

Business Leaders Survey

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

Activity in the region’s service sector continued to grow modestly, according to firms responding to the Federal Reserve Bank of New York’s April 2019 Business Leaders Survey. The survey’s headline business activity index was little changed at 10.9. The business climate index hovered around zero again this month, edging up three points to 1.8, indicating that firms generally regarded the business climate as close to normal. Employment levels increased only slightly, while wage growth slowed but remained widespread. The pace of both input price increases and selling price increases slowed noticeably this month. Firms remained fairly optimistic about the six-month outlook.

Ongoing Modest Growth

Business activity in the region’s service sector expanded modestly in April. The

headline business activity index was little changed at 10.9. Thirty-three percent of respondents reported that conditions improved over the month, while 22 percent said that conditions worsened. The business climate index hovered around zero for a fourth consecutive month, signaling that, on balance, firms viewed the business climate as close to normal.

Price Increases Slow Noticeably

The prices paid index fell nine points to 48.2 and the prices received index declined eight points to 19.4, indicating that both input prices and selling prices increased at a slower pace than last month. The employment index decreased nine points to 4.8, signaling that employment levels increased only slightly. After reaching its highest

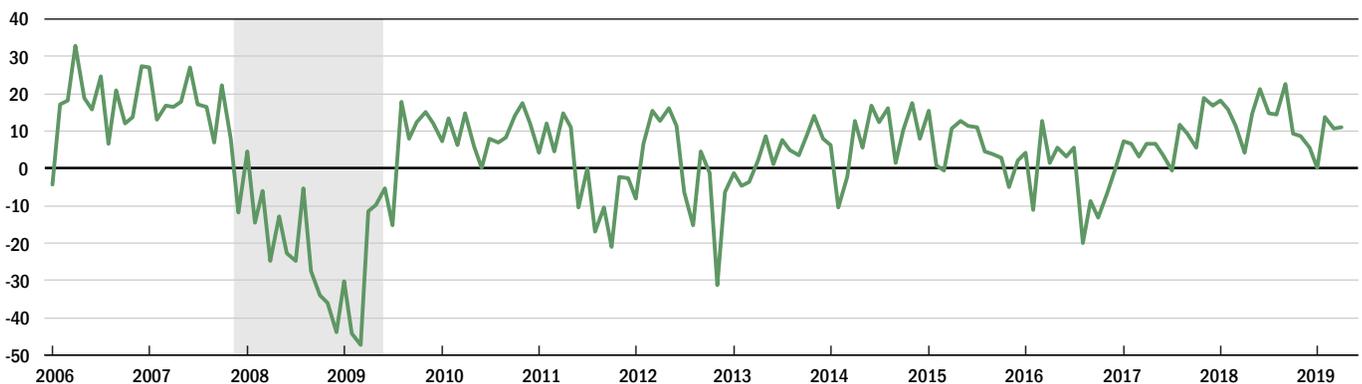
level in a decade, the wages index fell eleven points to 43.4, suggesting wage growth slowed but remained widespread. The capital spending index edged down three points to 11.9, suggesting that capital spending slowed somewhat but continued to increase at a solid clip.

Firms Remain Fairly Optimistic

Indexes assessing the six-month outlook indicated that firms remained fairly optimistic about future conditions. The index for future business activity edged up two points to 31.1, and the index for future business climate came in at 3.6. The indexes for future employment and wages were both positive and little changed from last month, while the index for planned capital spending fell six points to 21.3 ■

Business Activity

Diffusion Index

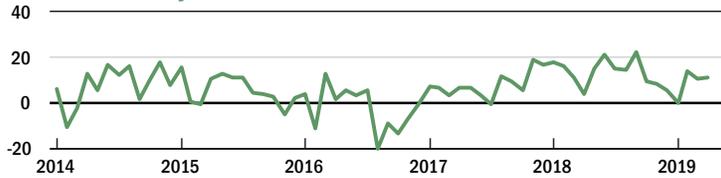


Note: The shaded area indicates a period designated a recession by the National Bureau of Economic Research.

Current Indicators

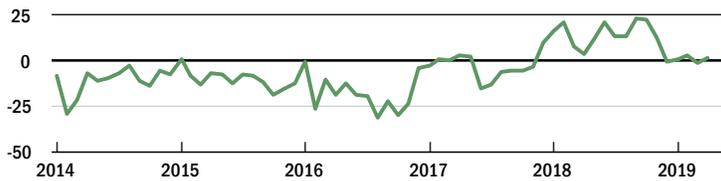
Change from Preceding Month

Business Activity



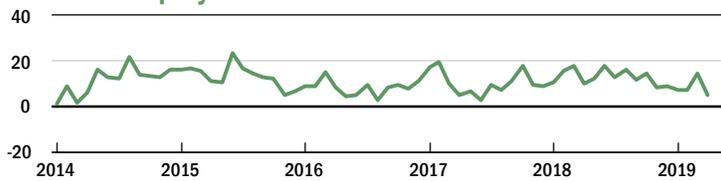
	Percent Reporting		Index
	Higher	Lower	
Mar	34.8	24.1	10.8
Apr	32.7	21.8	10.9
Change			0.1

Business Climate



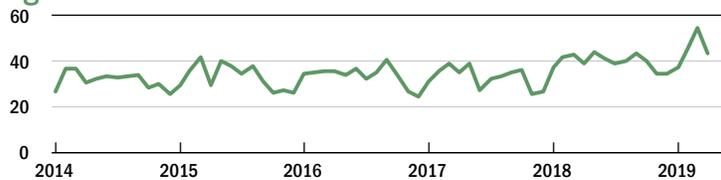
	Percent Reporting		Index
	Favorable	Unfavorable	
Mar	24.2	25.5	-1.3
Apr	25.7	24.0	1.8
Change			3.1

Number of Employees



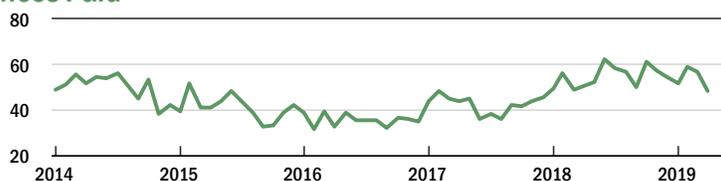
	Percent Reporting		Index
	Higher	Lower	
Mar	28.4	14.2	14.2
Apr	25.7	21.0	4.8
Change			-9.4

Wages



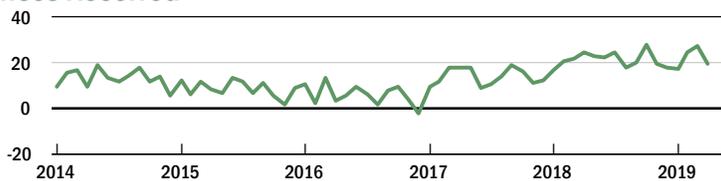
	Percent Reporting		Index
	Higher	Lower	
Mar	55.5	0.6	54.8
Apr	45.8	2.4	43.4
Change			-11.4

Prices Paid



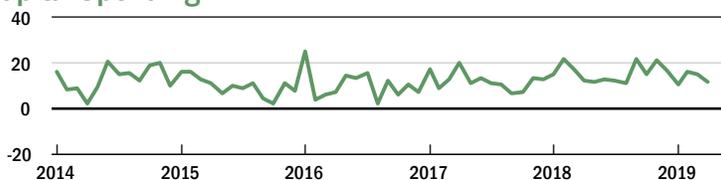
	Percent Reporting		Index
	Higher	Lower	
Mar	60.0	3.2	56.8
Apr	51.2	3.0	48.2
Change			-8.6

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Mar	35.9	8.5	27.5
Apr	28.5	9.1	19.4
Change			-8.1

Capital Spending

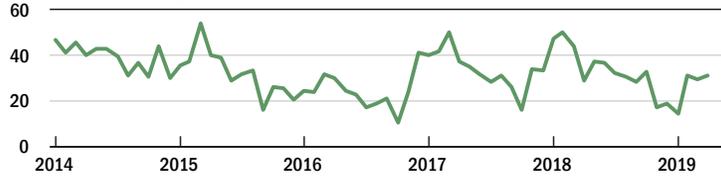


	Percent Reporting		Index
	Higher	Lower	
Mar	28.8	13.7	15.0
Apr	25.6	13.8	11.9
Change			-3.1

Forward-Looking Indicators

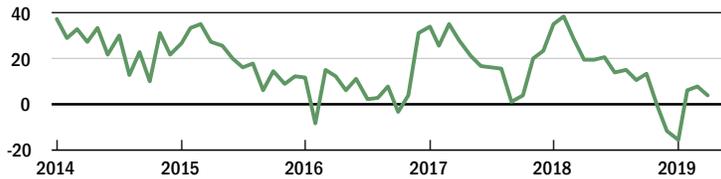
Expectations Six Months Ahead

Business Activity



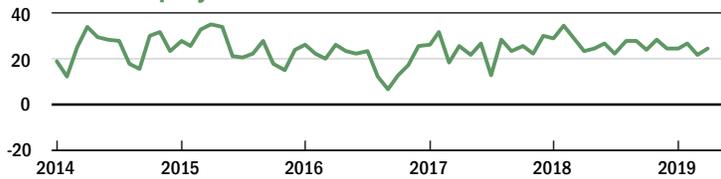
	Percent Reporting		Index
	Higher	Lower	
Mar	43.5	14.3	29.2
Apr	45.7	14.6	31.1
Change			1.9

Business Climate



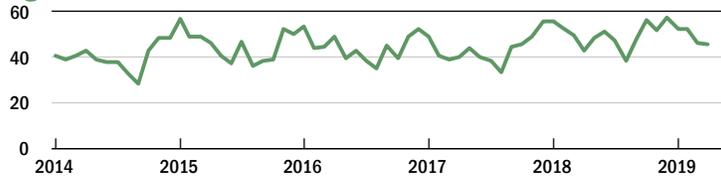
	Percent Reporting		Index
	Favorable	Unfavorable	
Mar	27.4	19.7	7.6
Apr	29.2	25.6	3.6
Change			-4.0

Number of Employees



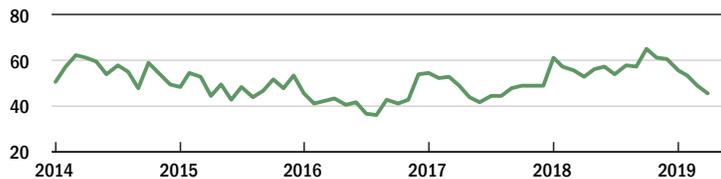
	Percent Reporting		Index
	Higher	Lower	
Mar	36.8	15.1	21.7
Apr	37.7	13.0	24.7
Change			3.0

Wages



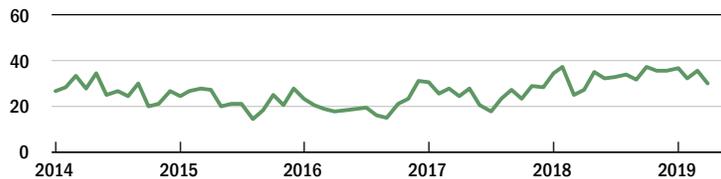
	Percent Reporting		Index
	Higher	Lower	
Mar	47.4	1.3	46.1
Apr	47.3	1.8	45.5
Change			-0.6

Prices Paid



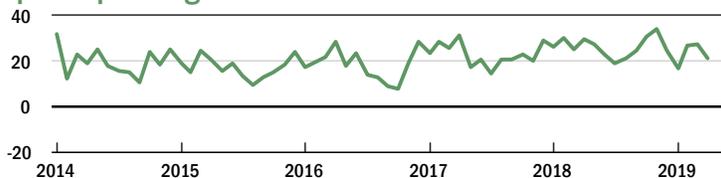
	Percent Reporting		Index
	Higher	Lower	
Mar	53.0	4.0	49.0
Apr	48.8	3.1	45.7
Change			-3.3

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Mar	40.4	4.6	35.8
Apr	35.6	5.6	30.0
Change			-5.8

Capital Spending



	Percent Reporting		Index
	Higher	Lower	
Mar	39.6	12.3	27.3
Apr	33.5	12.2	21.3
Change			-6.0