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**NEW YORK CITY REPORT ON BUSINESS**

*Silver Lining in a Dark Cloud*

New York City business activity declined for a 15th straight month, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index fell to 28.3 in April, the lowest since 9/11, from March's revised level of 43.9.

Purchasing volume and employment continued to contract. The Quantity of Purchases index fell to 27.6 in April from a revised 30.6 in March, while the Employment index rose to 30.0 in April from a revised 23.6 last month. To be sure, the level for the Employment index was an eight-month high.

Cost pressures hit a record low since the inception of the *Report on Business* in 1993. The Prices Paid index fell to 24.5 in April from a revised 30.6 in March.

The news on the outlook was mixed. The Six-Month Outlook index came in at 51.2 in April, down from a revised 63.8 in March. However, these were the first back-to-back months above the breakeven 50 mark, indicating more optimism than pessimism, in about a year.

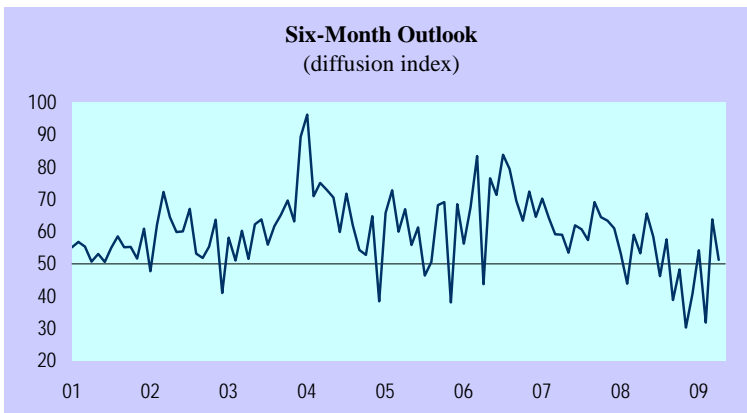
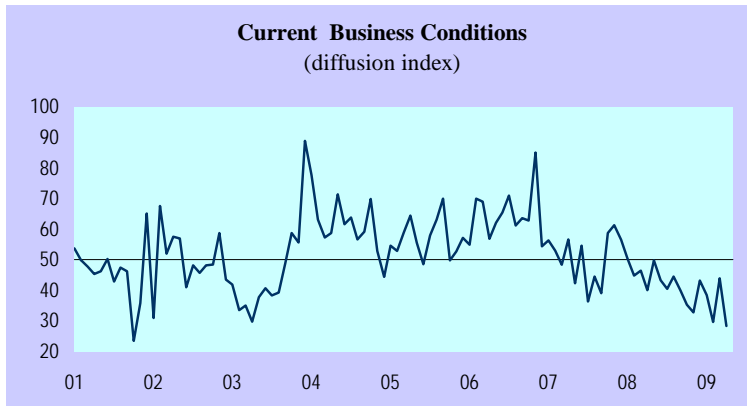
**Business Impediments:** Working capital shortages remained the biggest concern. But skilled labor shortages have picked up so far this year after a zero reading in December, a tentative sign that the worst of the payroll job declines may be behind us.

	Apr	Mar	Feb
Skilled labor shortage	12%	7%	19%
Unskilled labor shortage	4%	0%	6%
Working capital shortage	28%	33%	28%
Raw material shortage	6%	0%	3%
Security concerns	8%	7%	13%
Abnormal weather	0%	0%	6%
"Other" difficulties	22%	17%	28%
No difficulties	18%	10%	16%
	*	*	*

**April's Question of the Month:** In terms of employment, your organization is in what mode: Hiring, Hiring Freeze or Layoff? Choose all that apply. Relative to a year ago, fewer firms said they were hiring, while more indicated hiring freezes and layoffs.

	Apr '09	Apr '08
Hiring	31%	60%
Hiring Freeze	65%	46%
Layoff	35%	26%

(numbers do not add to 100% due to multiple responses)



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

	Current Business Conditions	Six-Month Outlook	NY-BCI*
April 2008	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
March (revised)	43.9	63.8	366.9
<b>April</b>	<b>28.3</b>	<b>51.2</b>	<b>356.0</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.

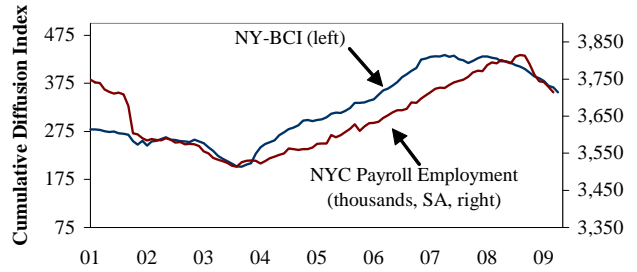
## New York City Labor Market

### Employment

Current employment trends compared to the previous month.

	Apr	Mar (revised)	Feb	Jan	Dec	Year ago Apr
Diffusion Index	30.0	23.6	21.9	22.2	27.8	40.4

### NY-BCI vs. NYC Employment



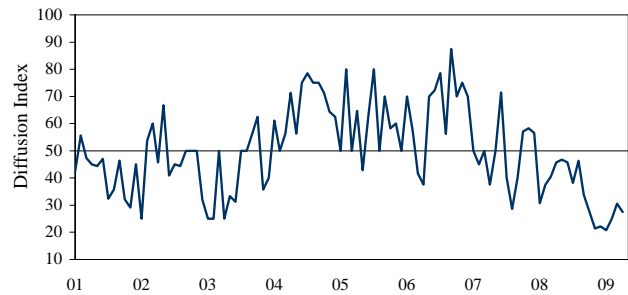
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

### Quantity of Purchases

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

	Apr	Mar (revised)	Feb	Jan	Dec	Year ago Apr
Diffusion Index	27.6	30.6	25.0	20.8	22.2	45.7

### Quantity of Purchases

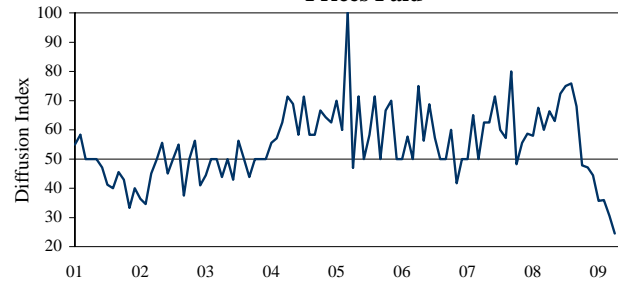


### Prices Paid

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

	Apr	Mar (revised)	Feb	Jan	Dec	Year ago Apr
Diffusion Index	24.5	30.6	35.9	35.7	44.4	66.3

### Prices Paid

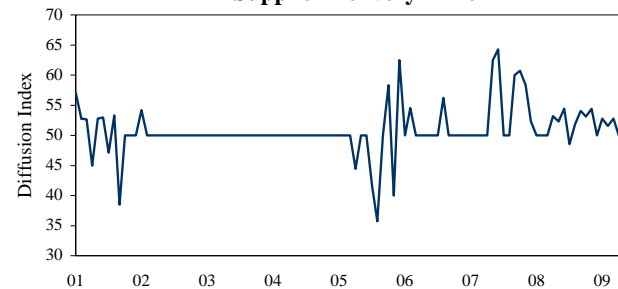


### Supplier Delivery Time

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

	Apr	Mar (revised)	Feb	Jan	Dec	Year ago Apr
Diffusion Index	50.0	52.8	51.6	52.8	50.0	53.2

### 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.