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**June 30, 2009**

**NEW YORK CITY REPORT ON BUSINESS**  
*Not So Fast*

New York City business activity contracted in June after expanding in May, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index fell to 44.8 in June from 61.3 in May.

Purchasing and supply management executives maintain the view that recovery could begin this year. The Six-Month Outlook index stayed above 50 for the fourth straight month, rising to 58.3 in June from 56.1 in May.

Purchasing volume continued to contract, but by the smallest amount in months. The Quantity of Purchases index rose to a ten-month high of 34.6 in June from 32.6 in May.

Cost pressures remained depressed, but are no longer falling at a more rapid pace. The Prices Paid index came in at 30.8 in June from 25.0 in May.

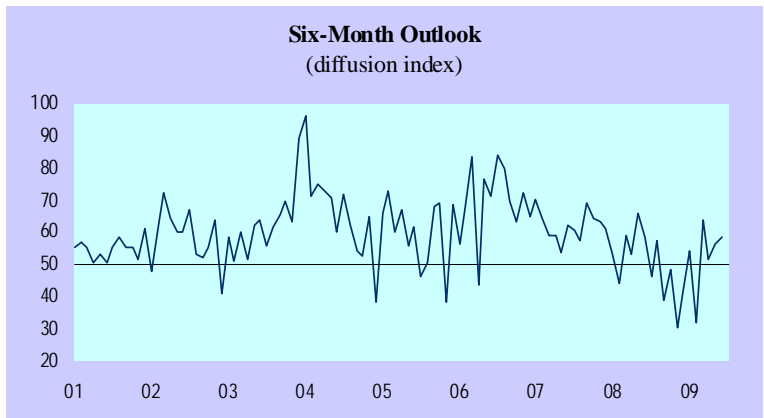
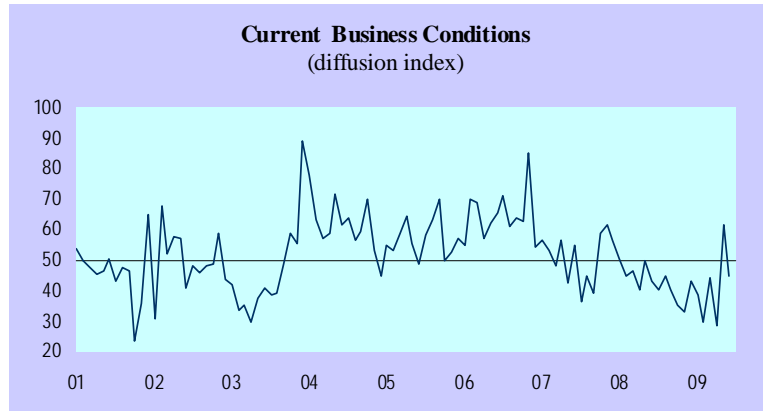
The jobs picture stayed soft. The Employment index fell to 28.2 in June from 33.7 in May.

Business Impediments: There were fewer skilled labor shortages, while working capital shortages were by far the biggest concern.

	Jun	May	Apr
Skilled labor shortage	5%	15%	12%
Unskilled labor shortage	0%	4%	4%
Working capital shortage	33%	30%	28%
Raw material shortage	3%	2%	6%
Security concerns	13%	11%	8%
Abnormal weather	3%	2%	0%
"Other" difficulties	23%	17%	22%
No difficulties	21%	15%	18%
	*	*	*

June's Question of the Month: What are your firm's plans for average selling prices of its goods or services during the next 6 months? An overwhelming number of respondents said selling prices would be steady, suggesting that they do not expect to have pricing power over the balance of the year.

Raise	3%
Hold Steady	90%
Lower	7%



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

	Current Business Conditions	Six-Month Outlook	NY-BCI*
June 2008	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	43.9	63.8	366.9
April	28.3	51.2	356.0
May	61.3	56.1	361.6
<b>June</b>	<b>44.8</b>	<b>58.3</b>	<b>359.0</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.

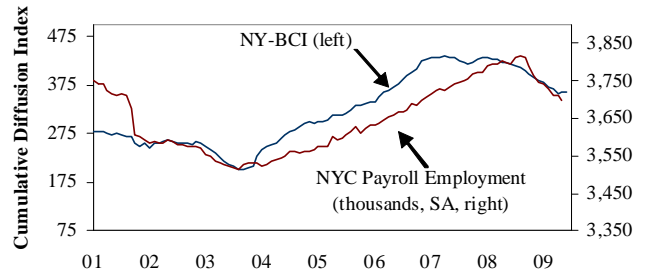
## New York City Labor Market

### Employment

Current employment trends compared to the previous month.

	Jun	May	Apr	Mar	Feb	Year ago Jun
Diffusion Index	28.2	33.7	30.0	23.6	21.9	41.3

### NY-BCI vs. NYC Employment



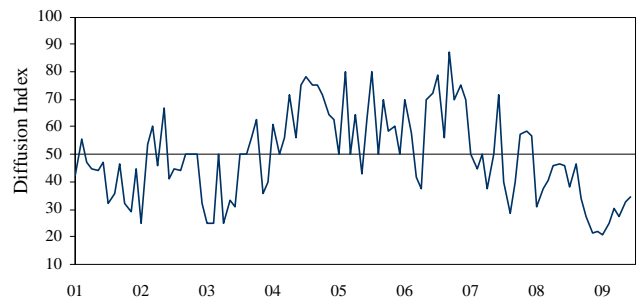
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

### Quantity of Purchases

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

	Jun	May	Apr	Mar	Feb	Year ago Jun
Diffusion Index	34.6	32.6	27.6	30.6	25.0	45.7

### Quantity of Purchases

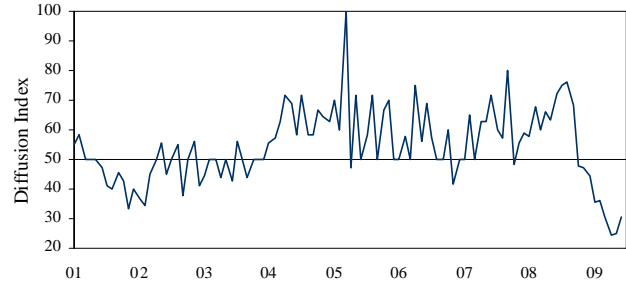


### Prices Paid

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

	Jun	May	Apr	Mar	Feb	Year ago Jun
Diffusion Index	30.8	25.0	24.5	30.6	35.9	72.3

### Prices Paid

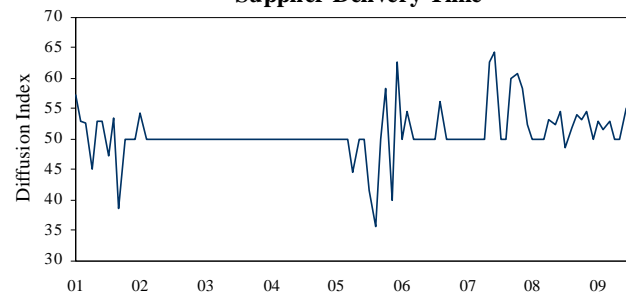


### Supplier Delivery Time

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

	Jun	May	Apr	Mar	Feb	Year ago Jun
Diffusion Index	55.1	50.0	50.0	52.8	51.6	54.4

### 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.