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

Growth in the region’s service sector slowed considerably, according to firms responding to the Federal Reserve Bank of New York’s June 2019 Business Leaders Survey. The survey’s headline business activity index fell fifteen points to 5.8, its lowest level since January. The business climate index fell to -1.2, its near zero value indicating that, on balance, firms regarded the business climate as normal. Employment levels increased modestly, and wage increases were slightly more widespread than last month. Both the prices paid and prices received indexes moved lower, pointing to a slower pace of price increases than in May. Optimism waned, with the index for future business climate falling well below zero.

Nearly Every Indicator Declines
Business activity in the region’s service sector grew at a considerably slower pace in June, with nearly every indicator in this month’s survey posting a decline. The headline business activity index fell fifteen points to 5.8, its lowest level in several months. Thirty-four percent of respondents reported that conditions improved over the month, and 28 percent said that conditions worsened. The business climate index fell twelve points to -1.2, signaling that, on balance, firms viewed the business climate as normal.

Price Increases Slow
The employment index fell five points to 7.7, indicating that employment levels increased, though at a slower pace than last month. After declining for the prior two months, the wages index rose four points to 41.1, suggesting that wage increases were somewhat more widespread. The prices paid index edged down four points to 46.7, indicating that input prices increased at a slightly slower pace than in May. The prices received index fell nine points to 18.7, a sign that selling price increases also slowed. The capital spending index fell five points to 10.8.

Optimism Wanes
All indexes assessing the six-month outlook moved lower in June. The index for future business activity decreased thirteen points to 19.8, and the index for future business climate fell below zero, declining 22 points to -12.8. Employment and wages were both expected to increase in the months ahead. The index for planned capital spending fell nine points to 16.8.

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

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Month Year


Current Indicators
Change from Preceding Month

Business Activity

Business Climate

Number of Employees

Wages

Prices Paid

Prices Received

Capital Spending

Percent Reporting
Index
Higher | Lower

May
38.9 | 18.3 | 20.6
Jun
33.9 | 28.1 | 5.8
Change
-14.8

Percent Reporting
Favorable Unfavorable
Index
May
28.8 | 18.1 | 10.7
Jun
23.1 | 24.3 | -1.2
Change
-11.9

Percent Reporting
Index
Higher | Lower

May
30.2 | 18.0 | 12.2
Jun
27.2 | 19.5 | 7.7
Change
-4.5

Percent Reporting
Index
Higher | Lower

May
40.6 | 3.5 | 37.1
Jun
44.0 | 3.0 | 41.1
Change
-4.0

Percent Reporting
Index
Higher | Lower

May
52.6 | 2.3 | 50.3
Jun
50.9 | 4.1 | 46.7
Change
-3.6

Percent Reporting
Index
Higher | Lower

May
32.2 | 4.1 | 28.1
Jun
25.3 | 6.6 | 18.7
Change
-9.4

Percent Reporting
Index
Higher | Lower

May
31.5 | 16.1 | 15.5
Jun
25.3 | 14.5 | 10.8
Change
-4.7
Forward-Looking Indicators
Expectations Six Months Ahead

### Business Activity

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