# The Virginia Tech–USDA Forest Service Housing Commentary: Section II
# May 2024


**Delton Alderman**
Acting Program Manager
Forest Products Business Unit
Forest Products Laboratory
USDA Forest Service
Madison, WI
608.259.6076
delton.r.alderman@usda.gov

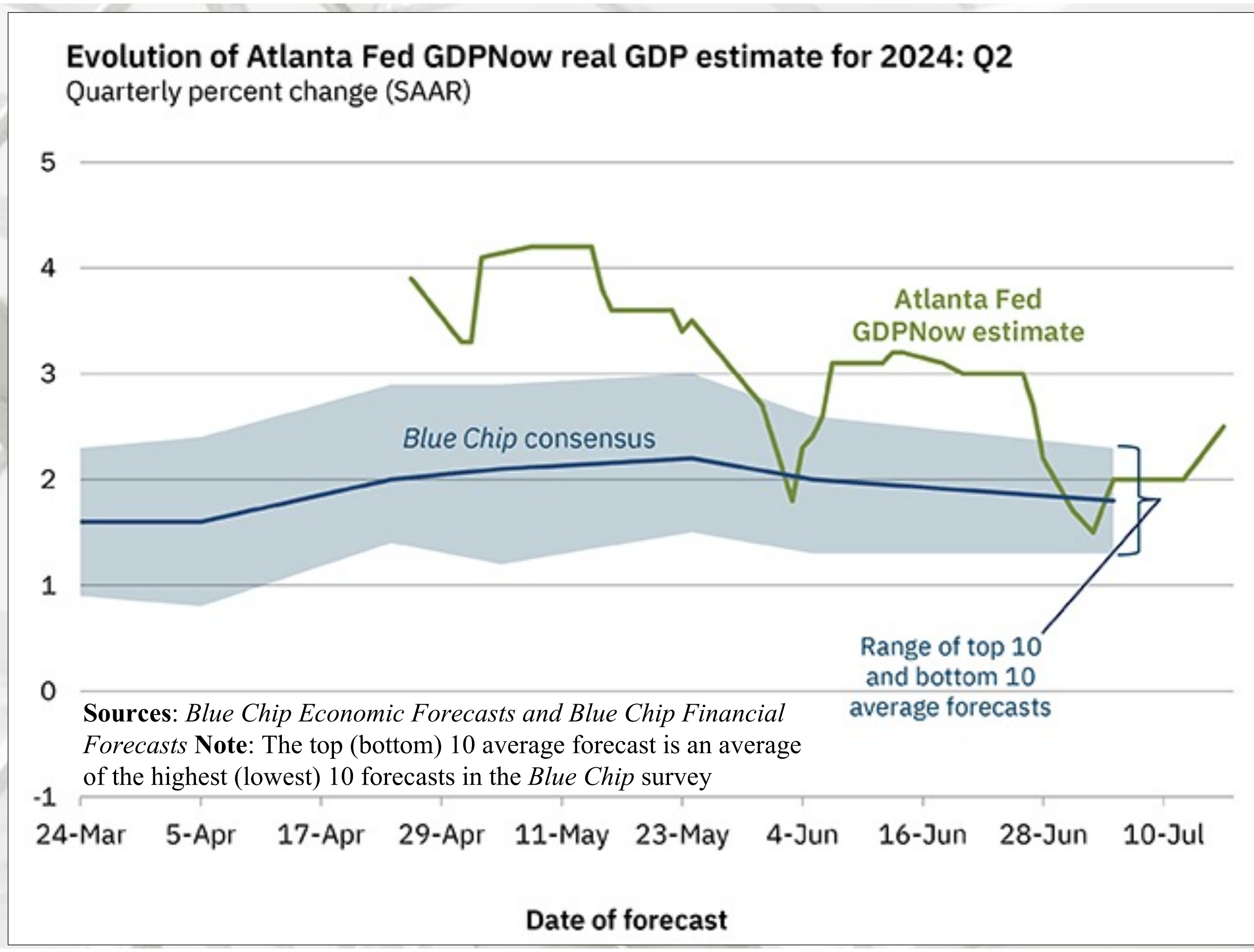
**Urs Buehlmann**
Department of Sustainable Biomaterials
College of Natural Resources & Environment
Virginia Tech
Blacksburg, VA
540.231.9759
buehlmann@gmail.com



2024 Virginia Polytechnic Institute and State University VCE-ANR

# Table of Contents

# U.S. Economic Indicators




## Atlanta Fed GDPNow™

## Latest estimate: 2.5 percent — July 16, 2024

"The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2024 is **2.5 percent** on July 16, up from 2.0 percent on July 10. After this morning's retail sales report, the nowcast of second-quarter real personal consumption expenditures growth increased from 1.6 percent to 2.1 percent." – Pat Higgins, Economist, Federal Reserve Bank of Atlanta

Source: https://www.frbatlanta.org/cqer/research/gdpnow.aspx; 7/16/24

Return to TOC

# The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)

## Survey Suggests Little Change in Growth in May

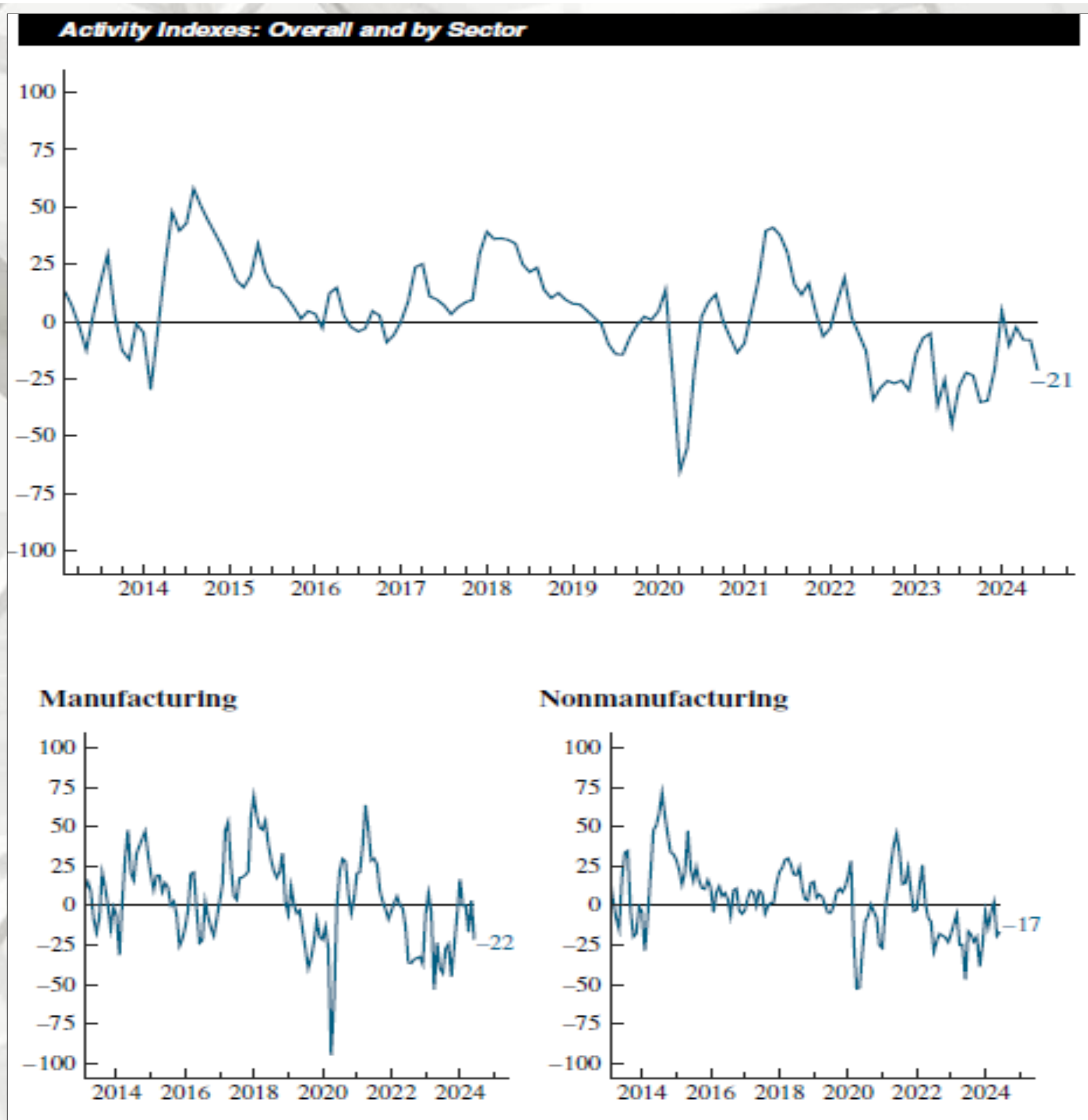
“The *Chicago Fed Survey of Economic Conditions* (CFSEC) Activity Index decreased to –21 in June from –8 in May, suggesting that economic growth was below trend. The CFSEC Manufacturing Activity Index decreased to –22 in June from +3 in May, but the CFSEC Nonmanufacturing Activity Index increased to –17 in June from –19 in the previous month.

- Respondents’ outlooks for the U.S. economy for the next 12 months deteriorated slightly, and remained pessimistic on balance. Forty-one percent of respondents expected a decrease in economic activity over the next 12 months.
- The pace of current hiring increased, but respondents’ expectations for the pace of hiring over the next 12 months decreased. Both hiring indexes remained negative.
- Respondents’ expectations for the pace of capital spending over the next 12 months increased, but the capital spending expectations index remained negative.
- The labor cost pressures index decreased, but the nonlabor cost pressures index increased. Both cost pressures indexes remained negative.” – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfsec/current-data; 6/24/24

Return to TOC

# The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)




Source: https://www.chicagofed.org/research/data/cfsec/current-data; 6/24/24

Return to TOC

# The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

## Index Suggests Economic Growth Increased in May

"The *Chicago Fed National Activity Index (CFNAI)* increased to +0.18 in May from –0.26 in April. Three of the four broad categories of indicators used to construct the index increased from April, and two categories made positive contributions in May. The index's three-month moving average, CFNAI-MA3, decreased to –0.09 in May from –0.05 in April.

The CFNAI Diffusion Index, which is also a three-month moving average, decreased to –0.16 in May from –0.13 in April. Forty-eight of the 85 individual indicators made positive contributions to the CFNAI in May, while 37 made negative contributions. Fifty-four indicators improved from April to May, while 29 indicators deteriorated and two were unchanged. Of the indicators that improved, 14 made negative contributions.

- Production-related indicators contributed +0.23 to the CFNAI in May, up from –0.15 in April.
- The sales, orders, and inventories category's contribution to the CFNAI was –0.02 in May, down from –0.01 in April.
- Employment-related indicators made a neutral contribution to the CFNAI in May, up from –0.05 in April.
- The personal consumption and housing category's contribution to the CFNAI was –0.03 in May, up from –0.06 in April." – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 6/25/24

Return to TOC

# The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

CFNAI, CFNAI-MA3, and CFNAI Diffusion for the Latest Six Months and Year-Ago Month

| | May '24 | Apr '24 | Mar '24 | Feb '24 | Jan '24 | Dec '23 | May '23 |
|---|---|---|---|---|---|---|---|
| **CFNAI** | | | | | | | |
| **Current** | 0.18 | −0.26 | −0.18 | 0.29 | −0.80 | −0.14 | −0.17 |
| **Previous** | N/A | −0.23 | −0.04 | 0.31 | −0.79 | −0.14 | −0.17 |
| **CFNAI-MA3** | | | | | | | |
| **Current** | −0.09 | −0.05 | −0.23 | −0.22 | −0.24 | −0.18 | −0.20 |
| **Previous** | N/A | 0.01 | −0.17 | −0.21 | −0.23 | −0.17 | −0.20 |
| **CFNAI Diffusion** | | | | | | | |
| **Current** | −0.16 | −0.13 | −0.18 | −0.09 | −0.10 | −0.16 | −0.16 |
| **Previous** | N/A | −0.07 | −0.08 | −0.10 | −0.11 | −0.15 | −0.16 |

Note: Current and Previous values reflect index values as of the June 25, 2024, release and May 23, 2024, release, respectively. NA indicates not applicable.

Chicago Fed National Activity Index (CFNAI)


Note: A zero value for the CFNAI has been associated with the national economy expanding at its historical trend (average) rate of growth; negative values with below-average growth (in standard deviation units); and positive values with above-average growth.

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 6/25/24

Return to TOC

# The Federal Reserve Bank of Dallas

## Texas Manufacturing Outlook Survey

### Texas manufacturing activity weakens slightly in May

"Texas factory activity was flat in June, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, inched up to 0.7 from -2.8 in May. The near-zero reading signals little change in output after a slight decline over the prior period.

Other measures of manufacturing activity were mixed this month. The new orders index remained slightly negative, though it has moved up steadily over the past few months to -1.3 in June from -11.8 in March. The capacity utilization index slipped to -4.8 from -2.0, while the shipments index moved back into positive territory, climbing six points to 2.8.

Perceptions of broader business conditions continued to worsen in June, though they were less negative than in May. The general business activity index pushed up to -15.1 from -19.4, and the company outlook index rose seven points to -6.9. The outlook uncertainty index retreated to 9.8, well below its historical average.

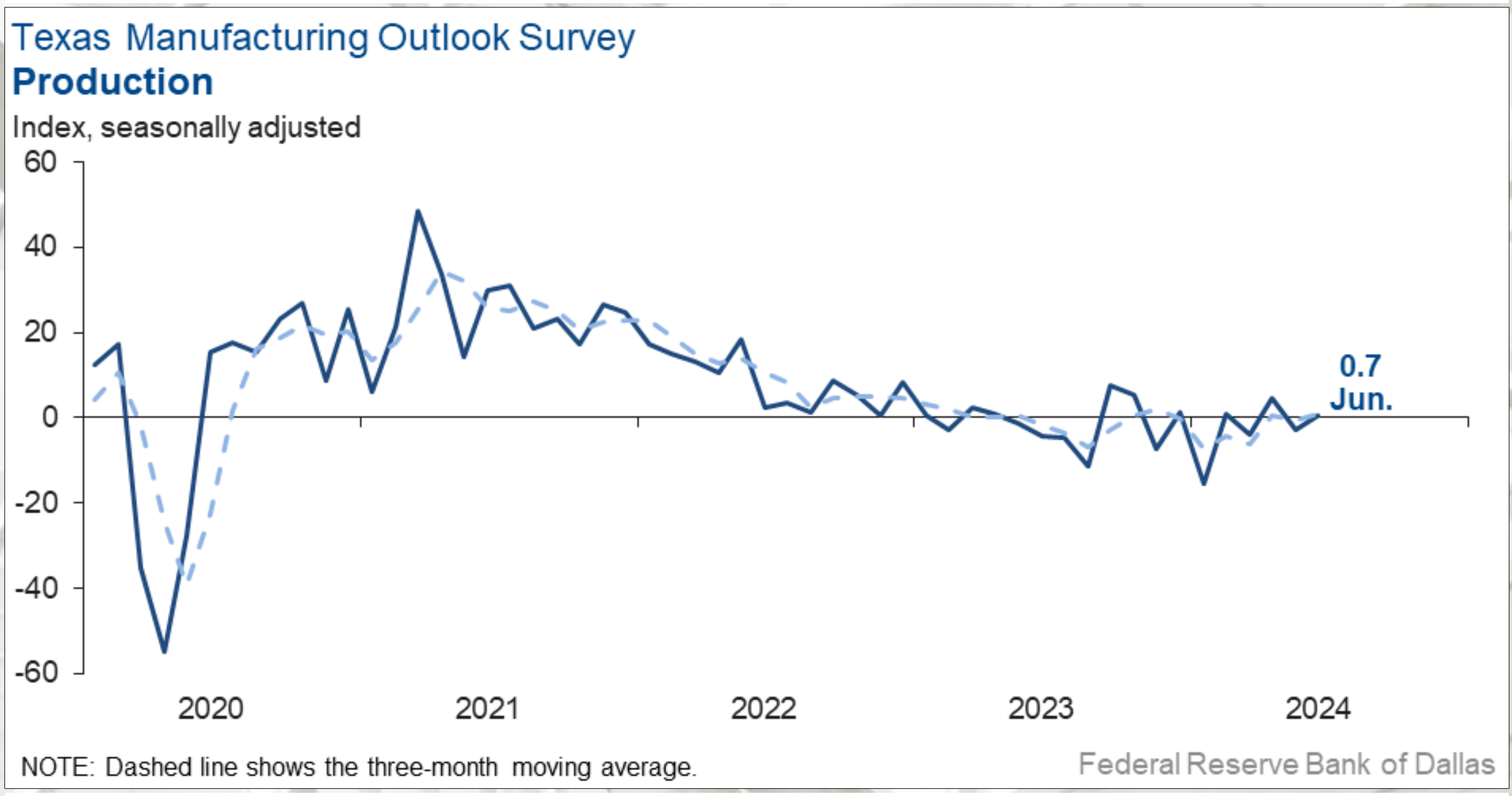
Labor market measures suggested slight employment declines and shorter workweeks this month. The employment index posted a second negative reading in a row but ticked up to -2.9. Seventeen percent of firms noted net hiring, while 20 percent noted net layoffs. The hours worked index held fairly steady at -5.0.

Upward pressure on prices and wages continued in June. The wages and benefits index edged up three points to 24.3, a reading slightly higher than average. The raw materials prices index was mostly unchanged at 21.5, still below its historical average, while the finished goods prices index shot up 10 points to 14.4." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 6/24/24

Return to TOC

# The Federal Reserve Bank of Dallas




"Expectations regarding future manufacturing activity pushed up notably this month. The future production index jumped 10 points to 27.1, and the future general business activity index surged 16 points to 12.9, its highest reading since early 2022. Several other indexes of future manufacturing activity also rose this month, though expectations for employment and capital expenditures were slightly less positive than in May." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 6/24/24

Return to TOC

# The Federal Reserve Bank of Dallas

## Texas Service Sector Outlook Survey

### Growth in Texas service activity moderates

"Growth in the Texas service sector expanded at a slower pace in June than the prior month, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, fell to 1.9 in June from 6.7 in May.

Labor market measures suggested continued growth in employment in June, albeit at a slower rate than the previous month, with no improvement in workweeks. The employment index fell from 3.9 to 1.8, while the part-time employment index fell to -3.7. The hours worked index was unchanged at 0.7, with the near-zero reading suggestive of no growth.

Respondents in June continued to perceive worsening broader business conditions, though pessimism waned slightly. The general business activity index remained negative but increased from -12.1 to -4.1. The company outlook index also improved from -5.7 to -1.3. The outlook uncertainty index was mostly steady at 13.6.

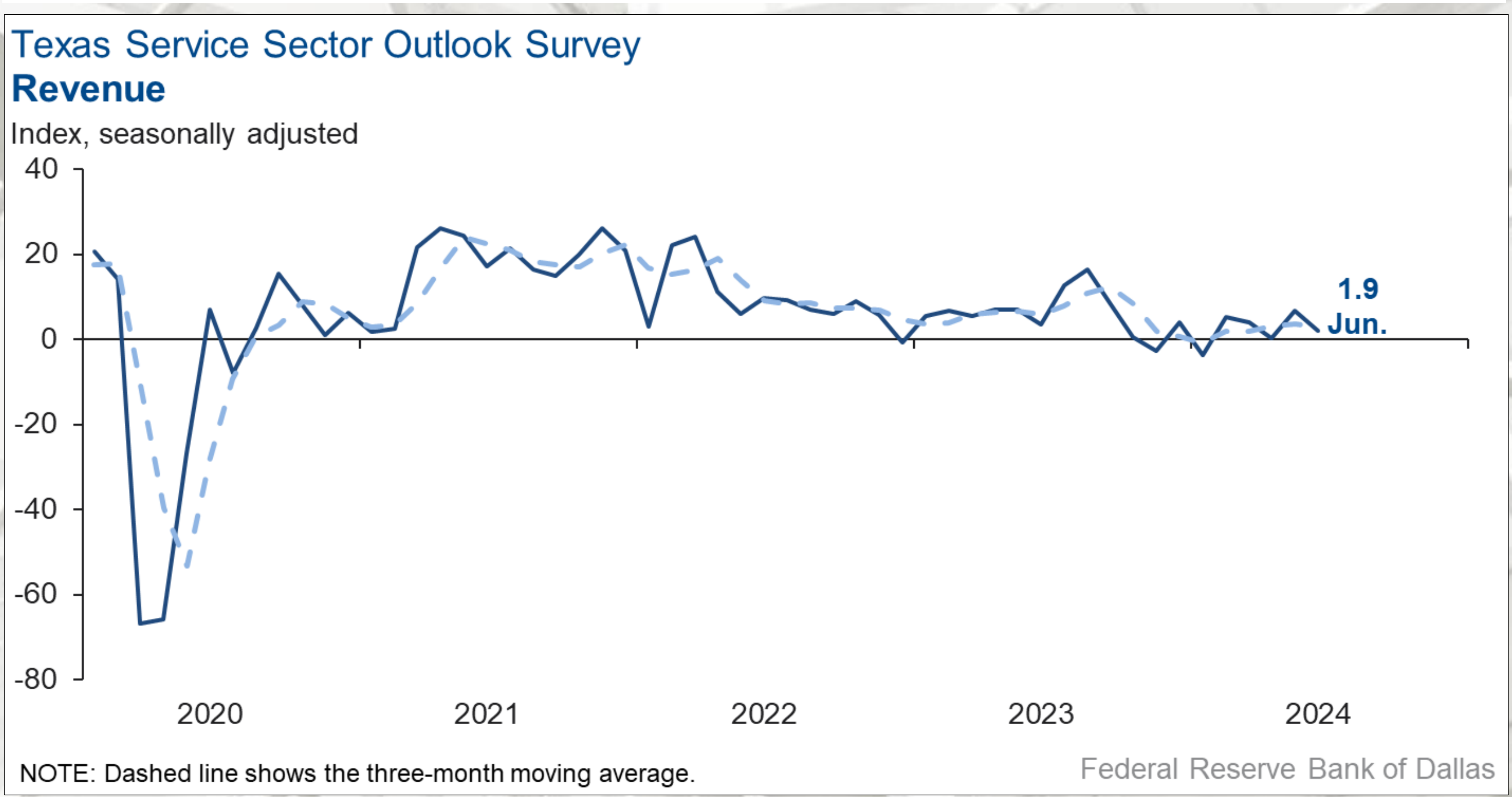
Input price pressures increased, while selling price and wage pressures remained the same in June. The input price index moved up from 20.7 to 24.7. The selling price index was unchanged at 3.8, and the wages and benefits index was unchanged at 16.4.

Respondents' expectations regarding future business activity reflected optimism in June. The future general business activity index improved further, increasing from 1.1 to 3.0. The future revenue index remained positive and unchanged at 30.9. Other future service-sector activity indexes such as employment and capital expenditures remained in positive territory and increased, reflecting expectations for continued growth in the next six months." – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 6/25/24

Return to TOC

# The Federal Reserve Bank of Dallas




Source: https://www.dallasfed.org/research/surveys; 6/25/24

Return to TOC

# The Federal Reserve Bank of Dallas

## Texas Retail Outlook Survey

### Texas retail sales continue falling

"Retail sales activity declined in June, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, fell to -18.8 in June from -16.4 in May, indicating retail sales fell at a slightly faster rate than the previous month. Retailers' inventories were unchanged over the month, with the June index at 0.7.

Retail labor market indicators suggested a contraction in employment and workweeks in June. The employment index remained in negative territory but improved from -5.2 to -4.0, while the part-time employment index increased six points to -1.2. The hours worked index continued in negative territory and fell from -4.2 to -8.6.

Retailers continued to perceive a worsening of broader business conditions in June. The general business activity index remained in negative territory but improved from -28.8 to -22.7. The company outlook index fell from -15.7 to -17.3. The outlook uncertainty index fell eight points to 7.3.

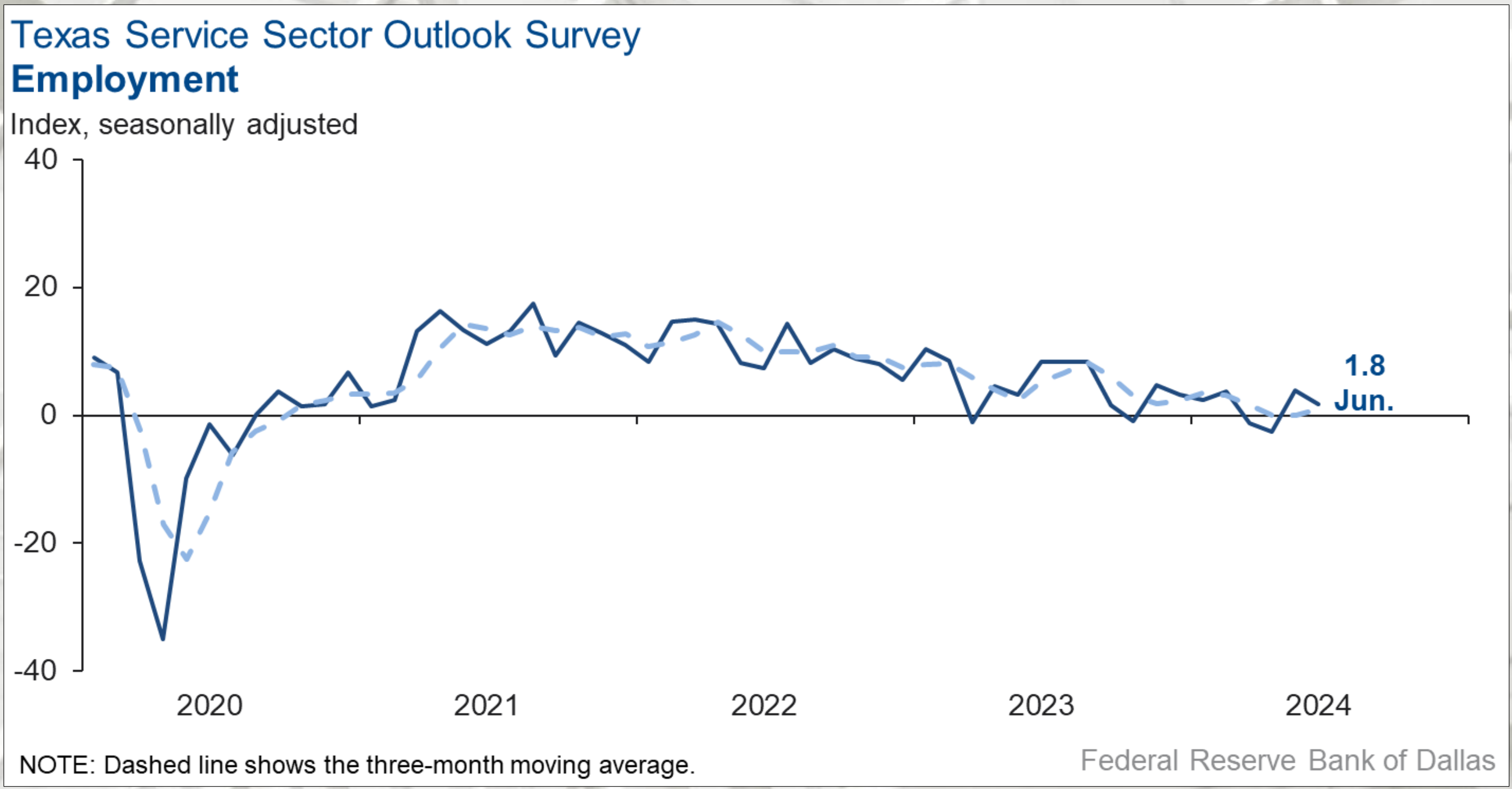
Selling price growth increased in June, while input price and wage pressures remained the same. The selling price index increased from -9.1 to 1.9. The input price index was unchanged at 10.0, and the wages and benefits index moved sideways to 13.7.

Expectations for future business conditions in retail were mixed in June. The future general business activity index fell further from -1.5 to -6.4. However, the future sales index remained in positive territory at 18.6. Other indexes of future retail activity such as employment and capital expenditures remained positive and improved, reflecting expectations for continued retail sales growth in the next six months." – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 6/25/24

Return to TOC

# The Federal Reserve Bank of Dallas




Source: https://www.dallasfed.org/research/surveys; 6/25/24

Return to TOC

# U.S. Economic Indicators

## The Federal Reserve Bank of Kansas City

### Tenth District Manufacturing Activity Fell Moderately in June

Regional factory activity continued to decline in June. Employment levels dropped, but only about 10 percent of firms have laid off workers or plan to in the next six months.

#### Factory Activity Fell Moderately

"Tenth District manufacturing activity fell moderately in June, while expectations for future remained expansionary. Price growth for both raw materials and finished products cooled somewhat this month. (Chart 1).

The month-over-month composite index was -8 in June, down from -2 in May and unchanged from -8 in April. The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The decline was primarily driven by paper, plastics, machinery, and transportation equipment manufacturing. All month-over-month indexes were negative and fell from last month, except supplier delivery time and the price indexes." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 6/26/24

Return to TOC

# U.S. Economic Indicators

## The Federal Reserve Bank of Kansas City

### Factory Activity Fell Moderately

"Production and employment fell moderately, both at -11, and new orders and employees' average workweek declined further. The year-over-year composite index for factory activity decreased from -6 to -9, as production declined moderately and new orders fell substantially. However, employment remained expansionary from this time last year and capital expenditures were essentially flat. The future composite index ticked up from 6 to 7 in June, as firms continue to expect increases in production and employment in future months.

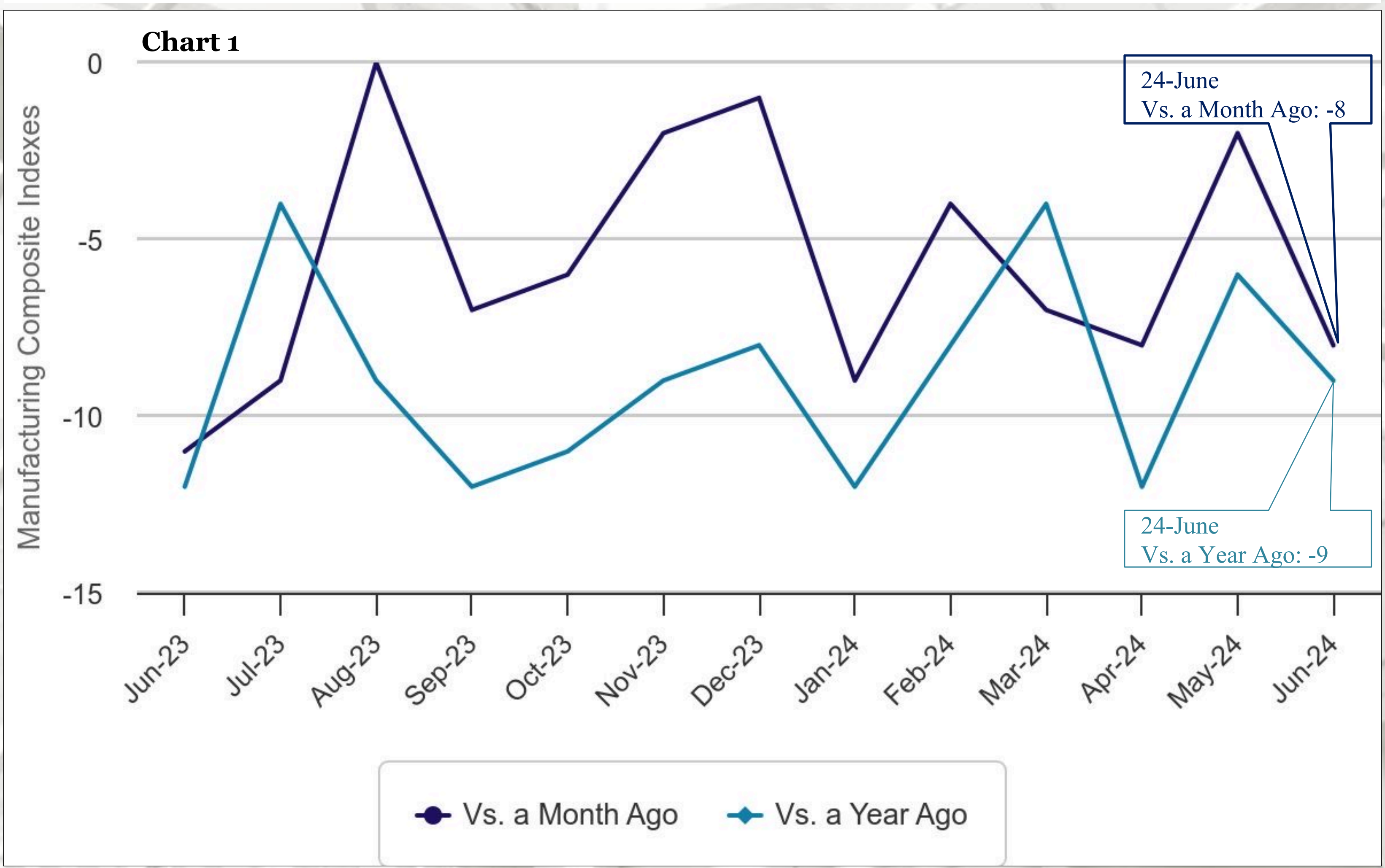
### Special Questions

This month contacts were asked special questions about their hiring. Around a quarter of District firms each stopped posting new positions for workers and/or reduced hours for their hired workers in the last 3 months, but only 11 percent of firms plan to reduce hours in the next 6 months. Additionally, only 9 percent of firms have/plan to lay off workers, and 64 percent (72 percent) of firms reported having done none of the above in the last 3 months (in the next 6 months). Firms were also asked what factors have made it difficult to hire or retain workers. 79 percent reported they cannot find workers with the requisite skills, while 40 percent reported their workers wanting more flexible hours, 23 percent each cited the availability/cost of childcare and the immigration status of their workers as a difficulty, and 17 percent cited the availability/cost of housing." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 6/26/24

Return to TOC

# The Federal Reserve Bank of Kansas City




Source: https://www.kansascityfed.org; 6/26/24

# U.S. Economic Indicators

## The Federal Reserve Bank of Kansas City

### Tenth District Services Growth Moderated Slightly in June

District services activity stayed positive in June, and expectations for the future continued to grow. Employment declined slightly, and selling prices decreased this month.

### Business Growth Moderated Slightly

"Tenth District services growth moderated slightly in June while expectations for the next six months grew at a steady pace (Table 1). Selling prices declined month-over-month while input prices still grew, although the pace of growth is expected to slow in the next six months.

The month-over-month services composite index was 2 in June, down from 11 in May and 9 in April. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in restaurants and hotels grew while the transportation and healthcare sectors declined. The month-over-month indexes were mixed. Revenues ticked down but remained expansionary while the number of employees, employee hours, and part-time employment all fell slightly. Additionally, wage growth and inventories cooled. The year-over-year composite index ticked up from 4 to 8, as revenues and employment growth picked up. Capital expenditures expanded only modestly following strong readings in previous months. The composite expectations index for services activity was unchanged at 10, indicating firms expect sales to continue increasing at a similar pace in the next six months." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 6/28/24

Return to TOC

# U.S. Economic Indicators

## The Federal Reserve Bank of Kansas City

### Business Growth Moderated Slightly

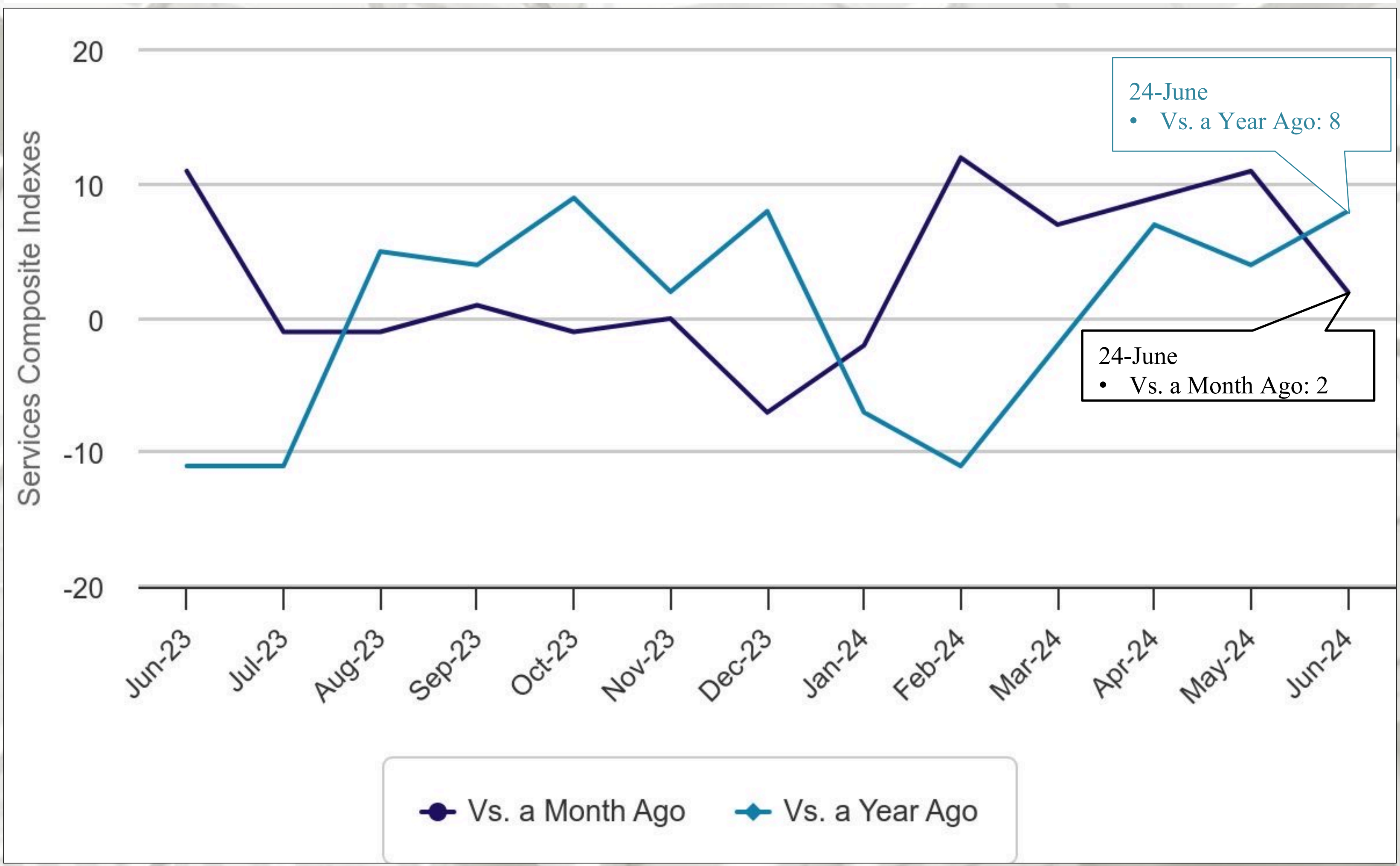
#### Special Questions

"This month contacts were asked special questions about their hiring. Nearly a quarter of firms stopped posting new positions in the last 3 months and 13 percent plan to in the next 6 months, while 12 percent reduced hours for their hired workers and 20 percent plan to. However, only 6% have laid off workers and only 9% plan to, and 69 percent (75 percent) have not done any of the above in the last 3 months (in the next 6 months). Firms were also asked what factors have made it difficult to hire or retain workers. 72 percent reported they cannot find workers with the requisite skills, while 38 percent reported their workers wanting more flexible hours, 34 percent cited the availability/cost of housing as a difficulty, 25 percent cited the availability/cost of childcare, 10 percent cited the immigration status of their workers, and 10 percent cited the availability/cost of housing." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 6/28/24

Return to TOC

# The Federal Reserve Bank of Kansas City




Source: https://www.kansascityfed.org; 6/28/24

Return to TOC

# The Federal Reserve Bank of New York

## July 2024 Manufacturing Survey

### Activity Continues To Contract

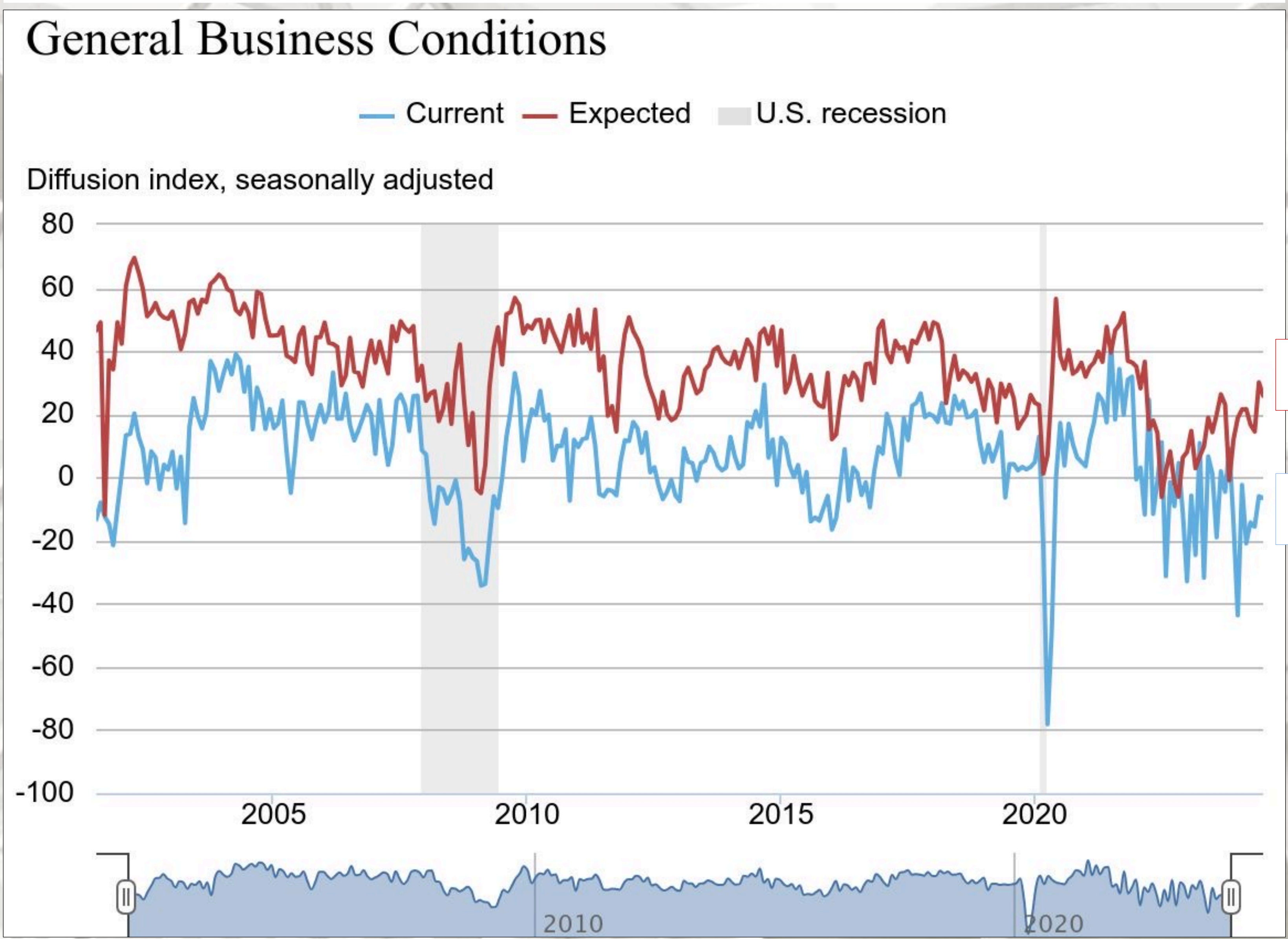
"Business activity continued to decline modestly in New York State, according to firms responding to the July 2024 *Empire State Manufacturing Survey*. The headline general business conditions index was little changed at -6.6. New orders remained steady, while shipments inched just slightly higher. Delivery times shortened, and supply availability was unchanged. Inventories moved lower. Labor market conditions remained weak, with employment continuing to contract. Input prices increased modestly while selling price increases were quite minor. Firms were fairly optimistic that conditions would improve in the months ahead.

Manufacturing activity continued to decline modestly in New York State, according to the July survey. The general business conditions index held steady at -6.6. The new orders index was little changed at -0.6, suggesting that orders remained flat, and the shipments index ticked up to 3.9, pointing to a slight increase in shipments. Unfilled orders declined. The inventories index fell to -6.1, indicating that inventories moved lower. The delivery times index remained below zero at -9.2, suggesting that delivery times shortened, while the supply availability index was zero, indicating that supply availability was unchanged." – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 7/15/24

Return to TOC

# The Federal Reserve Bank of New York




July 2024
25.8

July 2024
-6.6

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 7/15/24

Return to TOC

# The Federal Reserve Bank of New York

## July 2024 Manufacturing Survey

### Employment Continues To Decline

“The index for number of employees came in at -7.9, pointing to another month of employment contraction, while the average workweek index came in around zero, suggesting that hours worked held steady.  The prices paid index edged up slightly to 26.5, indicating that input prices continued to rise modestly, while the prices received index came in at 6.1, indicating that selling price increases remained quite minor.

### Firms Relatively Optimistic About Future Conditions

Firms remained fairly optimistic about the outlook.  After climbing sharply last month, the index for future business conditions was just slightly lower at 25.8, with 41 percent of respondents expecting conditions to improve over the next six months.  However, the outlook for employment growth remained weak, and capital spending plans remained sluggish.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 7/15/24

Return to TOC

# The Federal Reserve Bank of New York

## July 2024 Empire State Business Leaders Survey (Services)

### Conditions Remain Sluggish

"Activity continued to edge slightly lower in the region's service sector, according to firms responding to the Federal Reserve Bank of New York's July 2024 *Business Leaders Survey*. The survey's headline business activity index held steady at -4.5. The business climate index was little changed at -25.4, suggesting the business climate remains worse than normal. Employment growth continued to pick up, and wages increased at a similar pace to the prior few months. Supply availability was unchanged. Input and selling price increases remained moderate, while capital spending declined for a second consecutive month. Looking ahead, optimism about the six-month outlook waned.

Business activity continued to decline slightly in the New York-Northern New Jersey region, according to the July survey. The headline business activity index was little changed at -4.5. Twenty-seven percent of respondents reported that conditions improved over the month, and 31 percent said that conditions worsened. The business climate index edged down two points to -25.4, pointing to an ongoing worsening business climate." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 7/16/24

Return to TOC

# The Federal Reserve Bank of New York

## July Empire State Manufacturing Survey (Services)

### Employment Expands

“Despite the business activity remaining weak, the employment index continued to climb, rising three points to 12.4, suggesting that employment growth picked up.  The wages index came in at 35.0, a level similar to the prior few months, indicating that wage increases were steady.  Both the prices paid and prices received indexes were little changed, suggesting that prices increased at about the same pace as in June.  The capital spending index remained negative at -4.5.

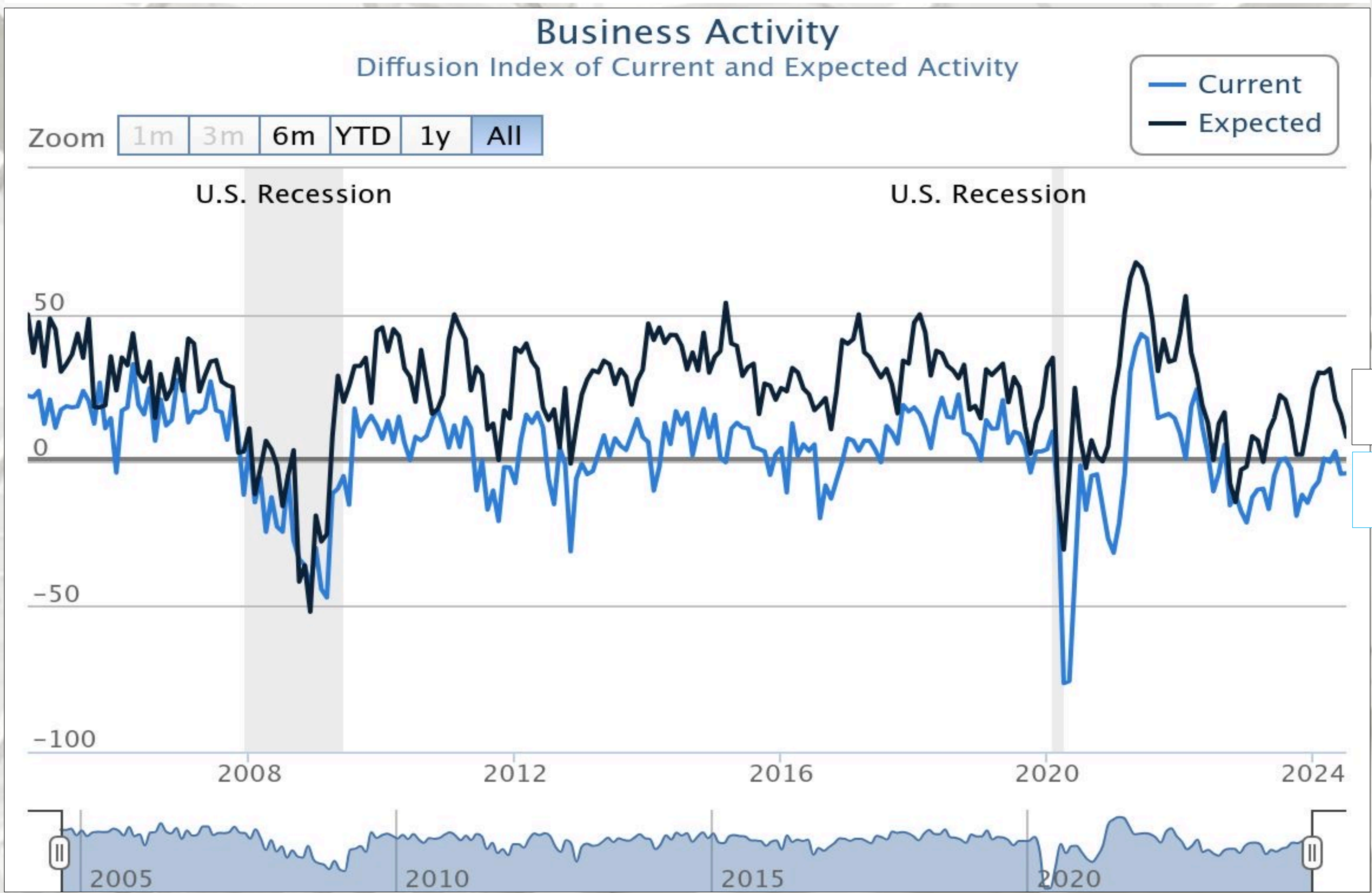
### Optimism Continues To Wane

The index for future business activity fell eight points to 8.0, its third consecutive monthly decline. The index for the future business climate remained negative at -5.1, suggesting that firms were not very optimistic that conditions would improve over the next six months.” – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 7/16/24

Return to TOC

# The Federal Reserve Bank of New York




July 2024
8.0

July 2024
-4.5

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 7/16/24

Return to TOC

# The Federal Reserve Bank of Philadelphia

## June 2024 Manufacturing Business Outlook Survey

### Current Indicators Are Mixed

"Manufacturing activity in the region was mostly steady overall, according to the firms responding to the June *Manufacturing Business Outlook Survey*. The diffusion index for current general activity edged down 3 points to 1.3 in June, its lowest reading since January. The shipments index fell further into negative territory, and the new orders index remained negative. On balance, the firms continued to indicate a decline in employment, and the current price indexes suggest overall increases in prices. Most of the survey's broad indicators for future activity fell but remained positive, suggesting less widespread expectations for growth over the next six months.

The diffusion index for current general activity edged down 3 points to 1.3 in June, its lowest reading since January (see Chart 1). Twenty-four percent of the firms reported increases in general activity this month, while 23 percent reported decreases; 50 percent reported no change. The index for new orders recorded a second consecutive negative reading but moved up from -7.9 in May to -2.2 in June. The current shipments index fell 6 points to -7.2, its lowest reading since December.

On balance, the firms continued to report a decline in employment. The employment index rose 5 points to -2.5 in June, its eighth consecutive negative reading. Most firms (74 percent) continued to report no change in employment, while the share of firms reporting decreases (14 percent) slightly exceeded the share reporting increases (11 percent). The average workweek index rose from -8.3 to 4.8." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

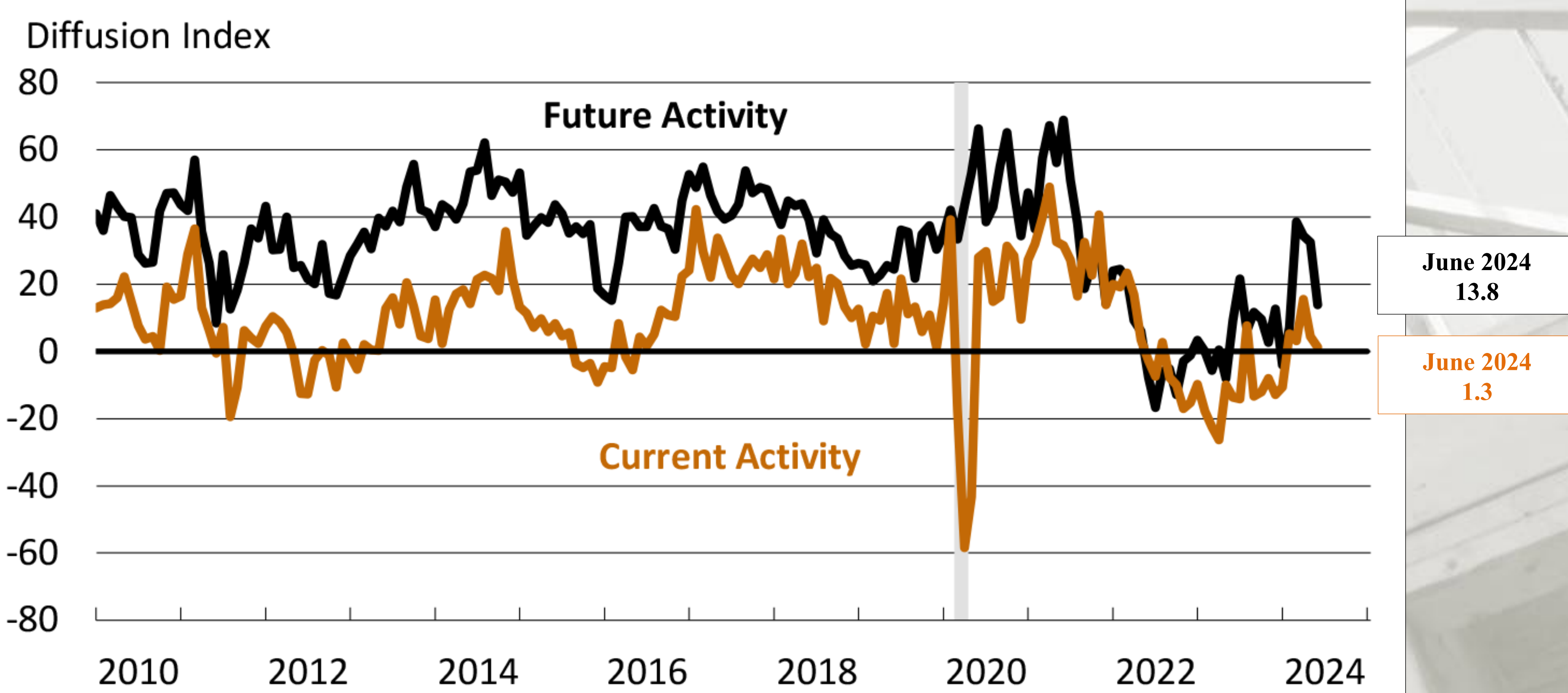
Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-06; 6/20/24

Return to TOC

# The Federal Reserve Bank of Philadelphia

**Chart 1. Current and Future General Activity Indexes**

January 2009 to June 2024




Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-06; 6/20/24

Return to TOC

# The Federal Reserve Bank of Philadelphia

## June 2024 Manufacturing Business Outlook Survey

### Firms Report Overall Price Increases

"The firms reported increases in prices overall in June. The prices paid index rose 4 points to 22.5. Almost 26 percent of the firms reported increases in input prices (up from 19 percent last month), while 3 percent reported decreases (up from 0 percent); 71 percent reported no change (down from 78 percent). The current prices received index increased 7 points to 13.7. Nearly 14 percent of the firms reported increases in the prices of their own goods, no firm reported decreases, and 86 percent reported no change.

### Most Future Indicators Remain Positive

"The diffusion index for future general activity fell from a reading of 32.4 in May to 13.8 in June, its lowest reading since February (see Chart 1). More than 32 percent of the firms expect an increase in activity over the next six months, exceeding the 19 percent that expect a decrease; 47 percent expect no change. The future new orders index fell 24 points to 16.2, and the future shipments index dropped 46 points to -0.1. The firms continue to expect an overall increase in employment over the next six months, and the future employment index edged down from a reading of 21.7 to 19.0. The future prices paid index rose from 35.4 to 56.3, and the future prices received index increased from 31.4 to 58.8. The index for future capital expenditures decreased 8 points to 12.1, its lowest reading since January." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-06; 6/20/24

Return to TOC

# The Federal Reserve Bank of Philadelphia

## June 2024 Manufacturing Business Outlook Survey

### Firms Report Higher Production, Little Change in Capacity Utilization

"In this month's special questions, the firms were asked to estimate their total production growth for the second quarter ending this month compared with the first quarter of 2024. A higher share of firms reported an increase in production (50 percent) compared with the share reporting a decrease (25 percent). Regarding firms' capacity utilization for the current quarter and one year ago, the median current capacity utilization rate reported among the responding firms was unchanged at 70 to 80 percent.

Most firms reported labor supply as at least a slight constraint to capacity utilization in the current quarter, and the share of firms reporting it as a moderate or significant constraint (27 percent) fell from when this question was asked in March (38 percent). Over 15 percent of the firms cited that energy markets were a constraint in the current quarter at least slightly, up from 3 percent in the previous quarter. Looking ahead over the next three months, most firms expect the impacts of various factors to stay the same. However, the share of firms expecting labor supply impacts to improve (6 percent) was lower than when this question was asked in March (12 percent).

### Summary

Responses to the June *Manufacturing Business Outlook Survey* suggest mostly steady regional manufacturing activity overall this month. The indicator for current activity ticked down but remained positive. The shipments index fell further into negative territory, and the new orders index remained negative. On balance, the firms continued to indicate a decline in employment, and the current price indexes suggest overall increases in prices. Most of the survey's broad indicators for future activity fell but remained positive, suggesting less widespread expectations for growth over the next six months." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-06; 6/20/24

# The Federal Reserve Bank of Philadelphia

## June 2024 Nonmanufacturing Business Outlook Survey

### Current Indicators Are Positive

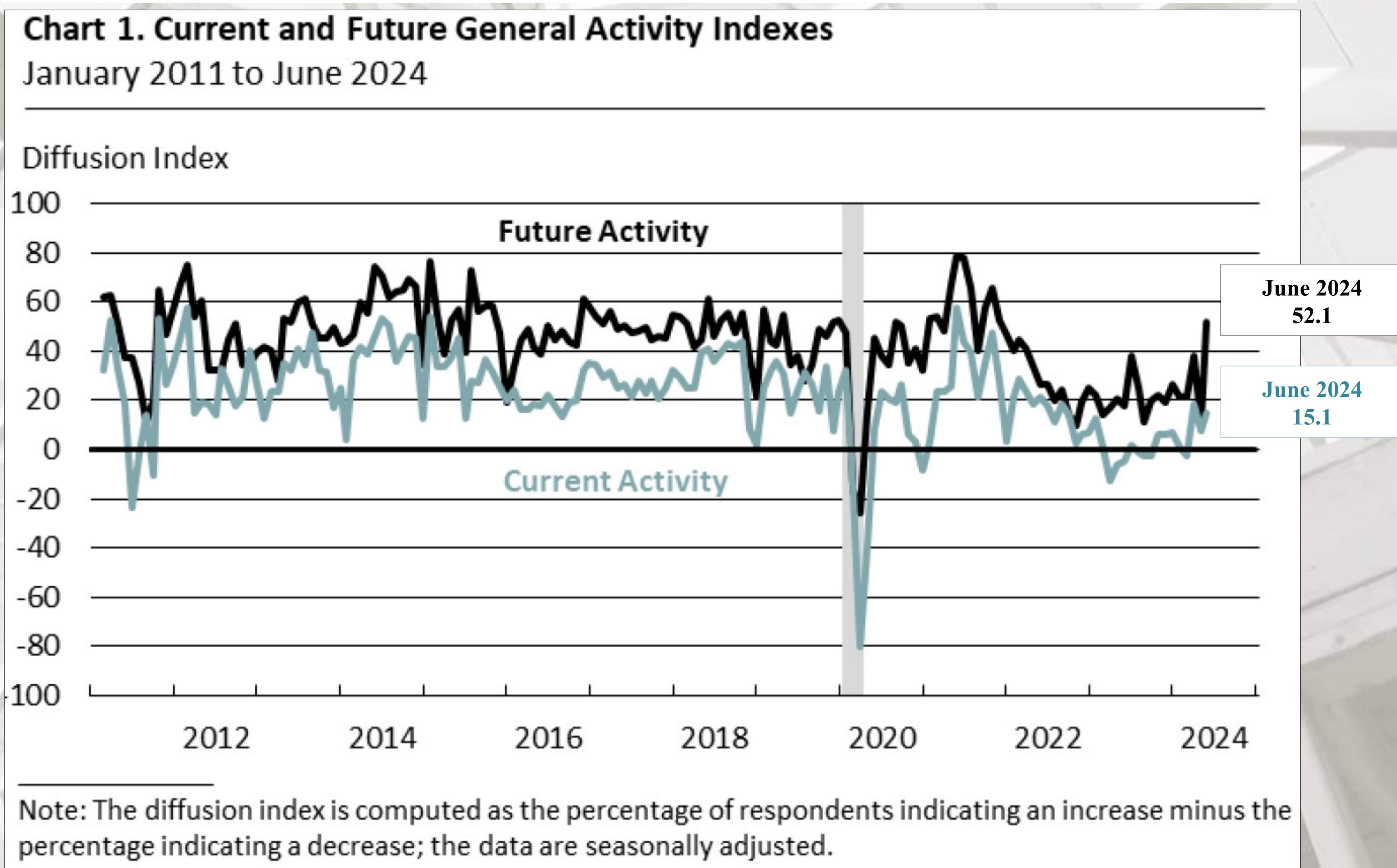
“Nonmanufacturing activity in the region continued to expand overall this month, according to the firms responding to the June *Nonmanufacturing Business Outlook Survey*. The indexes for general activity at the firm level, new orders, and sales/revenues all increased. The full-time employment index moved up and suggests increases in employment. Both price indexes remained near long-run averages and continued to indicate overall increases in prices. Optimism was more widespread, and the firms continue to expect growth over the next six months at their own firms and in the region.

The diffusion index for current general activity at the firm level increased from a reading of 7.3 in May to 15.1 this month (see Chart 1). More than 39 percent of the firms reported increases, while 24 percent reported decreases; 34 percent reported no change in activity. The new orders index increased from -5.1 to 6.7. Almost 21 percent of the firms reported increases in new orders (up from 19 percent), while 14 percent reported decreases (down from 24 percent). The sales/revenues index rose 3 points to 14.3. More than 36 percent of the firms reported increases, and 22 percent of the firms reported decreases in sales/revenues. The regional activity index rose 4 points to 2.9 this month. ” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-06; 6/25/24

Return to TOC

# The Federal Reserve Bank of Philadelphia




Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-06; 6/25/24

Return to TOC

# The Federal Reserve Bank of Philadelphia

## June 2024 Nonmanufacturing Business Outlook Survey

### Firms Report Overall Increases in Employment

“The full-time employment index increased from 3.5 to 14.6 in June. Almost 25 percent of the firms reported increases in full-time employment, while 10 percent reported decreases; 64 percent of the firms reported no change. Similarly, the part-time employment index increased from 1.1 to 13.1. Most firms (65 percent) reported steady part-time employment, while the share of firms reporting increases (21 percent) exceeded the share reporting decreases (8 percent). The average workweek index edged up from 8.3 to 9.8.

### Firms Continue to Report Overall Price Increases

Price indicator readings continue to suggest increases in input prices and prices for the firms’ own goods and services, on balance, and are in line with long-run averages. The prices paid index edged down to 24.4. More than 31 percent of the respondents reported higher input prices, while 7 percent reported decreases; 46 percent reported no change. Regarding prices for the firms’ own goods and services, the prices received index rose from 5.2 to 16.6. Almost 25 percent of the firms reported increases in their own prices, while 8 percent reported decreases; 55 percent reported no change.

### Firms Anticipate Growth

“The future activity indexes suggest more widespread expectations for growth over the next six months. The diffusion index for future general activity at the firm level increased 42 points to 52.1 (see Chart 1). More than 65 percent of the firms expect an increase in activity at their firms over the next six months, 13 percent expect decreases, and 21 percent of the firms expect no change. The future regional activity index rose 39 points to 44.7.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-06; 6/25/24

Return to TOC

# The Federal Reserve Bank of Philadelphia

## June 2024 Nonmanufacturing Business Outlook Survey

### Firms Expect Own Price Increases to Lag Inflation

"In this month's special questions, the firms were asked to estimate their total sales/revenues growth for the second quarter ending this month compared with the first quarter of 2024; they were also asked about factors constraining business operations. The share of firms reporting expected increases in second-quarter sales/revenues (63 percent) exceeded the share reporting decreases (19 percent). Over 71 percent of the firms reported labor supply as at least a slight constraint on business operations, up slightly from 67 percent in March. More than 44 percent of the firms reported financial capital as at least a slight constraint in the current quarter, down from 61 percent in March. Over the next three months, most of the firms expect the impacts of various factors to stay the same. However, while 21 percent of the firms expect labor supply impacts to worsen (unchanged from March), 32 percent expect impacts to improve (up from 13 percent).

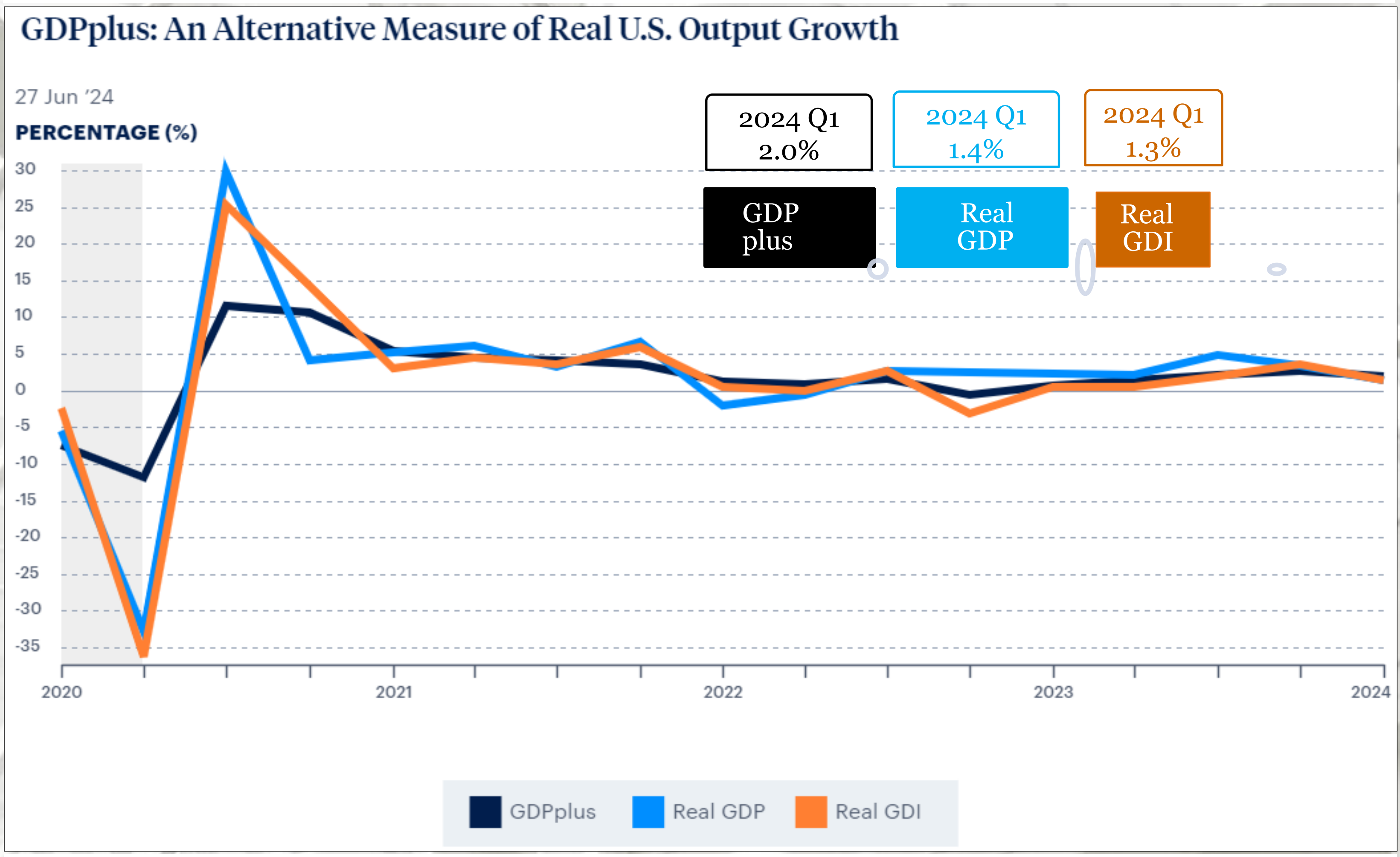
### Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest nonmanufacturing activity continued to expand in the region. The indicators for firm-level general activity, new orders, and sales/revenues all increased this month. The full- and part-time employment indexes suggest overall increases in employment. The indexes for prices paid and prices received remained near long-run averages. Expectations for growth over the next six months at individual firms and in the region overall were more widespread." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-06; 6/25/24

Return to TOC

# The Federal Reserve Bank of Philadelphia: GDPplus




Notes: Shaded areas indicate NBER recessions. The data measure the quarter-over-quarter growth rate in continuously compounded annualized percentage points.

Sources: Bureau of Economic Analysis (BEA) and NBER via Haver Analytics. Federal Reserve Bank of Philadelphia.

Source: https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/gdpplus; 6/27/24

Return to TOC

# The Federal Reserve Bank of Richmond

## May 2024 Fifth District Survey of Manufacturing Activity

## Manufacturing Activity Improved but Remained Sluggish in May

“Fifth District manufacturing activity slowed in June, according to the most recent survey from the Federal Reserve Bank of Richmond.  The composite manufacturing index decreased from 0 in May to −10 in June.  Of its three component indexes, shipments fell notably from 13 to −9, new orders decreased from −6 to −17, and employment rose from −6 to −2.

Firms grew notably less optimistic about local business conditions, as the index fell from 3 to −15. The index for future local business conditions, however, increased from 6 in May to 10 in June. The future indexes for shipments and new orders remained solidly in positive territory, suggesting that firms continued to expect improvements in these areas over the next six months.

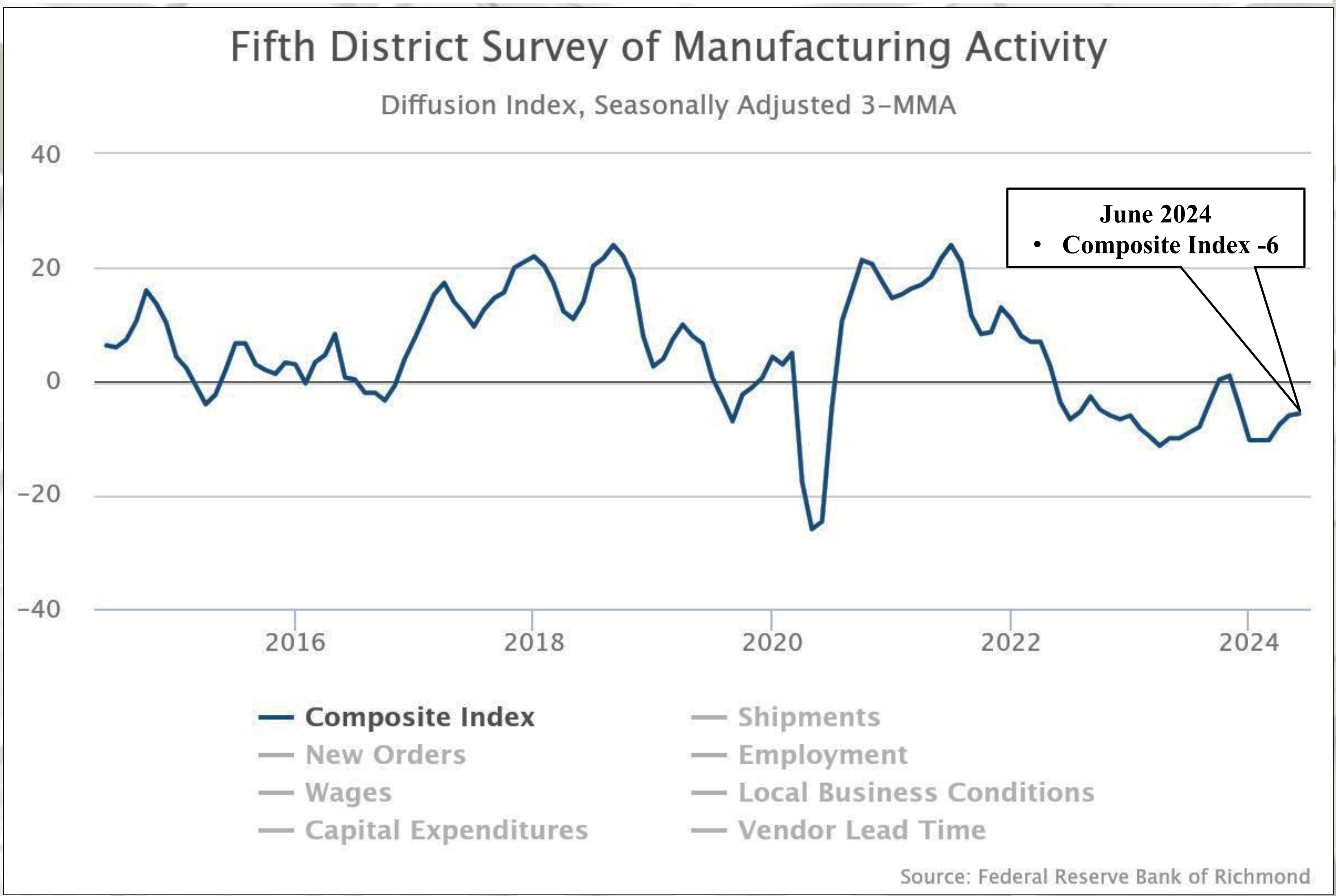
Although the vendor lead time index increased, on balance, firms continued to report declining backlogs and vendor lead times in June, as those indexes both remained negative.

The average growth rate of prices paid and prices received increased in June.  Firms expected price growth to moderate slightly over the next 12 months.” – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 6/25/24

Return to TOC

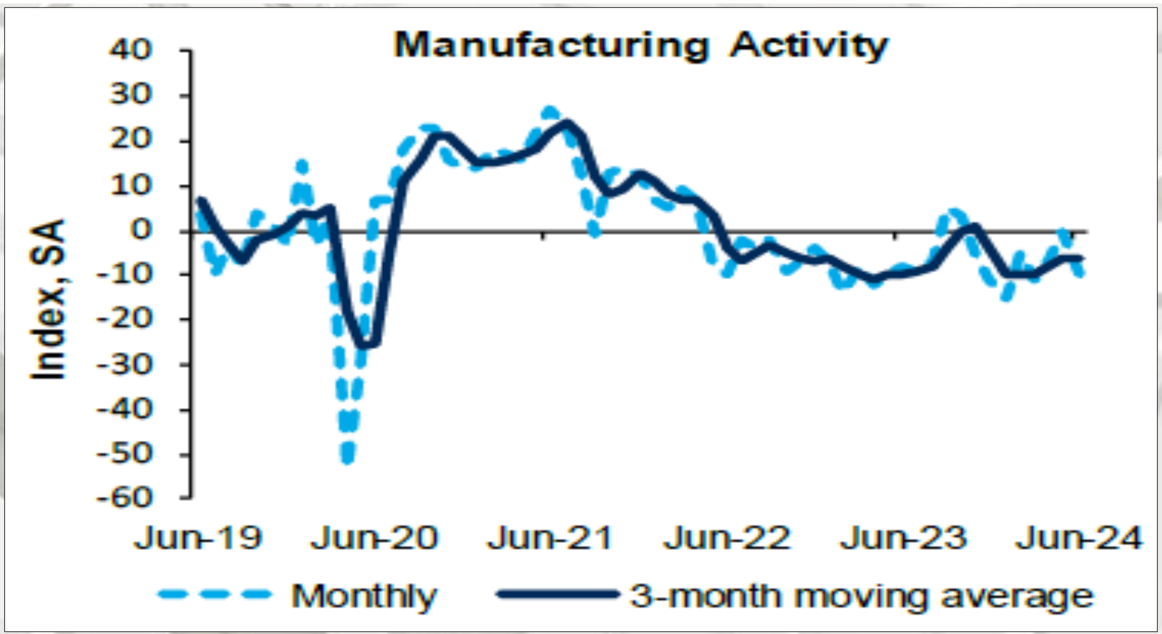
# The Federal Reserve Bank of Richmond

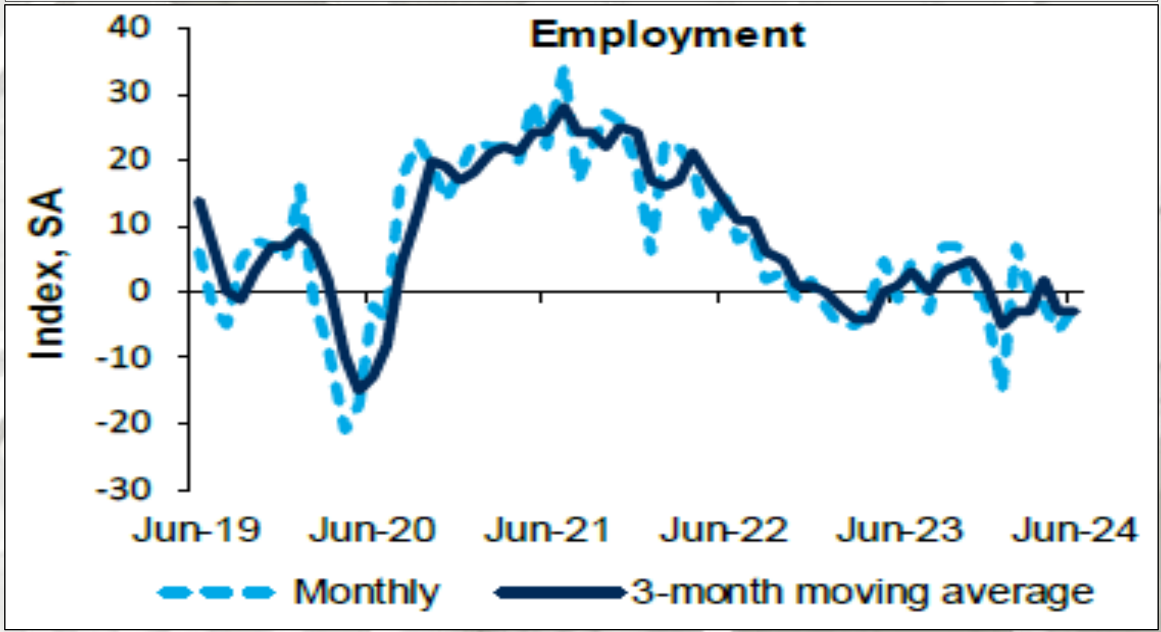



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 6/25/24

Return to TOC

# The Federal Reserve Bank of Richmond

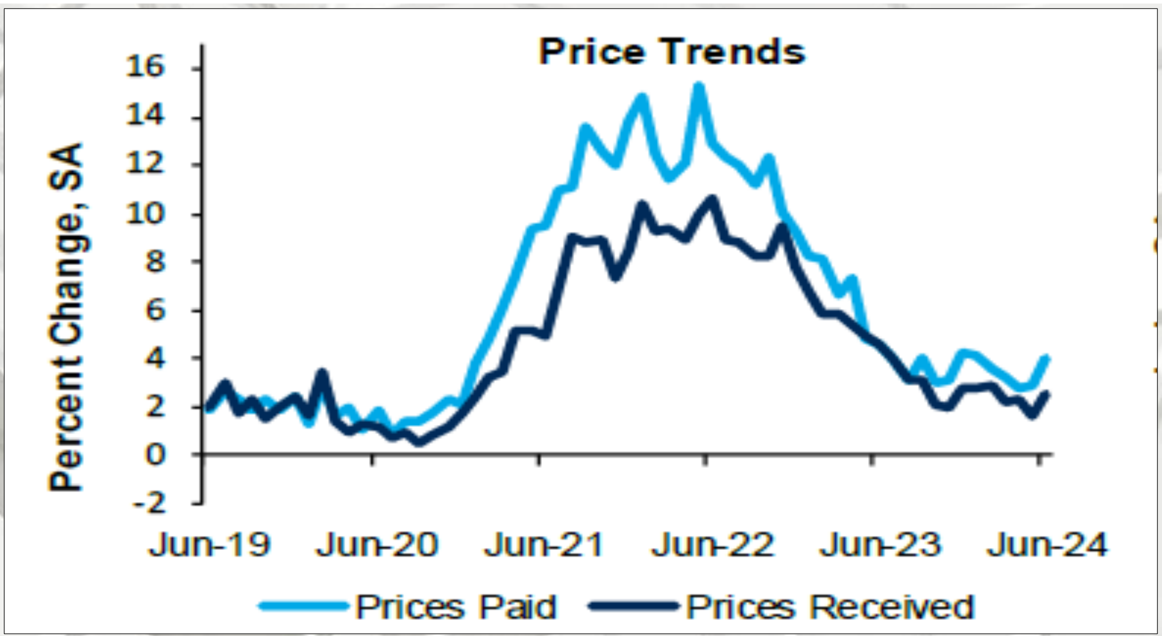



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 6/25/24

Return to TOC

# The Federal Reserve Bank of Richmond





Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 6/25/24

Return to TOC

# The Federal Reserve Bank of Richmond

## Fifth District Survey of Service Sector Activity

## Service Sector Activity Slowed in June

"Fifth District service sector activity slowed in June, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index fell from 3 to −11 and the demand index edged down from 1 in May to −2 in June. The indexes for future revenues and demand decreased but remained in positive territory.

Firms grew slightly less optimistic about local business conditions, as that index edged down from −9 in May to −11 in June. The index for expected local business conditions also decreased, from 2 to −3 in June.

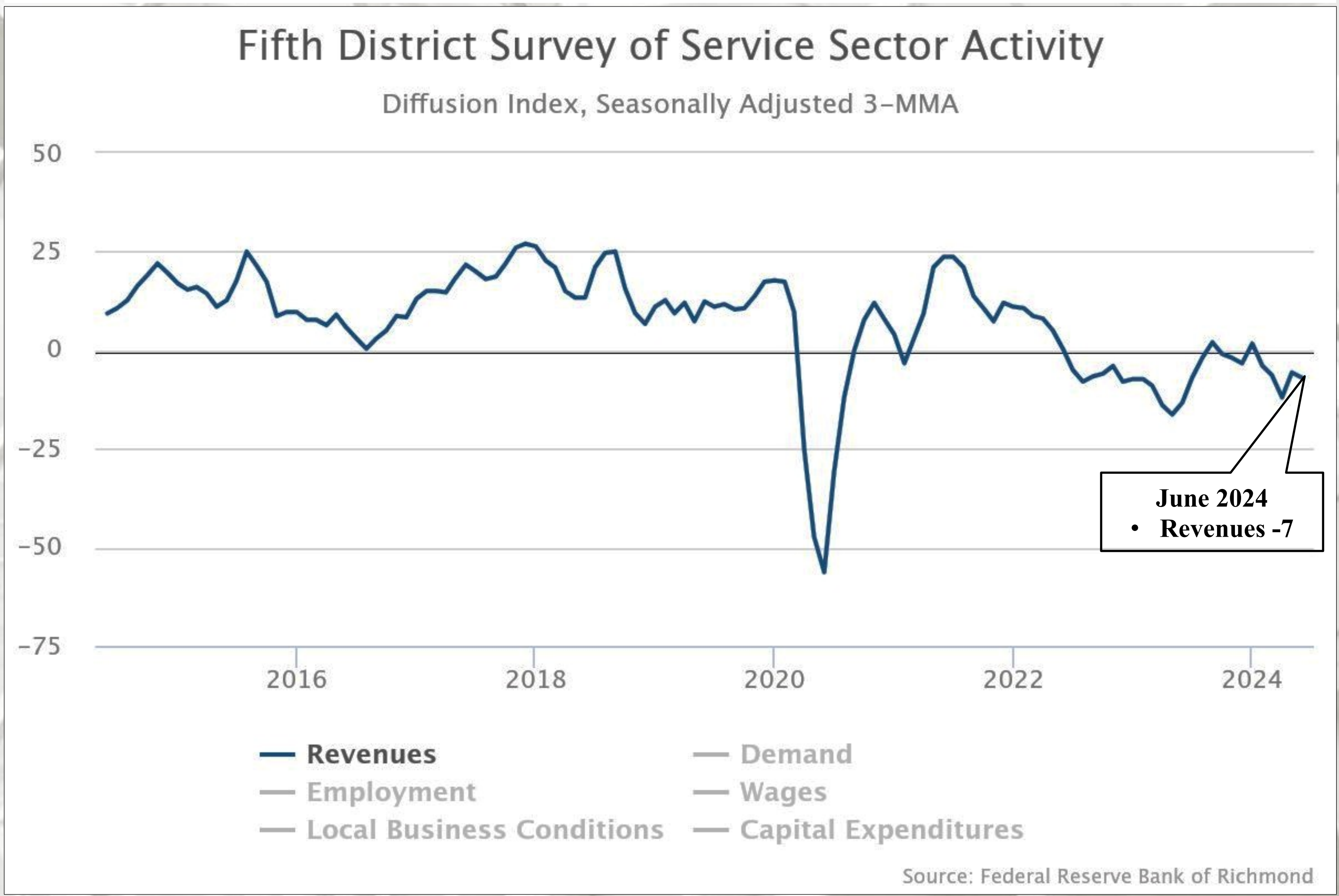
The employment index edged down from 6 in May to 3 in June, while most firms continued to report wage increases. The availability of skills index edged up from 6 to 7 in June, suggesting little change in firms' ability to find workers with the necessary skills. Over the next six months, firms expect to increase hiring and anticipate little change in their ability to find workers with the necessary skills. Most firms plan to continue increasing wages.

The average growth rate of prices paid and prices received decreased in June. Firms expect growth in prices paid to moderate over the coming year." – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 6/25/24

Return to TOC

# The Federal Reserve Bank of Richmond




Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 6/25/24

Return to TOC

# Global Economic Indicators

## The Federal Reserve Bank of Dallas

## México Economic Update

### México's economy continues growing through second quarter

"México's economy continued growing steadily through the second quarter, according to the monthly GDP proxy. However, high inflation and the recent increase in political uncertainty remain headwinds for the Méxican economy. Despite these challenges, the consensus forecast for 2024 GDP growth (fourth quarter/fourth quarter), compiled by Banco de México remained around 2 percent in May (*Table 1*). The latest data available show industrial production was flat, while exports and retail sales increased. Employment also grew but at a slower rate than the previous month. The peso lost value against the dollar, and inflation remained elevated.

### Output steadily increasing

The global economic activity index (IGAE) – the monthly proxy for GDP growth – rose a mere 0.3 percent month over month in May after falling 0.3 percent in April (*Chart 1*). Both the goods-producing sector (including manufacturing, construction and utilities) and service-related activities (including trade and transportation) increased 0.4 percent. The IGAE was up 2.0 percent year over year." – Jesus Cañas, Senior Business Economist and Diego Morales-Burnett, Research Analyst, Research Department, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2404; 7/3/24

Return to TOC

# Global Economic Indicators

| May 2024 economic report | | | |
|---|---|---|---|
| GDP, real Q1 '24 | Employment, formal May '24 | CPI May '24 | Peso/dollar June '24 |
| 1.1% q/q | 35,264 jobs m/m | 4.7% y/y | 18.2 |

**Table 1: Consensus Forecasts for 2024 México Growth, Inflation, and Exchange Rate**

| | April | May |
|---|---|---|
| Real GDP growth in Q4, year over year | 2.2 | 2.1 |
| Real GDP growth in 2024 | 2.2 | 2.1 |
| CPI December 2024, year over year | 4.2 | 4.3 |
| Peso/dollar exchange rate at end of year | 17.9 | 17.8 |

Note: CPI refers to the consumer price index. The survey period was May 23-29.
Source: Encuesta sobre las Expectativas de los Especialistas en Economía del Sector Privado: Mayo de 2024 (communiqué on economic expectations, Banco de México, May 2024).

## Industrial production flat

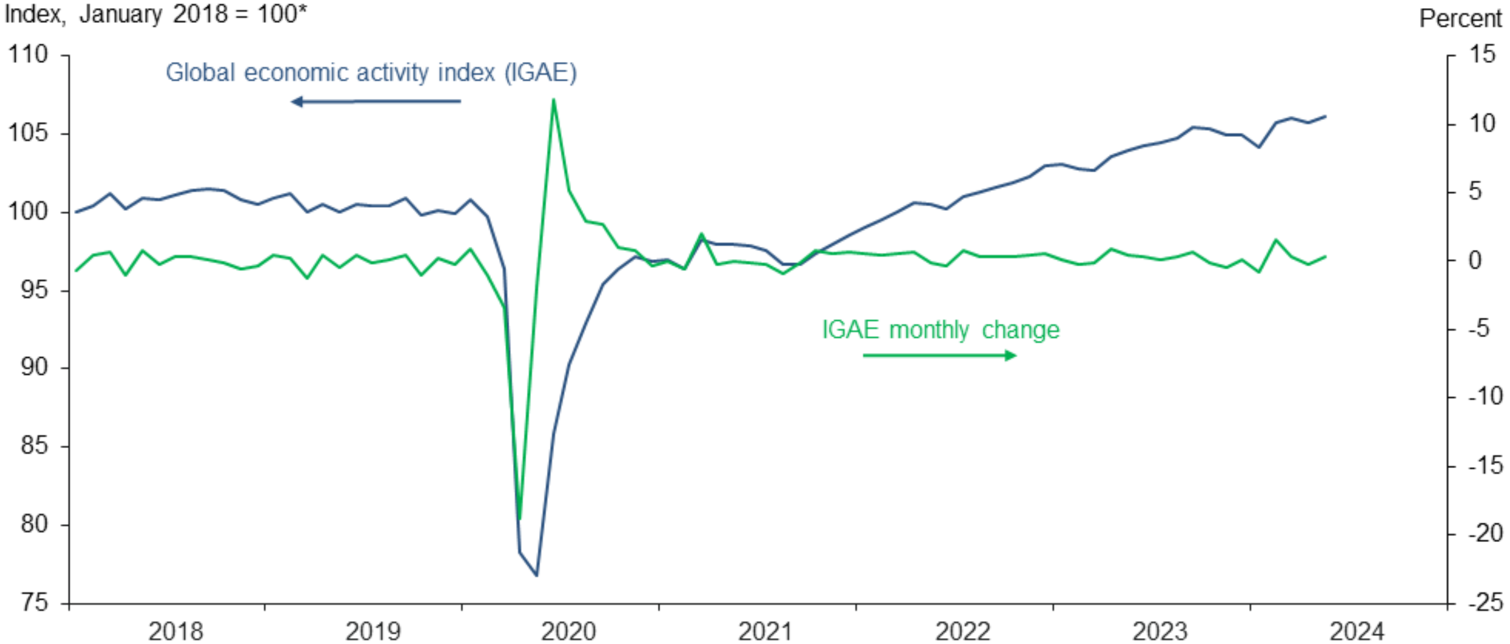
The three-month-moving average of México's industrial production (IP) index, which includes manufacturing, construction, oil and gas extraction and utilities, did not change in April (*Chart 2*). Manufacturing IP declined 0.1 percent. North of the border, the three-month moving average of U.S. IP was up slightly (0.2 percent) in May." – Jesus Cañas, Senior Business Economist and Diego Morales-Burnett, Research Analyst, Research Department, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2404; 7/3/24

Return to TOC

# Global Economic Indicators

**Chart 1**
**Economic activity trending up**




*Seasonally adjusted; real pesos.
NOTES: Data are through May 2024. Data for April 2024 and May 2024 are estimated by the National Institute of Statistics and Geography (INEGI) using its timely indicator of economic activity (IOAE).
SOURCE: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

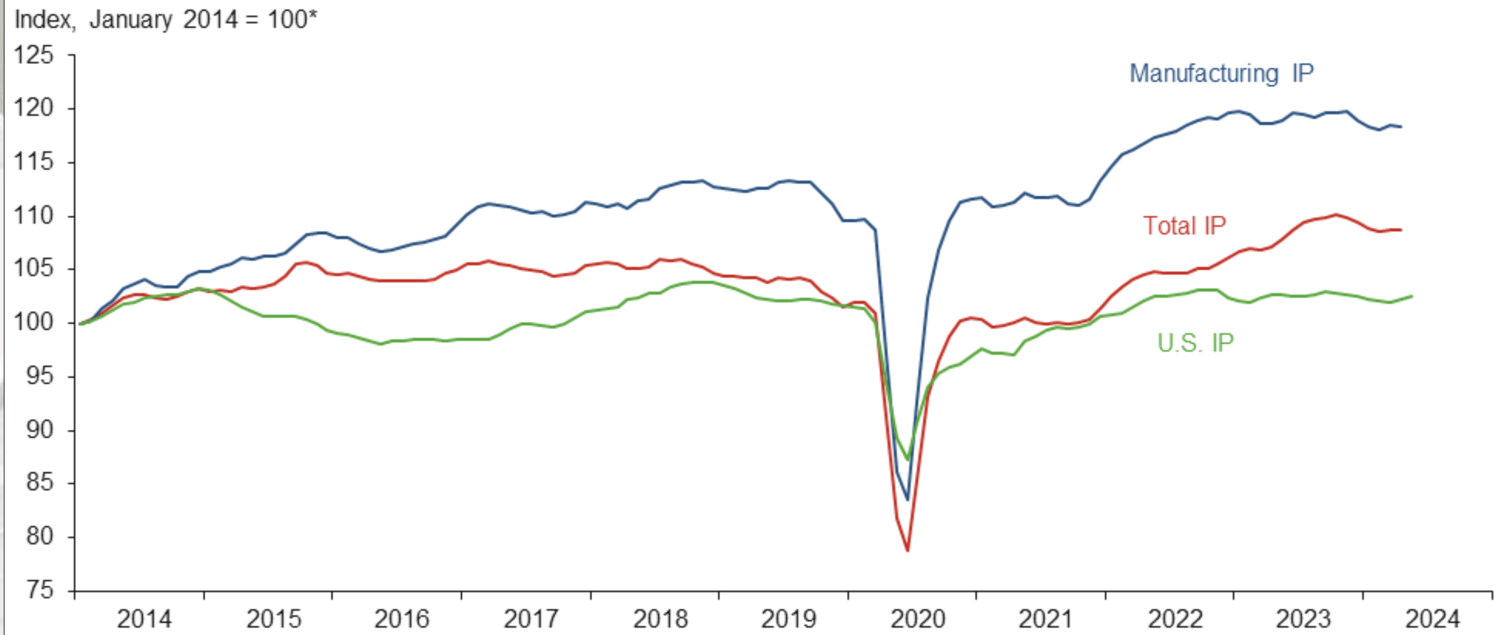
Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2404; 7/3/24

Return to TOC

# Global Economic Indicators

**Chart 2**
**Industrial production holds steady**



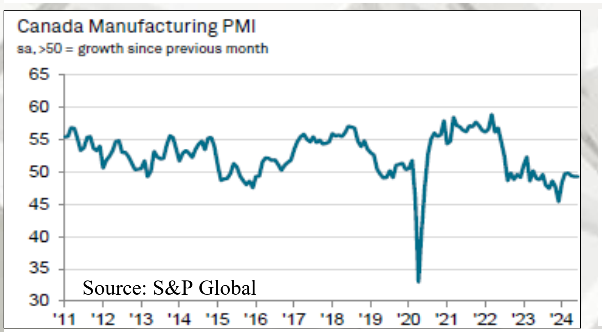

*Seasonally adjusted, three-month moving average.
NOTES: Total and manufacturing industrial production figures refer to Mexico. U.S. IP refers to total industrial production in the United States. Data are through April 2024 for Mexico and May 2024 for the U.S.
SOURCES: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography); Federal Reserve Board.

Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2404; 7/3/24

Return to TOC

# Private Indicators: Global




## S&P Global Canada Manufacturing PMI®

"The seasonally adjusted **S&P Global Canada Manufacturing Purchasing Managers' Index® (PMI®)** was unchanged at 49.3 in June to signal a further, albeit marginal, deterioration in operating conditions. Moreover, it was the fourteenth successive month in which the PMI has posted below the crucial 50.0 no-change mark to signal a sustained period of worsening manufacturing performance.

## Manufacturing sector performance softens again in June

Canada's manufacturing economy experienced a further deterioration in operating conditions during June, according to the latest PMI® data from S&P Global. Both output and new orders declined, whilst firms registered a mild drop in employment – the first reduction in net staffing levels since January. Purchasing activity was cut to a stronger degree, whilst firms experienced unexpected growth in their inventory levels. Confidence in the future was the lowest of the year so far. Meanwhile, price pressures were broadly contained, with input prices rising to the weakest degree since January and output charge inflation only modest.

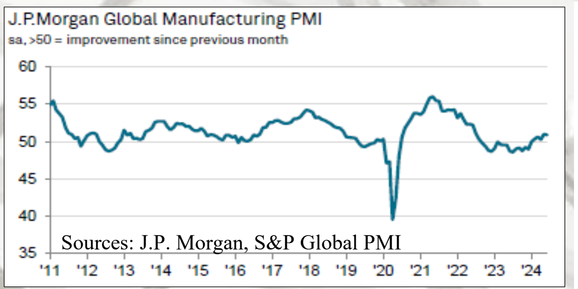
Output and new orders both continued to fall in June. For output, latest data marked the eleventh successive month in which production has declined, though the latest reduction was only marginal. Comparatively, the decline in new orders was greater than for output, reflective of high prices and a generally soft demand environment. Sales from both at home and abroad were reported to be down, with the reduction in new export orders steepening since May. …

The performance of the Canadian manufacturing economy remained subdued in June, with output, new orders, employment and purchasing all falling since the previous month. Panellists noted that underlying market demand remained soft, whilst also commenting that sales were perhaps weaker-than-expected – resulting in the accumulation of some excess inventory at their plants. A positive from the latest survey is that price pressures appear broadly contained, with costs rising at a softer pace than in recent months and charges increasing only modestly. However, limited pricing power is broadly a function of weak demand and a competitive marketplace, and with firms noting that prices remain too high for many clients, confidence in the future has subsequently softened to its lowest level of the year so far." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/847f93fb702a451cbda7b7c274441aa6; 7/2/24

Return to TOC

# Private Indicators: Global




## J.P. Morgan Global Manufacturing PMI™

"The J.P. Morgan Global Manufacturing PMI™ – a composite index produced by J.P. Morgan and S&P Global in association with ISM and IFPSM – posted 50.9 in June, down slightly from May's high of 51.0. The PMI has remained above the neutral 50.0 mark, signalling improved operating conditions, for five months in a row.

## Upturn in global manufacturing continues but input cost inflation accelerates to 16-month high

"Four out of the five PMI sub-indices were at levels consistent with expansion in June, with output, new orders and employment all rising and suppliers' delivery times lengthening. In contrast, there was a slight decrease in stocks of purchases for the fourth month running.

The growth rate of global manufacturing production held close May's near two-and-a-half year high in June. Output has now increased in each of the past six months. Upturns continued in both the consumer and intermediate goods industries, whereas production fell in the investment goods category for the second time in the past three months. …

The latest increase in global manufacturing production was underpinned by rising intakes of new work. Incoming new business rose for the fifth month in a row, although the rate of expansion remained modest and slowed slightly since the prior survey month. The trend in international trade flows deteriorated, with the volume of new export orders falling for the first time in three months. Subdued market conditions were a principal factor underlying a dip in manufacturers' business optimism to an eight-month low.

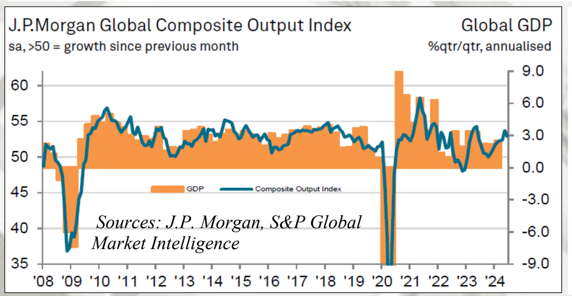
June saw manufacturing employment rise for the third time in four months and at the quickest pace since August 2023. The US, Japan, India and Brazil were among the larger industrial nations to register job creation. Input buying activity rose slightly, whereas stocks of both purchases and finished goods fell. Supply chain pressures remained relatively muted at the end of the second quarter. Average vendor lead times lengthened only marginally despite ongoing disruptions to global shipping caused by issues in the Red Sea and Panama Canal.

Measured overall, worldwide manufacturing input costs rose at the steepest rate for 16 months in June. These rising costs pushed up factory gate selling prices, which rose at the sharpest pace since March 2023. Rates of increase in both price measures remained stronger (on average) in developed nations compared to emerging markets." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/b8ebd597eb8d475ab7ec04250bb31e1e; 7/1/24

Return to TOC

# Private Indicators: Global




## J.P. Morgan Global Composite PMI™

"The J.P. Morgan Global Composite Output Index – produced by J.P. Morgan and S&P Global in association with ISM and IFPSM – posted 52.9 in June, down from 53.7 in May, as rates of expansion eased for both manufacturing production and service sector business activity. The headline index has signalled expansion for eight months in a row.

## Global economic growth acceleration pauses in June, as expansions in output and new orders slow

The end of the second quarter saw the global economy expand at a solid pace. Rates of increase in output and new business remained close to the 12-month highs registered in May and jobs growth accelerated to its fastest pace since June 2023.

Economic activity rose in five out of the six sub-sectors covered by the survey. Output rose at the quickest pace in the financial services category, while solid expansions were also seen in the business services, consumer goods and intermediate goods sectors. The rate of expansion was relatively mild in the consumer services sector, while investment goods producers saw output contract (albeit slightly) for the second time in the past three months. …

The level of new business rose for the eighth consecutive month in June, and at a rate above the average for that sequence. That said, new order growth eased to a two month low, in part reflecting a decline in new export orders (following back-to-back increases in April and May). There were also signs that companies were becoming less optimistic in their outlooks for the global economy moving forward, with positive sentiment about activity levels in one year's time dipping to its lowest level since November 2023. Of the six sub-sectors covered by the survey, only the financial services category saw confidence strengthen since May and even this was only to a very slight degree. …

The global all-industry output PMI stepped back 0.8-ptto 52.9 in June, with the decline fairly broad based across sectors and regions. Although suggesting some momentum loss at midyear, the index is still consistent with a solid pace of expansion in global GDP. Declines in the new orders and future output PMIs may raise the risk of growth moderating further, but another move up in the employment PMI suggests that underlying fundamentals remain resilient." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/544a5619274f4c0e800163086c5c0de4; 7/3/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors (ABC)

## ABC's Construction Backlog Indicator  Inched Higher in June, Contractors Remain Confident

"Associated Builders and Contractors reported today that its Construction Backlog Indicator increased to 8.4 months in June, according to an ABC member survey conducted June 20 to July 3. The reading is down 0.5 months from June 2023.

View the full Construction Backlog Indicator and Construction Confidence Index data series.

The entire decline in backlog observed over the past calendar year is attributable to the Middle States and Northeast.  Backlog in the South and West regions was unchanged between June 2023 and June 2024.

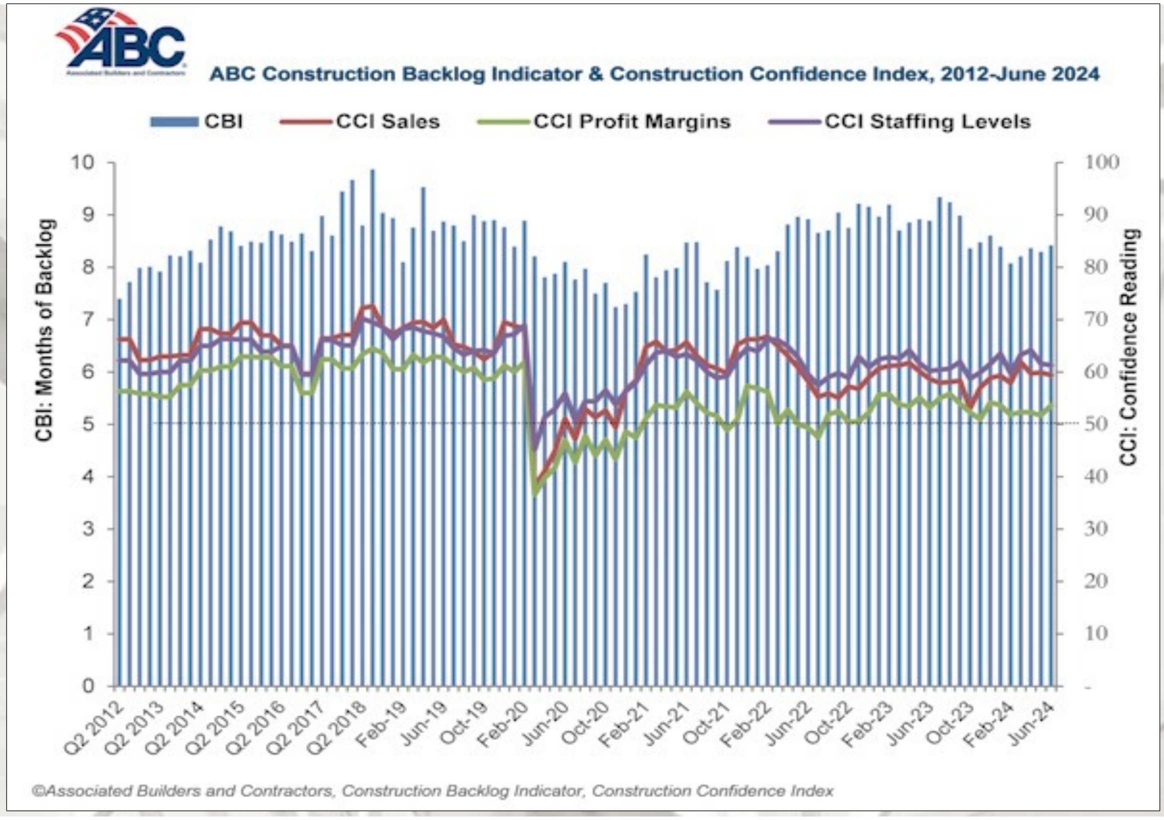
ABC's Construction Confidence Index readings for sales and staffing levels fell slightly in June, while the reading for profit margins improved.  All three readings remain above the threshold of 50, indicating expectations for growth over the next six months.

"Backlog continues to hold up remarkably well despite high interest rates, inflation and emerging weakness in the broader economy," said ABC Chief Economist Anirban Basu.  "While contractor confidence regarding the outlook for sales and staffing levels fell modestly in June, all three Construction Confidence Index components are higher than they were one year ago." – Erika Walter, Director of Media Relations, ABC

Source:  https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inched-higher-in-june-contractors-remain-confident; 6/9/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors (ABC)




## ABC's Construction Backlog Indicator Inched Higher in June, Contractors Remain Confident

"""The combination of slowing inflation and softening growth suggests that the Federal Reserve may begin to lower interest rates as soon as September," said Basu. "That will buoy backlog as some of the softer construction segments, like office and commercial, benefit from lower borrowing costs and looser lending standards."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inched-higher-in-june-contractors-remain-confident; 6/9/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors (ABC)

Construction Backlog Indicator

| | June 2024 | May 2024 | June 2023 | 1-Month Net Change | 12-Month Net Change |
|---|---|---|---|---|---|
| Total | **8.4** | **8.3** | **8.9** | **0.1** | **-0.5** |
| ***Industry*** | | | | | |
| Commercial and institutional | 8.5 | 8.5 | 9.0 | 0.0 | -0.5 |
| Heavy industrial | 9.6 | 8.8 | 6.4 | 0.8 | 3.2 |
| Infrastructure | 8.2 | 8.0 | 11.2 | 0.2 | -3.0 |
| ***Region*** | | | | | |
| Middle States | 7.4 | 7.6 | 8.9 | -0.2 | -1.5 |
| Northeast | 8.0 | 7.0 | 8.7 | 1.0 | -0.7 |
| South | 9.5 | 10.1 | 9.5 | -0.6 | 0.0 |
| West | 8.4 | 8.1 | 8.4 | 0.3 | 0.0 |
| ***Company Size*** | | | | | |
| <$30 Million | 7.7 | 7.4 | 8.2 | 0.3 | -0.5 |
| $30-$50 Million | 10.0 | 7.6 | 8.2 | 2.4 | 1.8 |
| $50-$100 Million | 9.5 | 9.2 | 10.7 | 0.3 | -1.2 |
| >$100 Million | 10.0 | 12.1 | 13.5 | -2.1 | -3.5 |



Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inched-higher-in-june-contractors-remain-confident; 6/9/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors (ABC)

Construction Confidence Index

| Response | June 2024 | May 2024 | June 2023 |
|---|---|---|---|
| *CCI Reading* | | | |
| Sales | 59.4 | 59.9 | 58.7 |
| Profit margins | 53.6 | 51.7 | 53.2 |
| Staffing | 61.3 | 61.6 | 60.2 |
| *Sales Expectations* | | | |
| Up big | 5.7% | 5.9% | 7.1% |
| Up small | 48.2% | 51.4% | 46.2% |
| No change | 28.1% | 22.2% | 26.2% |
| Down small | 14.0% | 17.4% | 15.2% |
| Down big | 3.9% | 3.1% | 5.2% |
| *Profit Margin Expectations* | | | |
| Up big | 2.2% | 1.7% | 2.9% |
| Up small | 31.6% | 31.6% | 32.4% |
| No change | 46.5% | 42.0% | 42.4% |
| Down small | 18.0% | 21.2% | 19.5% |
| Down big | 1.8% | 3.5% | 2.9% |
| *Staffing Level Expectations* | | | |
| Up big | 3.9% | 4.5% | 4.3% |
| Up small | 46.1% | 47.6% | 46.2% |
| No change | 41.7% | 38.5% | 38.1% |
| Down small | 7.9% | 8.7% | 9.0% |
| Down big | 0.4% | 0.7% | 2.4% |



Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inched-higher-in-june-contractors-remain-confident; 6/9/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

## Nonresidential Construction Spending Slips 0.1% in May, But Remains Elevated

“National nonresidential construction spending decreased 0.1% in May, according to an Associated Builders and Contractors analysis of data published by the U.S. Census Bureau. On a seasonally adjusted annualized basis, nonresidential spending totaled $1.21 trillion.

Spending declined on a monthly basis in 9 of the 16 nonresidential subcategories. Private nonresidential spending decreased 0.3%, while public nonresidential construction spending was up 0.4% in May.

“Nonresidential construction spending has fallen for two consecutive months yet remains just 0.2% below the all-time high achieved in March 2024,” said ABC Chief Economist Anirban Basu. “Much of that progress is attributable to ongoing infrastructure investments, which spurred a sizable 0.4% increase in publicly funded nonresidential spending in May.

“Private nonresidential spending has lagged and, after falling 0.3% in May, is up just 4.1% year over year,” said Basu. “That weakness can be tied to interest rate-sensitive segments like office and commercial, both of which have also been hampered by altered demand dynamics in the wake of the pandemic. Despite this recent private sector moderation, contractors remain confident about the next few quarters, with a majority expecting their sales to increase over the next six months, according to ABC’s Construction Confidence Index.’”” – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-slips-01-in-may-but-remains-elevated; 7/1/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

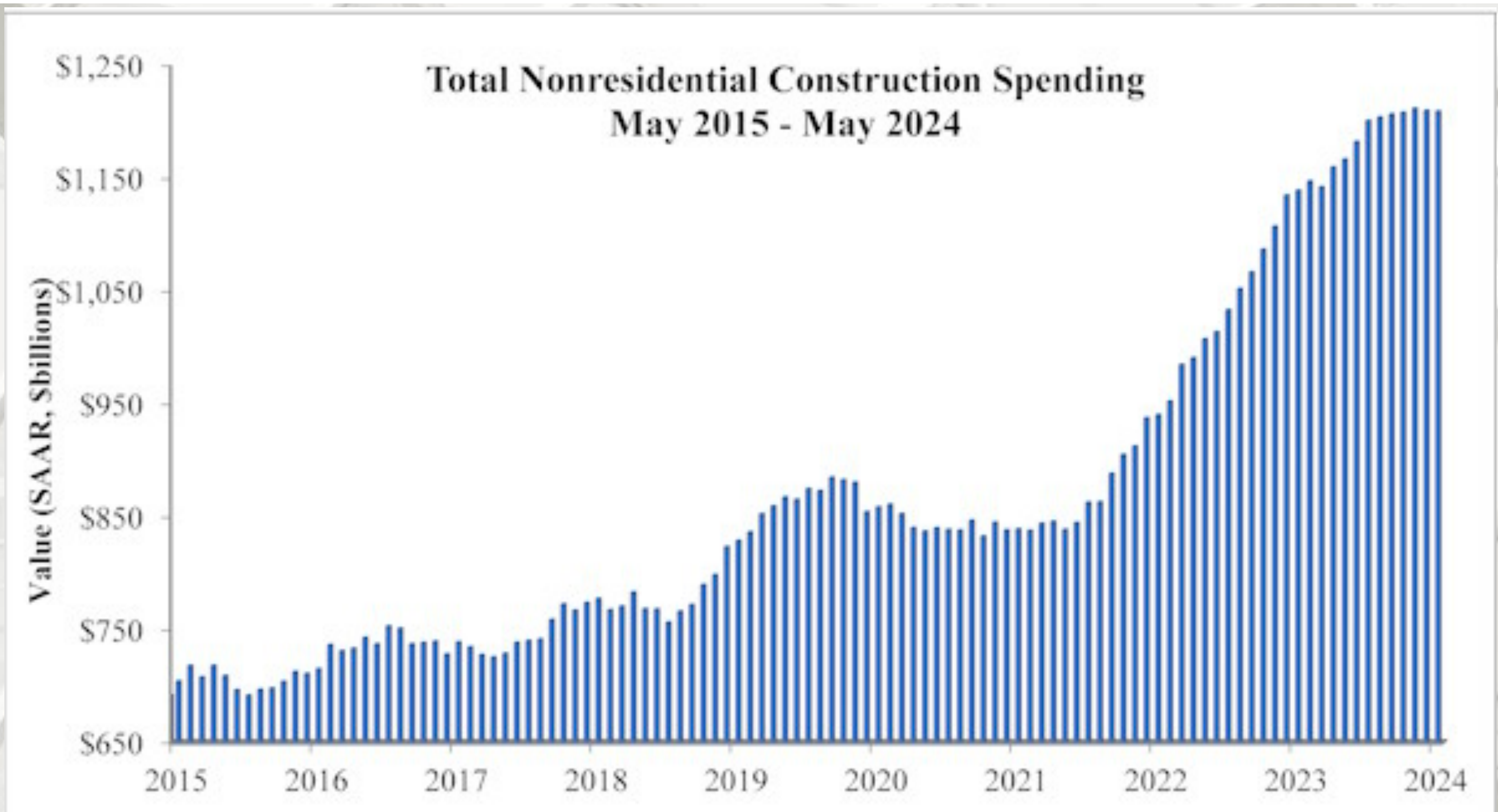
| Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate | | | | | |
|---|---|---|---|---|---|
| | May 2024 | April 2024 | May 2023 | 1-Month % Change | 12-Month % Change |
| Total Construction | $2,139,792 | $2,142,126 | $2,011,831 | -0.1% | 6.4% |
| Residential | $930,464 | $932,163 | $872,594 | -0.2% | 6.6% |
| Nonresidential | $1,209,329 | $1,209,964 | $1,139,236 | -0.1% | 6.2% |
| Sewage and waste disposal | $45,331 | $44,365 | $40,909 | 2.2% | 10.8% |
| Manufacturing | $234,133 | $231,071 | $194,667 | 1.3% | 20.3% |
| Transportation | $66,687 | $66,112 | $65,122 | 0.9% | 2.4% |
| Communication | $28,328 | $28,120 | $27,428 | 0.7% | 3.3% |
| Public safety | $18,440 | $18,408 | $14,194 | 0.2% | 29.9% |
| Amusement and recreation | $37,071 | $37,037 | $35,965 | 0.1% | 3.1% |
| Lodging | $23,033 | $23,036 | $25,167 | 0.0% | -8.5% |
| Educational | $125,972 | $126,233 | $118,304 | -0.2% | 6.5% |
| Highway and street | $148,568 | $149,377 | $136,251 | -0.5% | 9.0% |
| Commercial | $126,760 | $127,452 | $145,690 | -0.5% | -13.0% |
| Water supply | $30,842 | $31,016 | $27,343 | -0.6% | 12.8% |
| Power | $144,048 | $145,186 | $130,055 | -0.8% | 10.8% |
| Conservation and development | $11,371 | $11,474 | $11,800 | -0.9% | -3.6% |
| Office | $98,151 | $99,449 | $98,249 | -1.3% | -0.1% |
| Health care | $66,598 | $67,511 | $64,673 | -1.4% | 3.0% |
| Religious | $3,997 | $4,117 | $3,421 | -2.9% | 16.8% |
| Private Nonresidential | $733,898 | $736,468 | $705,253 | -0.3% | 4.1% |
| Public Nonresidential | $475,431 | $473,496 | $433,983 | 0.4% | 9.6% |

Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-slips-01-in-may-but-remains-elevated; 7/1/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors




Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-slips-01-in-may-but-remains-elevated; 7/1/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

## Construction Job Openings at 339,000 in May; Down By 38,000 From May 2023

“” The construction industry had 339,000 job openings on the last day of May, according to an Associated Builders and Contractors analysis of data from the U.S. Bureau of Labor Statistics’ Job Openings and Labor Turnover Survey. JOLTS defines a job opening as any unfilled position for which an employer is actively recruiting. Industry job openings increased by 2,000 last month but are down by 38,000 from the same time last year.

“While the number of open, unfilled construction positions has declined over the past year, the industry is still faced with widespread labor shortages,” said ABC Chief Economist Anirban Basu. “The 4.0% of construction jobs that were unfilled in May is a higher rate than in the months leading up to the start of pandemic, a time when construction labor was already scarce. Because of these shortages, a higher share of construction workers quit in May than in any month over the past year.

“Over half of contractors intend to increase their staffing levels during the next six months, according to ABC’s Construction Confidence Index,” said Basu. “As a result of this ongoing intention to hire and the lack of available workers, contractors laid off just 1.8% of the workforce in May, a smaller share than in any month on record prior to late 2021.”” – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-at-339000-in-may-down-by-38000-from-may-2023; 7/2/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

Construction Industry Job Openings and Labor Turnover Data: May 2024

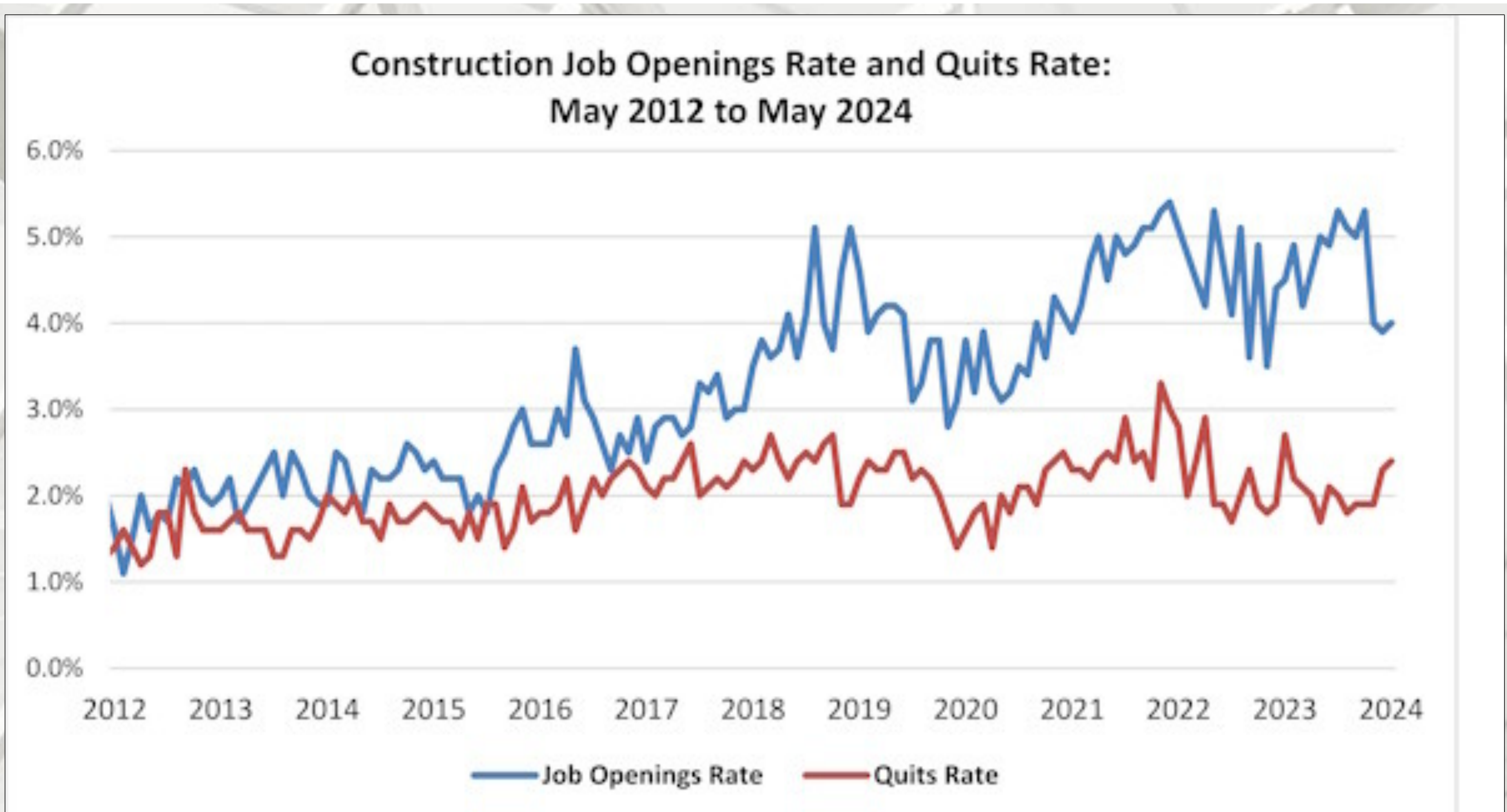
| | May 2024 | April 2024 | May 2023 | 1-Month Net Change | 12-Month Net Change | 12-Month % Change |
|---|---|---|---|---|---|---|
| ***Total*** | | | | | | |
| Job openings | 339,000 | 337,000 | 377,000 | 2,000 | -38,000 | -10.1% |
| Hires | 383,000 | 341,000 | 373,000 | 42,000 | 10,000 | 2.7% |
| Total separations | 360,000 | 355,000 | 358,000 | 5,000 | 2,000 | 0.6% |
| Layoffs & discharges | 147,000 | 152,000 | 133,000 | -5,000 | 14,000 | 10.5% |
| Quits | 199,000 | 191,000 | 215,000 | 8,000 | -16,000 | -7.4% |
| Other separations | 14,000 | 11,000 | 9,000 | 3,000 | 5,000 | 55.6% |
| ***Rate*** | | | | | | |
| Job openings | 4.0% | 3.9% | 4.5% | | | |
| Hires | 4.7% | 4.2% | 4.7% | | | |
| Total separations | 4.4% | 4.3% | 4.5% | | | |
| Layoffs & discharges | 1.8% | 1.9% | 1.7% | | | |
| Quits | 2.4% | 2.3% | 2.7% | | | |
| Other separations | 0.2% | 0.1% | 0.1% | | | |

Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-at-339000-in-may-down-by-38000-from-may-2023; 7/2/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors



Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-at-339000-in-may-down-by-38000-from-may-2023; 7/2/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

## Construction Adds 27,000 Jobs in June; Industry Unemployment Rate Plunges to Second Lowest Ever Recorded

"The construction industry added 27,000 jobs on net in June, according to an Associated Builders and Contractors analysis of data released by the U.S. Bureau of Labor Statistics. On a year-over-year basis, industry employment has increased by 235,000 jobs, an increase of 2.9%.

Nonresidential construction employment increased by 21,200 positions on net, with growth in all three subcategories. Nonresidential specialty trade contractors added the most jobs for the month, (+9,200 jobs), followed by heavy and civil engineering (+6,300 jobs) and nonresidential building (+5,700 jobs).

"Despite indications that the broader economy is slowing, the construction industry continued to add jobs at a rapid pace in June," said ABC Chief Economist Anirban Basu. "Contractors added another 27,000 jobs for the month, with hiring concentrated in the nonresidential segment. Nonresidential construction employment has expanded 3.8% over the past year, a rate of growth over twice as fast as that of the broader economy. With backlog still at healthy levels, according to ABC's ABC's Construction Backlog Indicator, hiring should continue in the coming months."– Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-adds-27000-jobs-in-june-industry-unemployment-rate-plunges-to-second-lowest-ever-recorded; 6/5/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

## Construction Adds 27,000 Jobs in June; Industry Unemployment Rate Plunges to Second Lowest Ever Recorded

“The construction unemployment rate decreased to 3.3% in June. Unemployment across all industries rose from 4.0 in May to 4.1% last month.

“Of course, the Industry would have added jobs at an even faster pace if not for ongoing labor shortages,” said Basu. “The construction unemployment rate fell to 3.3% in June, the second-lowest level ever recorded. This is in stark contrast to the nationwide unemployment rate which, while still low by historical standards, rose to the highest level since November 2021.””” – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-adds-27000-jobs-in-june-industry-unemployment-rate-plunges-to-second-lowest-ever-recorded; 6/5/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

## Nonresidential Construction Adds 27,000 Jobs in June

Construction Employment Statistics: June 2024

| | June 2024 | May 2024 | June 2023 | 1-Month Net Change | 12-Month Net Change | 12-Month % Change |
|---|---|---|---|---|---|---|
| ***Employment*** | | | | | | |
| **Construction** | 8,245,000 | 8,218,000 | 8,010,000 | 27,000 | 235,000 | 2.9% |
| Nonresidential | 4,884,700 | 4,863,500 | 4,707,000 | 21,200 | 177,700 | 3.8% |
| Nonresidential building | 926,300 | 920,600 | 880,900 | 5,700 | 45,400 | 5.2% |
| Nonresidential specialty trade contractors | 2,807,200 | 2,798,000 | 2,714,600 | 9,200 | 92,600 | 3.4% |
| Heavy & civil engineering | 1,151,200 | 1,144,900 | 1,111,500 | 6,300 | 39,700 | 3.6% |
| Residential | 3,360,000 | 3,354,500 | 3,303,200 | 5,500 | 56,800 | 1.7% |
| Residential building | 951,800 | 948,700 | 929,700 | 3,100 | 22,100 | 2.4% |
| Residential specialty trade contractors | 2,408,200 | 2,405,800 | 2,373,500 | 2,400 | 34,700 | 1.5% |
| ***Average Hourly Earnings*** | | | | | | |
| All private industries | $35.00 | $34.90 | $33.70 | $0.10 | $1.30 | 3.9% |
| Construction | $38.15 | $38.04 | $36.38 | $0.11 | $1.77 | 4.9% |
| ***Average Weekly Hours*** | | | | | | |
| All private industries | 34.3 | 34.3 | 34.4 | 0.0 | -0.1 | -0.3% |
| Construction | 39.3 | 39.0 | 39.0 | 0.3 | 0.3 | 0.8% |
| ***Unemployment Rate*** | | | | | | |
| All private industries (SA) | 4.1% | 4.0% | 3.6% | 0.1pp | 0.5pp | |
| Construction (NSA) | 3.3% | 3.9% | 3.6% | -0.6pp | -0.3pp | |

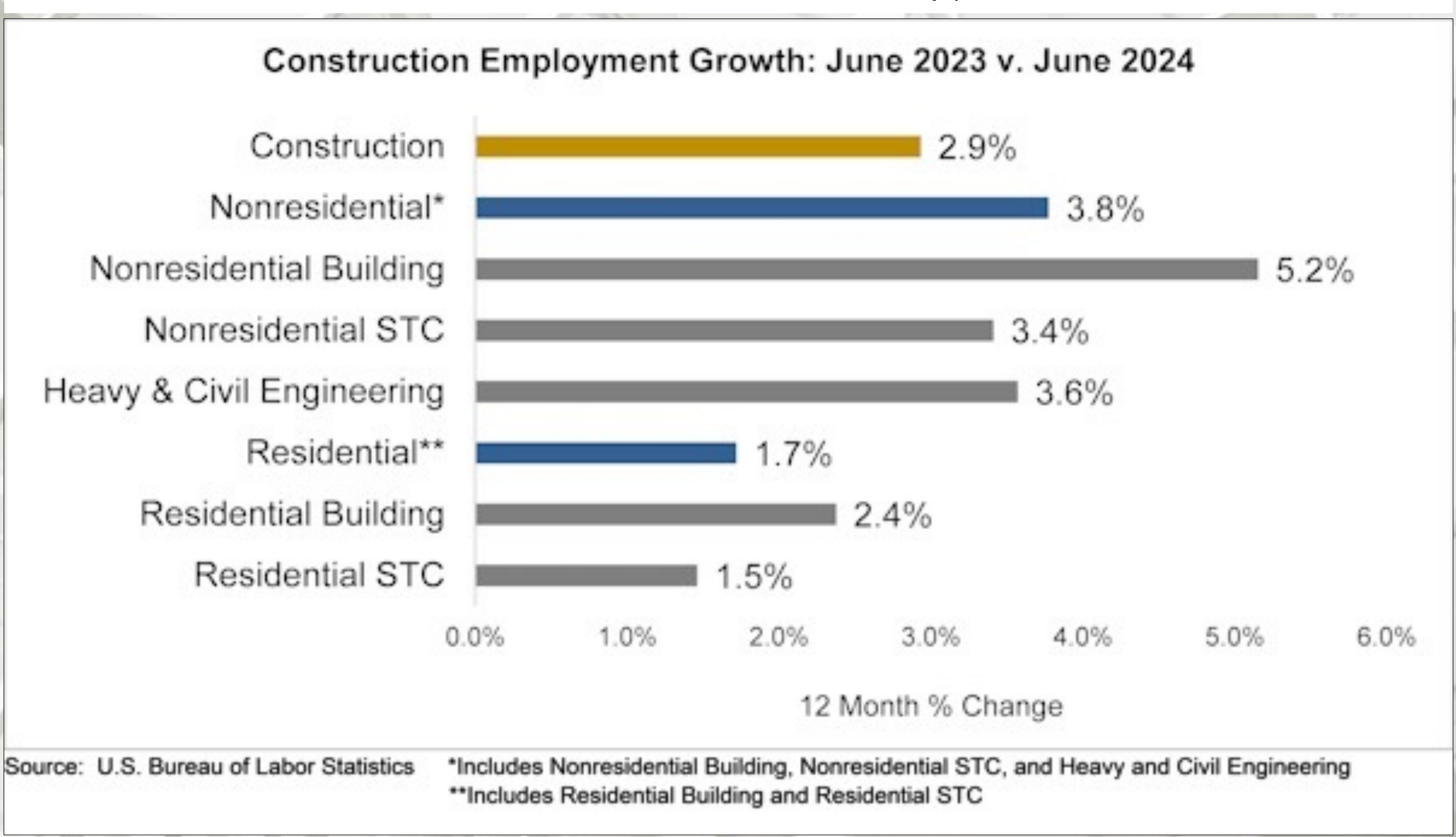
Source: U.S. Bureau of Labor Statistics. Note. SA: Seasonally adjusted. NSA: Not seasonally adjusted

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-adds-27000-jobs-in-june-industry-unemployment-rate-plunges-to-second-lowest-ever-recorded; 6/5/24

Return to TOC

# Private Indicators
# Associated Builders and Contractors

## Nonresidential Construction Adds 27,000 Jobs in June




Source: https://www.abc.org/News-Media/News-Releases/abc-construction-adds-27000-jobs-in-june-industry-unemployment-rate-plunges-to-second-lowest-ever-recorded; 6/5/24

Return to TOC

# Private Indicators
# American Institute of Architects (AIA) & Deltek

## Architecture Billings Index May 2024

### Few architecture firms report recent work on construction megaprojects

“The AIA/Deltek Architecture Billings Index (ABI) score declined to 42.4 for the month, as more firms reported a decrease in billings in May than in April. In addition, there is increasing softness in the pipeline of new work coming into firms. While inquiries into new projects continued to increase, they did so at a slower pace than in recent months. And the value of new signed design contracts declined further in May, following a small decrease in April. Despite the fact that the high inflation of the last few years has largely receded, elevated interest rates continue to cause hesitation among many clients. Firm billings remained soft across all regions and sectors as well in May.” – Katharine Keane, Senior Associate Editor, The American Institute of Architects

“The decline in the May ABI score continues a year and a half of weakness in design billings at U.S. architecture firms. Over the past nine months, volatility has increased, and scores have softened more significantly, with the May score the weakest reported since the end of the pandemic recession.” – Kermit Baker, Chief Economist, AIA

Source: https://www.aia.org/resource-center/abi-may-2024-business-conditions-architecture-firms-continue-soften; 6/26/24

Return to TOC

# Private Indicators
# American Institute of Architects (AIA) & Deltek

## Architecture Billings Index May 2024

### Megaprojects

"With increasing coverage of construction megaprojects (typically defined as projects with estimated construction value of $1 billion or more) in recent months, this month we asked our survey panel of architecture firm leaders about their involvement in these types of projects. Overall, just 6% of responding firm leaders reported that their firm had worked on a construction megaproject in some capacity in recent years. This share was slightly higher at firms located in the Midwest (9%) and West (8%), and at the largest firms with annual billings of $5 million or more (14%), as well as at firms with an institutional specialization (10%). Of the firms that reported working on a megaproject, 3% reported that they worked on the project as the architect of record, and 3% reported that they worked on it in another capacity, such as design and production support, or as a consultant.

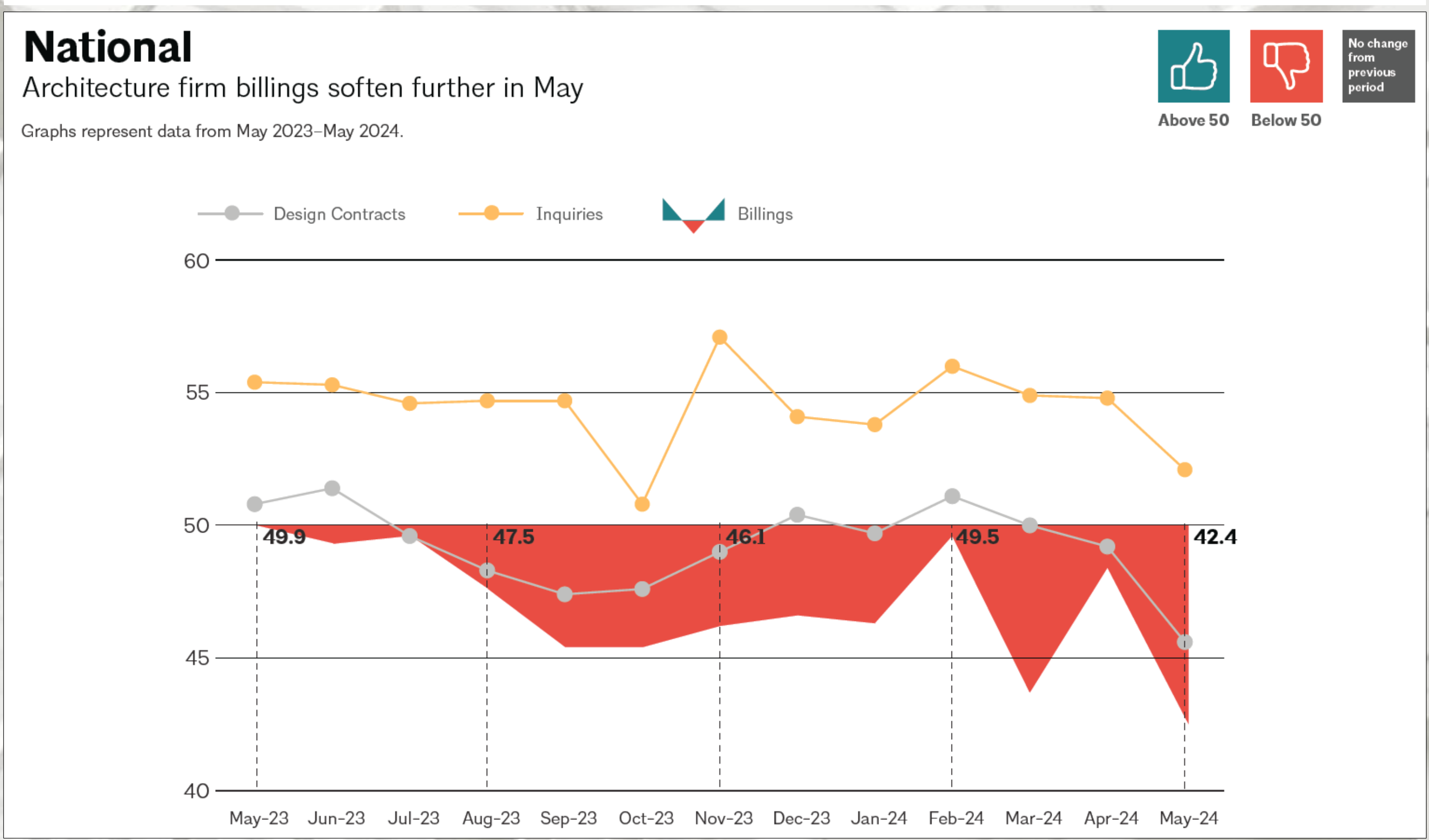
At the handful of firms that worked on megaprojects in some capacity, nearly one third of firms (29%) reported that these were mixed use projects, followed by 19% that worked on healthcare megaprojects, 14% that worked on infrastructure megaprojects (e.g., airplane terminals), 14% that worked on industrial megaprojects, and 10% that worked on amusement and recreation megaprojects. Other responses that were mentioned by multiple respondents included justice/correctional facilities and convention centers.

Overall, the majority of architecture firms have little experience with megaprojects. Slightly more than one half of responding firm leaders (51%) indicated that they do not know how the share of total construction activity from megaprojects in recent years has changed in their region, regardless of whether they have worked on one directly or not. Of the firms that were familiar enough to answer the question, 31% believed that the share has increased and 36% believed that it has remained about the same. One in ten firms believed that total construction activity from megaprojects in their region varies a lot from sector to sector, while 18% thought that the share of construction activity from megaprojects in their region has decreased in recent years. The remaining 5% answered some other response, including that their region is too small for any megaprojects. " – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-may-2024-business-conditions-architecture-firms-continue-soften; 6/26/24

Return to TOC

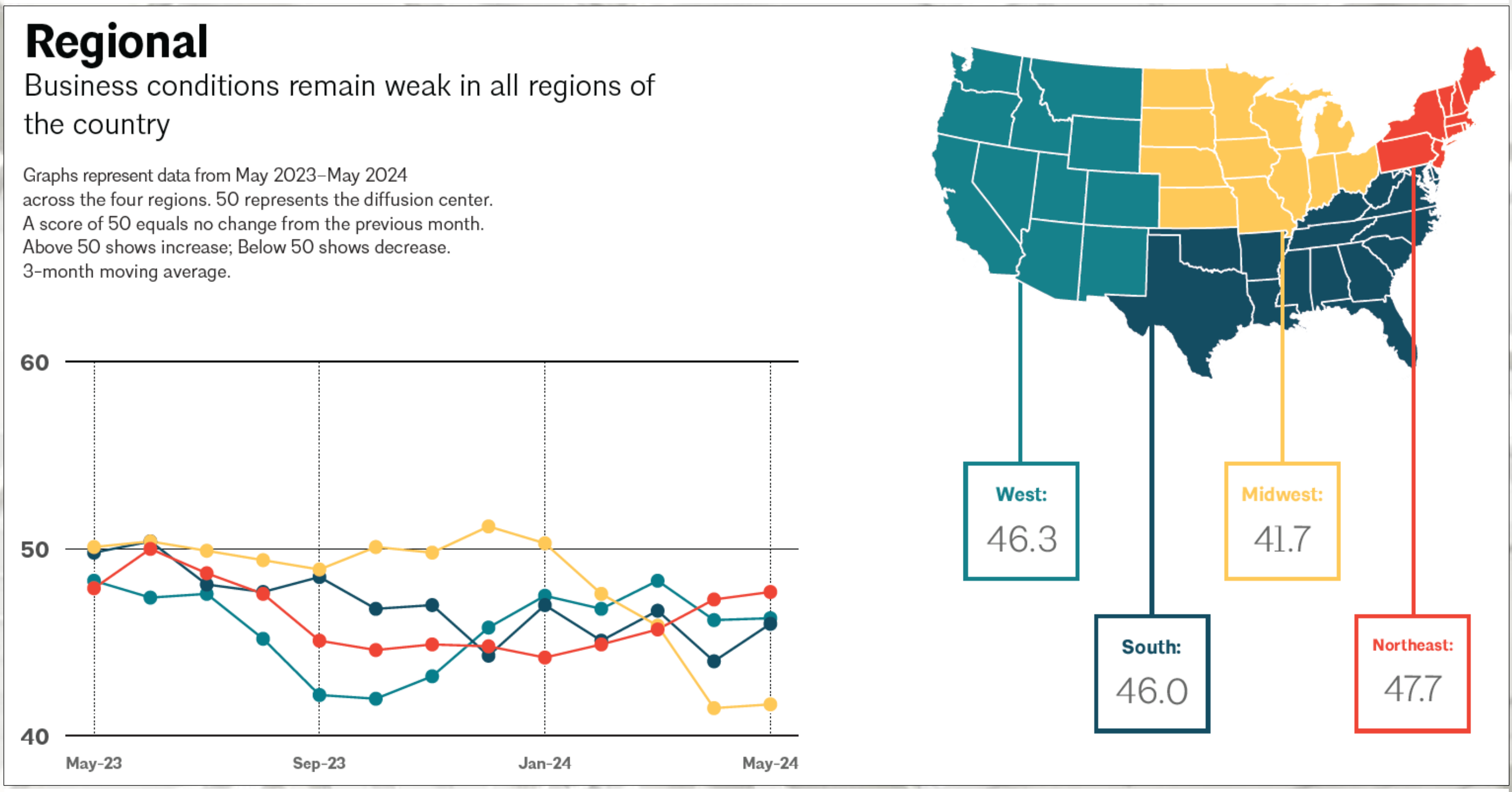
# Private Indicators
# American Institute of Architects (AIA) & Deltek




Source: https://www.aia.org/resource-center/abi-may-2024-business-conditions-architecture-firms-continue-soften; 6/26/24

Return to TOC

# Private Indicators: AIA & Deltek




## Region

"Billings declined at firms in all regions of the country for the fourth consecutive month, as conditions remained weakest at firms located in the Midwest." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-may-2024-business-conditions-architecture-firms-continue-soften; 6/26/24

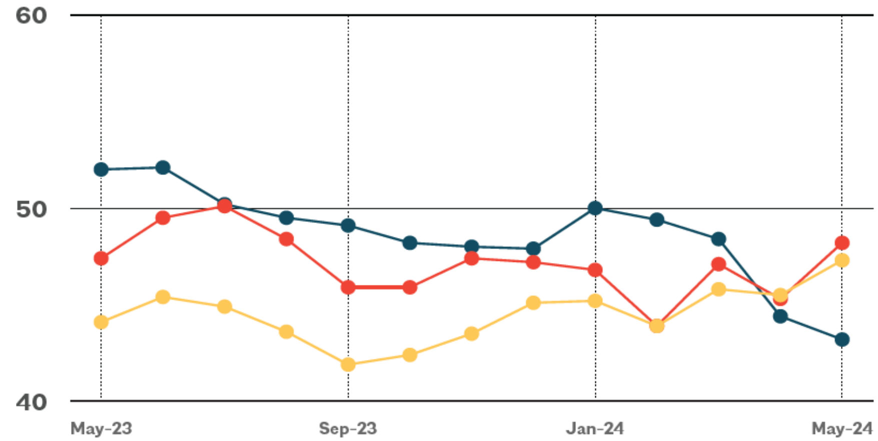
Return to TOC

# Private Indicators: AIA & Deltek

## Sector

Firms with an institutional specialization continue to report the sharpest decline in billings

Graphs represent data from May 2023–May 2024 across the three sectors. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.





## Sector

"Business conditions also softened further in May at firms with an institutional specialization, while fewer firms with commercial/industrial and multifamily residential specializations reported a decline in billings in May than in April. However, a majority of firms of both specializations still reported weak business conditions." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-may-2024-business-conditions-architecture-firms-continue-soften; 6/26/24

Return to TOC

# Private Indicators

## Dodge Data & Analytics

### Construction Starts Increase 10% in May

### Gains in utilities, single-family, warehouse, and education provide solid momentum

"Total construction starts rose 10% in May to a seasonally adjusted annual rate of $1.24 trillion, according to Dodge Construction Network. Nonbuilding starts gained an impressive 49% during the month, driven by the start of an offshore wind project and an LNG facility, while residential starts lost 7% and nonresidential building starts were down 2%. On a year-to-date basis through May, total construction starts were up 11% from the first five months of 2023. Residential starts were up 16%, while nonbuilding starts gained 17%, and nonresidential building starts rose 3%.

For the 12 months ending May 2024, total construction starts were up 2% from the 12 months ending May 2023. Nonresidential building starts were down 7%, residential starts were up 5%, and nonbuilding starts were up 14% on a 12-month rolling sum basis.

"Even though May's gain in construction starts was mainly due to a handful of large projects, the data highlights that there is some grassroots demand building in the market," said Richard Branch, chief economist of Dodge Construction Network. "Single-family starts, in particular, have risen in 8 of the last 12 months despite high mortgage rates. Growth in single-family will incentivize further demand for retail, health, and education starts, among others, and the stability in the Dodge Momentum Index, which tracks projects in planning, underscores this optimism."" – Amy Roepke, Media Contact, Construction.com

Source: https://www.construction.com/company-news/construction-starts-May/; 6/21/24

Return to TOC

# Private Indicators

## Dodge Data & Analytics

“**Nonresidential building starts** fell 2% in May to a seasonally adjusted annual rate of $415 billion. Manufacturing starts lost 14% following a very strong April, while institutional starts dropped 6%. Commercial starts gained 10% due to gains in warehouse, office, and parking starts. On a year-to-date basis through May, total nonresidential starts were up 3%. Institutional starts were 20% higher, while commercial starts were down 5%, and manufacturing starts were 19% lower on a year-to-date basis through May.

For the 12 months ending May 2024, nonresidential building starts were 7% lower than the previous 12 months. Manufacturing starts were down 32% and commercial starts were down 11%, while institutional starts were 10% higher for the 12 months ending May 2024..

**Residential building starts** moved 7% lower in May to a seasonally adjusted annual rate of $365 billion. Single-family starts rose 2%, while multifamily starts lost 25%. On a year-to-date basis through five months, total residential starts were 16% higher. Single-family starts improved 29%, and multifamily starts were 5% lower on a year-to-date basis.

For the 12 months ending May 2024, residential starts were 5% higher than the previous 12 months. Single-family starts were 15% higher, while multifamily starts were 10% lower on a 12-month rolling sum basis.

**The largest multifamily structures to break ground in May** were the $200 million The Atlantic Club in Long Branch building in Long Branch, New Jersey, the $150 million mixed-use project at 880 Atlantic Avenue in Prospect Heights, New York, and the $150 million Tuscany at Gabriella Pointe in Gilbert, Arizona.

**Regionally**, total construction starts in May rose in the Midwest, South Atlantic, and South Central regions but fell in the Northeast and West regions.” – Richard Branch, Chief Economist, Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-May/; 6/21/24

Return to TOC

# Private Indicators

## MONTHLY CONSTRUCTION STARTS

(Millions of Dollars, Seasonally Adjusted Annual Rate)

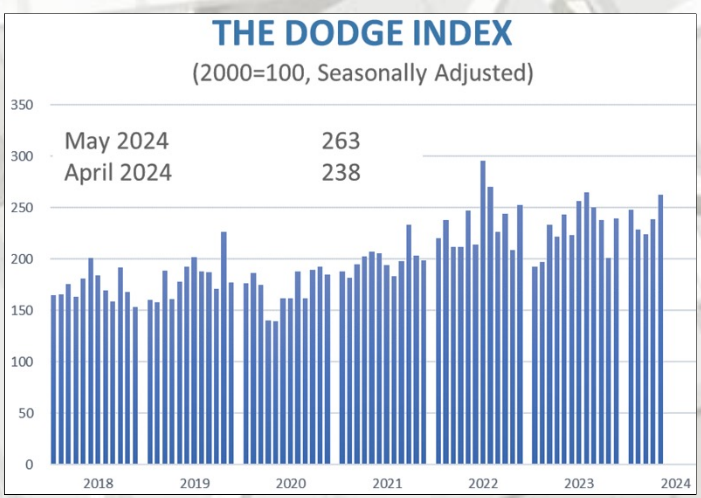
| | May 2024 | Apr 2024 | % Change |
|---|---|---|---|
| Nonresidential Building | $414,756 | $424,114 | -2 |
| Residential Building | 364,796 | 391,997 | -7 |
| Nonbuilding Construction | 462,604 | 309,962 | 49 |
| Total Construction | $1,242,156 | $1,126,073 | 10 |

## YEAR-TO-DATE CONSTRUCTION STARTS

Unadjusted Totals, in Millions of Dollars

| | 5 Mos. 2024 | 5 Mos. 2023 | % Change |
|---|---|---|---|
| Nonresidential Building | $166,984 | $162,403 | 3 |
| Residential Building | 166,866 | 143,254 | 16 |
| Nonbuilding Construction | 134,761 | 114,894 | 17 |
| Total Construction | $468,611 | $420,551 | 11 |

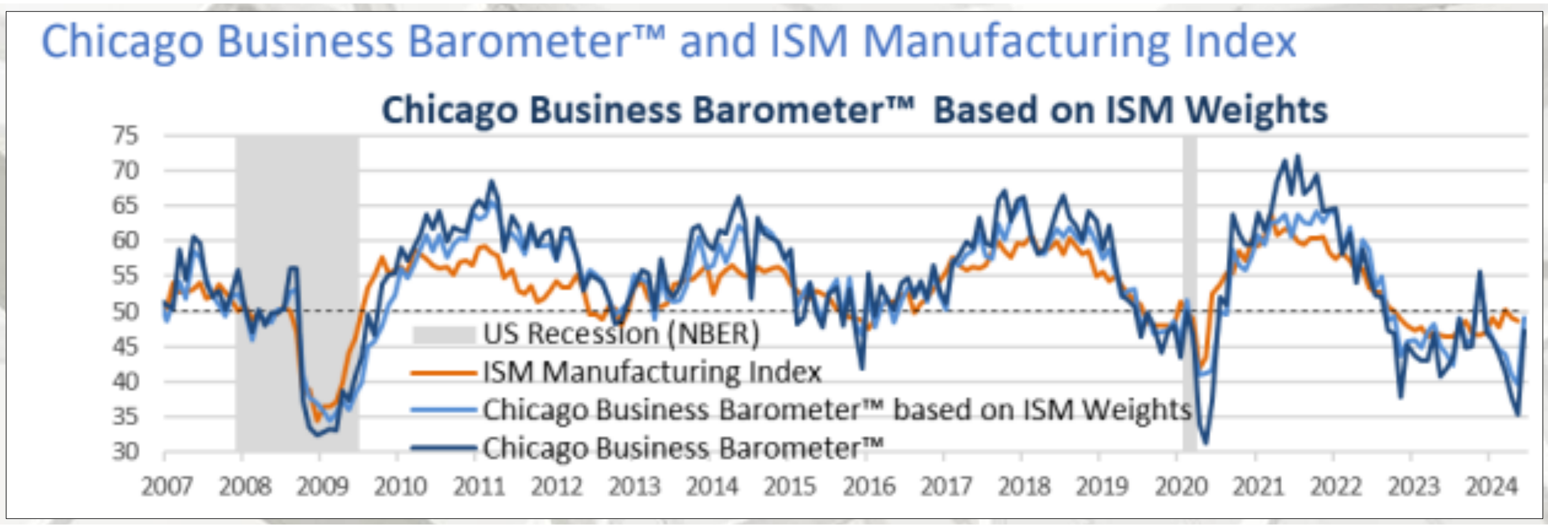
*Source: Dodge Construction Network*




Source: Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-May/; 6/21/24

# Private Indicators




## MNI Chicago

## June 2024 Chicago Report™ – Advanced to 47.4 in June

"**The Chicago Business Barometer™**, produced with MNI, increased 12.0 points to 47.4 in June. This is the first monthly rise after sixth consecutive monthly falls, making this month's reading the highest since November 2023 with the index seeing the largest monthly increase since September 2020.

All five subcomponents rose with New Orders leading the improvement, followed by Order Backlogs, Production, Employment and Supplier Deliveries.

New Orders increased by 16.9 points, after three consecutive months of decline, returning to similar levels seen in Q1-24.

Production expanded 11.0 points bringing it to the highest since December 2023." – Tim Davis, Head of Fixed Income Research, and Amana Hussain, Junior Economic Data Analyst, MNI Indicators

Source: https://chicago.ismworld.org/news-publications/reports/research-survey/; 6/28/24

Return to TOC

# Private Indicators

## June 2024 Chicago Report™ – Advanced to 47.4 in June

- “Order Backlogs also rose 14.2 points, marking the highest level since November 2023.
- Employment progressed 6.9 points, making it the highest for 3 months, largely reversing the
- weakness seen across April and May. This improvement was in part due to 75% of respondents reporting the same level of employment, whilst less than a fifth reported lower levels of employment.
- Supplier Deliveries also edged up for the second consecutive month by 2.6 points.
- Prices Paid decreased by 11.9 points, moving to their lowest level since June 2023.
- Finally, Inventories grew by 10.2 points to the highest since November 2023.
- The survey ran from June 1 to June 17.” – Tim Davis, Head of Fixed Income Research, and Tim Cooper, Chief Economist, MNI Indicators

Source: https://chicago.ismworld.org/news-publications/reports/research-survey/; 6/28/24

Return to TOC

# Private Indicators

## *The Conference Board Leading Economic Index® (LEI) Fell Again in May*

"**The Conference Board Leading Economic Index®** (LEI) for the U.S. decreased by 0.5 percent in May 2024 to 101.2 (2016=100), following a 0.6 percent decline in April. Over the six-month period between November 2023 and May 2024, the LEI fell by 2.0 percent – a smaller decrease than its 3.4 percent contraction over the previous six months.

The U.S. LEI fell again in May, driven primarily by a decline in new orders, weak consumer sentiment about future business conditions, and lower building permits. While the Index's six-month growth rate remained firmly negative, the LEI doesn't currently signal a recession. We project real GDP growth will slow further to under 1 percent (annualized) over Q2 and Q3 2024, as elevated inflation and high interest rates continue to weigh on consumer spending.

**The Conference Board Coincident Economic Index®** (CEI) for the U.S. rose by 0.4 percent in May 2024 to 112.4 (2016=100), after increasing by 0.1 percent in April. The CEI grew 0.6 percent over the six-month period ending May 2024, down from its 1.0 percent increase over the previous six months. The CEI's component indicators – payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production – are included among the data used to determine recessions in the US. All four components of the index improved last month, with industrial production making the largest positive contribution to the Index.

**The Conference Board Lagging Economic Index®** (LAG) for the U.S. inched down by 0.1 percent in May 2024 to 119.4 (2016=100), after increasing by 0.3 percent in April. As a result, the LAG's six-month growth rate softened to 0.7 percent between November 2023 and May 2024, down from 0.8 percent over the previous six months." – Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board

Source: https://www.conference-board.org/data/bcicountry.cfm; 6/21/24

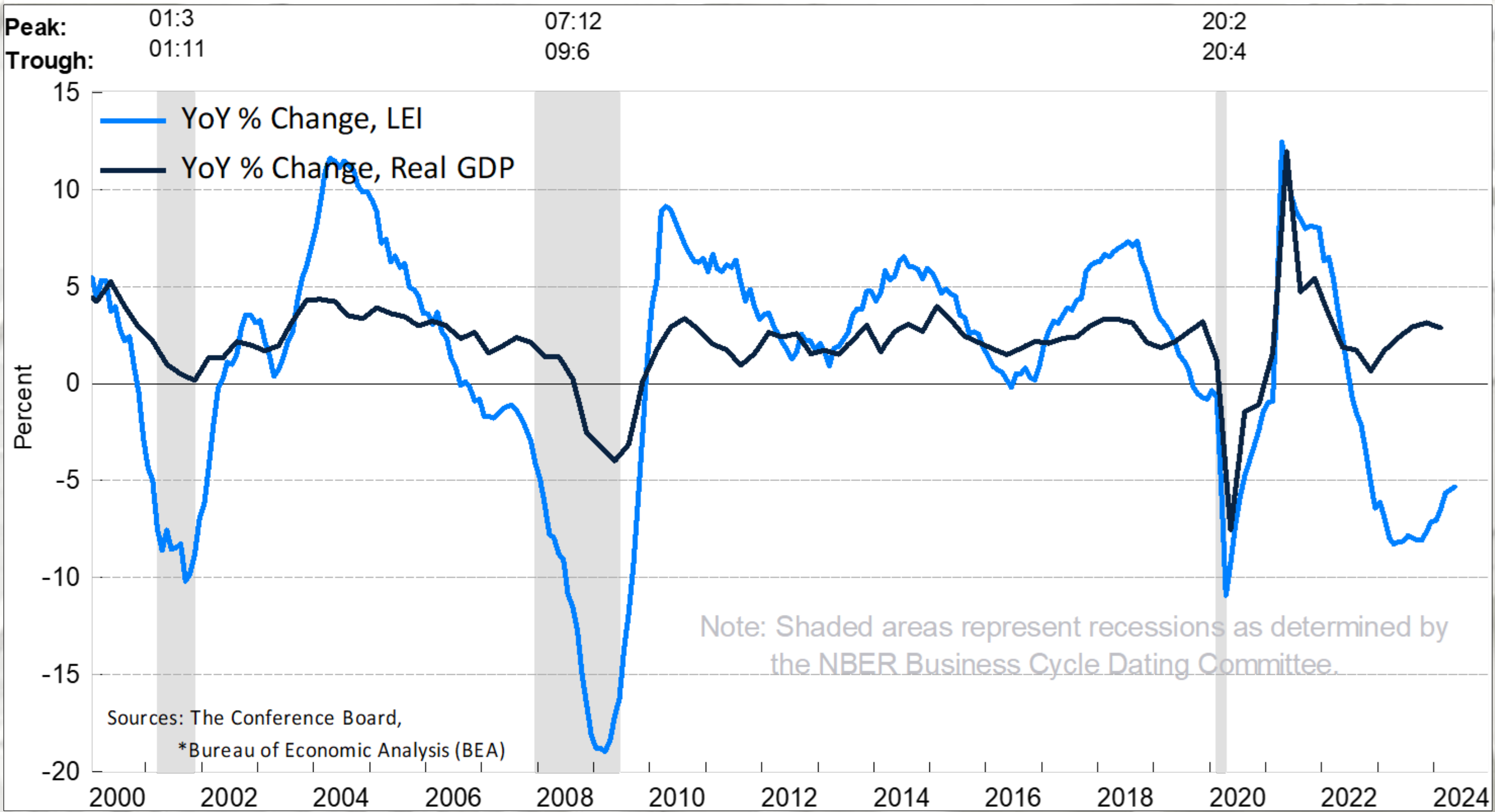
Return to TOC

# Private Indicators

## *The Conference Board Leading Economic Index® (LEI) for the U.S.*

## Fell Again in May

### The LEI's year-over-year growth remained negative but continued trending upward




Source: https://www.conference-board.org/data/bcicountry.cfm; 6/21/24

Return to TOC

# Private Indicators

## Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

### Strong Year-Over-Year Growth of 11%

"The Equipment Leasing and Finance Association's (ELFA) Monthly Leasing and Finance Index (MLFI-25, which reports economic activity from 25 companies representing a cross section of the $1 trillion equipment finance sector, reports that in May:

- New business volume (NBV) was $10.2 billion, up 11% from May 2023.
- Month over month, NBV was down 7% from $11.0 billion in April 2024.
- Year to date, cumulative NBV was up 6% compared to 2023.

Additional findings include:

- **Receivables over 30 days** were 2.3%, up from 2.0% the previous month and up from 2.0% in the same period in 2023.
- **Charge-offs** were 0.4%, unchanged from the previous month and up from 0.3% in the year-earlier period.
- **Credit approvals** totaled 75%, unchanged from April.
- **Total headcount** for equipment finance companies was up 1.5% year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index in June is 50.2, steady with the May index of 50.7." – Amy Vogt, Vice President, Communications and Marketing, ELFA

Source: https://www.elfaonline.org/news-and-publications/industry-news/read/2024/06/26/equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-shows-strong-year-over-year-growth-of-11; 6/26/24

Return to TOC

# Private Indicators

## Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

"Overall, May MLFI results show solid performance with continued double-digit year-over-year growth in originations and positive year-to-date growth. Credit quality is mixed, but within historical norms. The drop in volume from April could be an indication that some businesses are holding off on acquiring equipment until interest rates come down. We'll be monitoring whether the effect of higher rates over the summer and into the fall will further delay equipment investments, which would be a headwind to economic activity through the second half of the year." – Leigh Lytle, President and CEO, ELFA

"We expect to see solid, yet temperate demand for equipment financing through 2024. Small businesses are getting accustomed to higher-for-longer rates and higher equipment prices due to inflation. However, some are pausing any new investments for now. So, lenders need to remain vigilant, not overstepping in challenged areas while, instead, focusing capital allocation toward areas where they expect the best returns. Small businesses remain very resilient. Though with higher rates and stubborn inflation, this is a time for lenders to lean further into their roles of providing practical advice to help clients make the most strategic financial choices." – Dave Lyder, EVP and Group Manager, Ascentium Capital

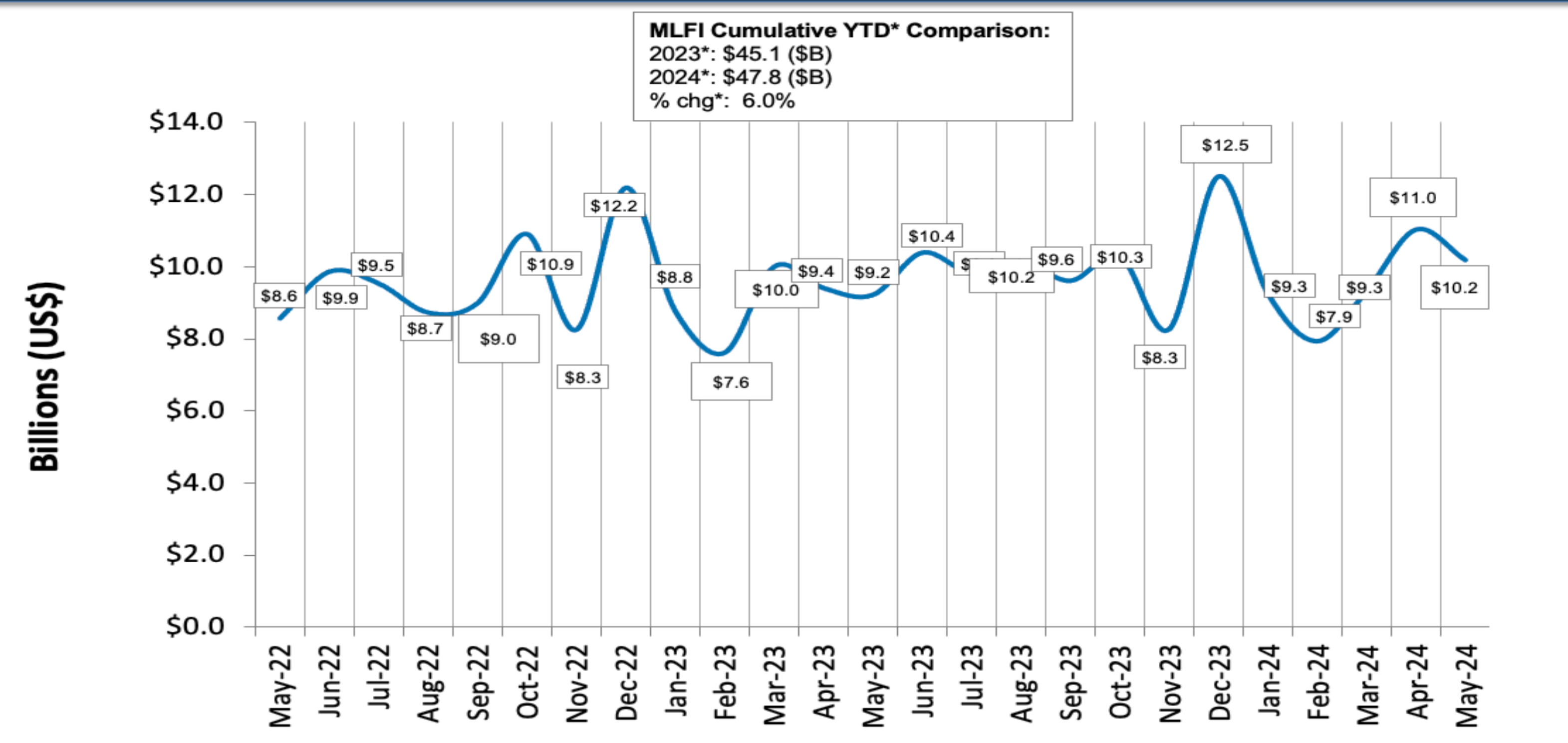
Source: https://www.elfaonline.org/news-and-publications/industry-news/read/2024/06/26/equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-shows-strong-year-over-year-growth-of-11; 6/26/24

Return to TOC

# Private Indicators

## Equipment Leasing and Finance Association’s Survey of Economic Activity: Monthly Leasing and Finance Index

### MLFI-25 New Business Volume (Year-Over-Year Comparison)




* YTD NBV numbers will not match the numbers from the chart due to rounding

ELFA

Monthly Leasing & Finance Index

Source: https://www.elfaonline.org/news-and-publications/industry-news/read/2024/06/26/equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-shows-strong-year-over-year-growth-of-11; 6/26/24

Return to TOC

# Private Indicators

## S&P Global U.S. Manufacturing PMI™

### New orders rise for second month running in June

"The seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index™ (PMI®) ticked up to a three-month high of 51.6 in June from 51.3 in May. The index signaled a modest monthly improvement in business conditions.

The US manufacturing sector remained in growth territory at the end of the second quarter of the year. Although client demand remained muted and business confidence hit a 19-month low, new orders rose for a second month running. In turn, production continued to rise, albeit at a weaker rate. The most positive aspect of the latest survey was the fastest increase in employment since September 2022. Although input costs continued to rise sharply, the rate of inflation eased in June, while selling prices increased at the slowest pace in the year-to-date.

Some signs of demand picking up helped firms to secure a rise in new orders for the second month running, with the rate of growth quickening. The pace of expansion remained only slight, however, amid high prices and challenging economic conditions.

Meanwhile, new export orders were broadly unchanged in June, ending a four-month sequence of growth. While Canada and Germany were among the locations to provide increases in new business, some firms indicated lower new orders from mainland China." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/6964d25a2e024b3aae9f7c25e2a26627; 7/1/24

Return to TOC

# Private Indicators

## S&P Global U.S. Manufacturing PMI™

### New orders rise for second month running in June

"US manufacturers expanded production in response to higher new orders, but the relatively muted demand environment meant that the rate of growth eased from that seen in May.

While the rate of increase in output slowed in June, companies were also less optimistic regarding the 12-month outlook for production. Sentiment dropped to the lowest since November 2022. That said, firms remained confident that output will expand, in some cases reflecting expectations of a pick-up in new orders from current muted levels.

Expectations of an increase in new orders, plus higher current output requirements, encouraged firms to take on extra staff. Employment rose for the sixth month running, and at a solid pace that was the fastest in 21 months.

Higher staffing levels helped firms to keep on top of workloads and reduce backlogs again in June. That said, the pace of depletion was only fractional. In some cases, firms mentioned that supply-chain delays had prevented them from working through more outstanding business.

Suppliers' delivery times lengthened for the first time in five months amid issues with shipping, port congestion and staff shortages at vendors. That said, the lengthening of lead times was only marginal.

Higher supplier charges were signaled in June. Alongside rising labor costs, this resulted in a further marked increase in input prices. That said, the rate of inflation eased to a three-month low."
– Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/6964d25a2e024b3aae9f7c25e2a26627; 7/1/24

Return to TOC

# Private Indicators

## S&P Global U.S. Manufacturing PMI™

### New orders rise for second month running in June

"The pace of output price inflation also slowed, the third month running in which this has been the case. Where charges were raised, this reflected the passing on of higher input costs to clients. On the other hand, some firms lowered selling prices as part of efforts to remain competitive.

US manufacturers lowered their purchasing activity following a rise in the previous month, as part of general efforts to limit stock holdings. As a result, pre-production inventories also fell, albeit only fractionally. Some firms indicated that their inventories had been reduced to an extent whereby it had become time to start replenishing them.

Meanwhile, stocks of finished goods decreased for the first time in three months, and to the largest extent since last November.

**Comment**

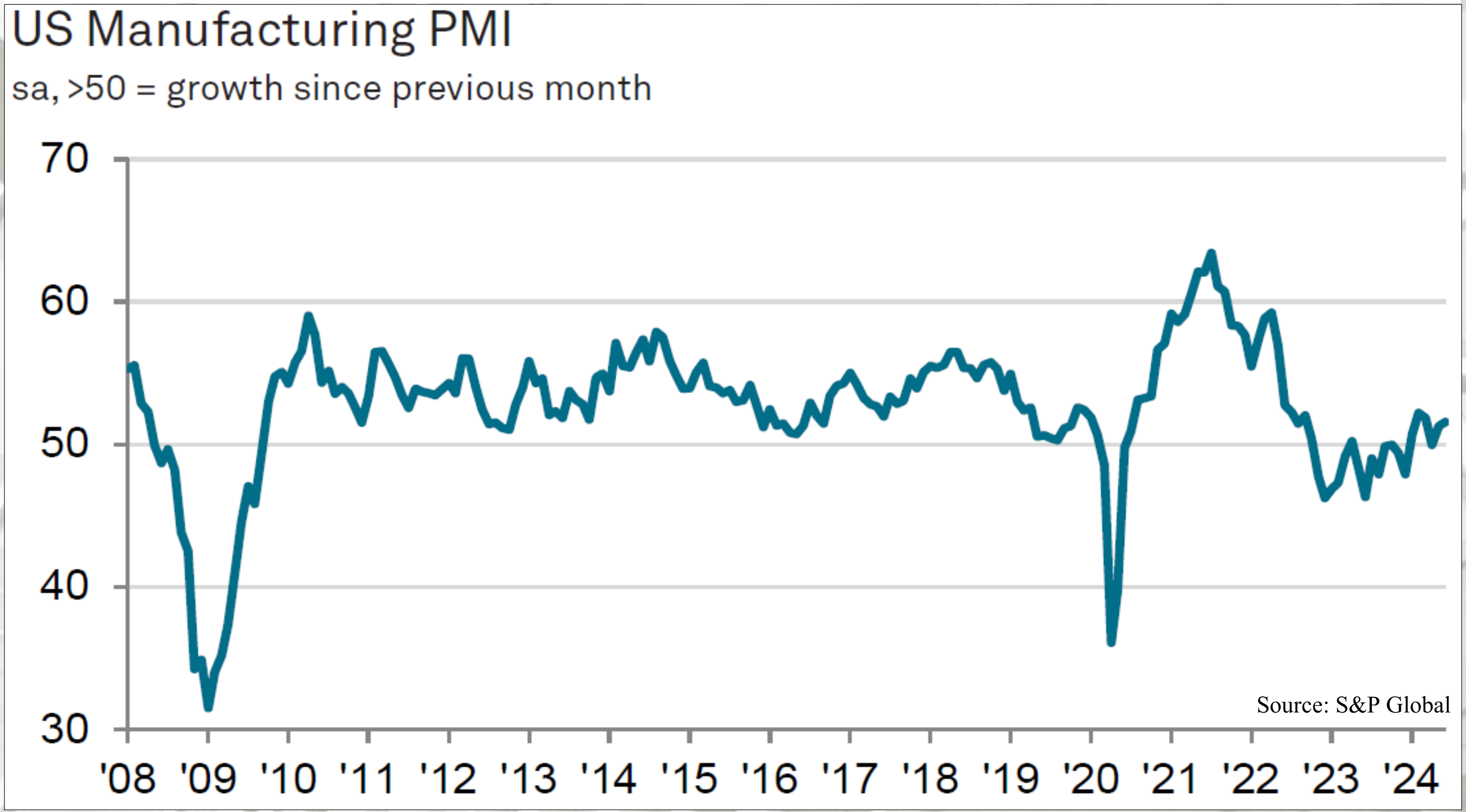
The S&P Global PMI survey shows US manufacturers struggling to achieve strong production growth in June, hamstrung by weak demand from domestic and export markets alike. Although the PMI has now been in positive territory in five of the first six months of 2024, up from just one positive month in 2023, growth momentum remains frustratingly weak.

Factories have been hit over the past two years by demand switching post-pandemic from goods to services, while at the same time household and business spending power has been diminished by higher prices and concerns over higher-for-longer interest rates. These headwinds persisted into June, accompanied by heightened uncertainty about the economic outlook as the presidential election draws closer. Business confidence has consequently fallen to the lowest for 19 months, suggesting the manufacturing sector is bracing itself for further tough times in the coming months."
– Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/6964d25a2e024b3aae9f7c25e2a26627; 7/1/24

Return to TOC

# Private Indicators




Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/6964d25a2e024b3aae9f7c25e2a26627; 7/1/24

Return to TOC

# Private Indicators

## S&P Global U.S. Services PMI™

### New orders expand at fastest pace for a year

"The seasonally adjusted S&P Global US Services PMI® Business Activity Index increased for the second consecutive month in June, posting 55.3 following a reading of 54.8 in May. Activity in the sector has now risen in each of the past 17 months, with the latest expansion the most pronounced since April 2022.

Growth momentum improved in the US service sector in June, with firms seeing sharper increases in both business activity and new orders. Companies responded to growth of new business by increasing workforce numbers for the first time in three months, but backlogs of work built up nonetheless.

Rates of increase in both input costs and output prices eased in June, but in each case remained above pre-pandemic averages. Higher labor costs were central to price rises.

Some firms reported that an increase in customer numbers had helped them to be able to secure greater volumes of new orders and thus raise business activity. Some of these new customers were secured as a result of referrals from existing clients, while successful marketing also contributed to new order growth." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/25b02d23c65c493bb451cd0700907403; 7/3/23

Return to TOC

# Private Indicators

## S&P Global U.S. Services PMI™

### New orders expand at fastest pace for a year

“Total new business expanded for the second month running, and at a solid pace that was the fastest for a year. The rise in overall new orders was recorded in spite of further weakness in new business from abroad, which decreased for the fifth consecutive month. Lower demand from Europe was mentioned by some respondents.

Higher new orders resulted in a fresh increase in employment in the sector, ending a two-month sequence of reduction. Moreover, the rate of job creation was solid and the sharpest since May 2023.

Despite the solid rise in workforce numbers in June, the recent spell of job cuts and a quicker inflow of new business meant that the capacity of service providers was tested at the end of the second quarter. Outstanding business increased slightly, the first accumulation in five months.

The rate of input cost inflation softened in June, but remained marked and was faster than the pre-pandemic average. More than 18% of respondents signalled a rise in input prices, which they primarily linked to increases in staff pay.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/25b02d23c65c493bb451cd0700907403; 7/3/23

Return to TOC

# Private Indicators

## S&P Global U.S. Services PMI™

### New orders expand at fastest pace for a year

“In response to higher operating costs, particularly those related to labor, service providers increased their own selling prices again. Charges have risen continuously on a monthly basis since June 2020. The latest increase was solid, albeit slightly softer than recorded in May.

Business confidence picked up for the second month running, hitting a five-month high and coming in only just below the series average. The recent increase in new orders and hopes that this will continue over the year ahead supported optimism, while there were also expectations that interest rates will start to come down. Some firms predicted that a hesitancy among certain clients to commit to new projects would end once the election period comes to an end, further supporting growth.

### Comment

US service sector companies reported an encouragingly solid end to the second quarter, with output rising at the fastest rate for over two years. Both new order inflows and hiring have also accelerated, the latter buoyed by firms taking on more workers in response to rising backlogs of work.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/25b02d23c65c493bb451cd0700907403; 7/3/23

Return to TOC

# Private Indicators

## S&P Global U.S. Services PMI™

### New orders expand at fastest pace for a year

### Comment

"With additional – albeit more muted – support coming from the manufacturing sector, the survey data point to GDP rising at an annualized 2.0% rate in the second quarter, with a 2.5% rate seen for June.  Forward momentum is therefore gathering pace.

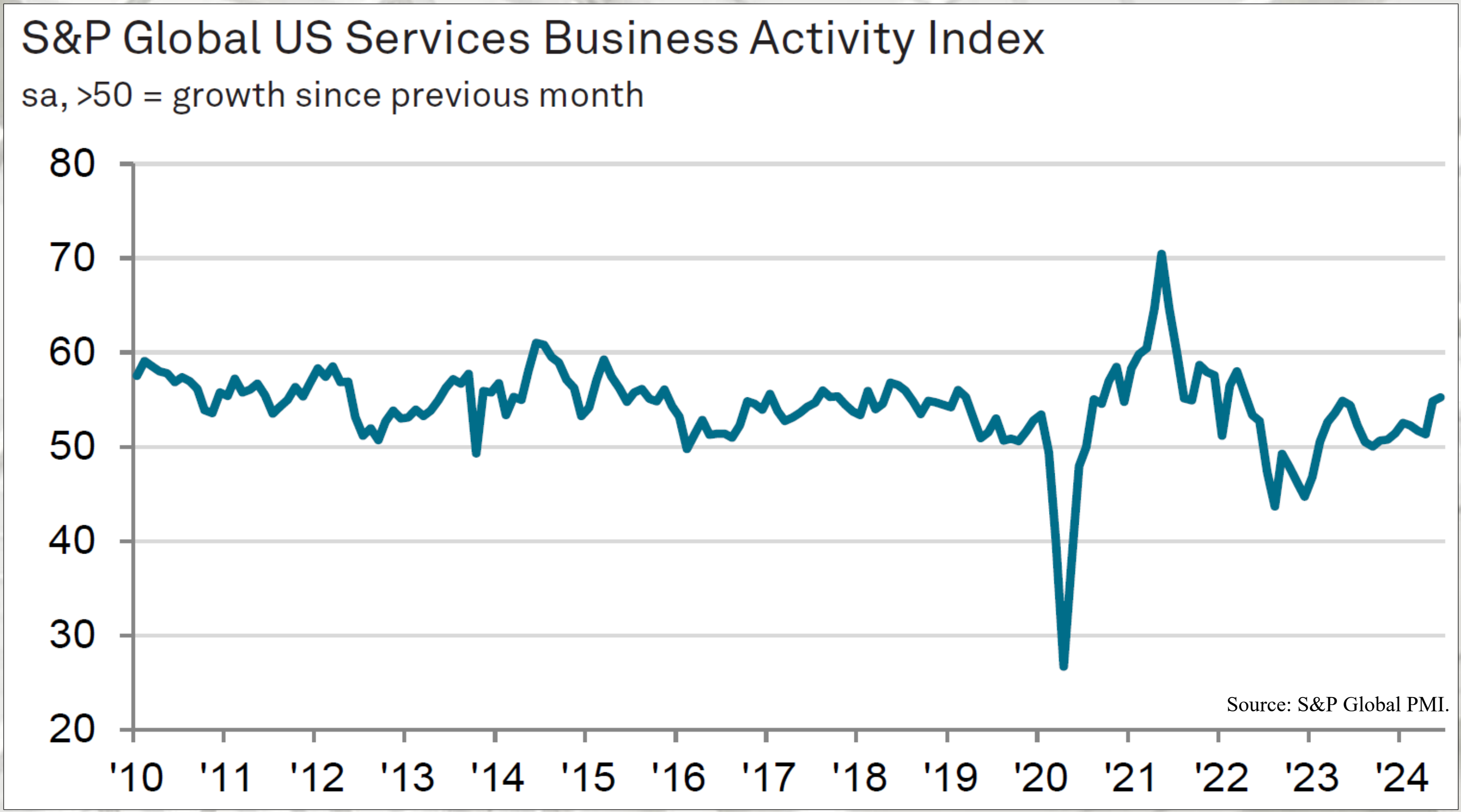
There is some nervousness creeping in regarding the post-election business environment, but for now at least confidence about the outlook for the coming year remains elevated by recent standards and supportive of businesses investing in expansion.

Some of this optimism relates to ongoing convictions that interest rates will start to fall before the end of the year.  In this respect, a further cooling of price pressures in the survey – notably in the services sector – adds to signs that inflation should trend lower in the coming months to open the door further for rate cuts." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/25b02d23c65c493bb451cd0700907403; 7/3/23

Return to TOC

# Private Indicators




Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/25b02d23c65c493bb451cd0700907403; 7/3/23

Return to TOC

# Private Indicators

## National Association of Credit Management – Credit Managers' Index

### Report for June 2024: Combined Sectors

"The National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) for June 2024 deteriorated 0.5 to a seasonally adjusted 53.9. "There is no discernible trend in the CMI except that it remains in a low orbit," said NACM Economist Amy Crews Cutts, Ph.D., CBE.

"The Credit Managers' Index oscillates between being on the precipice of recession to solidly in expansion and this month was a down month. This tracks with the major economic indicators pretty well, as we have growing employment but essentially just at levels consistent with population growth, we have positive GDP growth, but not strongly so, and rising delinquency rates across both consumer and commercial credit markets."

### Key Findings:

- "The index for unfavorable factors improved by 0.4 points to 50.3, moving back to the expansion side. This index has only been in expansion territory twice in the past 12 months.
- The index for accounts placed for collection is at 46.2 this month, its 25th month in contraction.
- The only other index in contraction territory is the index for disputes, marking its 12th month in contraction though it has been within one point of the 50-point line for most of that time.
- The index for favorable factors remains solidly in expansion even with a 1.7-point decline in June. This index now stands at 59.4 with all sub-indexes in a tight range around this value." – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 6/30/24

Return to TOC

# Private Indicators

## National Association of Credit Management – Credit Managers' Index

"""This month we saw a wide range of comments from respondents," said Cutts. "In general, they fell into two groups: 'business is good and has normalized from pandemic disruptions' or 'our customers are asking for extensions, are slow to pay, or otherwise showing distress'."

"Somewhat worrying is that fraud is rising again, and fraudsters always seem to be one step ahead. A recent session at NACM's Credit Congress highlighted how difficult it can be to protect a company from fraud. For example, we might think that using credit cards as a payment method adds an extra layer of protection because the bank that issued the card has also vetted the business. But they get taken too, and fraudsters use the dispute system to deny payment on legitimate transactions after the product has been delivered."

The Manufacturing Sector CMI deteriorated 0,1 points in the June CMI survey to a level of 54.6. The Service Sector CMI also deteriorated, by 0.9 points, and now stands also stands at 53.2. "Although the two sector CMIs are similar in trends, they get there in very different ways. The Service Sector CMI has a higher average value for favorable factors and a lower average for unfavorable factors over the past year but in aggregate the differences balance out."

"The manufacturing CMI has had two months above 54 points, signaling that the sector is firmly in expansion," said Cutts. "However the unfavorable factor indexes are less favorable. Although they are above the contraction threshold this month, these indexes have been pretty much right on the line for the last 12 months.

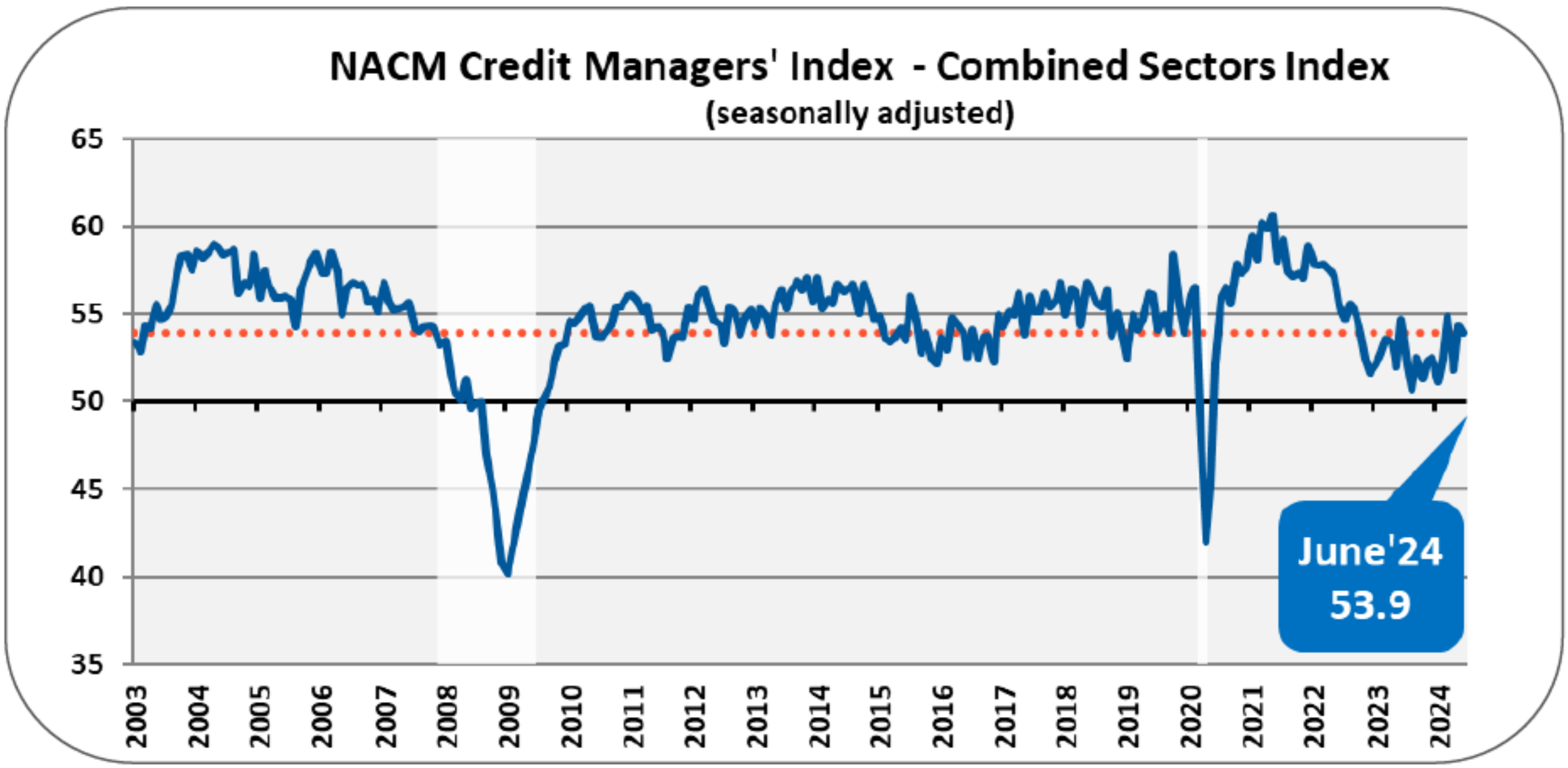
Respondents who commented on payments said they are seeing more delinquent accounts, slower payments, and some customers trying to circumvent policies for prior nonpayment, such as trying to get accounts reopened when they've been put into hold or collect on delivery status without a fundamental change in their financial condition."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 6/30/24

Return to TOC

# Private Indicators

## National Association of Credit Management – Credit Managers’ Index




The CMI is centered on a value of 50, with values greater indicating expansion and values lower indicating economic contraction. All charts contain seasonally adjusted data. Please note that the vertical axes are not scaled identically, and the dotted line represents the most recent value.

Source: https://nacm.org/cmi.html; 6/30/24

Return to TOC

# Private Indicators

## National Association of Credit Management – Credit Managers' Index

| Combined Manufacturing and Service Sectors (seasonally adjusted) | Jun '23 | Jul '23 | Aug '23 | Sep '23 | Oct '23 | Nov '23 | Dec '23 | Jan '24 | Feb '24 | Mar '24 | Apr '24 | May '24 | Jun '24 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales | 61.0 | 54.7 | 49.4 | 58.3 | 52.6 | 55.9 | 53.6 | 52.7 | 57.6 | 62.1 | 57.6 | 62.9 | 61.1 |
| New credit applications | 58.0 | 56.5 | 56.5 | 56.5 | 56.6 | 58.4 | 60.4 | 55.1 | 59.5 | 61.2 | 57.6 | 60.6 | 58.8 |
| Dollar collections | 61.0 | 56.3 | 52.5 | 58.6 | 56.5 | 59.4 | 58.7 | 56.1 | 59.0 | 61.2 | 54.9 | 59.9 | 58.1 |
| Amount of credit extended | 60.5 | 56.7 | 55.2 | 61.5 | 58.7 | 58.3 | 58.1 | 57.9 | 56.1 | 64.2 | 60.8 | 60.8 | 59.6 |
| **Index of favorable factors** | **60.1** | **56.1** | **53.4** | **58.7** | **56.1** | **58.0** | **57.7** | **55.4** | **58.1** | **62.2** | **57.7** | **61.1** | **59.4** |
| Rejections of credit applications | 53.3 | 50.5 | 50.0 | 49.2 | 49.7 | 48.8 | 49.1 | 50.7 | 47.9 | 51.5 | 49.0 | 51.0 | 51.2 |
| Accounts placed for collection | 48.1 | 47.7 | 44.9 | 47.0 | 45.4 | 44.6 | 45.8 | 44.6 | 42.9 | 45.7 | 44.7 | 44.9 | 46.2 |
| Disputes | 51.0 | 49.9 | 49.5 | 47.4 | 48.4 | 49.9 | 49.4 | 48.6 | 48.2 | 49.6 | 49.7 | 49.6 | 49.3 |
| Dollar amount beyond terms | 51.1 | 45.8 | 48.6 | 49.6 | 45.5 | 48.9 | 48.2 | 43.6 | 50.6 | 54.1 | 43.9 | 51.0 | 51.1 |
| Dollar amount of customer deductions | 50.8 | 50.7 | 50.6 | 47.4 | 48.8 | 51.2 | 50.5 | 50.1 | 49.5 | 49.9 | 50.0 | 52.3 | 51.5 |
| Filings for bankruptcies | 52.4 | 52.0 | 49.8 | 50.0 | 50.5 | 47.7 | 51.1 | 51.7 | 52.6 | 49.4 | 49.8 | 50.6 | 52.3 |
| **Index of unfavorable factors** | **51.1** | **49.4** | **48.9** | **48.4** | **48.1** | **48.5** | **49.0** | **48.2** | **48.6** | **50.0** | **47.8** | **49.9** | **50.3** |
| **NACM Combined CMI** | **54.7** | **52.1** | **50.7** | **52.5** | **51.3** | **52.3** | **52.5** | **51.1** | **52.4** | **54.9** | **51.8** | **54.4** | **53.9** |

Source: https://nacm.org/cmi.html; 6/30/24

Return to TOC

# Private Indicators

## National Federation of Independent Business (NFIB)

### June 2024 Report

### Inflation Remains Top Problem for Main Street

"The NFIB Small Business Optimism Index reached the highest reading of the year in June at 91.5, a one-point increase from last month. The last time the index was higher was in December of 2023 when it reached 91.9. Even so, this marks the 30th month below the historical average of 98. Inflation is still the top small business issue, with 21% of owners reporting it as their single most important problem in operating their business, down one point from May." – Holly Wade, NFIB

"Main Street remains pessimistic about the economy for the balance of the year. Increasing compensation costs has led to higher prices all around. Meanwhile, no relief from inflation is in sight for small business owners as they prepare for the uncertain months ahead." – Bill Dunkelberg, Chief Economist, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 7/9/24

Return to TOC

# Private Indicators

## National Federation of Independent Business (NFIB)

## June 2024 Report

**Key findings include:**

- "Seasonally adjusted, a net 22% plan to raise compensation in the next three months, up four points from May.
- A net negative 2% (seasonally adjusted) of owners viewed current inventory stocks as "too low" in June, up six points from May's lowest reading since October 1981.
- A net negative 2% (seasonally adjusted) plan inventory investment in the coming months, up four points from May.
- Fifty-two percent reported capital outlays in the last six months, down six points from May and the lowest reading since August 2022.
- Four percent of owners reported that all their borrowing needs were not satisfied, up one point from May and the highest reading since August 2022.

As reported in NFIB's monthly jobs report, a seasonally adjusted 37% of all small business owners reported jobs openings they could not fill in their current period, down five points from May. Of the 60% of owners hiring or trying to hire in June, 85% reported few or no qualified applicants for the positions they were trying to fill." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 7/9/24

Return to TOC

# Private Indicators

## National Federation of Independent Business (NFIB)

## June 2024 Report

"Fifty-two percent of owners reported capital outlays in the last six months, down six points from May and the lowest reading since August 2022. Of those making expenditures, 35% reported spending on new equipment, 22% acquired vehicles, and 14% improved or expanded facilities. Ten percent spent money on new fixtures and furniture and 5% acquired new buildings or land for expansion. Twenty-three percent (seasonally adjusted) plan capital outlays in the next six months, unchanged from May.

A net negative 12% of all owners (seasonally adjusted) reported higher nominal sales in the past three months. The net percent of owners expecting higher real sales volumes was unchanged at a net negative 13% (seasonally adjusted).

The net percent of owners reporting inventory gains rose four points to a net negative 3%. Not seasonally adjusted, 17% reported increases in stocks and 16% reported reductions.

A net negative 2% (seasonally adjusted) of owners viewed current inventory stocks as "too low" in June, up six points from May, which was the lowest reading since October 1981. A net negative 2% (seasonally adjusted) of owners plan inventory investment in the coming months, up four points from May.

The net percent of owners raising average selling prices rose two points from May to a net 27% seasonally adjusted. Twenty-one percent of owners reported that inflation was their single most important problem in operating their business. Unadjusted, 12% reported lower average selling prices and 41% reported higher average prices." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 7/9/24

Return to TOC

# Private Indicators

## National Federation of Independent Business (NFIB)

## June 2024 Report

"Price hikes were the most frequent in the construction (55% higher, 5% lower), retail (49% higher, 8% lower), wholesale (46% higher, 17% lower), finance (38% higher, 7% lower), and services (37% higher, 9% lower) sectors.  Seasonally adjusted, a net 26% plan price hikes in June.

Seasonally adjusted, a net 38% reported raising compensation, up one point from May.  A seasonally adjusted net 22% plan to raise compensation in the next three months, up four points from May.  Eleven percent of owners cited labor costs as their top business problem, up one point from May and only two points below the highest reading of 13% reached in December 2021. Nineteen percent said that labor quality was their top business problem, remaining behind inflation as the number one issue.

The frequency of reports of positive profit trends was a net negative 29% (seasonally adjusted), one point better than May, but still a very poor reading.  Among owners reporting lower profits, 34% blamed weaker sales, 17% blamed the rise in the cost of materials, 12% cited labor costs, and 9% cited lower selling prices.  For owners reporting higher profits, 37% credited sales volumes, 27% cited usual seasonal change, and 20% cited higher selling prices." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 7/9/24

Return to TOC

# Private Indicators

## National Federation of Independent Business (NFIB)

## June 2024 Report

“Four percent of owners reported that all their borrowing needs were not satisfied.  Twenty-four percent reported all credit needs met and 61% said they were not interested in a loan.  A net 7% reported their last loan was harder to get than in previous attempts.

Four percent of owners reported that financing was their top business problem in June, down two points from May.

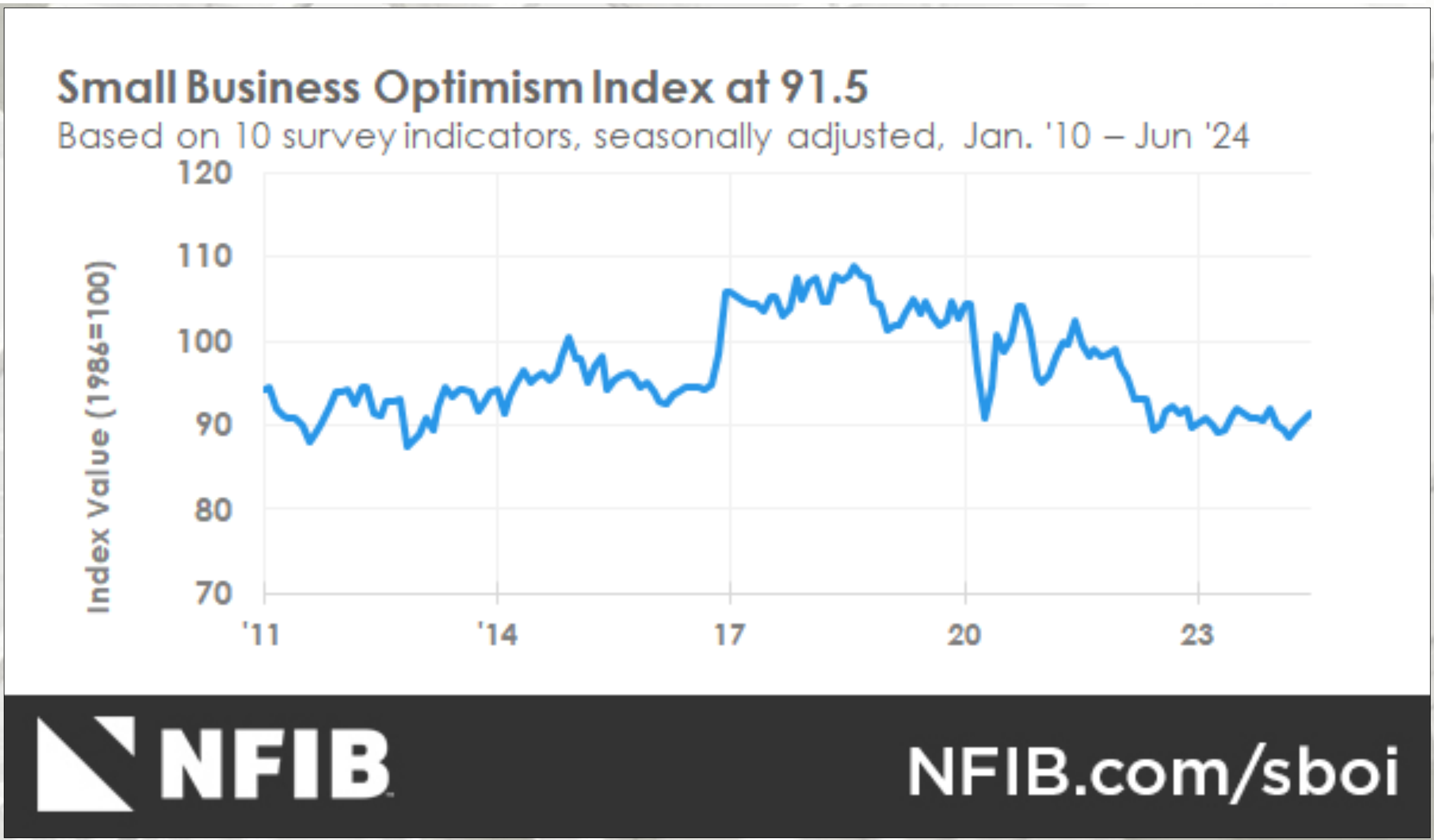
The **NFIB Research Center** has collected Small Business Economic Trends data with quarterly surveys since the fourth quarter of 1973 and monthly surveys since 1986.  Survey respondents are randomly drawn from NFIB’s membership.  The report is released on the second Tuesday of each month.  This survey was conducted in June 2024.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 7/9/24

Return to TOC

# Private Indicators

## National Federation of Independent Business (NFIB) June 2024 Report




Source: http://www.nfib.com/surveys/small-business-economic-trends; 7/9/24

Return to TOC

# Private Indicators

## National Federation of Independent Business (NFIB)
## June 2024 Report

### Small Business Optimism

| Index Component | Net % | From Last Month |
|---|---|---|
| Plans to Increase Employment | 15% | 0 |
| Plans to Make Capital Outlays | 23% | 0 |
| Plans to Increase Inventories | -2% | 4 |
| Expect Economy to Improve | -25% | 5 |
| Expect Real Sales Higher | -13% | 0 |
| Current Inventory | -2% | 6 |
| Current Job Openings | 37% | -5 |
| Expected Credit Conditions | -7% | 0 |
| Now a Good Time to Expand | 4% | 0 |
| Earnings Trends | -29% | 1 |

NFIB NFIB.com/sboi

Source: http://www.nfib.com/surveys/small-business-economic-trends; 7/9/24

# Private Indicators

## The Paychex | IHS Markit
## Small Business Employment Watch

### Job Gains in U.S. Small Businesses Continue in June

*Hourly earnings growth for small business workers holds steady*

“According to the Paychex Small Business Employment Watch, U.S. employers with fewer than 50 employees continued to add jobs in June, though at a slower pace than in May. Hourly earnings growth for small business workers held steady at 3.16% in June.” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

“Small businesses continued to add jobs across the country in June and there was little change in wage inflation, which reflects relative stability for small businesses. The trends in our wage data over the first half of 2024 are also signaling steady hourly earnings growth heading into the second half of the year.

While jobs are growing nationally, small businesses in some geographies and industries continue to face a challenging operating environment due to complex regulations, a tight labor market, and inflationary pressures. We are continuing to see the impact of these challenges in the West region, particularly in the state of California, which came in last among states for job growth in June. At the same time, our customers are telling us they are being more selective in the hiring process and searching for candidates who will boost their culture and bottom line.” – John Gibson, President and CEO, Paychex

Source: https://www.paychex.com/employment-watch; 7/2/24

Return to TOC

# Private Indicators

## The Paychex | IHS Markit
## Small Business Employment Watch

### Jobs Index and Wage Data Highlights

- "The national jobs index continued to represent employment gains in June (100.29), though at a slower pace than May (100.58) and June 2023 (101.37).
- National hourly earnings growth held steady at 3.16% in June, consistent with the moderating trend reported during the first half of 2024.
- One- and three-month annualized hourly earnings growth reported 3.04% and 2.85% in June, respectively, slightly below the 12-month growth rate (3.16%).
- California (99.37) dropped to last among states in June and has reported an index level below 100 for three-straight months, indicating year-over-year job losses. Leisure and Hospitality ranked last among sectors analyzed in California in June, slowing 2.70 percentage points over the last quarter. Weekly hours worked growth in Leisure and Hospitality across the state was down 1.77% last month.
- The two largest industry sectors, Education and Health Services (102.18) and Professional and Business Services (100.20), increased their rate of small business employment growth from last month in June.
- Weekly earnings growth (2.96%) improved for the third consecutive month, though the increases have been marginal (0.03%)." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Source: https://www.paychex.com/employment-watch; 7/2/24

Return to TOC

# Private Indicators

## The Paychex | IHS Markit
## Small Business Employment Watch

### Small Business Jobs Index

Index

100.29

### Historical Jobs Index Trend


### Small Business Wage Data

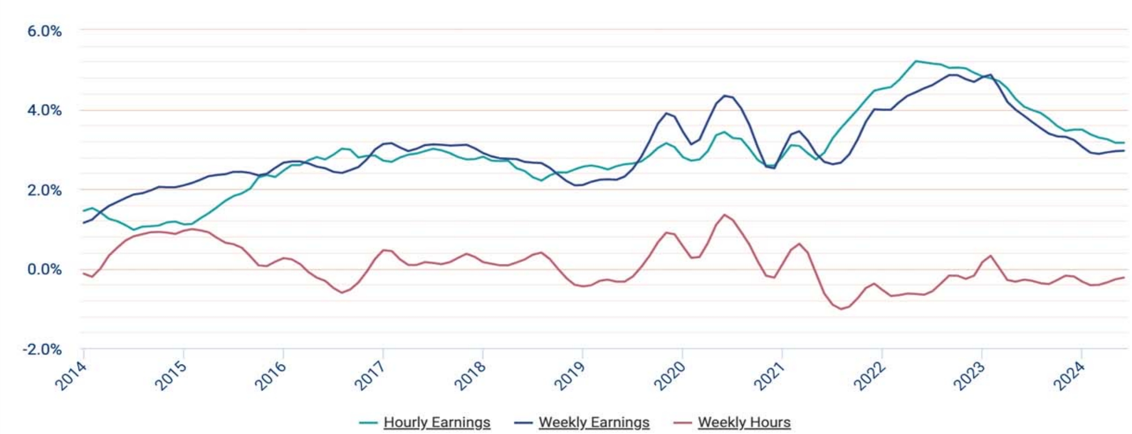
Hourly Earnings

$32.47

12-Month Growth

3.16% ($0.99)

### Historical 12-Month Growth Trend




Source: https://www.paychex.com/employment-watch; 7/2/24

Return to TOC

# Demographics

## Storage Café

## Suburban Growth Outpaces Urban Expansion In The U.S. Housing Market, With The South Leading On All Fronts

**Key takeaways:**

- “Nationwide, housing markets in exurbs and suburbs grew faster than in principal cities over the last decade
- Housing expansion is concentrated in the South, with Texas featuring seven suburbs among the top 20 fastest-growing housing markets and Florida having five
- A Utah suburb claims the top spot as the country’s fastest-growing housing market, having increased its total stock by over 70 times in the past decade
- The fastest-expanding major cities in terms of housing inventory are Austin, TX, followed by Fort Worth, TX, and Seattle, WA

People have been looking for alternatives to the hustle and bustle of city life, and the suburbs have stepped up. Suburban areas across the U.S. are now growing faster than major cities, providing plenty of room to grow for those seeking a better work-life balance.

The current housing market, with skyrocketing prices and limited inventories, is one of the main factors driving people out of cities and into the suburbs and beyond. As the most active generation in terms of both moving and home buying, millennials are leading the revival in suburban living, just as they once spurred the urban boom in the 2000s. For millennials, most of whom are in the parenting stage of their lives, the need for larger homes and outdoor spaces is paramount. This shift is further compounded by the rise of remote work, which has diminished the necessity of living close to urban job centers, making suburban and exurban living more feasible and attractive than ever.” – Maria Gatea, Real Estate and Lifestyle Editor at Yardi; for Storage Cafe

Source: https://www.storagecafe.com/blog/the-fastest-growing-housing-markets-in-the-us/; 7/1/24

Return to TOC

# Demographics

## Storage Café

### Suburban Growth Outpaces Urban Expansion In The U.S. Housing Market, With The South Leading On All Fronts

"But it's not just Gen Y seeking a slower pace of life – Gen Zers are as well. They are generally well-versed in assessing housing woes based on their predecessors' experiences. States with lower densities or rural charm have started to appeal to these youngsters. Utah, North Dakota, Colorado and Alabama are among the top 10 states winning over Gen Zers with perks that include a lower cost of living and generally cheaper housing against a spectacular natural background.

To find out **which cities are keeping up with the population boom**, we analyzed housing stock changes from 2013 to 2022 in nearly 4,100 American cities.

Interestingly, exurbs – broadly defined as areas with fewer than 250 residents per square mile in the first year of our 10-year analysis – have seen significant growth over the past decade. Our data reveals that **five of the top 10 places with the fastest-growing housing inventories over the past 10 years were exurbs**, which have now transitioned to suburb status based on population density.

Housing inventory in exurbs grew by an average of 15% over the past 10 years, outpacing suburbs at 14% and principal cities at 10%. Population growth in exurbs (16%) also surpassed that of suburbs (13%) and principal cities (9%), highlighting a broader demographic shift. Self storage, which typically follows housing development and population trends, has stayed ahead of the curve, with most relocation hubs offering plenty of storage options.

The suburbs are generally well-supplied with self storage space, holding approximately 924M million rentable square feet, or 48% of the total large-scale development. Urban areas have also seen significant growth, particularly in the last decade, with over 30% of storage space now located in urban environments. In contrast, exurbs are still lagging, with a negligible share of storage stock in these locations." – Maria Gatea, Real Estate and Lifestyle Editor at Yardi; for Storage Cafe

Source: https://www.storagecafe.com/blog/the-fastest-growing-housing-markets-in-the-us/; 7/1/24

Return to TOC

# Demographics

## Storage Café

## Suburban Growth Outpaces Urban Expansion In The U.S. Housing Market, With The South Leading On All Fronts

### The 10 Fastest-Growing Housing Markets in the U.S.

| Rank | City | Housing Stock 2022 | 10-Year Housing Stock Change | Population 2022 | 10-Year Population Change | Population Density 2013 | Population Density 2022 |
|---|---|---|---|---|---|---|---|
| 1 | Vineyard, UT | 4,163 | 7,204% | 12,663 | 7,054% | 36.9 | 2640.9 |
| 2 | Blackwells Mills, NJ | 2,871 | 1,980% | 10,047 | 2,292% | 54.7 | 1308.2 |
| 3 | Fulshear, TX | 6,732 | 1,138% | 21,552 | 1,200% | 137.8 | 1791.1 |
| 4 | Woodbridge, VA | 14,563 | 692% | 42,619 | 838% | 503.5 | 4723.9 |
| 5 | Nocatee, FL | 8,390 | 382% | 22,950 | 391% | 174.2 | 856.1 |
| 6 | Niskayuna, NY | 8,434 | 368% | 20,629 | 319% | 414.1 | 1737.0 |
| 7 | Horizon West, FL | 19,956 | 234% | 58,595 | 285% | 464.7 | 1788.9 |
| 8 | Celina, TX | 6,958 | 233% | 21,501 | 237% | 198.0 | 666.4 |
| 9 | Melissa, TX | 4,953 | 228% | 15,244 | 192% | 455.2 | 1331.1 |
| 10 | Palmview, TX | 4,401 | 215% | 15,245 | 175% | 730.3 | 2011.5 |

Source: StorageCafe analysis of U.S. Census data. • Get the data • Created with Datawrapper

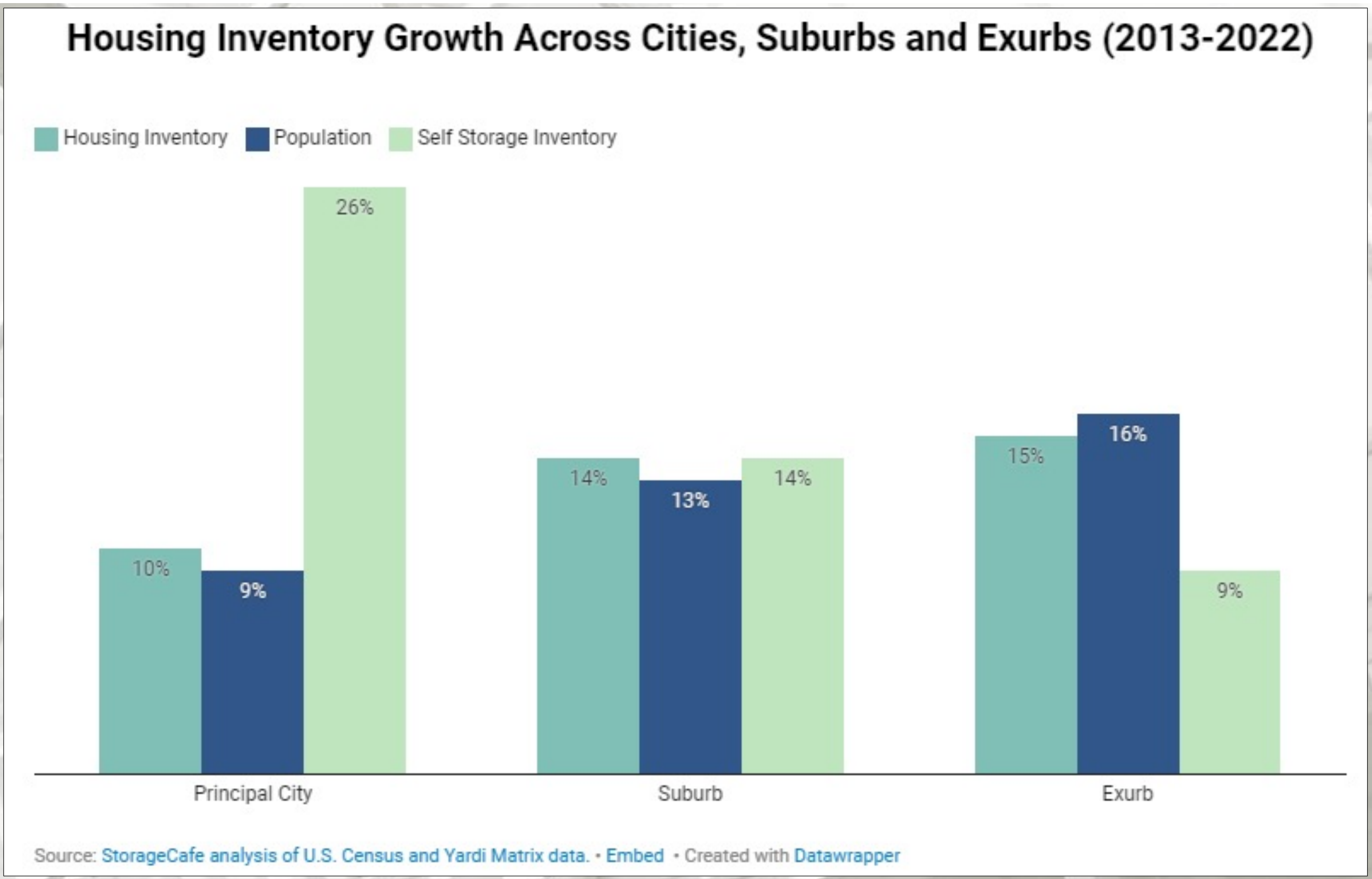
Source: https://www.storagecafe.com/blog/the-fastest-growing-housing-markets-in-the-us/; 7/1/24

Return to TOC

# Demographics

## Storage Café

## Suburban Growth Outpaces Urban Expansion In The U.S. Housing Market, With The South Leading On All Fronts




Source: https://www.storagecafe.com/blog/the-fastest-growing-housing-markets-in-the-us/; 7/1/24

Return to TOC

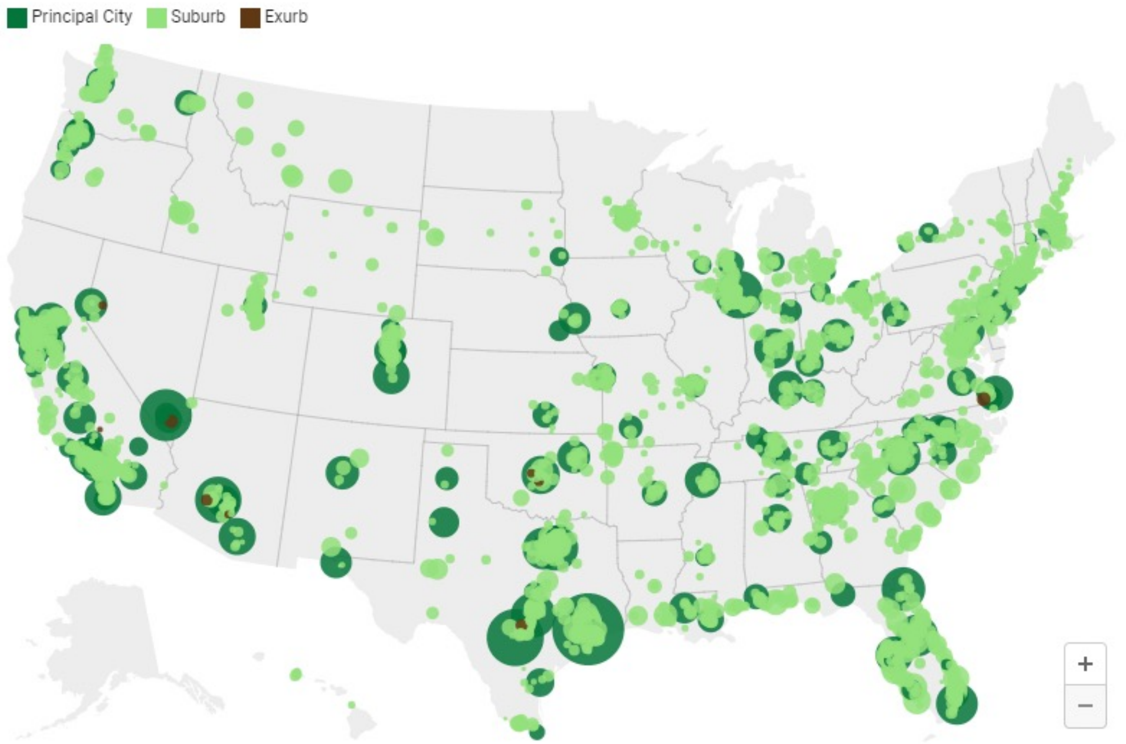
# Demographics

## Storage Café

## Suburban Growth Outpaces Urban Expansion In The U.S. Housing Market, With The South Leading On All Fronts

**Where's the Storage?**

**Distribution of Self Storage Space Across Suburban, Urban and Exurban Areas**




*The square footage refers to all existing inventory as of December 2023.*

Source: StorageCafe analysis of Yardi Matrix data. • Embed • Created with Datawrapper

Source: https://www.storagecafe.com/blog/the-fastest-growing-housing-markets-in-the-us/; 7/1/24

Return to TOC

# Demographics

## Storage Café

## Suburban Growth Outpaces Urban Expansion In The U.S. Housing Market, With The South Leading On All Fronts

### The fastest-growing housing markets in the U.S.: Suburbs steal the glow

"Suburban and exurban locations dominate the ranking of the fastest-growing housing markets in the U.S. The expansion is most pronounced in states experiencing robust economic growth and positive migration patterns.

Texas and Florida, in particular, stand out: **Seven of the top 20 fastest-developing suburbs over the past decade are in Texas, with another five in Florida**. These states have attracted people from across the U.S., notably from California and New York. Their warm climates, low taxes and abundant recreational activities, including beautiful scenery and theme parks, make them standout relocation hotspots. Dallas suburbs are top choices for young talent seeking job opportunities in the metroplex, while Austin and Houston offer access to a robust tech scene and a cosmopolitan vibe that rivals any coastal hub. Areas like The Villages in Florida cater specifically to retirees, offering a variety of amenities and a community-oriented lifestyle that appeals to older adults looking for a supportive environment to spend their retirement years.

The migration toward the suburbs is also significant in regions surrounding large urban hotspots where housing affordability has plummeted. In metropolitan areas like Washington, D.C., and the Tri-State area, the drive for more affordable and comfortable housing is pushing people toward suburban and exurban communities.

Moreover, the rise of remote work has enabled people to move away from expensive urban centers to more affordable regions where they can maintain a high quality of life while working from home. This trend has benefited cities like Blackwells Mills in New Jersey and Davenport and Nocatee in Florida. …"
– Maria Gatea, Real Estate and Lifestyle Editor at Yardi; for Storage Cafe

Source: https://www.storagecafe.com/blog/the-fastest-growing-housing-markets-in-the-us/; 7/1/24

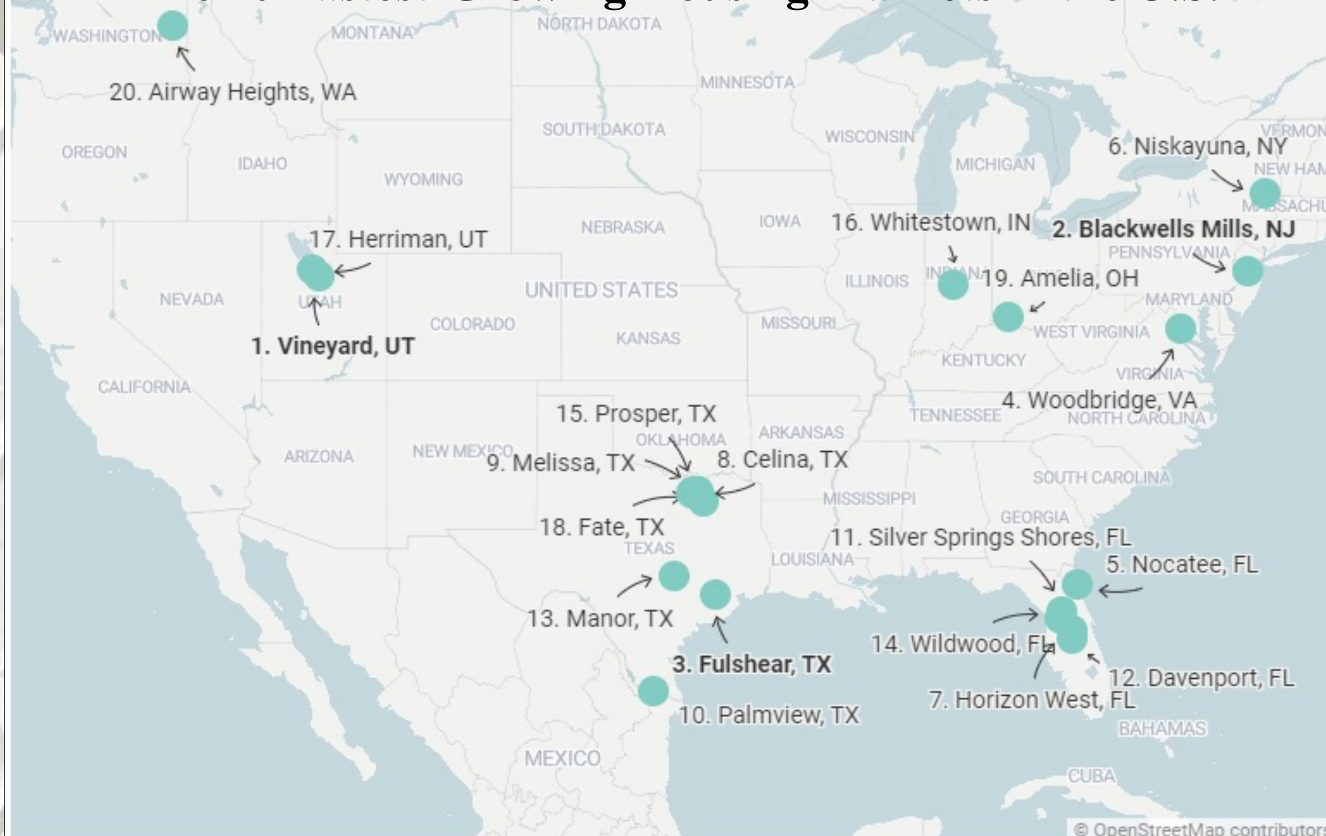
Return to TOC

# Demographics

## Storage Café

## Suburban Growth Outpaces Urban Expansion In The U.S. Housing Market, With The South Leading On All Fronts

### The 20 Fastest-Growing Housing Markets in the U.S.




Source: StorageCafe analysis of U.S. Census and Yardi Matrix data. • Created with Datawrapper

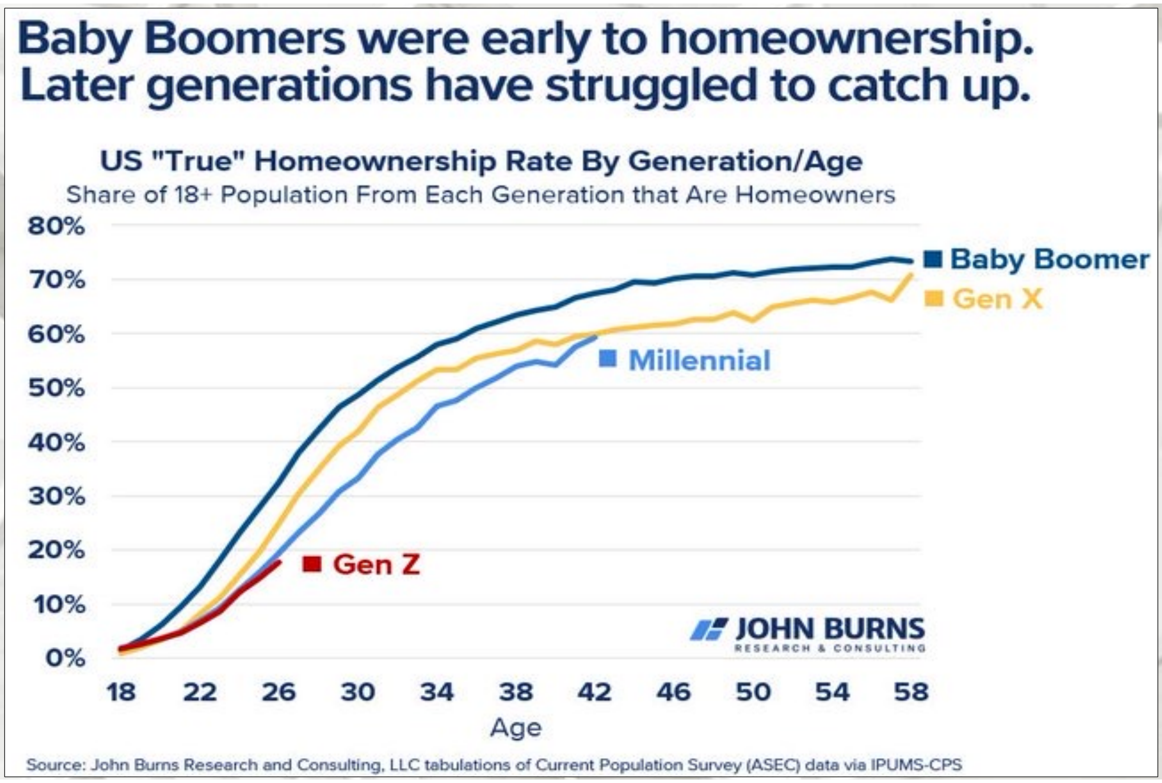
Source: https://www.storagecafe.com/blog/the-fastest-growing-housing-markets-in-the-us/; 7/1/24

Return to TOC

# Demographics

## John Burns Real Estate Consulting LLC

## Home ownership over time and across generations




"Fascinating lifecycle view on homeownership over time and across generations.

1) Baby boomers flocked to homeownership early. At 26, 33% owned a home.

2) At 26, Gen X were 8% behind the Boomers and are now only 2% behind at 58.

3) Millennials were 14% behind the Boomers at 26 and are now, at 42, only 9% behind.

4) Gen Z are following Millennials: 15% behind Boomers at 26, and TBD." – Eric Finnigan, Vice-president of Demographics Research; John Burns Real Estate Consulting LLC

Source: https://twitter.com/johnburnsjbrec/status/1811503098495664175; 7/11/24

Return to TOC

# Economics

## Mortgage Bankers Association

### Nonfarm Payroll Employment

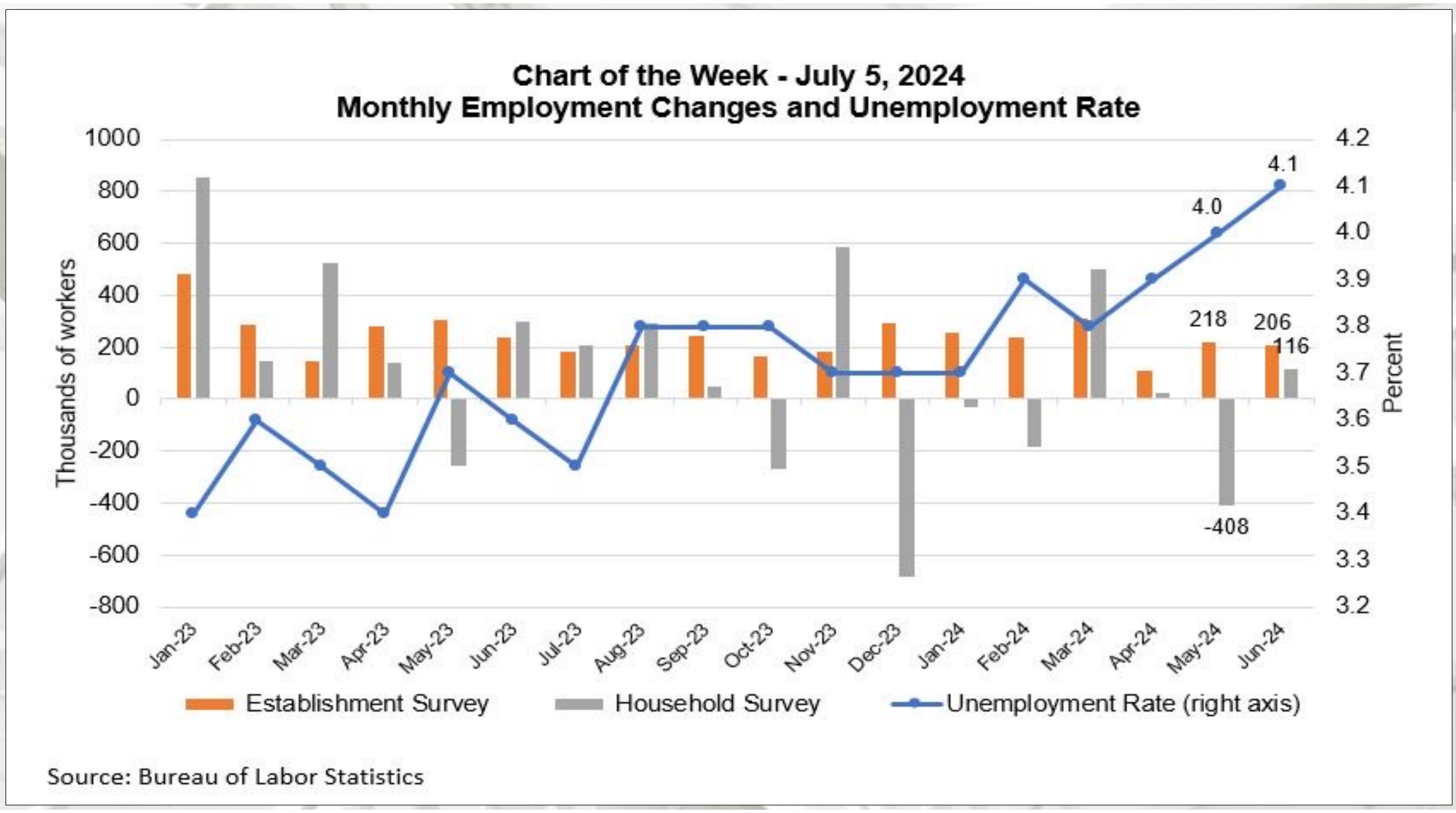
Once again, the headline gain nonfarm payroll employment does not tell the entire story. While the headline gain showed an increase of 206,000 jobs in June, government employment accounted for more than one-third of the gain, largely a function of increases in state and local jobs. Although June's increase was above our expectations, both April and May figures were revised down significantly by a combined 111,000 jobs, marking the three-month average down to a 177,000 increase. Furthermore, data from the household survey showing a 116,000 gain in employment continue to present a weaker picture of the job market than the establishment survey data.

Our Chart of the Week shows the recent history of monthly payroll growth from each of the two surveys, along with the unemployment rate, which is from the household survey. The data labels for the past two months show how different the employment gains are between the two surveys, with the household survey showing much less growth. For 2024 to date, the establishment survey shows an average monthly gain of 222,000 jobs, compared to an average monthly gain of just 3,000 in the household survey. For all of 2023, the establishment survey showed an average of 251,000 jobs gained per month, while the household survey showed employment growth of 157,000 workers per month. The weaker story told by the household survey is more consistent with other data indicating that consumers are pulling back on discretionary spending, some households are increasingly falling behind on auto and credit card payments, and measures of business activity are weakening.

Additionally, the unemployment rate ticked up to 4.1 percent in June, the third consecutive monthly increase and the highest unemployment rate since November 2021. Wage gains slowed again to 3.9% on a 12-month basis, and temporary hires actually decreased by 49,000, a sign that business demand for labor is decreasing." – Mike Fratantoni, Chief Economist and Senior Vice President of Research and Industry Technology and Joel Kan, Associate Vice President of Economic and Industry Forecasting; MBA

Source: https://s3141176.t.en25.com/e/es; 7/5/24

# Economics




## Mortgage Bankers Association

### Nonfarm Payroll Employment

"Additionally, the unemployment rate ticked up to 4.1 percent in June, the third consecutive monthly increase and the highest unemployment rate since November 2021. Wage gains slowed again to 3.9% on a 12-month basis, and temporary hires actually decreased by 49,000, a sign that business demand for labor is decreasing." – Mike Fratantoni, Chief Economist and Senior Vice President of Research and Industry Technology and Joel Kan, Associate Vice President of Economic and Industry Forecasting; MBA

Source: https://s3141176.t.en25.com/e/es; 7/5/24

Return to TOC

# Economics

## U.S. Census Bureau

## *NEW* Business Formation Statistics

## June 2024

### Business Applications

“Business Applications for June 2024, adjusted for seasonal variation, were 431,246, an increase of 1.7 percent compared to May 2024.

### Business Formations

Projected Business Formations (within 4-quarters) for June 2024, adjusted for seasonal variation, were 28,166, an increase of 0.9 percent compared to May 2024. The projected business formations are forward looking, providing an estimate of the number of new business startups that will appear from the cohort of business applications in a given month. It does not provide an estimate of the total number of business startups that appeared within a specific month. In other words, the Census Bureau is projecting that 28,166 new business startups with payroll tax liabilities will form within 4-quarters of application from all the business applications filed during June 2024. The 0.9 percent increase indicates that for June 2024 there will be 0.9 percent more businesses projected to form within 4-quarters of application, compared to the analogous projections for May 2024.” – Economic Indicators Division, Business Formation Statistics; U.S. Census Bureau

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 7/11/24

Return to TOC

# Economics

## U.S. Census Bureau

## *NEW* Business Formation Statistics

## June 2024

### BUSINESS APPLICATIONS

| U.S. Business Applications: | JUN 2024 | JUN 2024 / MAY 2024 |
|---|---|---|
| Total | 431,246 | 1.7%° |
| High-Propensity | 138,678 | 0.3%° |
| With Planned Wages | 45,668 | -1.7%° |
| From Corporations | 47,613 | -1.3%° |

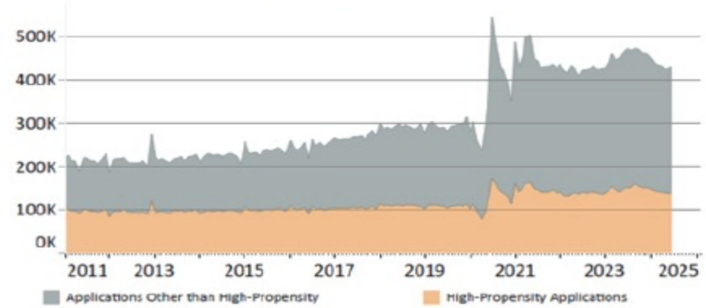
Next release: August 14, 2024

(°) Statistical significance is not applicable or not measurable.

Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, July 11, 2024

Monthly Business Applications
(Seasonally Adjusted)




Source: U.S. Census Bureau, Business Formation Statistics, July 11, 2024

### Business Applications - At a Glance

| | | US | Northeast | Midwest | South | West |
|---|---|---|---|---|---|---|
| Total | JUN 2024 | 431,246 | 63,614 | 72,827 | 194,894 | 99,911 |
| | JUN 2024 / MAY 2024 | +1.7% | +2.5% | +3.5% | +2.6% | -1.6% |
| High-Propensity | JUN 2024 | 138,678 | 22,905 | 22,061 | 59,250 | 34,462 |
| | JUN 2024 / MAY 2024 | +0.3% | +2.8% | +1.7% | +0.4% | -2.2% |
| With Planned Wages | JUN 2024 | 45,668 | 6,588 | 8,064 | 19,625 | 11,391 |
| | JUN 2024 / MAY 2024 | -1.7% | +5.8% | +1.8% | -4.5% | -3.4% |
| From Corporations | JUN 2024 | 47,613 | 10,712 | 5,795 | 16,229 | 14,877 |
| | JUN 2024 / MAY 2024 | -1.3% | +2.2% | +0.9% | -3.6% | -2.0% |

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.

Data adjusted for seasonality. Green Percentage changes are greater than zero (+). Red Percentage changes are less than zero (-). Z = absolute value < 0.05.

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 7/11/24

Return to TOC

# Economics

## U.S. Census Bureau

## June 2024

### BUSINESS FORMATIONS

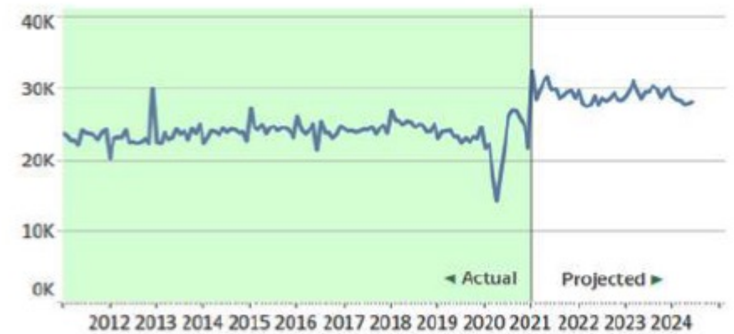
| U.S. Total Projected Business Formations: | JUN 2024 | JUN 2024 / MAY 2024 |
|---|---|---|
| Within 4 Quarters | 28,166 | 0.9%° |
| Within 8 Quarters | 38,666 | 2.2%° |

Next release: August 14, 2024

(°) Statistical significance is not applicable or not measurable.

Spliced - Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, July 11, 2024




Source: U.S. Census Bureau, Business Formation Statistics, July 11, 2024

### Projected Business Formations - At a Glance

| | | US | Northeast | Midwest | South | West |
|---|---|---|---|---|---|---|
| Within 4 Quarters | JUN 2024 | 28,166 | 4,579 | 4,564 | 10,969 | 8,054 |
| | JUN 2024 / MAY 2024 | +0.9% | +2.9% | +2.4% | +0.7% | -0.7% |
| Within 8 Quarters | JUN 2024 | 38,666 | 6,223 | 6,156 | 15,634 | 10,653 |
| | JUN 2024 / MAY 2024 | +2.2% | +3.0% | +3.1% | +4.7% | -2.0% |

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.

Data adjusted for seasonality. Green Percentage changes are greater than zero (+). Red Percentage changes are less than zero (-). Z = absolute value < 0.05.

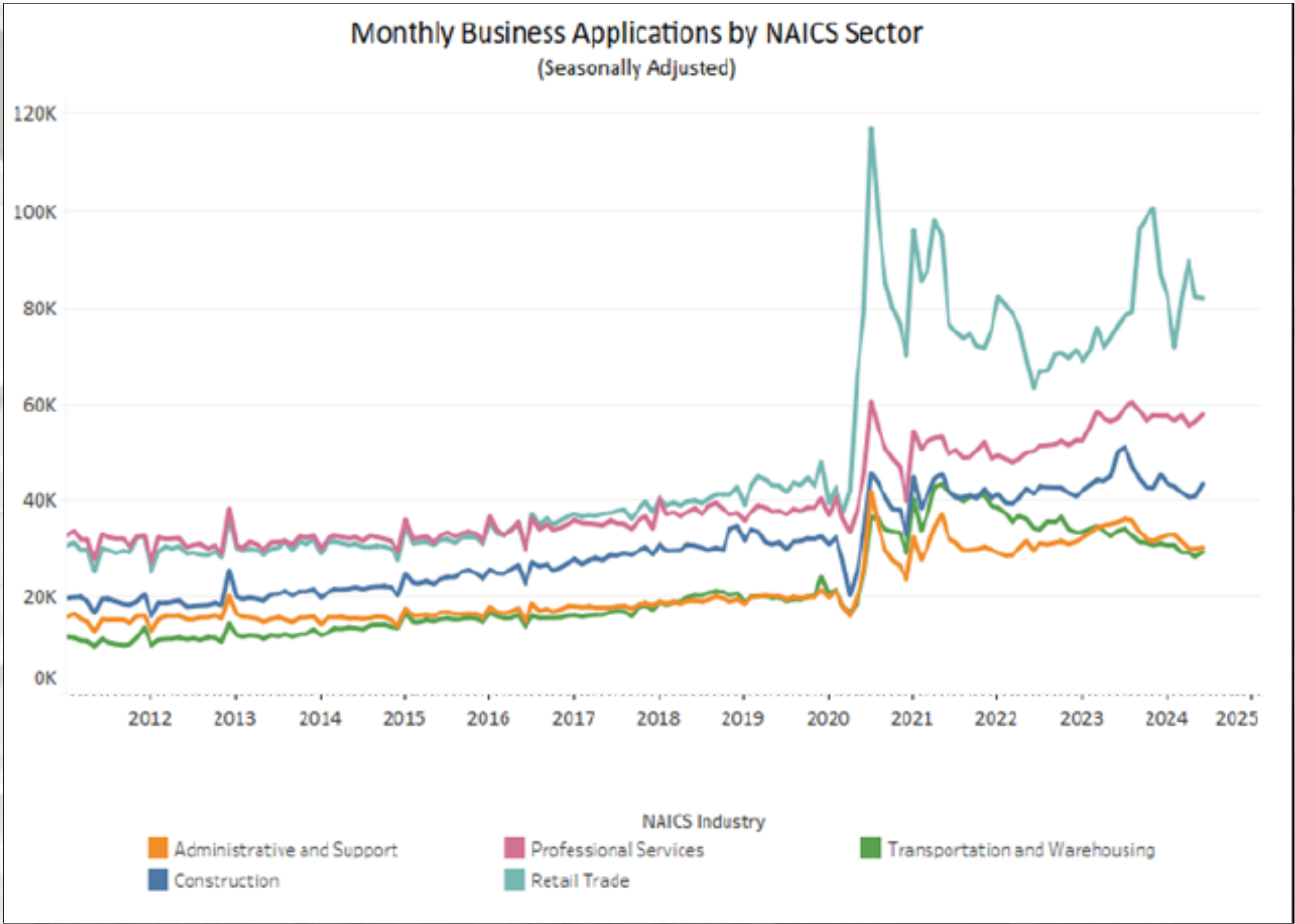
Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 7/11/24

Return to TOC

# Economics

## *NEW* Business Formation Statistics

### June 2024




Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 7/11/24

Return to TOC

# Virginia Tech Disclaimer

## Disclaimer of Non-endorsement

Reference herein to any specific commercial products, process, or service by trade name, trademark, manufacturer, or otherwise, does not constitute or imply its endorsement, recommendation, or favoring by Virginia Tech. The views and opinions of authors expressed herein do not necessarily state or reflect those of Virginia Tech, and shall not be used for advertising or product endorsement purposes.

## Disclaimer of Liability

With respect to documents sent out or made available from this server, neither Virginia Tech nor any of its employees, makes any warranty, expressed or implied, including the warranties of merchantability and fitness for a particular purpose, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights.

## Disclaimer for External Links

The appearance of external hyperlinks does not constitute endorsement by Virginia Tech of the linked web sites, or the information, products or services contained therein. Unless otherwise specified, Virginia Tech does not exercise any editorial control over the information you August find at these locations. All links are provided with the intent of meeting the mission of Virginia Tech's web site. Please let us know about existing external links you believe are inappropriate and about specific additional external links you believe ought to be included.

## Nondiscrimination Notice

Virginia Tech prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the author. Virginia Tech is an equal opportunity provider and employer.

# U.S. Department of Agriculture Disclaimer

## Disclaimer of Non-endorsement

Reference herein to any specific commercial products, process, or service by trade name, trademark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government, and shall not be used for advertising or product endorsement purposes.

## Disclaimer of Liability

With respect to documents available from this server, neither the United States Government nor any of its employees, makes any warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights.

## Disclaimer for External Links

The appearance of external hyperlinks does not constitute endorsement by the U.S. Department of Agriculture of the linked web sites, or the information, products or services contained therein. Unless otherwise specified, the Department does not exercise any editorial control over the information you August find at these locations. All links are provided with the intent of meeting the mission of the Department and the Forest Service web site. Please let us know about existing external links you believe are inappropriate and about specific additional external links you believe ought to be included.

## Nondiscrimination Notice

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 404.120.41200 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 40450-12412 or call 1200.12125.4412 (voice) or 404.120.12412 (TDD). The USDA is an equal opportunity provider and employer.