

Business Leaders Survey

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

Note: Survey responses were collected between November 4 and November 12.

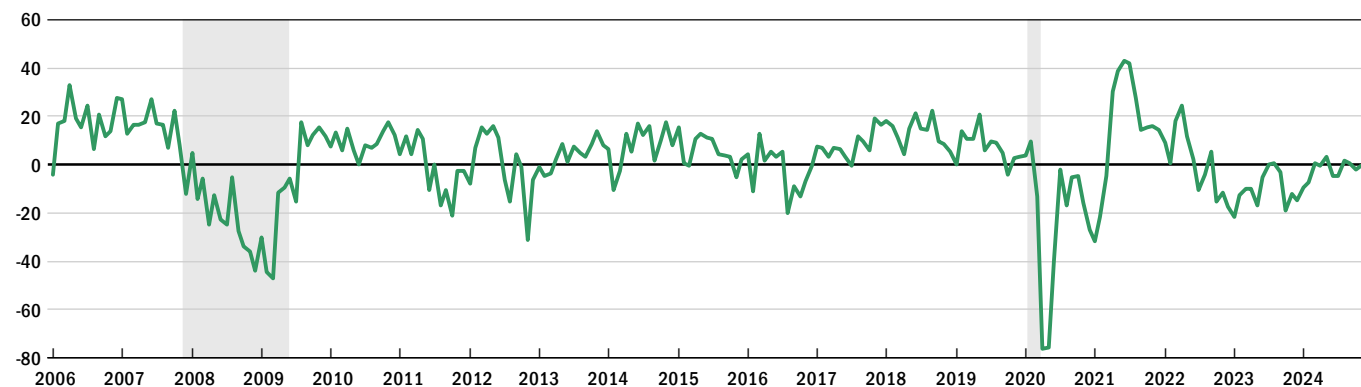
Business activity was little changed in the region's service sector in November, according to firms responding to the Federal Reserve Bank of New York's *Business Leaders Survey*. The survey's headline business activity index continued to hover around zero, coming in at -0.5. The business climate index remained firmly negative at -21.5, suggesting the business climate remains worse than normal. Employment continued to grow slightly, and wages increased at about the same pace as last month. Supply availability improved somewhat. Price increases were slightly lower than last month. Capital spending remained modest. Looking ahead, firms continued to grow more optimistic that conditions would improve in the months ahead.

Little Change in Activity

As has been the case for much of the past year, business activity held steady in the New York-Northern New Jersey region, according to the November survey. The headline business activity index

Business Activity

Diffusion Index



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

ECONOMIST COMMENTARY

“Business activity continued to hold steady in the New York-Northern New Jersey region’s service sector in November, as has been the case for much of the past year. Employment grew slightly, and optimism about future conditions continued to improve.”

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

edged up to -0.5. Twenty-eight percent of respondents reported that conditions improved over the month and 28 percent said that conditions worsened. The business climate index was slightly higher than last month but remained negative at -21.5, pointing to an ongoing worsening business climate.

Employment Growth Remains Modest

The employment index held steady at 5.1, pointing to a small increase in employment levels. After falling to its lowest level in a year last month, the wages index was little changed at 29.7, indicating that wages increased at about the same pace as in October. The prices paid index edged down

two points to 46.2, and the prices received index also fell two points to 16.8, suggesting price increases slowed slightly. The capital spending index came in at 5.7, indicating that capital spending grew modestly. The supply availability index edged up to 2.6, a sign that supply availability improved somewhat.

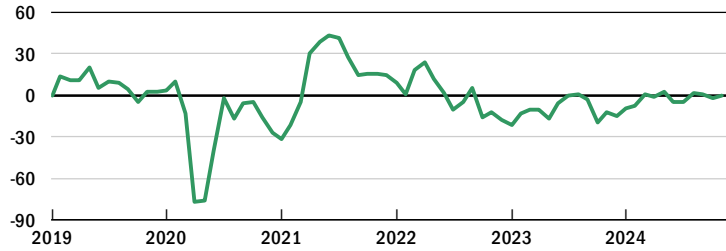
Optimism Continues to Grow

The index for future business activity moved up six points to 23.7, and the index for the future business climate advanced thirteen points to 17.5, suggesting firms expect activity to improve and the business climate to be better than normal in six months. A modest increase in employment is also expected in the months ahead. ■

Current Indicators

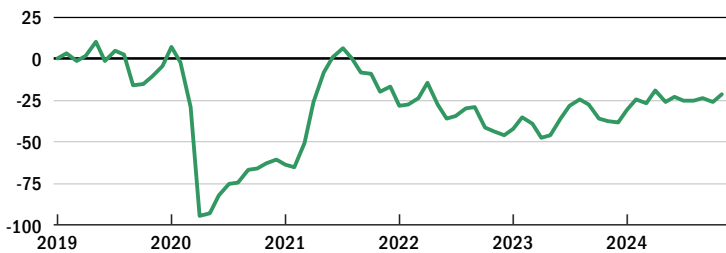
Change from Preceding Month

Business Activity



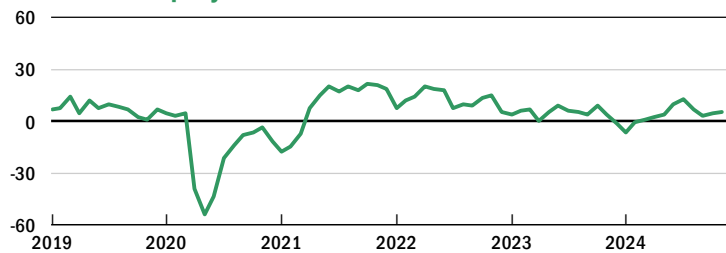
	Percent Reporting		Index
	Higher	Lower	
Oct	28.0	30.2	-2.2
Nov	27.7	28.2	-0.5
Change			1.7

Business Climate



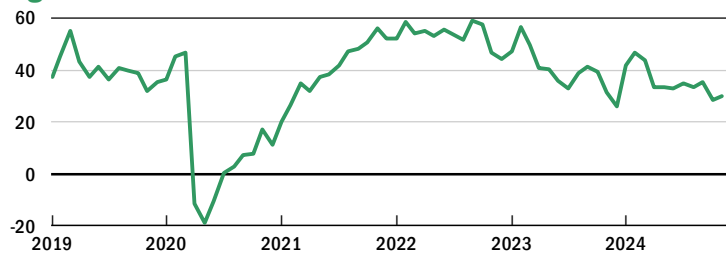
	Percent Reporting		Index
	Favorable	Unfavorable	
Oct	14.9	40.9	-26.0
Nov	16.4	37.9	-21.5
Change			4.5

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Oct	19.4	15.0	4.4
Nov	21.5	16.4	5.1
Change			0.7

Wages

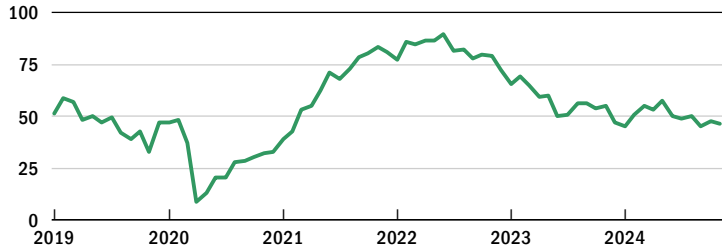


	Percent Reporting		Index
	Higher	Lower	
Oct	30.6	2.2	28.3
Nov	32.3	2.6	29.7
Change			1.4

Current Indicators, *continued*

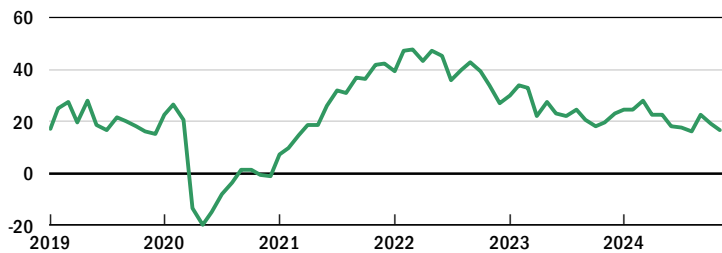
Change from Preceding Month

Prices Paid



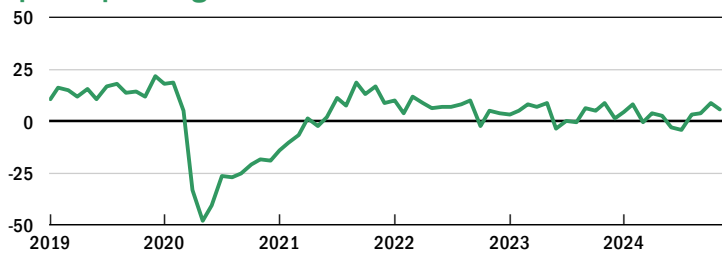
	Percent Reporting		Index
	Higher	Lower	
Oct	50.0	2.2	47.8
Nov	50.3	4.1	46.2
Change			-1.6

Prices Received



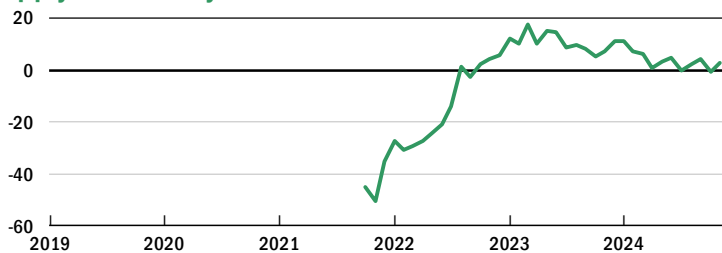
	Percent Reporting		Index
	Higher	Lower	
Oct	24.6	5.6	19.0
Nov	23.6	6.8	16.8
Change			-2.2

Capital Spending



	Percent Reporting		Index
	Higher	Lower	
Oct	22.8	13.9	8.9
Nov	21.6	16.0	5.7
Change			-3.2

Supply Availability



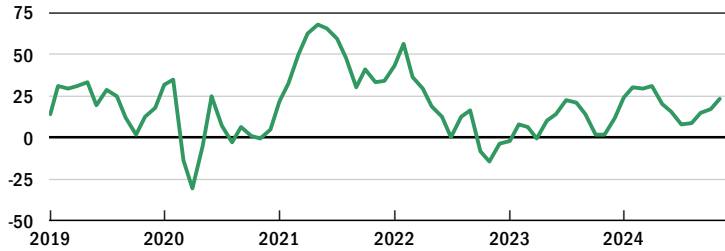
	Percent Reporting		Index
	Higher	Lower	
Oct	9.9	10.4	-0.5
Nov	12.4	9.8	2.6
Change			3.1

Note: The current supply availability index was added to the report in June 2024 and included a history of data points going back to 2021.

Forward-Looking Indicators

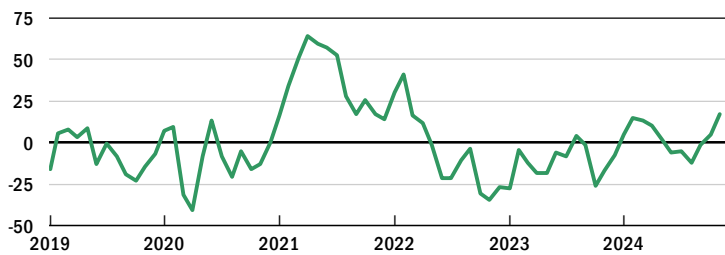
Expectations Six Months Ahead

Business Activity



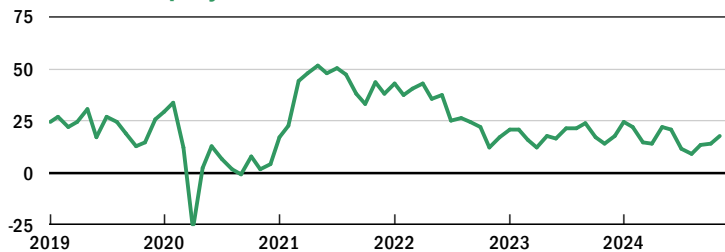
	Percent Reporting		Index
	Higher	Lower	
Oct	36.3	19.0	17.3
Nov	39.7	16.0	23.7
Change			6.4

Business Climate



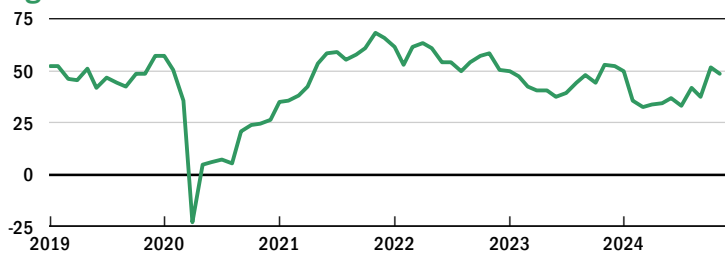
	Percent Reporting		Index
	Better	Worse	
Oct	28.0	23.1	4.9
Nov	33.5	16.0	17.5
Change			12.6

Number of Employees



	Percent Reporting		Index
	Higher	Lower	
Oct	27.8	13.6	14.2
Nov	29.5	11.6	17.9
Change			3.7

Wages

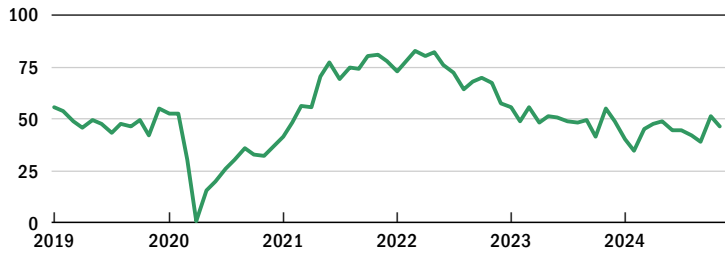


	Percent Reporting		Index
	Higher	Lower	
Oct	54.2	2.8	51.4
Nov	52.6	4.2	48.4
Change			-3.0

Forward-Looking Indicators, *continued*

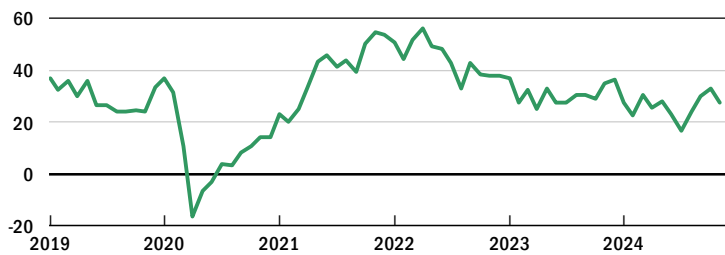
Expectations Six Months Ahead

Prices Paid



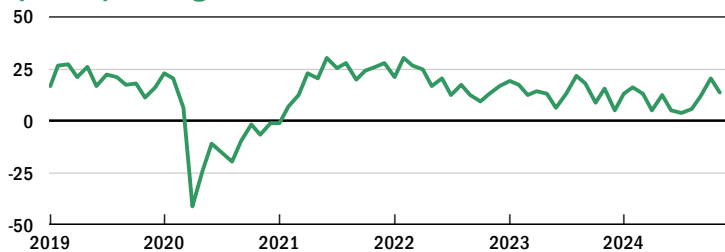
	Percent Reporting		Index
	Higher	Lower	
Oct	53.4	2.2	51.1
Nov	50.8	4.2	46.6
Change			-4.5

Prices Received



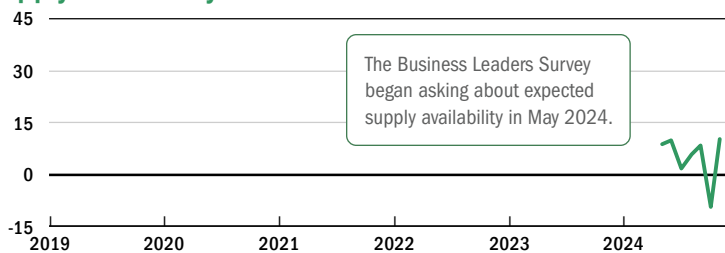
	Percent Reporting		Index
	Higher	Lower	
Oct	40.1	7.3	32.8
Nov	33.9	6.5	27.4
Change			-5.4

Capital Spending



	Percent Reporting		Index
	Higher	Lower	
Oct	32.6	12.4	20.2
Nov	29.1	15.3	13.8
Change			-6.4

Supply Availability



	Percent Reporting		Index
	Higher	Lower	
Oct	12.7	22.1	-9.4
Nov	20.2	9.8	10.4
Change			19.8

Note: The expected supply availability index was added to the report in June 2024 and included one additional data point from May 2024.