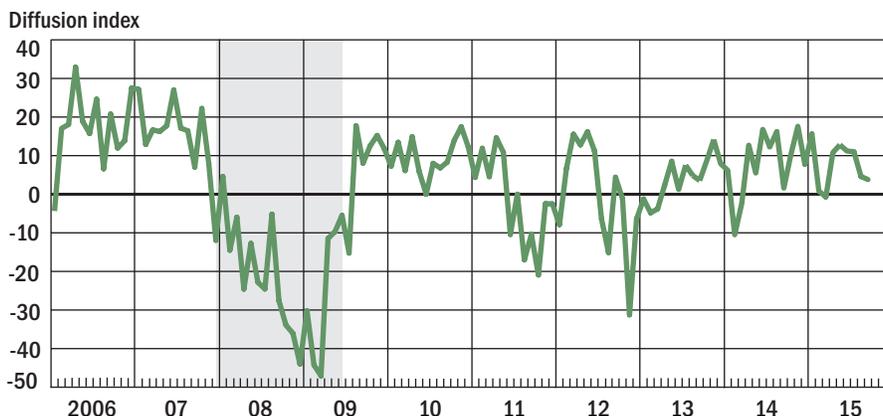


# Business Leaders Survey

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

The Federal Reserve Bank of New York's September 2015 *Business Leaders Survey* indicates that activity in the region's service sector continued to expand modestly. The survey's headline business activity index was little changed at 3.8. The business climate index slipped four points to -12.0, signaling that, on balance, respondents continued to view the business climate as worse than normal, and to a somewhat greater degree than last month. The employment index indicated continued gains in employment, and the wages index dipped almost seven points to 31.1, a sign of a somewhat slower pace of wage gains. Input price increases slowed, with the prices paid index falling six points to 32.8, while the prices received index rose roughly four points to 11.4. Indexes assessing the six-month outlook pointed to a general decline in optimism about future business conditions but a pickup in hiring plans.

## Business Activity



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

## Modest Growth in Business Activity Continues

Business activity continued to grow modestly in the region's service sector, according to the September survey. The survey's headline business activity index was little changed at 3.8. This month, 32 percent of respondents reported that conditions improved, while 29 percent reported that conditions worsened. The business climate index fell four points to -12.0, indicating that, on balance, firms continued to view the business climate as worse than normal, and to a greater extent than last month.

## Input Price Increases Slow

The employment index was little changed at 12.9, suggesting that employment continued to grow at a moderate pace. The wages index moved down almost seven points to 31.1, indicating that wages increased at a somewhat slower pace compared with

last month. For a third consecutive month, the prices paid index declined, falling six points to 32.8, a sign that input price increases continued to slow. The prices received index increased by a little more than four points to 11.4, signaling that selling prices accelerated slightly. The capital spending index fell six points to 4.6, an indication that capital spending expanded only slightly.

## Optimism Wanes

Indexes assessing the six-month outlook suggested that firms were considerably less optimistic about future business conditions than they were last month. The index for expected business activity fell seventeen points to 15.8, its lowest level in nearly three years (since right after Superstorm Sandy), and the index for future business climate dropped twelve points to 6.1. The index for expected employment, in contrast, advanced nearly six points to 27.8, suggesting that hiring is expected to pick up in the months ahead. The index for expected capital spending rose modestly to 12.8. ■

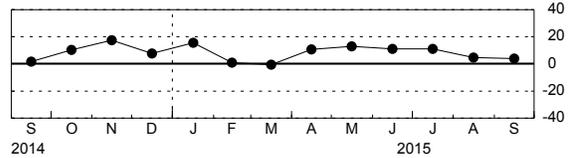
# Current Indicators

Change from Preceding Month

## Business Activity

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	31.06	42.42	26.52	4.55
Sep	32.33	39.10	28.57	3.76

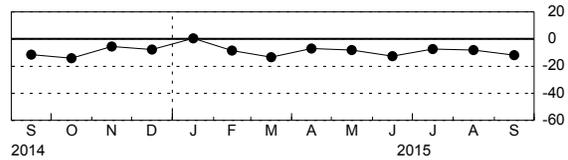
Business Activity - Diffusion Index



## Business Climate

	<u>Better</u>	<u>Normal</u>	<u>Worse</u>	<u>Index</u>
Aug	18.80	54.14	27.07	-8.27
Sep	19.55	48.87	31.58	-12.03

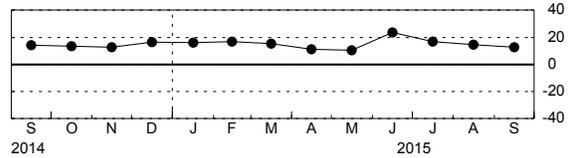
Business Climate - Diffusion Index



## Employment

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	30.77	53.08	16.15	14.62
Sep	29.55	53.79	16.67	12.88

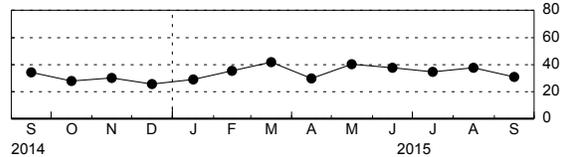
Employment - Diffusion Index



## Wages

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	39.23	59.23	1.54	37.69
Sep	33.33	64.39	2.27	31.06

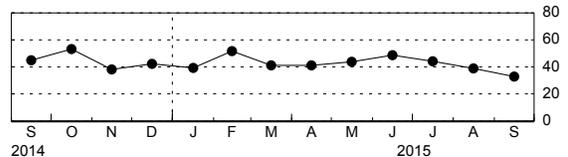
Wages - Diffusion Index



## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	45.80	47.33	6.87	38.93
Sep	37.31	58.21	4.48	32.84

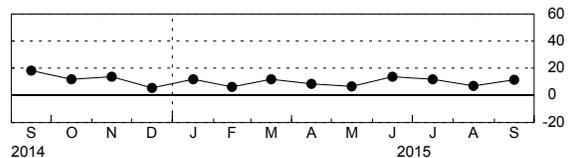
Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	20.00	66.92	13.08	6.92
Sep	21.97	67.42	10.61	11.36

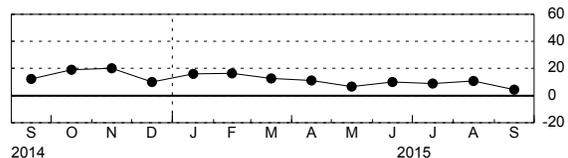
Prices Received - Diffusion Index



## Capital Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	29.46	51.94	18.60	10.85
Sep	27.27	50.00	22.73	4.55

Capital Spending - Diffusion Index



Note: Data are not seasonally adjusted.

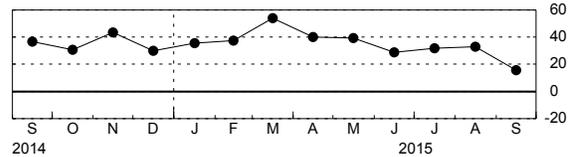
# Current Indicators

Change from Preceding Month

## Business Activity

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	44.62	43.85	11.54	33.08
Sep	37.59	40.60	21.80	15.79

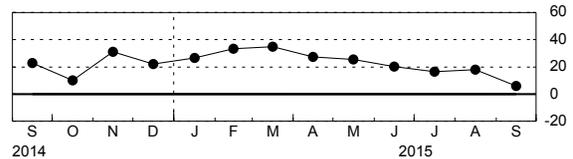
Business Activity - Diffusion Index



## Business Climate

	<u>Better</u>	<u>Same</u>	<u>Worse</u>	<u>Index</u>
Aug	31.58	54.89	13.53	18.05
Sep	29.55	46.97	23.48	6.06

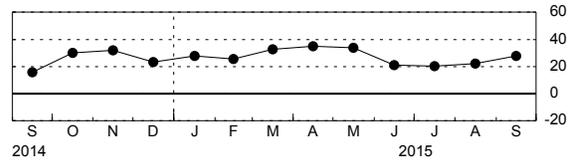
Business Climate - Diffusion Index



## Employment

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	36.51	49.21	14.29	22.22
Sep	37.30	53.17	9.52	27.78

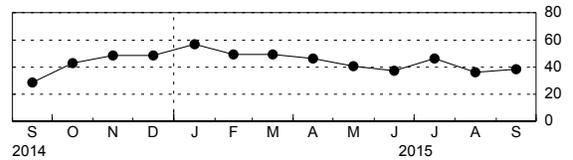
Employment - Diffusion Index



## Wages

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	38.71	58.87	2.42	36.29
Sep	40.16	58.27	1.57	38.58

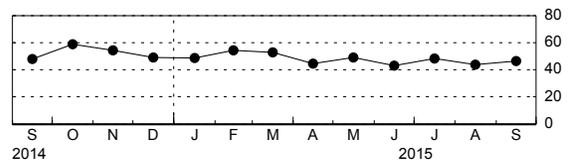
Wages - Diffusion Index



## Prices Paid

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	49.21	45.24	5.56	43.65
Sep	49.60	47.20	3.20	46.40

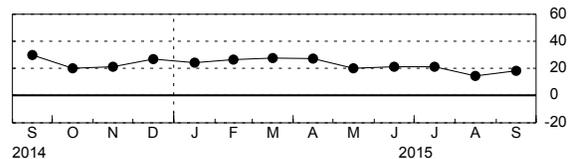
Prices Paid - Diffusion Index



## Prices Received

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	25.60	63.20	11.20	14.40
Sep	25.40	67.46	7.14	18.25

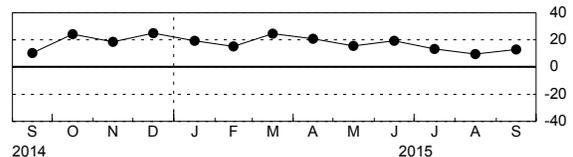
Prices Received - Diffusion Index



## Capital Spending

	<u>Higher</u>	<u>Same</u>	<u>Lower</u>	<u>Index</u>
Aug	29.37	50.79	19.84	9.52
Sep	33.60	45.60	20.80	12.80

Capital Spending - Diffusion Index



Note: Data are not seasonally adjusted.