



## NEW YORK CITY REPORT ON BUSINESS Faster Activity Brings Faster Job Growth

New York City business activity backed off a two-year high, but still expanded at an above-average clip, according to the survey taken by the Institute for Supply Management-New York (ISM-NY).

Current Business Conditions came in at 60.5 in August, the first back-to-back months above the lofty 60 level in two years.

Future optimism continued to expand at a solid pace, despite easing to a seven-month low. The Six-Month Outlook was 62.4 in August.

Jobs improved for a third consecutive month. Employment rose to a two-year high of 59.8 in August.

Purchase volume picked up. Quantity of Purchases, 54.8 in August, expanded at a moderate pace.

Prices Paid, 45.3 in August, contracted for the first time in almost two years and fell to the lowest level in three years.

The top line was better and guidance was more positive. Current Revenues, 59.4 in August, reached a six-month high, and Expected Revenues, 74.2 in August, posted the highest reading in its 19-month history.

(For clarity, the former *Revenues* series has been renamed *Current Revenues* and the former *Expected Demand* series has been renamed *Expected Revenues*.)

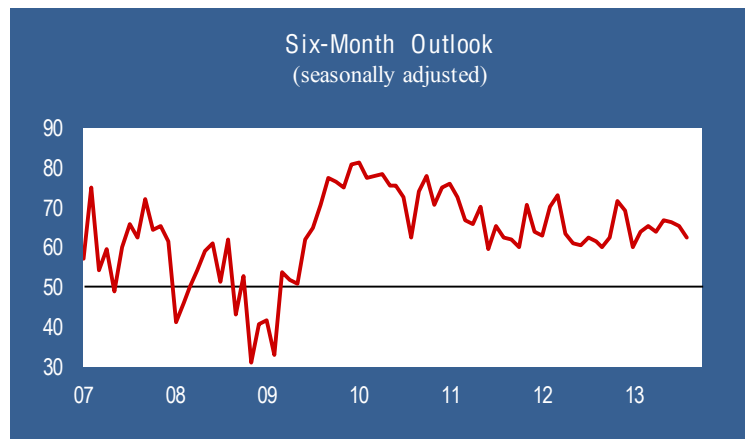
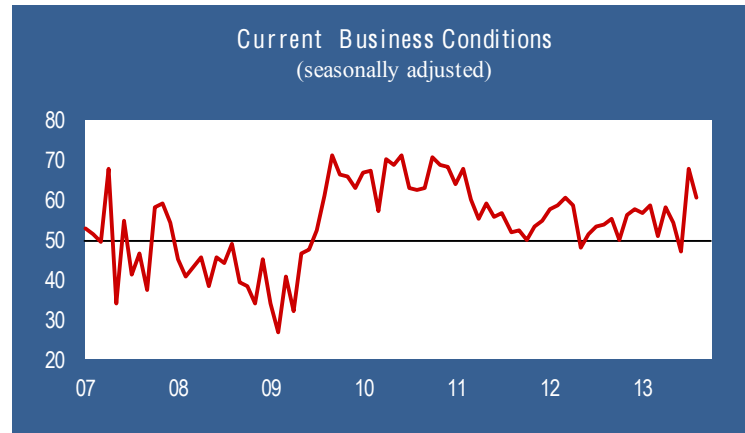
August's Question of the Month: In your opinion, what are your firm's plans for worker compensation during the next six months?

	Aug '13	Jul '12	Jul '11	Jul '10
Raise	9%	13%	14%	15%
Hold Steady	51%	63%	75%	85%
Lower	11%	3%	11%	0%
Don't Know	23%	20%	NA	NA
Raise-Lower	-2%	10%	3%	15%

(numbers may not add to 100% due to rounding or no responses)

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Improved Business Opportunity/Impediment table. We have expanded the coverage of this part of the *Report on Business*, asking respondents not only if they judge specific issues as a business impediment, but also as a business opportunity. The opportunity-impediment indicator will help gauge how good or bad specific issues are supporting or weighing on current business conditions. See page 3.



Business Conditions in New York City Metro Area  
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
August 2012	53.8	61.6	555.2
September	55.2	60.0	557.8
October	50.2	62.7	558.0
November	56.2	71.8	561.1
December	57.7	69.0	564.9
January 2013	56.7	60.0	568.3
February	58.8	64.1	572.7
March	51.2	65.2	573.3
April	58.3	64.0	577.4
May	54.4	67.0	579.6
June	47.0	66.1	578.1
July	67.8	65.3	587.0
<b>August</b>	<b>60.5</b>	<b>62.4</b>	<b>592.3</b>

\*The NY-BCI is a cumulative diffusion index constructed from the diffusion index of Current Business Conditions for businesses in the New York City metro area. -r is revised.

# Report on Business



## Employment (seasonally adjusted)

The current month's number of employees compared to the previous month.

	Jul	Jun	May	Apr	Mar	Year ago Aug
<b>Aug</b>	54.1	50.8	49.4	53.3	57.3	57.0
<b>59.8</b>						

Employment (seasonally adjusted)



## Quantity of Purchases

The current month's level of expenditures (units, not dollars) compared to the previous month.

	Jul	Jun	May	Apr	Mar	Year ago Aug
<b>Aug</b>	53.6	55.8	45.5	59.4	55.0	47.5
<b>54.8</b>						

Quantity of Purchases

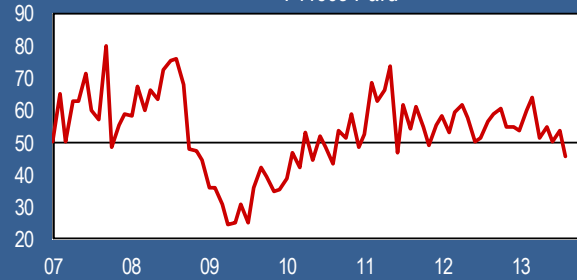


## Prices Paid

The current month's level of prices paid for goods and services compared to the previous month.

	Jul	Jun	May	Apr	Mar	Year ago Aug
<b>Aug</b>	53.4	50.0	54.5	51.6	64.1	56.4
<b>45.3</b>						

Prices Paid



## Current Revenues

The current month's level of revenues (in dollars) compared to the previous month.

	Jul	Jun	May	Apr	Mar	Year ago Aug
<b>Aug</b>	58.9	50.0	50.0	51.7	57.4	50.0
<b>59.4</b>						

## Expected Revenues

The expected level of revenues (in dollars) in the next six months.

	Jul	Jun	May	Apr	Mar	Year ago Aug
<b>Aug</b>	60.3	50.0	64.7	62.9	50.0	65.0
<b>74.2</b>						

## About the Survey

The purpose of the survey is to quickly assess business conditions among firms in the New York City area. The survey results are compiled as diffusion indices - the percent of positive responses plus one-half of those responding the same (considered positive). A reading of 50% means no change from the prior month, greater than 50% indicates a faster pace of activity, and less than 50% a slower rate. The Current Business Conditions index, Six-Month Outlook index, the NY-BCI and the Employment index are seasonally adjusted. All other measures are not seasonally adjusted. - is revised.



## Potential Business Opportunities/Impediments - August 2013

How do you foresee the following factors affecting your company this month?

	Opportunity-Impediment	Impediment	No effect	Opportunity
Cost of Benefits	-45%	55%	36%	9%
Inflation	-39%	39%	61%	0%
Interest Rates	-39%	39%	61%	0%
Cost of Labor	-30%	33%	64%	3%
Abnormal Weather/Natural Disasters	-21%	24%	73%	3%
Taxes	-21%	21%	79%	0%
Insurance	-18%	21%	76%	3%
Regulations	-18%	30%	58%	12%
Energy Costs	-18%	33%	52%	15%
Unskilled Labor	-15%	15%	85%	0%
Banking	-12%	15%	82%	3%
Capital Equipment	-12%	15%	82%	3%
Raw Materials	-12%	18%	76%	6%
Competition	-12%	27%	58%	15%
Exchange Rate	-9%	18%	73%	9%
Security Concerns	-9%	12%	85%	3%
Skilled Labor	-6%	27%	52%	21%
Project Distribution	-3%	12%	79%	9%
Working Capital	0%	24%	52%	24%
Other	3%	0%	85%	3%
Occupancy	9%	3%	85%	12%
Foreign Demand	15%	12%	61%	27%
Management Skills	21%	12%	55%	33%
Technology	24%	12%	52%	36%
Domestic Demand	30%	12%	45%	42%