August 2026

Business Leaders Survey

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

Note: Survey responses were collected between August 3 and August 10.

Business activity held steady in the region's service sector in August, according to firms responding to the Federal Reserve Bank of New York's *Business Leaders Survey*. The survey's headline business activity index fell eight points to 0.5. The business climate index was little changed at -25.7, suggesting the business climate was still worse than normal. Employment edged up slightly and wages continued to increase modestly. Supply availability continued to worsen. The pace of input price increases picked up slightly, while selling prices increased at about the same pace as in July. Capital spending was weak. Looking ahead, firms' optimism about the six-month outlook weakened notably.

ECONOMIST COMMENTARY

"Business activity held steady in the New York-Northern New Jersey region's service sector in August. Employment increased modestly, though firms' optimism about the six-month outlook waned significantly."

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

Activity Holds Steady

Business activity was little changed in the New York-Northern New Jersey region, according to the August survey. The headline business activity index dropped eight points to 0.5. Twenty-nine percent of respondents reported that conditions improved over the month and 29 percent said that conditions worsened. The business climate index remained deeply negative at -25.7, with 43 percent of respondents reporting an unfavorable business climate.

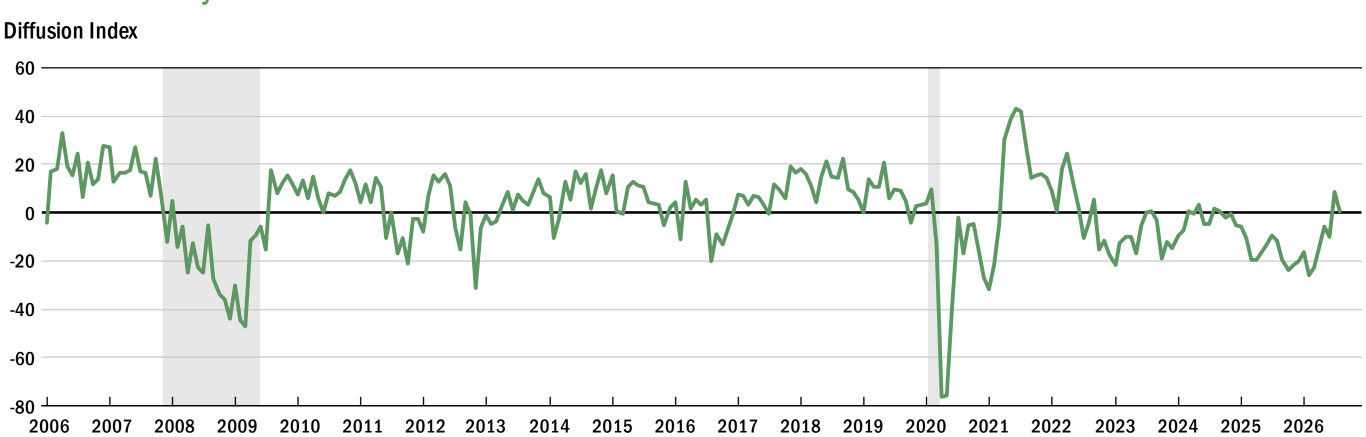
Employment Edges Up

The employment index came in at 2.4, suggesting employment levels moved slightly higher. The wages index held steady at 30.7, indicating that wages continued to increase modestly. The prices paid index moved up three points to 70.1, signaling a slight uptick in input price increases, while the prices received index held steady at 27.7. The supply availability index fell five points to -14.3, indicating that supply availability worsened at a steeper pace than last month.

Optimism Wanes

The index for future business activity dropped fourteen points to 9.3, suggesting firms expect only modest growth in activity over the next six months. The future business climate index declined seventeen points to -16.5, signaling growing pessimism about the future business environment. Employment is expected to increase modestly in the months ahead. Firms' expectations for future price increases remained elevated, and supply availability is expected to continue to worsen somewhat. Capital spending plans remained weak. ■

Business Activity

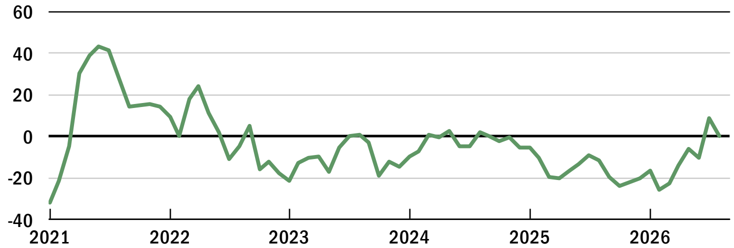


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

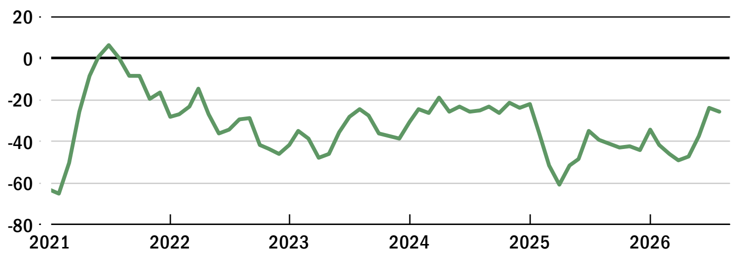
Change from Preceding Month

Business Activity



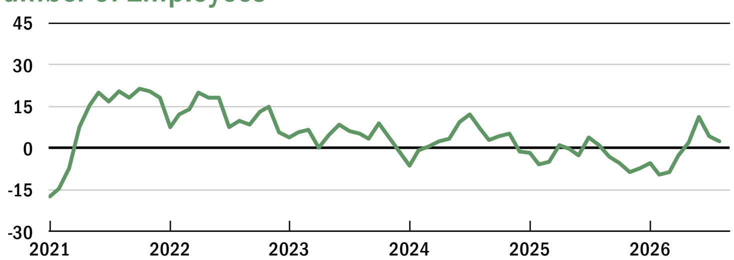
	Percent Reporting		
	Higher	Lower	Index
Jul	33.7	25.0	8.7
Aug	29.3	28.8	0.5
Change			-8.2

Business Climate



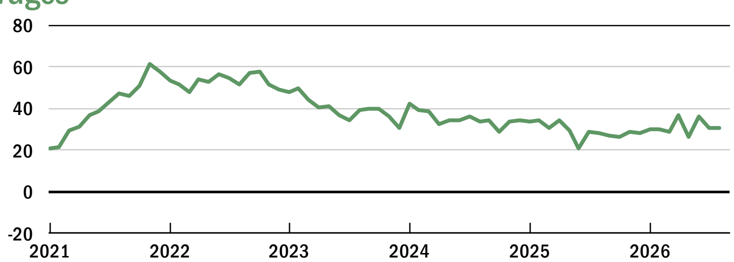
	Percent Reporting		
	Favorable	Unfavorable	Index
Jul	20.7	44.7	-24.0
Aug	17.5	43.2	-25.7
Change			-1.7

Number of Employees



	Percent Reporting		
	Higher	Lower	Index
Jul	20.8	16.4	4.3
Aug	18.0	15.6	2.4
Change			-1.9

Wages



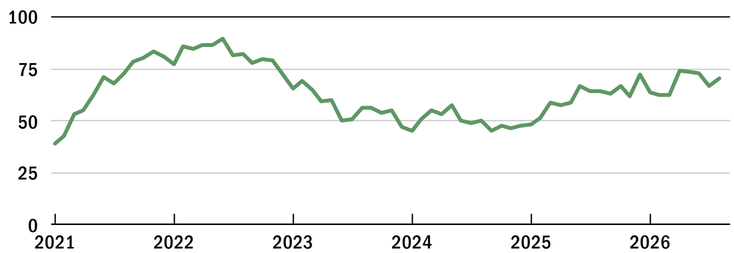
	Percent Reporting		
	Higher	Lower	Index
Jul	33.1	2.4	30.7
Aug	34.2	3.4	30.7
Change			0.0

Note: The current wages index is seasonally adjusted.

Current Indicators, *continued*

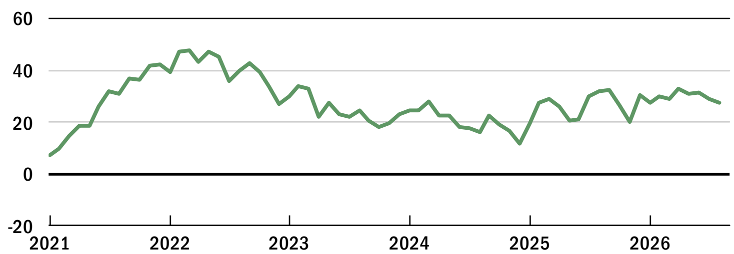
Change from Preceding Month

Prices Paid



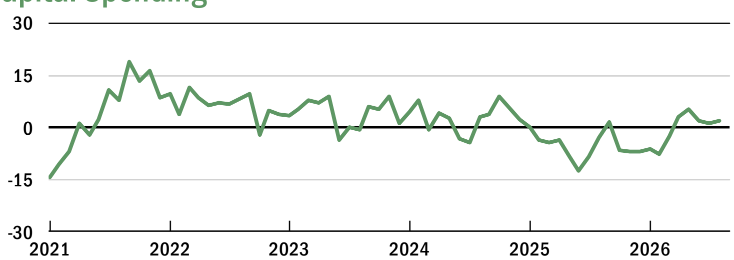
	Percent Reporting		
	Higher	Lower	Index
Jul	67.6	1.0	66.7
Aug	71.6	1.5	70.1
Change			3.4

Prices Received



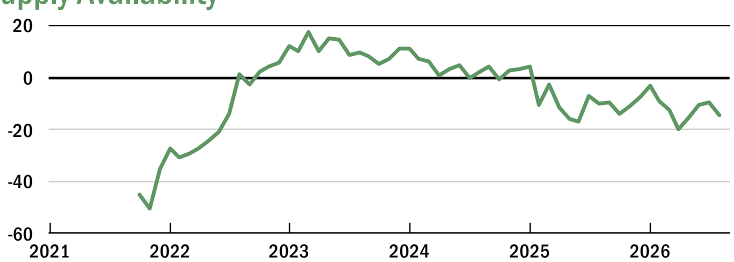
	Percent Reporting		
	Higher	Lower	Index
Jul	32.8	3.9	28.9
Aug	32.7	5.0	27.7
Change			-1.2

Capital Spending



	Percent Reporting		
	Higher	Lower	Index
Jul	19.0	18.0	1.0
Aug	19.1	17.2	2.0
Change			1.0

Supply Availability



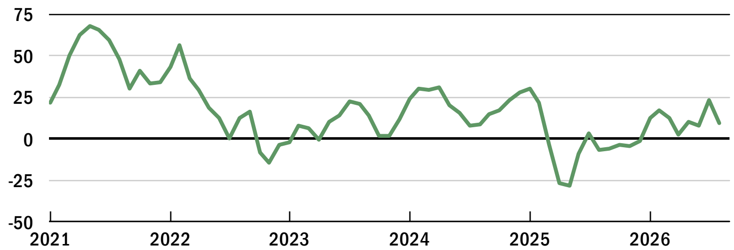
	Percent Reporting		
	Higher	Lower	Index
Jul	9.2	18.8	-9.7
Aug	6.4	20.7	-14.3
Change			-4.6

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

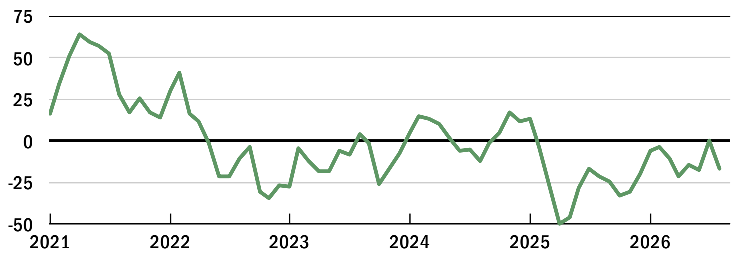
Expectations Six Months Ahead

Business Activity



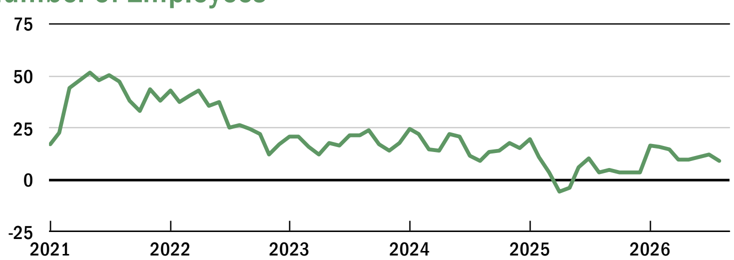
	Percent Reporting		
	Higher	Lower	Index
Jul	41.1	17.9	23.2
Aug	32.2	22.9	9.3
Change			-13.9

Business Climate



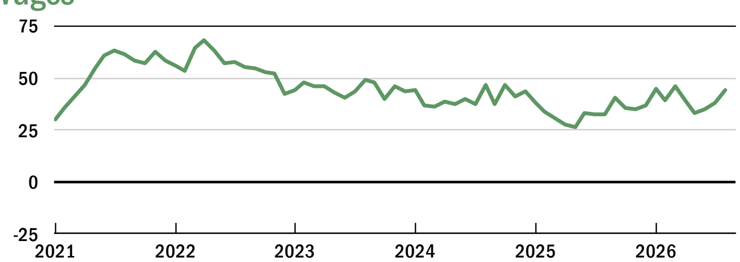
	Percent Reporting		
	Better	Worse	Index
Jul	29.0	29.0	0.0
Aug	15.5	32.0	-16.5
Change			-16.5

Number of Employees



	Percent Reporting		
	Higher	Lower	Index
Jul	28.9	16.9	11.9
Aug	27.0	17.6	9.3
Change			-2.6

Wages



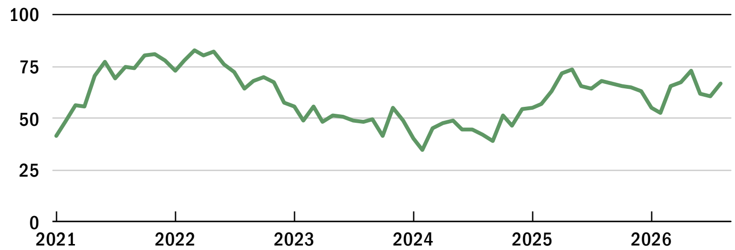
	Percent Reporting		
	Higher	Lower	Index
Jul	40.7	2.5	38.2
Aug	47.6	3.4	44.2
Change			6.0

Note: The future wages index is seasonally adjusted.

Forward-Looking Indicators, *continued*

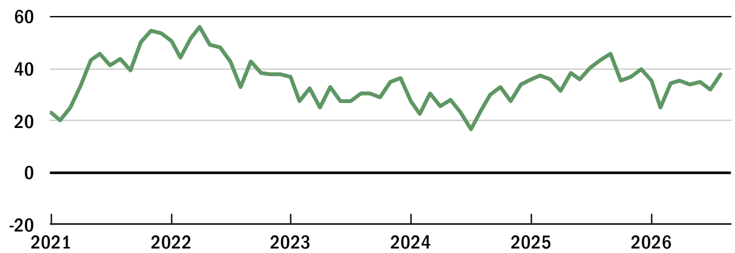
Expectations Six Months Ahead

Prices Paid



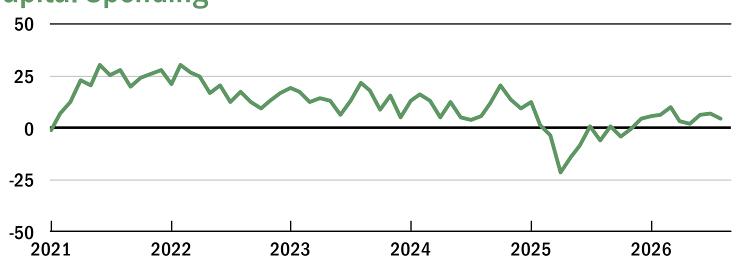
	Percent Reporting		
	Higher	Lower	Index
Jul	62.9	2.5	60.4
Aug	69.0	2.0	67.0
Change			6.6

Prices Received



	Percent Reporting		
	Higher	Lower	Index
Jul	36.8	5.0	31.8
Aug	41.6	4.0	37.6
Change			5.8

Capital Spending



	Percent Reporting		
	Higher	Lower	Index
Jul	27.7	20.8	6.9
Aug	25.0	20.6	4.4
Change			-2.5

Supply Availability

	Percent Reporting		
	Higher	Lower	Index
Jul	9.7	17.0	-7.3
Aug	8.8	17.1	-8.3
Change			-1.0

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