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**NEW YORK CITY REPORT ON BUSINESS**

*Less Bad Now, Future Looks Brighter*

New York City business activity declined for a 14th straight month although not at the same rapid pace as the last two months, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index rose to 43.1 in March, coming off February's seven-year low.

A glimmer of optimism has returned. The Six-Month Outlook index increased a record 33 points to 64.8 in March, the highest level since May 2008.

Purchasing volume and employment had a "less bad" feel, despite continuing to exhibit contraction. The Quantity of Purchases index reached a six-month high of 30.0, while the Employment index was at a three-month high of 25.0.

Cost pressures hit a record low since the inception of the *Report on Business* in 1993. The Prices Paid index fell to 30.0.

**Business Impediments:** The persistently high percentage mentioning working capital shortages is consistent with financial markets remaining dysfunctional.

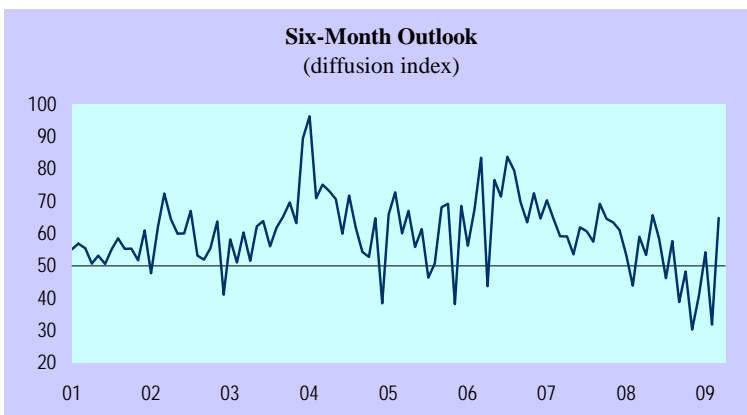
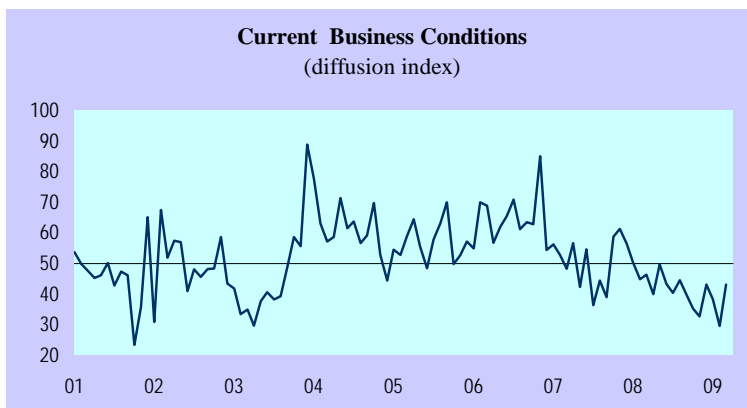
	Mar	Feb	Jan
Skilled labor shortage	7%	19%	8%
Unskilled labor shortage	0%	6%	3%
Working capital shortage	33%	28%	31%
Raw material shortage	0%	3%	6%
Security concerns	7%	13%	11%
Abnormal weather	0%	6%	3%
"Other" difficulties	17%	28%	33%
No difficulties	10%	16%	17%
	*	*	*

**March's Questions of the Month:** Are you satisfied with the Federal government's stimulus package? A solid majority disapproved.

Yes	No
43%	57%

Do you think there will be another stimulus package this year? Overwhelmingly, respondents expected more action from the Federal government to support the economy.

Yes	No
80%	20%



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

	Current Business Conditions	Six-Month Outlook	NY-BCI*
March 2008	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
January 2009	38.4	54.2	380.1
February	29.6	31.8	369.9
<b>March</b>	<b>43.1</b>	<b>64.8</b>	<b>366.5</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.

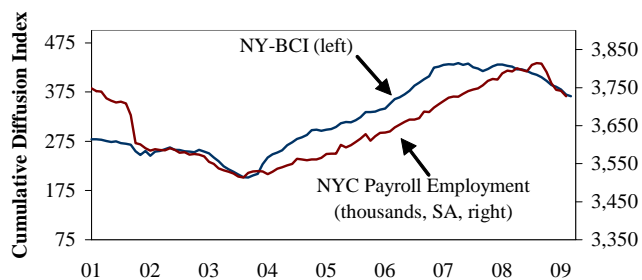
## New York City Labor Market

### Employment

Current employment trends compared to the previous month.

	Mar	Feb	Jan	Dec	Nov	Year ago Mar
Diffusion Index	25.0	21.9	22.2	27.8	16.2	32.8

### NY-BCI vs. NYC Employment



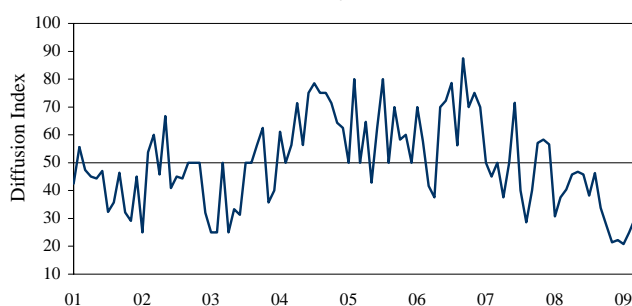
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

### Quantity of Purchases

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

	Mar	Feb	Jan	Dec	Nov	Year ago Mar
Diffusion Index	30.0	25.0	20.8	22.2	21.4	40.3

### Quantity of Purchases

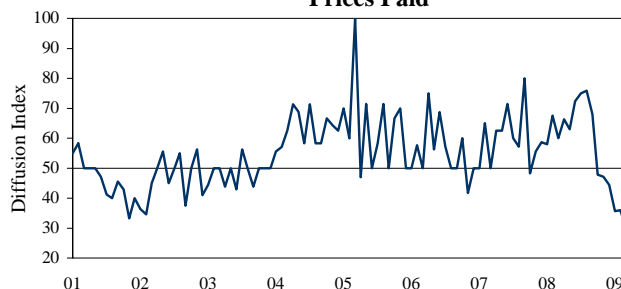


### Prices Paid

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

	Mar	Feb	Jan	Dec	Nov	Year ago Mar
Diffusion Index	30.0	35.9	35.7	44.4	47.1	60.0

### Prices Paid

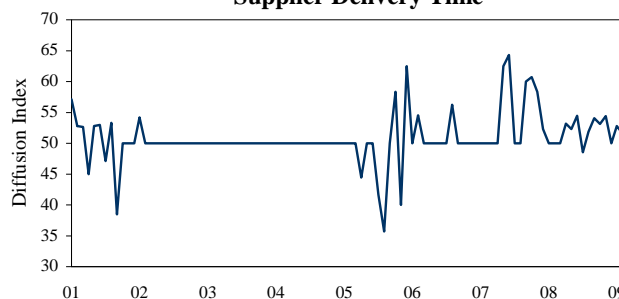


### Supplier Delivery Time

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

	Mar	Feb	Jan	Dec	Nov	Year ago Mar
Diffusion Index	51.7	51.6	52.8	50.0	54.4	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.