



NEW YORK CITY REPORT ON BUSINESS Shutdown? What Shutdown?

New York City business activity grew at a faster pace, according to the survey taken by the Institute for Supply Management-New York (ISM-NY).

Current Business Conditions came in at 59.3 in October, not showing ill effects from the government shutdown.

Future optimism picked up. The Six-Month Outlook rose to a three-month high of 63.6 in October.

Jobs stayed close to neutral for a second straight month. Employment came in at 50.3 in October.

Purchase volume contracted by the most in three years, but some of this looks to be due to seasonal patterns. Quantity of Purchases fell to 42.9 in October.

Prices Paid rose to a seven-month high of 56.1 in October.

The top line improved, but guidance moderated. Current Revenues, 52.1 in October, bounced back from a contraction last month, and Expected Revenues, 60.4 in October, eased for a second month in a row.

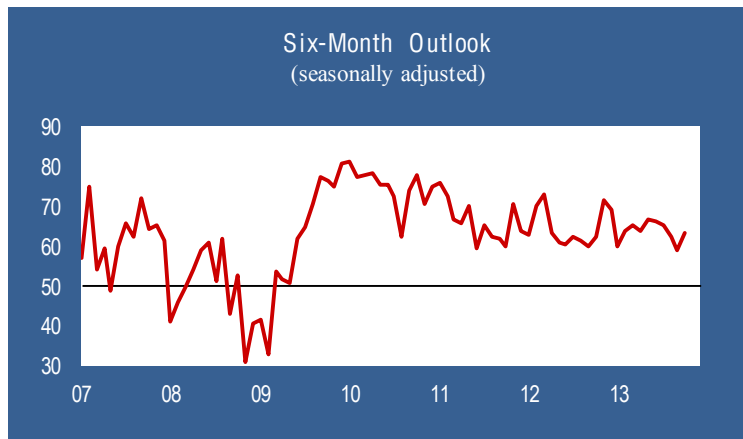
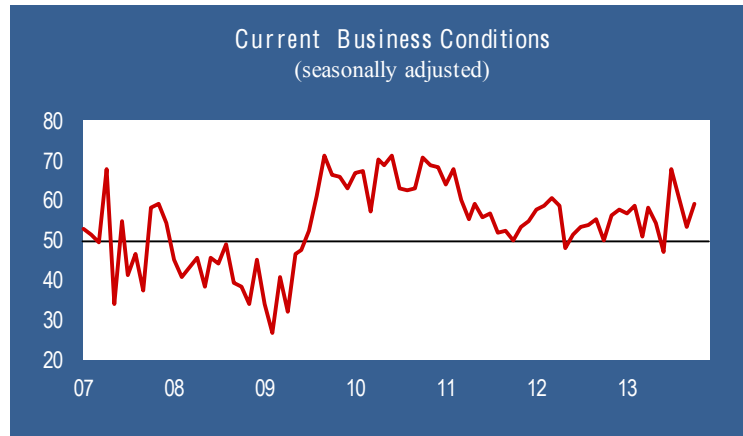
(For clarity, the former *Revenues* series has been renamed *Current Revenues* and the former *Expected Demand* series has been renamed *Expected Revenues*.)

October's Question of the Month: In your opinion, in the quarter ended September, are your department/company expenses running above, in line or below budgeted projections?

	Q3 '13	Q2 '13	Q1 '13	Q4 '12	Q3 '12
Above	9%	19%	14%	25%	21%
In Line	66%	62%	75%	57%	42%
Below	6%	19%	3%	11%	29%
DK	0%	0%	6%	7%	8%

(numbers may not add due to rounding and no responses; DK=don't know)

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*
October 2012	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
August	60.5	62.4	592.3
September	53.6	59.1	594.1
October	59.3	63.6	598.7

*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.



Employment (seasonally adjusted)

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

							Year ago
	Oct	Sep	Aug	Jul	Jun	May	Oct
	50.3	50.2	59.8	54.1	50.8	49.4	52.3

Employment (seasonally adjusted)



Quantity of Purchases

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

							Year ago
	Oct	Sep	Aug	Jul	Jun	May	Oct
	42.9	46.3	54.8	53.6	55.8	45.5	52.2

Quantity of Purchases



Prices Paid

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

							Year ago
	Oct	Sep	Aug	Jul	Jun	May	Oct
	56.1	55.1	45.3	53.4	50.0	54.5	60.4

Prices Paid



Current Revenues

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

							Year ago
	Oct	Sep	Aug	Jul	Jun	May	Oct
	52.1	47.3	59.4	58.9	50.0	50.0	50.0

Expected Revenues

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

							Year ago
	Oct	Sep	Aug	Jul	Jun	May	Oct
	60.4	62.5	74.2	60.3	50.0	64.7	50.0

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. -r is revised.

Report on Business



Potential Business Opportunities/Impediments - October 2013

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

	Opportunity-Impediment	Impediment	No effect	Opportunity
Cost of Benefits	-62%	62%	38%	0%
Regulations	-38%	47%	45%	9%
Inflation	-38%	38%	62%	0%
Taxes	-31%	33%	65%	2%
Insurance	-29%	31%	67%	2%
Cost of Labor	-28%	32%	64%	4%
Competition	-27%	35%	56%	8%
Abnormal Weather/Natural Disasters	-27%	33%	60%	6%
Interest Rates	-25%	33%	58%	8%
Energy Costs	-23%	27%	69%	4%
Exchange Rate	-15%	21%	73%	6%
Banking	-10%	19%	73%	8%
Security Concerns	-8%	13%	83%	4%
Other	-6%	6%	62%	0%
Raw Materials	-4%	10%	83%	6%
Capital Equipment	-2%	13%	77%	10%
Project Distribution	0%	8%	83%	8%
Skilled Labor	4%	19%	58%	23%
Unskilled Labor	4%	4%	88%	8%
Occupancy	4%	6%	83%	10%
Working Capital	6%	19%	56%	25%
Foreign Demand	8%	10%	71%	19%
Management Skills	10%	13%	65%	23%
Technology	10%	15%	60%	25%
Domestic Demand	25%	15%	46%	40%