	19.9
Change			5.9

Wages



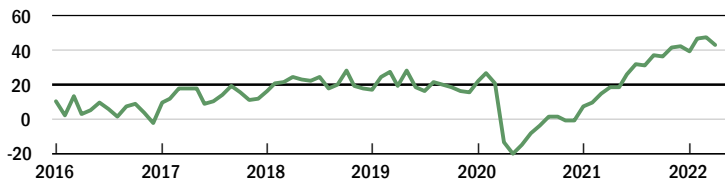
	Percent Reporting		Index
	Higher	Lower	
Mar	55.4	1.6	53.9
Apr	56.5	1.6	55.0
Change			1.1

Prices Paid



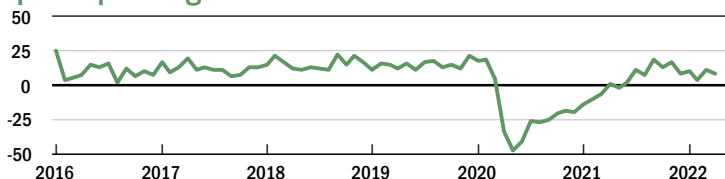
	Percent Reporting		Index
	Higher	Lower	
Mar	85.5	1.0	84.5
Apr	86.9	0.5	86.4
Change			1.9

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Mar	51.3	3.6	47.7
Apr	47.1	3.7	43.4
Change			-4.3

Capital Spending

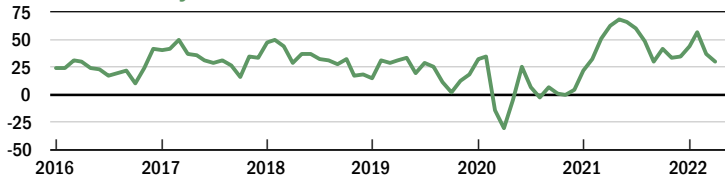


	Percent Reporting		Index
	Higher	Lower	
Mar	25.9	14.3	11.6
Apr	22.5	13.9	8.6
Change			-3.0

Forward-Looking Indicators

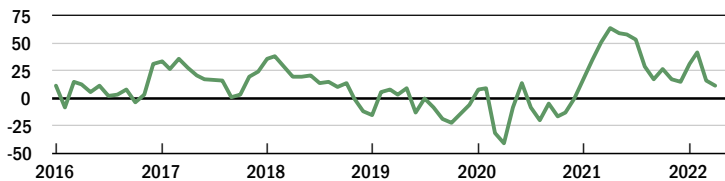
Expectations Six Months Ahead

Business Activity



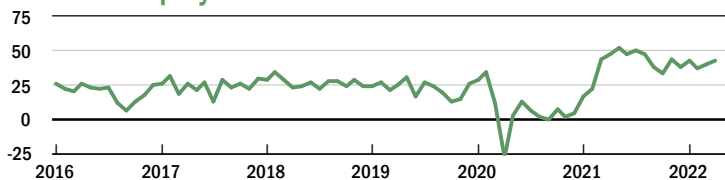
	Percent Reporting		Index
	Higher	Lower	
Mar	50.8	14.0	36.8
Apr	44.8	15.5	29.4
Change			-7.4

Business Climate



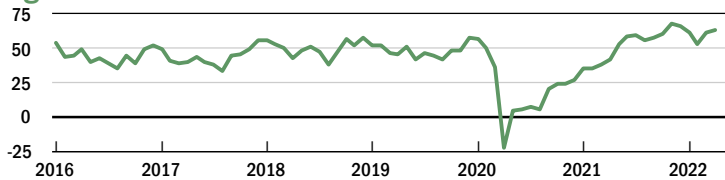
	Percent Reporting		Index
	Better	Worse	
Mar	40.1	24.0	16.1
Apr	35.1	23.2	11.9
Change			-4.2

Number of Employees



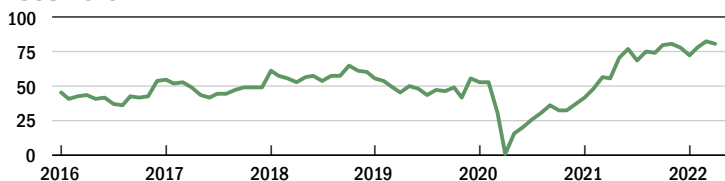
	Percent Reporting		Index
	Higher	Lower	
Mar	50.3	10.1	40.2
Apr	49.7	6.9	42.9
Change			2.7

Wages



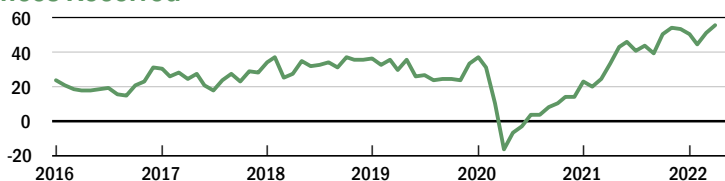
	Percent Reporting		Index
	Higher	Lower	
Mar	64.0	2.6	61.4
Apr	64.6	1.1	63.5
Change			2.1

Prices Paid



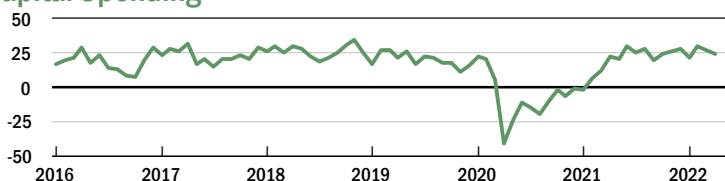
	Percent Reporting		Index
	Higher	Lower	
Mar	83.6	1.1	82.5
Apr	80.9	0.5	80.3
Change			-2.2

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Mar	55.3	3.7	51.6
Apr	58.5	2.7	55.9
Change			4.3

Capital Spending



	Percent Reporting		Index
	Higher	Lower	
Mar	38.8	12.2	26.6
Apr	38.5	13.9	24.6
Change			-2.0