



Jonathan Basile, Business Survey Chair, NAPM-New York and Vice President/Economist, Credit Suisse, (212) 538-1436, jonathan.basile@credit-suisse.com

Peter Oppenheimer, C.P.M., Executive Director, NAPM-New York, (516) 466-9822

**January 30, 2009**

**NEW YORK CITY REPORT ON BUSINESS**

*Same Story, Different Year*

New York City business activity declined for a 12th straight month, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index stood at 38.4 in January.

Seasonally-adjusted series have been recalculated using updated seasonal factors. This affects Current Business Conditions, the Six-Month Outlook and the NY-BCI from January 2004 to December 2008. Please contact the NAPM-NY Business Survey Chair for the new historical data.

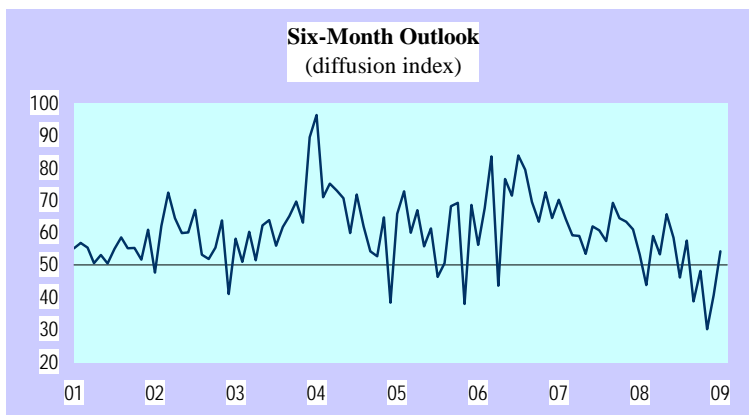
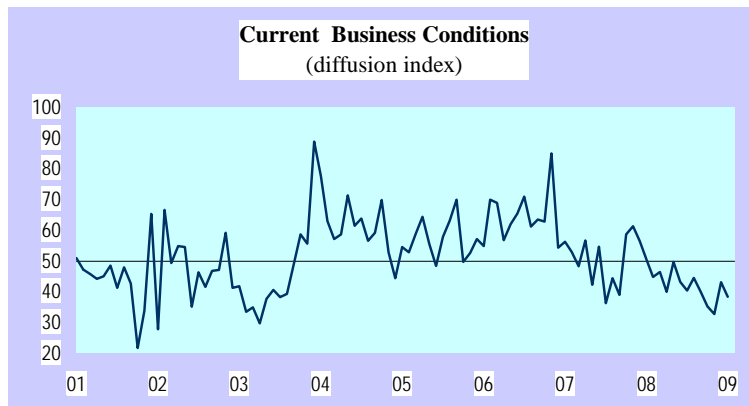
Purchasing volume and employment stayed depressed, while cost pressures continued to abate. The Quantity of Purchases index came in at 20.8, the Employment index was 22.2 and the Prices Paid index hit a seven-year low of 35.7.

Despite the persistent weakness in the current environment, purchasing managers turned optimistic at the turn of the year. The Six-Month Outlook index rose to 54.2 in January, the first positive showing since before the financial crisis intensified last September.

Business Impediments	Jan	Dec	Nov
Skilled labor shortage	8%	0%	3%
Unskilled labor shortage	3%	0%	0%
Working capital shortage	31%	30%	23%
Raw material shortage	6%	0%	6%
Security concerns	11%	15%	0%
Abnormal weather	3%	15%	6%
“Other” difficulties	33%	30%	26%
No difficulties	17%	19%	9%

January’s Question of the Month: Disinflationary dynamics have become an emerging concern for some at the Federal Reserve, and monitoring such expectations has become a more important issue. In your opinion, the New York City region is currently in what type of environment for selling prices? More than half of the respondents said that selling prices were falling.

Rising faster	9%
Rising slower	9%
Steady	26%
Falling slower	50%
Falling faster	6%



**Business Conditions in New York City**  
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
January 2008	50.3	53.1	430.8
February	44.8	43.8	428.2
March	46.4	59.0	426.4
April	40.0	53.3	421.4
May	49.7	65.6	421.3
June	43.2	58.4	417.9
July	40.4	46.1	413.1
August	44.5	57.6	410.4
September	40.0	38.8	405.3
October	35.3	48.3	398.0
November	32.7	30.2	389.3
December	43.1	40.7	385.9
<b>January 2009</b>	<b>38.4</b>	<b>54.2</b>	<b>380.1</b>

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

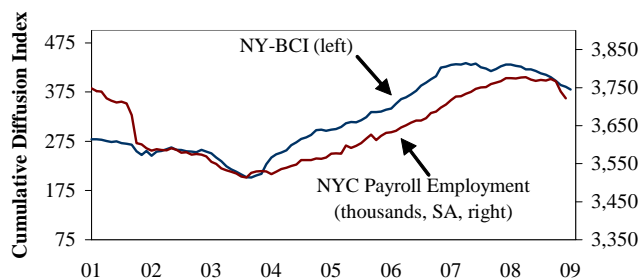
## New York City Labor Market

### Employment

Current employment trends compared to the previous month.

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	22.2	27.8	16.2	26.1	28.4	39.6

### NY-BCI vs. NYC Employment



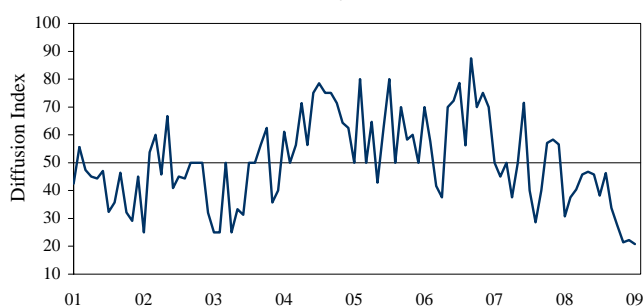
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

### Quantity of Purchases

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

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	20.8	22.2	21.4	27.7	33.8	30.8

### Quantity of Purchases

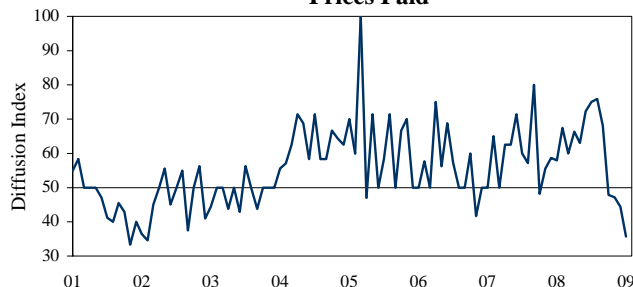


### Prices Paid

The current month's overall change in prices paid for goods and services compared to the previous month.

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	35.7	44.4	47.1	47.8	68.1	58.0

### Prices Paid

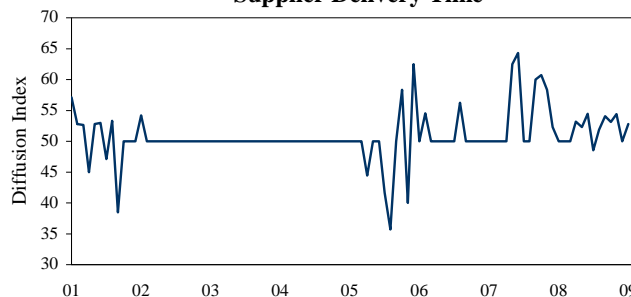


### Supplier Delivery Time

The current month's overall delivery performance compared to the previous month.

	Jan	Dec	Nov	Oct	Sep	Year ago Jan
Diffusion Index	52.8	50.0	54.4	53.1	54.1	50.0

### Supplier Delivery Time



### About the Survey

The purpose of the survey is to quickly assess business conditions among non-manufacturing firms/organizations 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 and NY-BCI are seasonally adjusted. All other measures are not seasonally adjusted.