

Business Leaders Survey

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

Note: Survey responses were collected between March 4 and March 11.

Activity held steady in the region’s service sector, according to firms responding to the Federal Reserve Bank of New York’s March 2024 *Business Leaders Survey*. The survey’s headline business activity index climbed eight points to 0.6, its highest level in several months. The business climate index was little changed at -26.4, suggesting the business climate remains worse than normal. Employment held steady, and wage increases moderated to a small degree. Input and selling price increases picked up somewhat. Capital spending was flat. Looking ahead, firms remained moderately optimistic about future conditions, with the business climate expected to be better than normal in six months.

Activity Steadies

After declining for the prior six months, business activity stabilized in the New York-Northern New Jersey region, according to the March survey. The

ECONOMIST COMMENTARY

“Business activity held steady in the New York-Northern New Jersey service sector in March, marking the first time in several months that activity didn’t decline. Employment and capital spending were flat, while firms were fairly optimistic about the future business climate.”

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

headline business activity index climbed eight points to 0.6. Thirty percent of respondents reported that conditions improved over the month and 30 percent said that conditions worsened. The business climate index edged down two points to -26.4, suggesting that the business climate remains worse than normal.

Employment Flat

The employment index held at a level of around zero, signaling that employment levels held steady. The wages index edged down three points to 43.8, indicating wage increases moderated

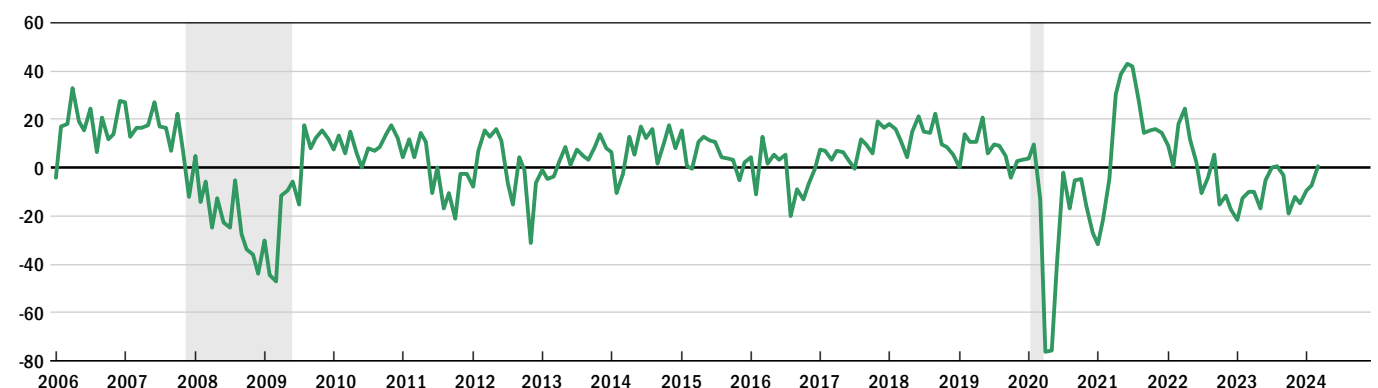
slightly. The prices paid index rose five points to 55.1 and the prices received index climbed three points to 27.8, with the two upticks pointing to a modest pickup in the pace of input and selling price increases. The capital spending index fell to -0.6.

Conditions Expected to Improve

The index for future business activity was little changed at 29.8, and the index for the future business climate held steady at 13.6, suggesting that firms were fairly optimistic about future conditions. Employment is expected to increase modestly in the months ahead. ■

Business Activity

Diffusion Index

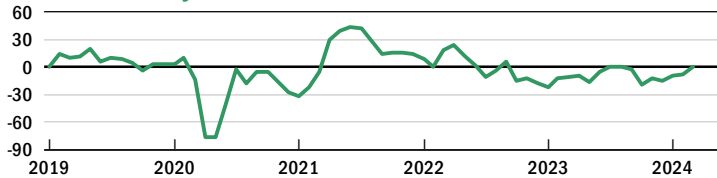


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

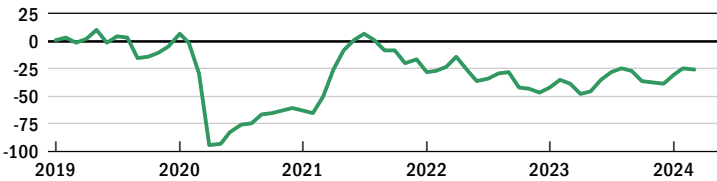
Change from Preceding Month

Business Activity



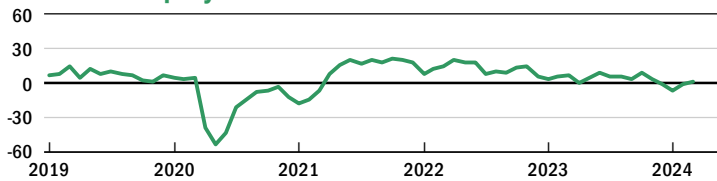
	Percent Reporting		Index
	Higher	Lower	
Feb	24.4	31.7	-7.3
Mar	30.3	29.8	0.6
Change			7.9

Business Climate



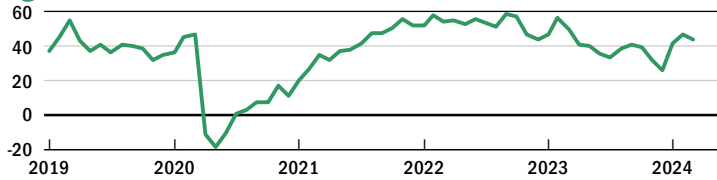
	Percent Reporting		Index
	Favorable	Unfavorable	
Feb	12.7	37.0	-24.2
Mar	15.7	42.1	-26.4
Change			-2.2

Number of Employees



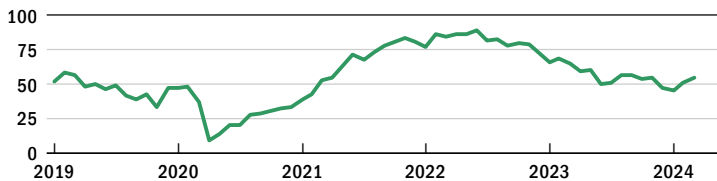
	Percent Reporting		Index
	Higher	Lower	
Feb	19.4	20.0	-0.6
Mar	16.3	15.7	0.6
Change			1.2

Wages



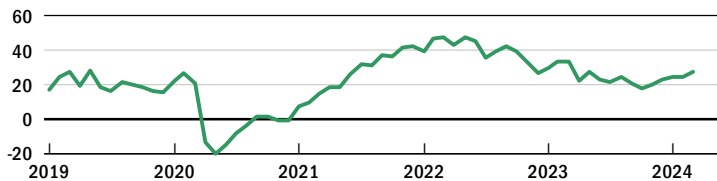
	Percent Reporting		Index
	Higher	Lower	
Feb	48.5	1.8	46.7
Mar	46.6	2.8	43.8
Change			-2.9

Prices Paid



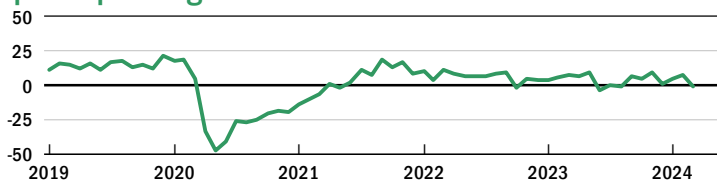
	Percent Reporting		Index
	Higher	Lower	
Feb	51.8	1.2	50.6
Mar	57.9	2.8	55.1
Change			4.5

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Feb	31.9	7.4	24.5
Mar	31.8	4.0	27.8
Change			3.3

Capital Spending

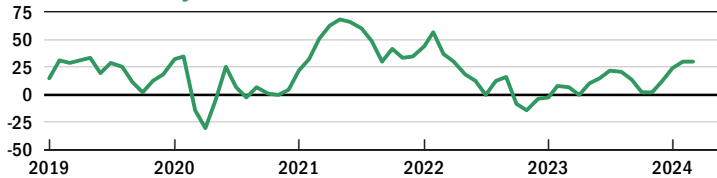


	Percent Reporting		Index
	Higher	Lower	
Feb	26.7	18.8	7.9
Mar	18.1	18.6	-0.6
Change			-8.5

Forward-Looking Indicators

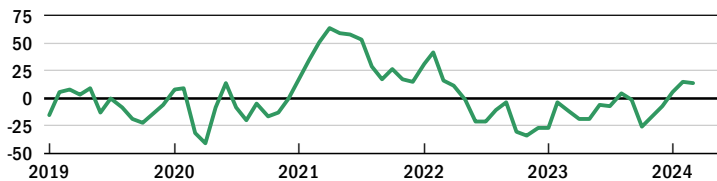
Expectations Six Months Ahead

Business Activity



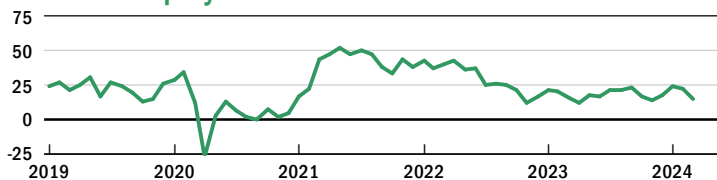
	Percent Reporting		Index
	Higher	Lower	
Feb	44.8	14.7	30.1
Mar	43.8	14.0	29.8
Change			-0.3

Business Climate



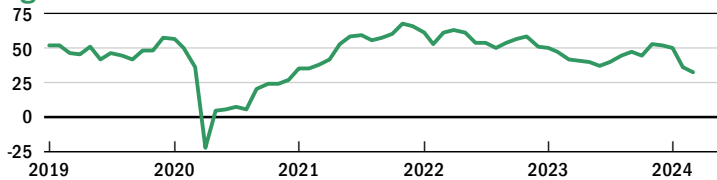
	Percent Reporting		Index
	Better	Worse	
Feb	34.5	19.4	15.2
Mar	31.8	18.2	13.6
Change			-1.6

Number of Employees



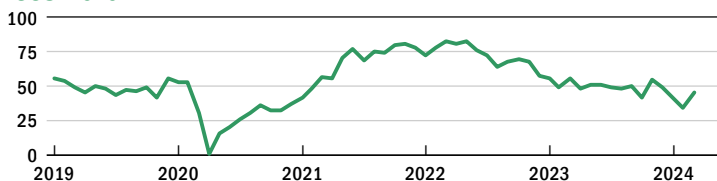
	Percent Reporting		Index
	Higher	Lower	
Feb	32.5	10.4	22.1
Mar	27.2	12.4	14.8
Change			-7.3

Wages



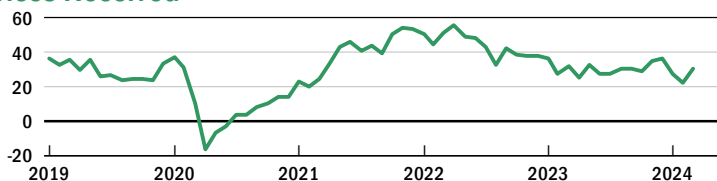
	Percent Reporting		Index
	Higher	Lower	
Feb	37.7	1.9	35.8
Mar	35.5	3.0	32.5
Change			-3.3

Prices Paid



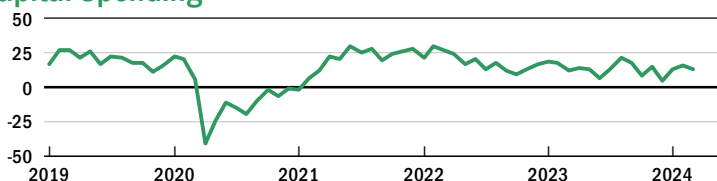
	Percent Reporting		Index
	Higher	Lower	
Feb	38.9	4.3	34.6
Mar	50.3	5.3	45.0
Change			10.4

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Feb	28.6	6.2	22.4
Mar	36.3	6.0	30.4
Change			8.0

Capital Spending



	Percent Reporting		Index
	Higher	Lower	
Feb	25.8	9.8	16.0
Mar	27.8	14.8	13.0
Change			-3.0