



NEW YORK CITY REPORT ON BUSINESS
2009: A Year Of Healing

The year began with a 12-month losing streak for New York City business activity, but it ends with a five-month winning streak, according to the survey taken by the Institute for Supply Management-New York (ISM-NY). The Current Business Conditions index came in at 59.7 in December, expanding for a fifth consecutive month, albeit at a slower rate than November's 62.9 level.

Future optimism has become very widespread – a good kind of contagion. The Six-Month Outlook index broke the lofty 80 barrier for the first time since 2006, reaching 80.2 in December compared to 74.4 in November.

The news on jobs improved further, while purchasing volumes took pause. The Employment index rose to 56.9 in December from 54.8 in November. The Quantity of Purchases index eased to 50.0 in December from November's two-year high of 55.9.

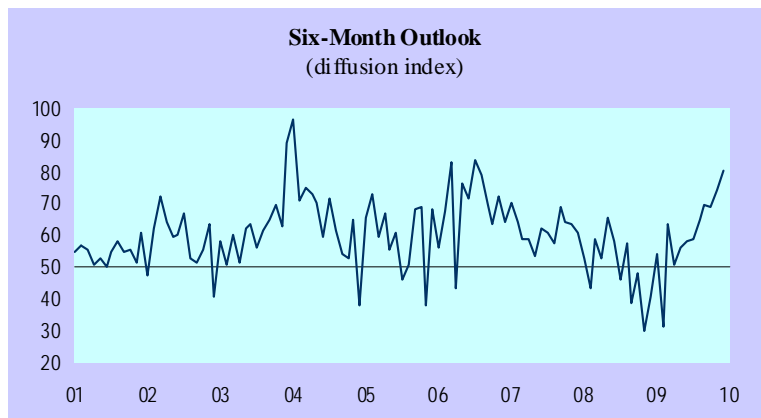
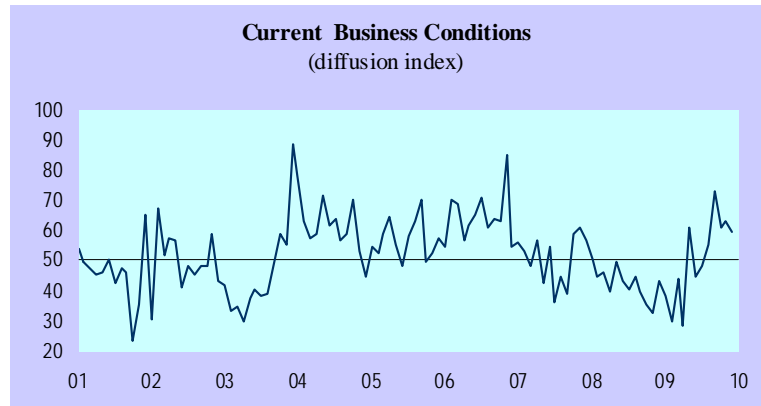
Cost pressures remained contained. The Prices Paid index was 34.7 in December versus 34.6 in November.

Business Impediments: In a sign of healing, "No difficulties" was the most popular response in December. That has not happened since October 2008. Working capital shortages have become less and less of a concern, declining for a fourth straight month.

	Dec	Nov	Oct
Skilled labor shortage	8%	13%	11%
Unskilled labor shortage	0%	6%	0%
Working capital shortage	22%	23%	28%
Raw material shortage	3%	4%	9%
Security concerns	8%	10%	13%
Abnormal weather	11%	4%	2%
"Other" difficulties	17%	23%	23%
No difficulties	25%	21%	23%
	*	*	*

2010 Report on Business release schedule

Jan 29 Apr 30 Jul 30 Oct 29
Feb 26 May 28 Aug 31 Nov 30
Mar 31 Jun 30 Sep 30 Dec 31
(release time – 8:30am Eastern)



Business Conditions in New York City
(seasonally adjusted)

	Current Business Conditions	Six-Month Outlook	NY-BCI*
December 2008	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	55.7	65.1	361.0
September	72.9	69.5	372.5
October	60.8	68.9	377.9
November	62.9	74.4	384.4
December	59.7	80.2	389.2

*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. (r) revised.

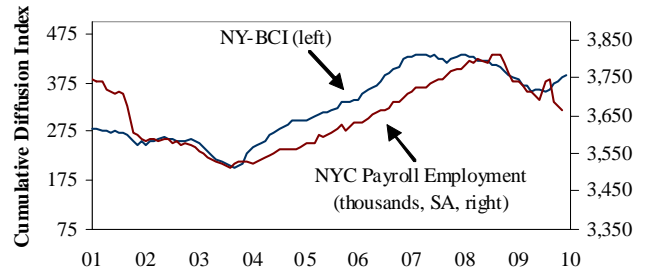
New York City Labor Market

Employment

Current employment trends compared to the previous month.

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	56.9	54.8	45.7	47.3	39.3	27.8

NY-BCI vs. NYC Employment



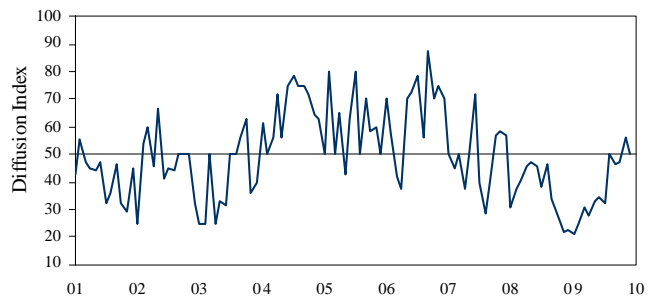
NYC employment data from the Bureau of Labor Statistics. SA = seasonally adjusted. The NY-BCI offers advance information about forthcoming labor market conditions because the local job count is not available for one or two months.

Quantity of Purchases

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

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	50.0	55.9	46.7	46.1	50.0	22.2

Quantity of Purchases

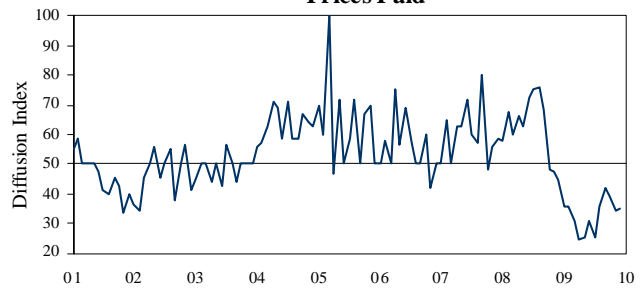


Prices Paid

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

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	34.7	34.6	39.4	41.9	35.7	44.4

Prices Paid

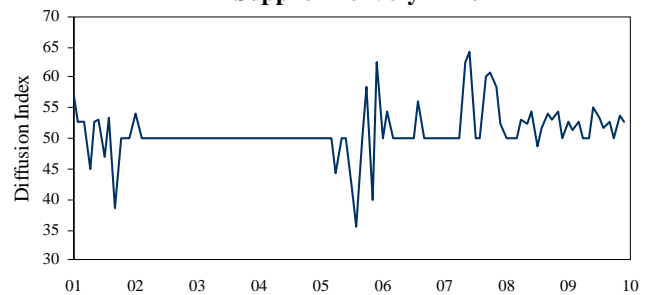


Supplier Delivery Time

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

	Dec	Nov	Oct	Sep	Aug	Year ago Dec
Diffusion Index	52.8	53.8	50.0	52.8	51.8	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.