

Business Leaders Survey

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

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

Activity remained steady in the region’s service sector, according to firms responding to the Federal Reserve Bank of New York’s April 2024 *Business Leaders Survey*. The survey’s headline business activity index was little changed at -0.6. The business climate index rose seven points to -19.0, suggesting the business climate remains worse than normal, though to a lesser extent than in recent months. Employment inched just slightly higher, and wage increases moderated. Input price increases were little changed, while selling price increases slowed modestly. Capital spending remained weak. Looking ahead, firms remained moderately optimistic about future conditions, with the business climate expected to be somewhat better than normal in six months.

Activity Little Changed

Business activity held steady for a second consecutive month in the New York-Northern New Jersey region, according to the April survey. The headline business

ECONOMIST COMMENTARY

“Service sector activity held steady in the New York-Northern New Jersey region for a second consecutive month in April. Employment inched slightly higher, and wage increases moderated. Firms remained somewhat optimistic about future conditions.”

~Richard Deitz, Economic Research Advisor at the New York Fed

activity index came in at -0.6. Twenty-seven percent of respondents reported that conditions improved over the month and 28 percent said that conditions worsened. The business climate index climbed seven points to -19.0, and while still negative, it represented the index’s highest reading in two years.

Wage Increases Moderate

The employment index inched up to 2.3, suggesting that employment levels were just slightly higher than last month. The wages index fell eleven points to 33.3, indicating that wage increases moderated. The prices paid index held steady at 53.4, pointing to little change in the pace

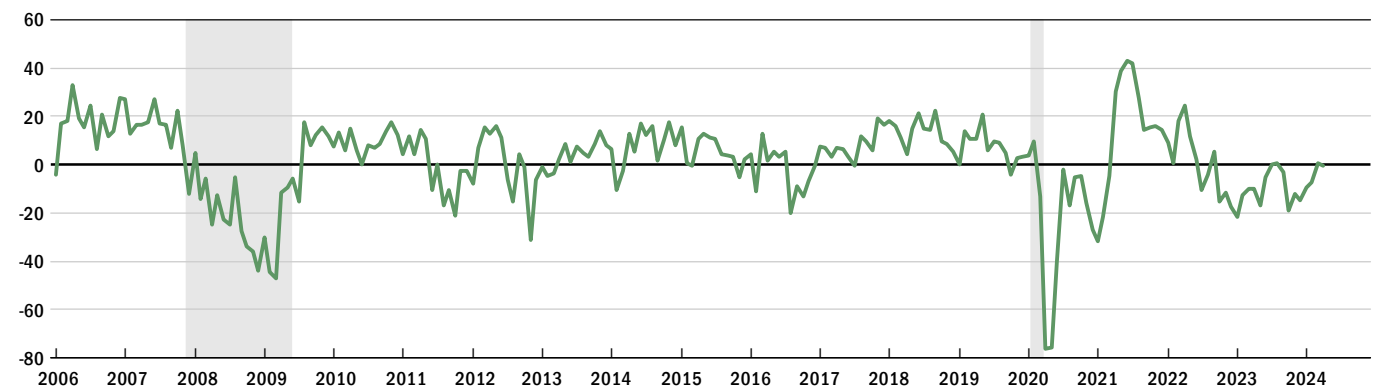
of input price increases, while the prices received index fell five points to 22.7, suggesting selling price increases slowed somewhat. The capital spending index came in at 4.0, indicating that capital spending remained soft.

Conditions Expected to Improve

The index for future business activity was little changed at 31.3, while the index for the future business climate edged down to 10.2, suggesting that firms were somewhat optimistic about future conditions. Employment is expected to increase modestly in the months ahead, and future capital spending plans were weak. ■

Business Activity

Diffusion Index

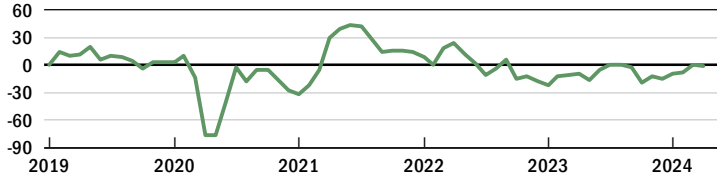


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

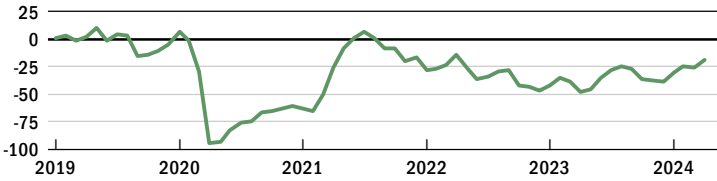
Change from Preceding Month

Business Activity



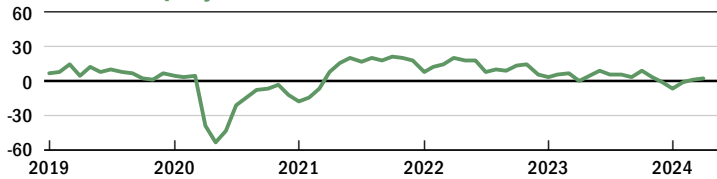
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 30.3 | 29.8 | 0.6 |
| Apr | 27.4 | 27.9 | -0.6 |
| Change | | | -1.2 |

Business Climate



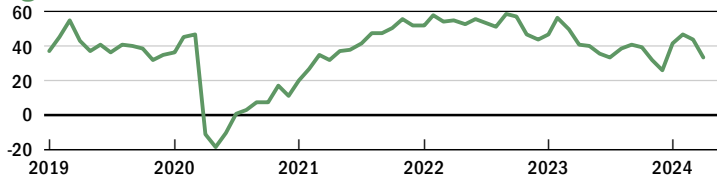
| | Percent Reporting | | Index |
|--------|-------------------|-------------|-------|
| | Favorable | Unfavorable | |
| Mar | 15.7 | 42.1 | -26.4 |
| Apr | 19.6 | 38.5 | -19.0 |
| Change | | | 7.4 |

Number of Employees



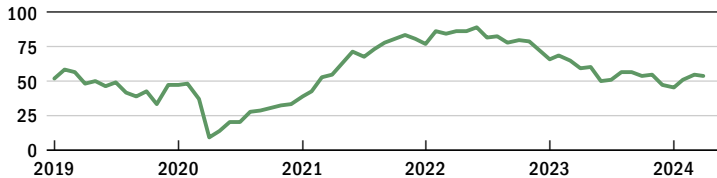
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 16.3 | 15.7 | 0.6 |
| Apr | 20.3 | 18.1 | 2.3 |
| Change | | | 1.7 |

Wages



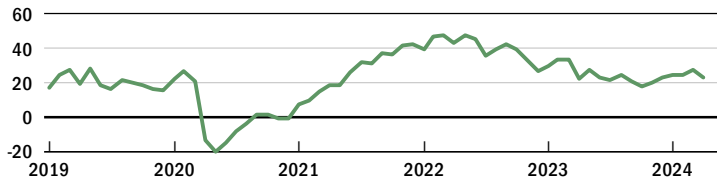
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 46.6 | 2.8 | 43.8 |
| Apr | 36.7 | 3.4 | 33.3 |
| Change | | | -10.5 |

Prices Paid



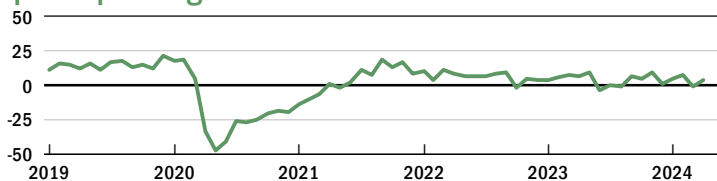
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 57.9 | 2.8 | 55.1 |
| Apr | 56.3 | 2.8 | 53.4 |
| Change | | | -1.7 |

Prices Received



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 31.8 | 4.0 | 27.8 |
| Apr | 29.0 | 6.3 | 22.7 |
| Change | | | -5.1 |

Capital Spending

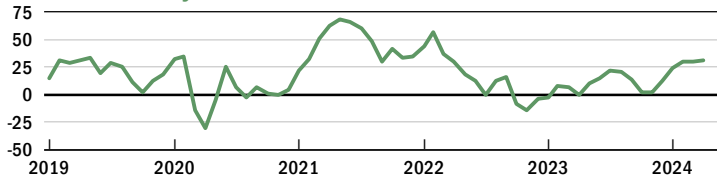


| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 18.1 | 18.6 | -0.6 |
| Apr | 22.9 | 18.9 | 4.0 |
| Change | | | 4.6 |

Forward-Looking Indicators

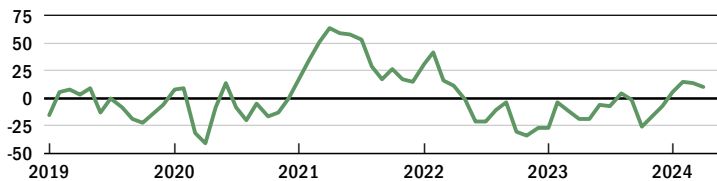
Expectations Six Months Ahead

Business Activity



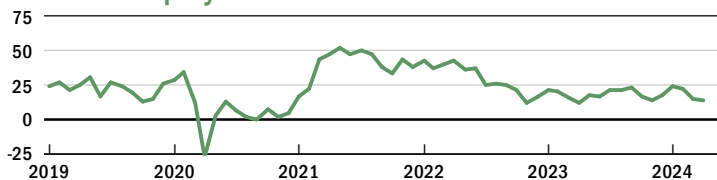
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 43.8 | 14.0 | 29.8 |
| Apr | 43.6 | 12.3 | 31.3 |
| Change | | | 1.5 |

Business Climate



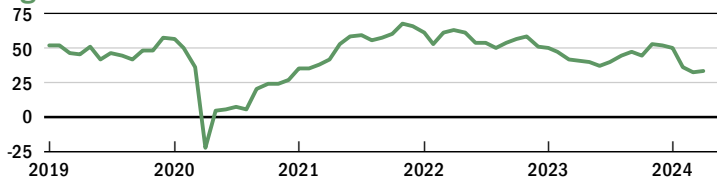
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Better | Worse | |
| Mar | 31.8 | 18.2 | 13.6 |
| Apr | 28.2 | 18.1 | 10.2 |
| Change | | | -3.4 |

Number of Employees



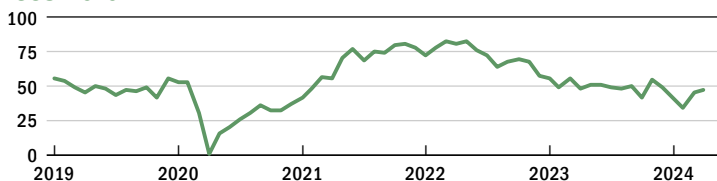
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 27.2 | 12.4 | 14.8 |
| Apr | 26.0 | 11.8 | 14.2 |
| Change | | | -0.6 |

Wages



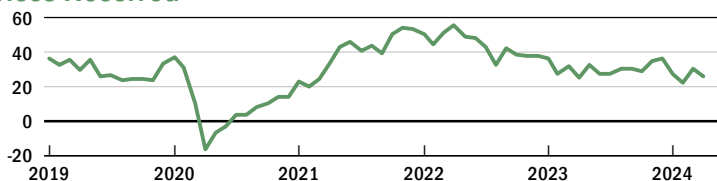
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 35.5 | 3.0 | 32.5 |
| Apr | 35.5 | 1.8 | 33.7 |
| Change | | | 1.2 |

Prices Paid



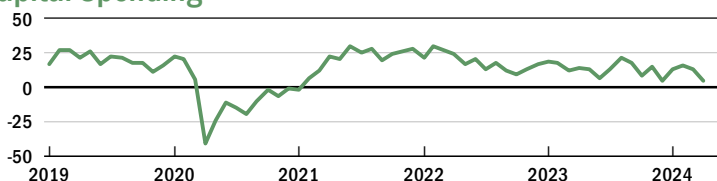
| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 50.3 | 5.3 | 45.0 |
| Apr | 50.6 | 3.0 | 47.6 |
| Change | | | 2.6 |

Prices Received



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 36.3 | 6.0 | 30.4 |
| Apr | 31.1 | 5.4 | 25.7 |
| Change | | | -4.7 |

Capital Spending



| | Percent Reporting | | Index |
|--------|-------------------|-------|-------|
| | Higher | Lower | |
| Mar | 27.8 | 14.8 | 13.0 |
| Apr | 25.1 | 20.4 | 4.8 |
| Change | | | -8.2 |