

Business Leaders Survey

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

Note: Survey responses were collected between November 2 and November 9.

Activity continued to decline in the region's service sector, though at a slower pace than last month, according to firms responding to the Federal Reserve Bank of New York's November 2023 *Business Leaders Survey*. The survey's headline business activity index rose seven points to -11.9. The business climate index was little changed at -37.1, suggesting the business climate remains much worse than normal. Despite the decline in activity, employment grew slightly, while wage increases slowed. Input prices and selling prices increased at about the same pace as last month. Looking ahead, firms were not optimistic that conditions would improve over the next six months.

Activity Continues to Decline

Business activity continued to contract,

according to the November survey. The headline business activity index climbed seven points but remained negative at -11.9. Twenty-one percent of respondents reported that conditions improved over the month and 33 percent said that conditions worsened. The business climate index held steady at -37.1, suggesting that the business climate remains considerably worse than normal.

Wage Increases Slow

The employment index edged down five points to 3.8, pointing to a slight increase in employment. The wages index moved down eight points to 31.6, a sign that wage increases slowed. Both the prices paid and prices received indexes were little

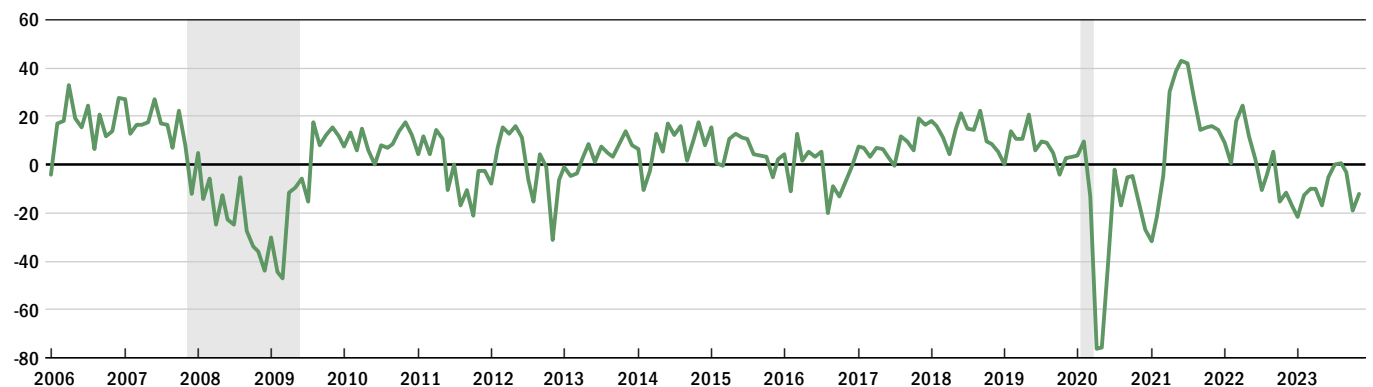
changed, indicating that input prices and selling prices increased at about the same pace as last month. At 8.9, the capital spending index signaled a modest increase in capital expenditures.

Firms Don't Expect Much Improvement

The index for future business activity was unchanged at 1.9, its near-zero reading indicating that firms do not expect activity to increase over the next six months. The index for the future business climate came in at -17.0, suggesting the business climate is expected to remain worse than normal. However, employment is expected to grow modestly in the months ahead. ■

Business Activity

Diffusion Index

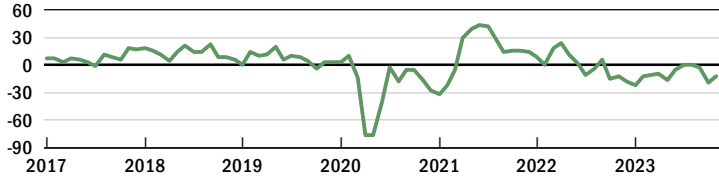


Note: The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Current Indicators

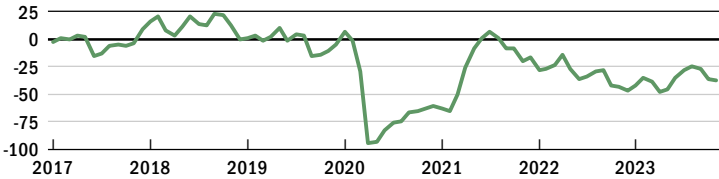
Change from Preceding Month

Business Activity



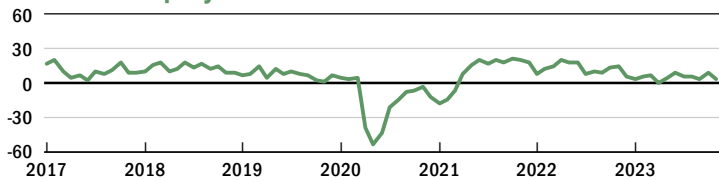
	Percent Reporting		Index
	Higher	Lower	
Oct	19.1	38.2	-19.1
Nov	20.8	32.7	-11.9
Change			7.2

Business Climate



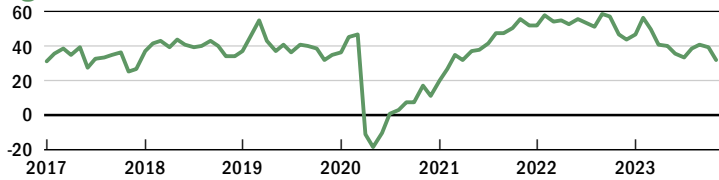
	Percent Reporting		Index
	Favorable	Unfavorable	
Oct	10.3	46.2	-35.9
Nov	10.7	47.8	-37.1
Change			-1.2

Number of Employees



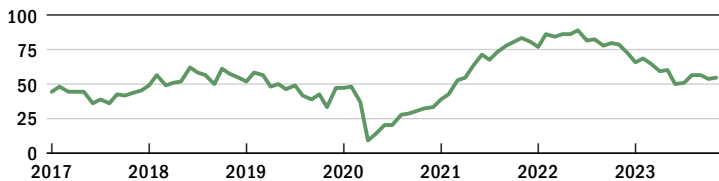
	Percent Reporting		Index
	Higher	Lower	
Oct	24.8	15.9	8.9
Nov	22.2	18.4	3.8
Change			-5.1

Wages



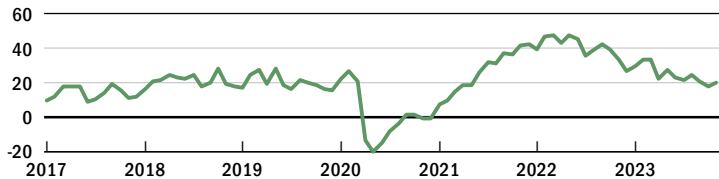
	Percent Reporting		Index
	Higher	Lower	
Oct	42.0	2.5	39.5
Nov	34.2	2.5	31.6
Change			-7.9

Prices Paid



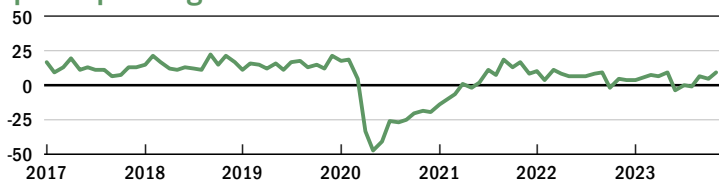
	Percent Reporting		Index
	Higher	Lower	
Oct	58.3	4.5	53.8
Nov	60.8	5.7	55.1
Change			1.3

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Oct	26.5	8.4	18.1
Nov	26.1	6.4	19.7
Change			1.6

Capital Spending

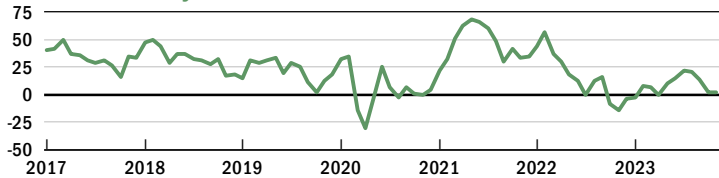


	Percent Reporting		Index
	Higher	Lower	
Oct	23.6	18.5	5.1
Nov	24.1	15.2	8.9
Change			3.8

Forward-Looking Indicators

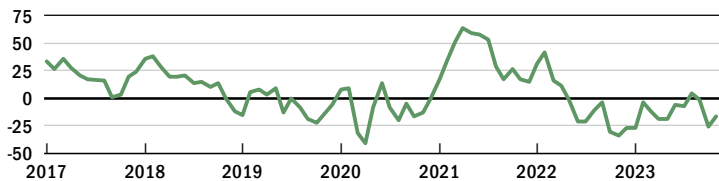
Expectations Six Months Ahead

Business Activity



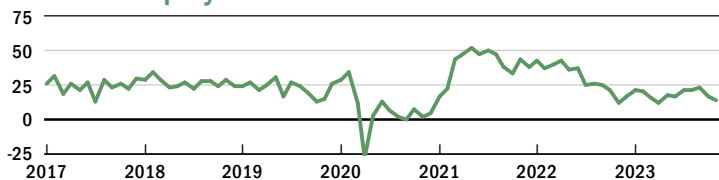
	Percent Reporting		Index
	Higher	Lower	
Oct	27.4	25.5	1.9
Nov	27.0	25.2	1.9
Change			0.0

Business Climate



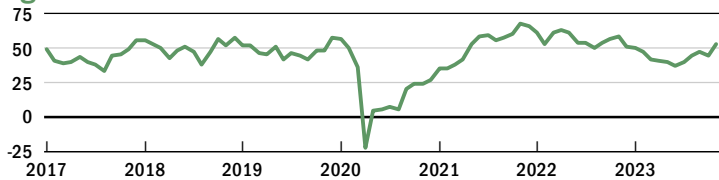
	Percent Reporting		Index
	Better	Worse	
Oct	11.5	36.9	-25.5
Nov	16.4	33.3	-17.0
Change			8.5

Number of Employees



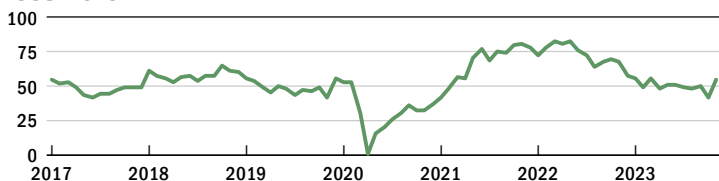
	Percent Reporting		Index
	Higher	Lower	
Oct	30.5	13.6	16.9
Nov	26.6	12.7	13.9
Change			-3.0

Wages



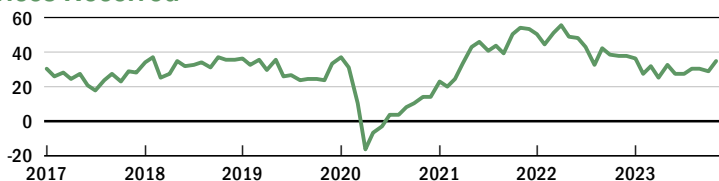
	Percent Reporting		Index
	Higher	Lower	
Oct	47.7	3.3	44.4
Nov	55.1	2.6	52.6
Change			8.2

Prices Paid



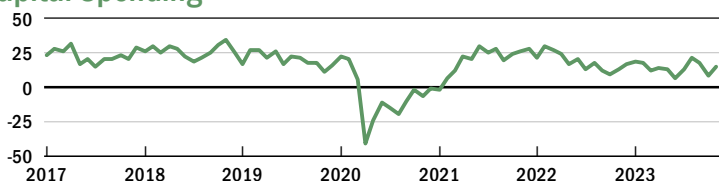
	Percent Reporting		Index
	Higher	Lower	
Oct	47.7	6.5	41.2
Nov	57.3	2.5	54.8
Change			13.6

Prices Received



	Percent Reporting		Index
	Higher	Lower	
Oct	37.1	7.9	29.1
Nov	39.4	4.5	34.8
Change			5.7

Capital Spending



	Percent Reporting		Index
	Higher	Lower	
Oct	28.1	19.6	8.5
Nov	30.4	15.2	15.2
Change			6.7