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NEW YORK CITY REPORT ON BUSINESS
Time to Buy

New York City business activity in August expanded for the first time in three months, according to the survey taken by the National Association of Purchasing Management-New York (NAPM-NY). The Current Business Conditions index rose to 55.3 in August from 48.3 in July.

Future optimism brightened further. The Six-Month Outlook index stayed above 50 for the sixth straight month, rising to 65.5 in August from 59.3 in July.

In a sign the downturn is ending, purchasing volume expanded for the first time in 20 months. The Quantity of Purchases index jumped to 54.0 in August from 31.8 in July.

The pace of job cuts continues to abate. The Employment index rose to an 14-month high of 40.0 in August from 37.5 in July.

Cost pressures are not falling as quickly. The Prices Paid index came in at 38.0 in August from 25.0 in July.

Business Impediments: Working capital shortages remained elevated. However, the percentage of respondents reporting no difficulties was the highest in ten months, a reflection of an improving business climate.

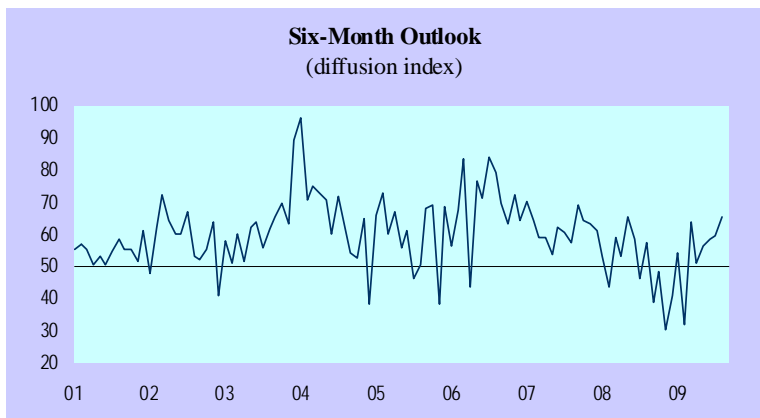
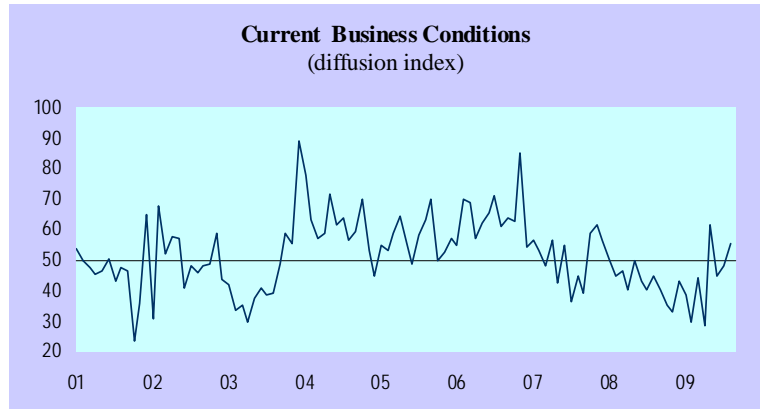
	Aug	Jul	Jun
Skilled labor shortage	12%	11%	5%
Unskilled labor shortage	0%	5%	0%
Working capital shortage	36%	36%	33%
Raw material shortage	0%	2%	3%
Security concerns	0%	9%	13%
Abnormal weather	0%	0%	3%
“Other” difficulties	32%	20%	23%
No difficulties	32%	23%	21%
	*	*	*

August’s Question of the Month: Working capital shortages have been a persistent concern since last summer’s financial market turmoil. Currently, this can be attributed to:

Difficulty obtaining financing	13%
Shortfall in revenues	46%
Cost structure too high	13%
All of the above	25%
Not experiencing working capital shortages	21%

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

The most popular response suggests that firms do not view a sustainable top-line demand picture at this time.



Business Conditions in New York City (seasonally adjusted)			
	Current Business Conditions	Six-Month Outlook	NY-BCI*
August 2008	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
June	44.8	58.3	359.0
July	48.3	59.3	358.2
August	55.3	65.5	360.8

*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.

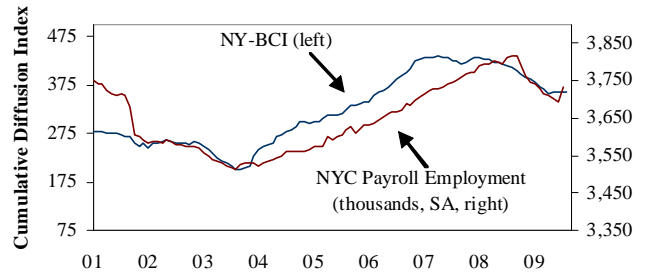
New York City Labor Market

Employment

Current employment trends compared to the previous month.

	Aug	Jul	Jun	May	Apr	Year ago Aug
Diffusion Index	40.0	37.5	28.2	33.7	30.0	37.0

NY-BCI vs. NYC Employment



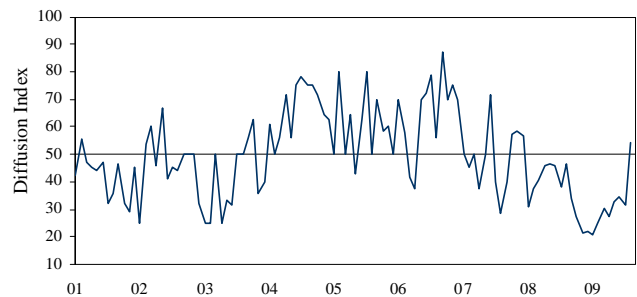
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

Quantity of Purchases

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

	Aug	Jul	Jun	May	Apr	Year ago Aug
Diffusion Index	54.0	31.8	34.6	32.6	27.6	46.3

Quantity of Purchases

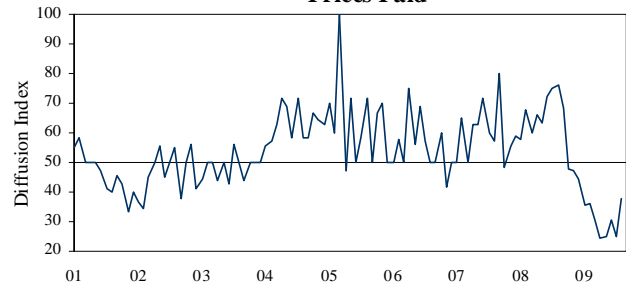


Prices Paid

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

	Aug	Jul	Jun	May	Apr	Year ago Aug
Diffusion Index	38.0	25.0	30.8	25.0	24.5	75.9

Prices Paid

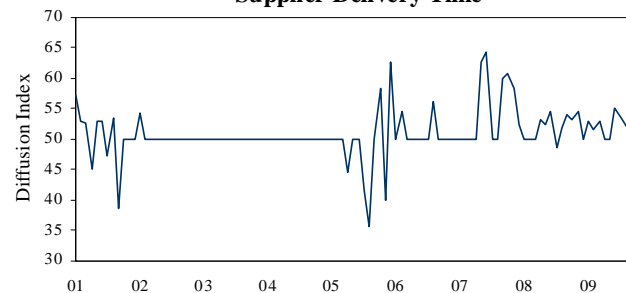


Supplier Delivery Time

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

	Aug	Jul	Jun	May	Apr	Year ago Aug
Diffusion Index	52.0	53.4	55.1	50.0	50.0	51.9

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.