The Virginia Tech–USDA Forest Service Housing Commentary: Section II
August 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

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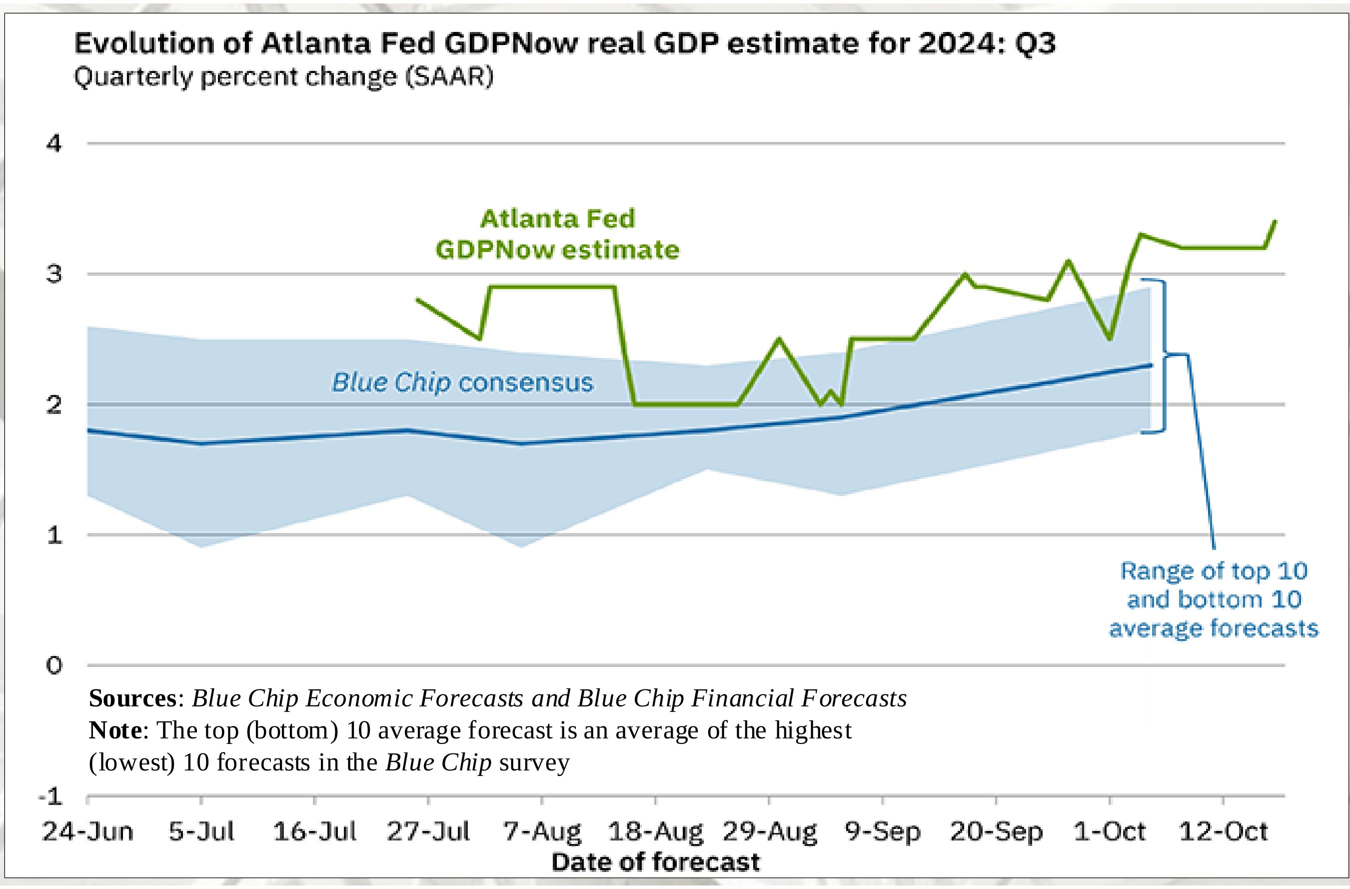

Sources: *Blue Chip Economic Forecasts and Blue Chip Financial Forecasts*
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the *Blue Chip* survey

Atlanta Fed GDPNow™

Latest estimate: 3.4 percent — October 17, 2024

"The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2024 is **3.4 percent** on October 17, up from 3.2 percent on October 9. After recent releases from the US Census Bureau, the US Bureau of Labor Statistics, and the Federal Reserve Board of Governors, the nowcast of third-quarter real personal consumption expenditures growth increased from 3.3 percent to 3.6 percent, while the nowcast of third-quarter real gross private domestic investment growth decreased from 3.3 percent to 3.1 percent." – Pat Higgins, Economist, Federal Reserve Bank of Atlanta

Source: https://www.frbatlanta.org/cqer/research/gdpnow.aspx; 10/17/24

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

Survey Suggests Growth Slowed in September

"The *Chicago Fed Survey of Economic Conditions* (CFSEC) Activity Index decreased to –21 in September from –10 in August, suggesting that economic growth was below trend. The CFSEC Manufacturing Activity Index decreased to –19 in September from –10 in August, and the CFSEC Nonmanufacturing Activity Index decreased to –22 in September from –8 in the previous month.

- Respondents' outlooks for the U.S. economy for the next 12 months improved, turning optimistic on balance. Thirty-seven percent of respondents expected an increase in economic activity over the next 12 months.
- The pace of current hiring increased, as did respondents' expectations for the pace of hiring over the next 12 months. 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 increased, as did the nonlabor cost pressures index. 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; 9/23/24

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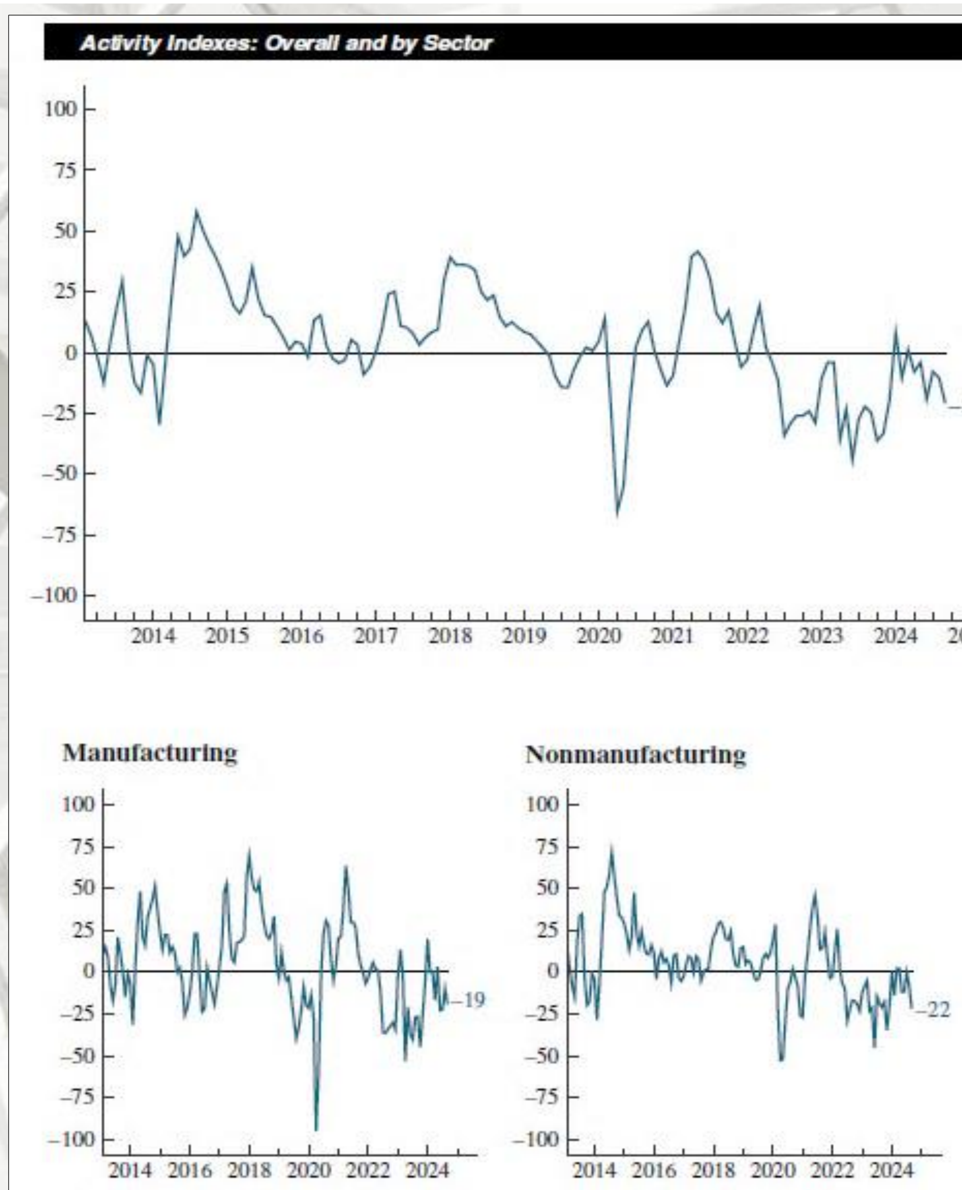
The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)



Source: https://www.chicagofed.org/research/data/cfsec/current-data; 9/23/24

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

Index Suggests Economic Growth Increased in August

"The Chicago Fed National Activity Index (CFNAI) increased to +0.12 in August from –0.42 in July. Two of the four broad categories of indicators used to construct the index increased from July, and one category made a positive contribution in August. The index's three-month moving average, CFNAI-MA3, decreased to –0.17 in August from –0.13 in July.

The CFNAI Diffusion Index, which is also a three-month moving average, decreased to –0.23 in August from –0.11 in July. Thirty-six of the 85 individual indicators made positive contributions to the CFNAI in August, while 49 made negative contributions. Fifty-three indicators improved from July to August, while 32 indicators deteriorated. Of the indicators that improved, 21 made negative contributions.

- Production-related indicators contributed +0.21 to the CFNAI in August, up from –0.42 in July.
- The sales, orders, and inventories category's contribution to the CFNAI was –0.04 in August, down from +0.07 in July.
- Employment-related indicators contributed –0.01 to the CFNAI in August, up from –0.09 in July.
- The personal consumption and housing category's contribution to the CFNAI was –0.04 in August, down from +0.02 in July." – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 9/22/24

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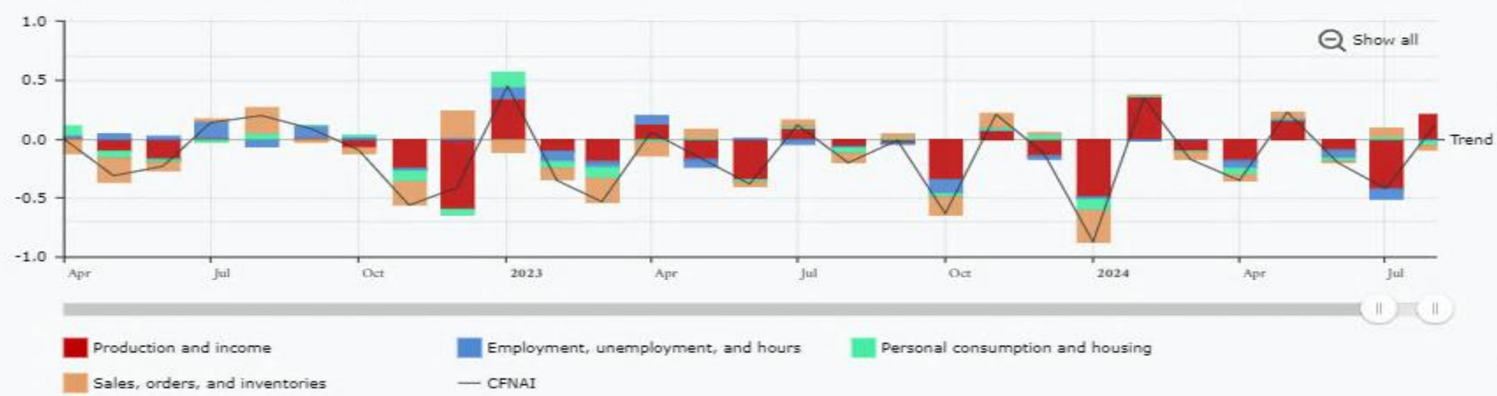
The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

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

	Aug '24	Jul '24	Jun '24	May '24	Apr '24	Mar '24	Aug '23
CFNAI							
Current	0.12	−0.42	−0.20	0.23	−0.35	−0.17	−0.20
Previous	N/A	−0.34	−0.09	0.23	−0.32	−0.18	−0.20
CFNAI-MA3							
Current	−0.17	−0.13	−0.11	−0.10	−0.06	−0.23	−0.15
Previous	N/A	−0.06	−0.06	−0.09	−0.05	−0.23	−0.15
CFNAI Diffusion							
Current	−0.23	−0.11	−0.15	−0.08	−0.09	−0.12	−0.12
Previous	N/A	−0.11	−0.13	−0.09	−0.10	−0.14	−0.13

Note: Current and Previous values reflect index values as of the September 23, 2024, release and August 22, 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; 9/23/24

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The Federal Reserve Bank of Dallas

Texas Manufacturing Outlook Survey

Texas manufacturing activity slips in September, but production expectations remain solid

"Texas factory activity fell modestly in September, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, slipped to -3.2, with the negative reading signaling a slight decline in output from August.

Most other measures of manufacturing activity also indicated declines this month. The new orders index was largely unchanged at -5.2. The capacity utilization index fell five points to -7.0, and the shipments index retreated back into negative territory, falling eight points to -7.0.

Perceptions of broader business conditions remained negative in September. The general business activity index held fairly steady at -9.0, while the company outlook index stayed negative but inched up three points to -6.4. The outlook uncertainty index spiked 10 points to 17.3.

Labor market measures suggested some employment growth but slightly shorter workweeks this month. The employment index moved up four points to 2.9. Twenty percent of firms noted net hiring, while 17 percent noted net layoffs. The hours worked index held steady at -2.5.

Moderate upward pressure on prices and wages continued in September. The wages and benefits index ticked down to 18.5, a reading roughly in line with the historical average. The raw materials prices index fell 10 points to 18.2, while the finished goods prices index was unchanged at 8.4." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 9/30/24

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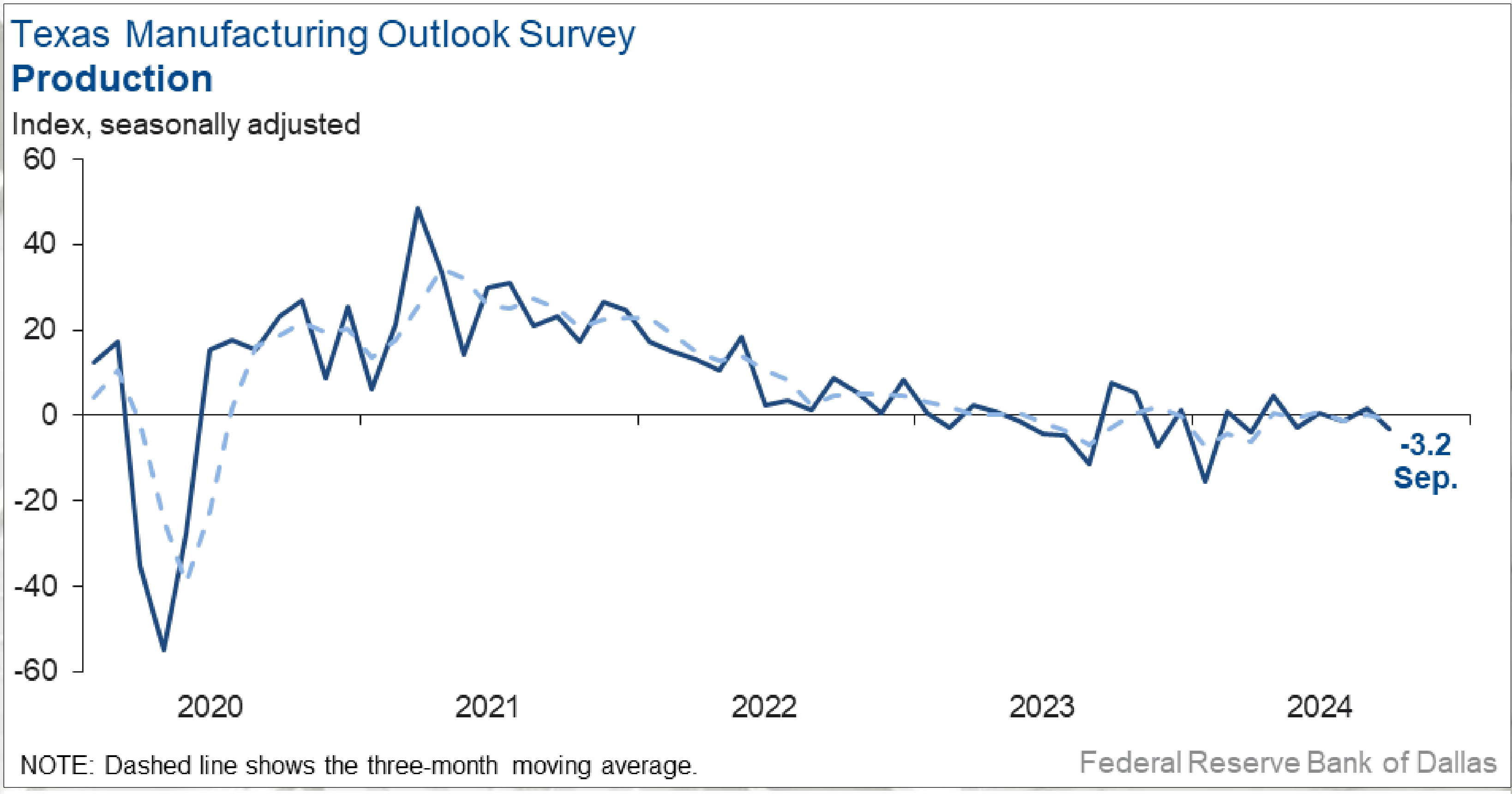
The Federal Reserve Bank of Dallas



"Expectations are for increased manufacturing activity six months from now. The future production index edged up to 35.2, reaching its highest reading since early 2022. The future general business activity held steady at 11.4." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 9/30/24

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The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey

Texas service sector activity strengthens

“Texas service sector activity accelerated in September, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, rose to 10.1, the highest level in 13 months.

Labor market measures suggested little growth in employment in September and no change in hours worked. The employment index held fairly steady at 2.0 while the part-time employment index was flat. The hours-worked index was unchanged at -0.8.

Perceptions of broader business conditions were mixed in September. The general business activity index improved to -2.6, with the negative reading still signaling worsening activity. The company outlook index increased four points to 1.2. The outlook uncertainty index fell five points to 9.4.

Wage and selling price pressures held steady, while input price pressures eased in September. The selling price index was basically unchanged at 5.4, while the input price index fell five points to 23.3. The wages and benefits index fell two points to 12.3.

Respondents’ expectations regarding future business activity reflected optimism in September. The future general business activity index jumped 13 points to 16.0, while the future revenue index increased four points to 35.1. Other future service-sector activity indexes such as employment and capital expenditures remained in positive territory, reflecting expectations for continued growth in the next six months.” – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 10/1/24

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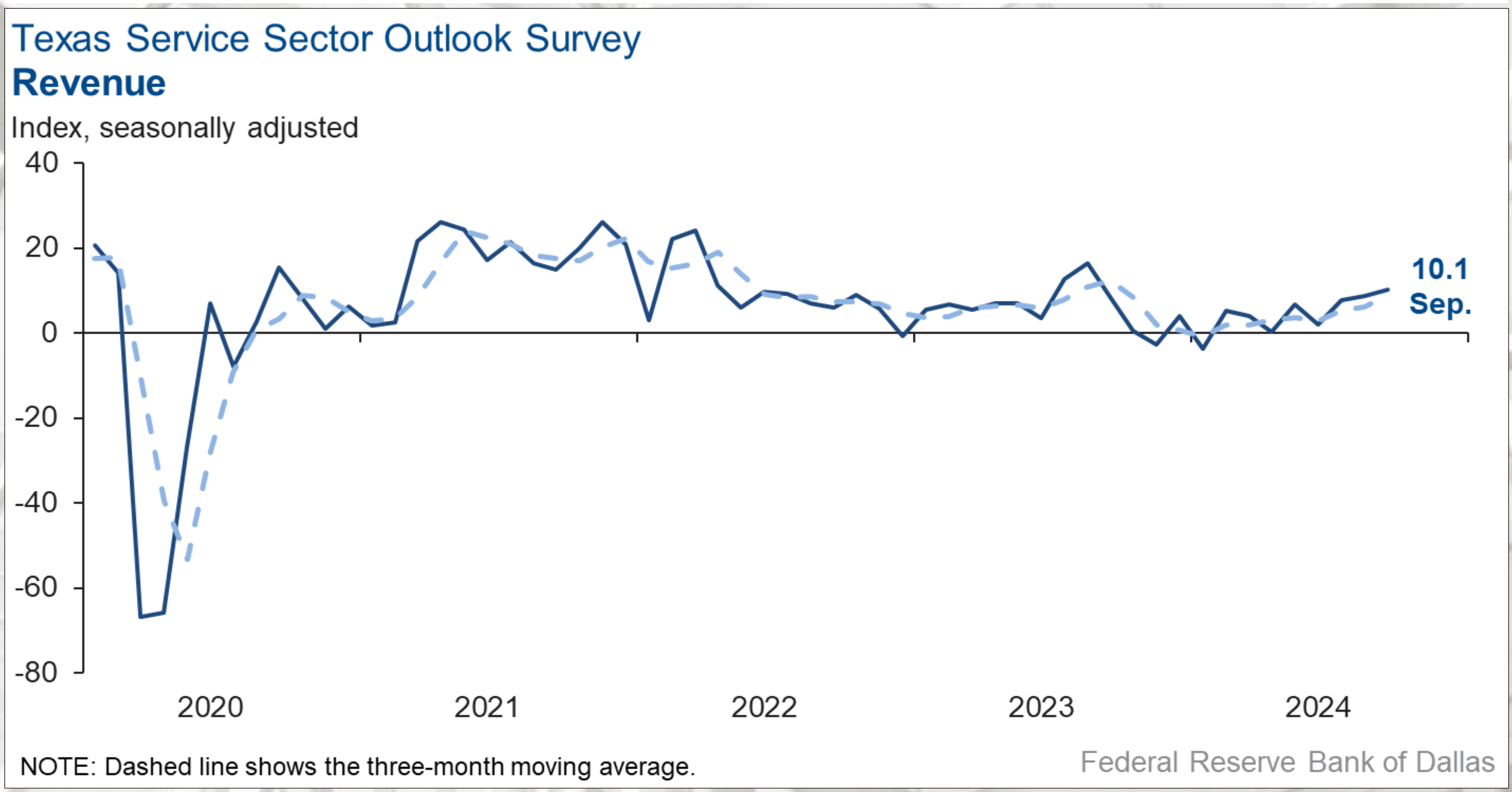
The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 10/1/24

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The Federal Reserve Bank of Dallas

Texas Retail Outlook Survey

Texas retail sales decline slows

"Retail sales activity declined in September, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, fell three points to -8.9. Retailers' inventories were unchanged over the month, with an index reading near zero.

Retail labor market indicators suggested a contraction in employment and workweeks this month. The employment index fell two points to -7.7, while the part-time employment index remained in negative territory but increased to -5.0. The hours-worked index was basically unchanged at -9.9.

Retailers continued to perceive a worsening of broader business conditions in September. The general business activity index was practically unchanged at -14.9. The company outlook index fell seven points to -18.5, and uncertainty in outlooks increased.

Selling price growth increased slightly in September, while input price growth moderated. Wage pressures held steady from the prior month. The selling price index increased two points to 3.1, while the input price index fell five points to 16.3. The wages and benefits index was essentially unchanged at 3.9.

Expectations for future business conditions in retail were mixed in September. The future general business activity index dipped into negative territory, falling four points to -1.8, while the future sales index was positive and largely unchanged at 15.8. The future employment index remained in negative territory for the third month in a row, and the capital expenditures index with its near-zero reading signaled no growth in capital expenditures six months from now." – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 10/1/24

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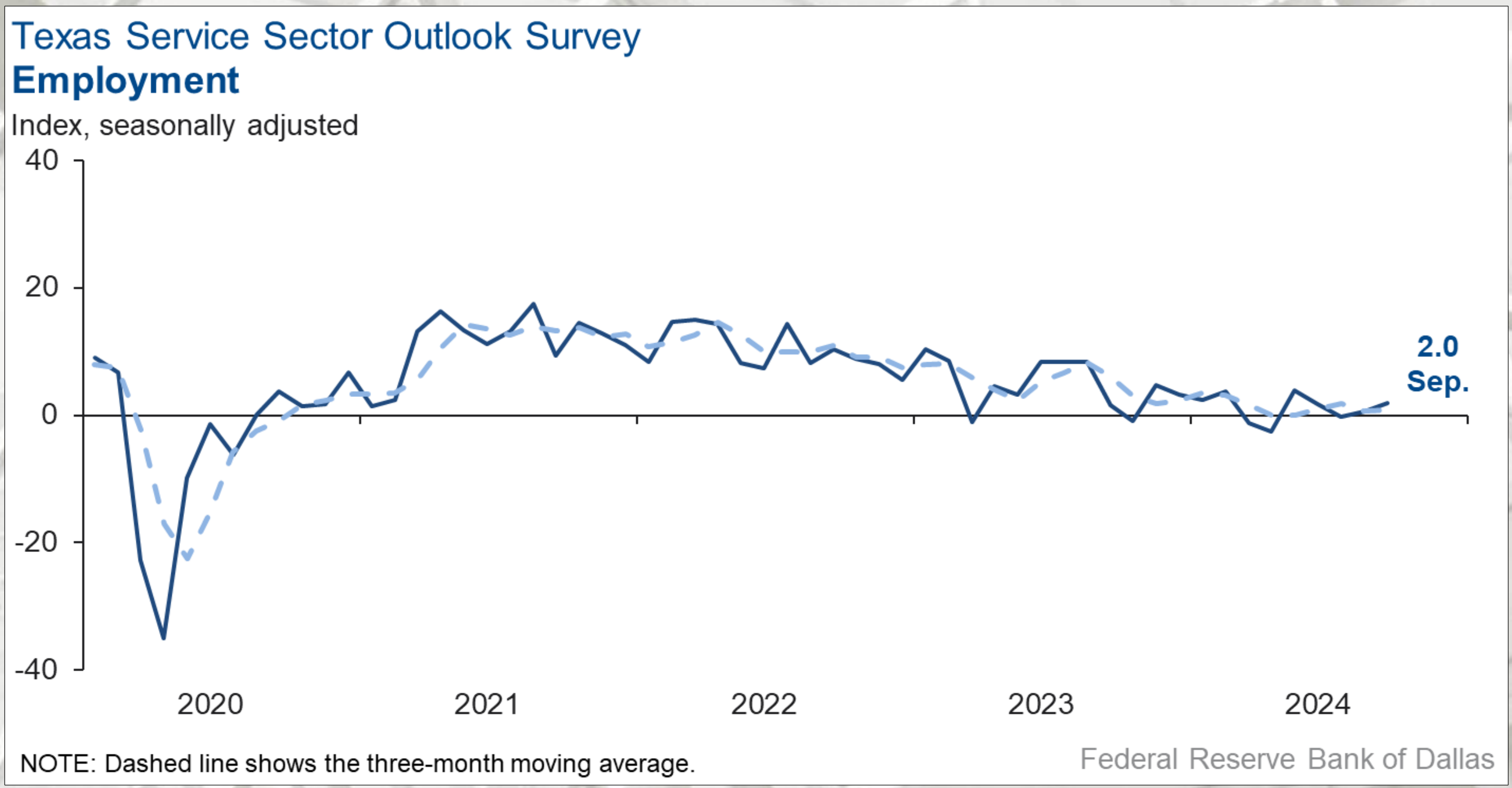
The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 10/1/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Manufacturing Activity Declined Moderately in September

Regional factory activity ell moderately this month. The year-over-year composite index reached its lowest level since September 2020, as production and new orders decreased substantially but are expected to increase in the next six months.

Factory Activity Declined Moderately

"Tenth District manufacturing activity declined moderately in September, while expectations for future activity stayed positive. Finished product prices decreased slightly this month after increasing in July, while raw materials prices continue to grow. (Chart 1).

The month-over-month composite index was -8 in September, down from -3 in August and up from -13 in July. 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 durable goods, particularly machinery, transportation, nonmetallic mineral, and wood manufacturing. All month-over-month indexes were negative and lower than last month's readings, except the raw materials prices and inventories indexes. Volume of shipments and new orders fell somewhat, while production declined from 6 to -18 and backlogs decreased substantially from -19 to -33. The two employment indexes also declined further." – 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; 9/26/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Factory Activity Declined Moderately

"The year-over-year composite index for factory activity declined to its lowest level since September 2020 at -17, driven by declines in production and new orders. The backlog of new orders index decreased from -29 to -36, its lowest level since June 2020. Employment levels decreased moderately while capital expenditures stayed steady with a reading of -1. The future composite index ticked up from 8 to 9, as production and employment are expected to increase substantially. .

Special Questions

This month contacts were asked how their current investment in technology will likely impact employment levels over the next year. Most firms (63%) said their technology investment will have no impact on employment, but around a quarter (23%) reported they expect a slight decrease while 11% expect a slight increase and 3% expect a substantial decrease. Firms were also asked if they've seen any change in the flow of job applicants per job opening since last year. 45% of firms reported an increase in the number of job openings, while 32% reported no change, 17% reported a decrease, and 6% have not had any openings." – 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; 9/26/24

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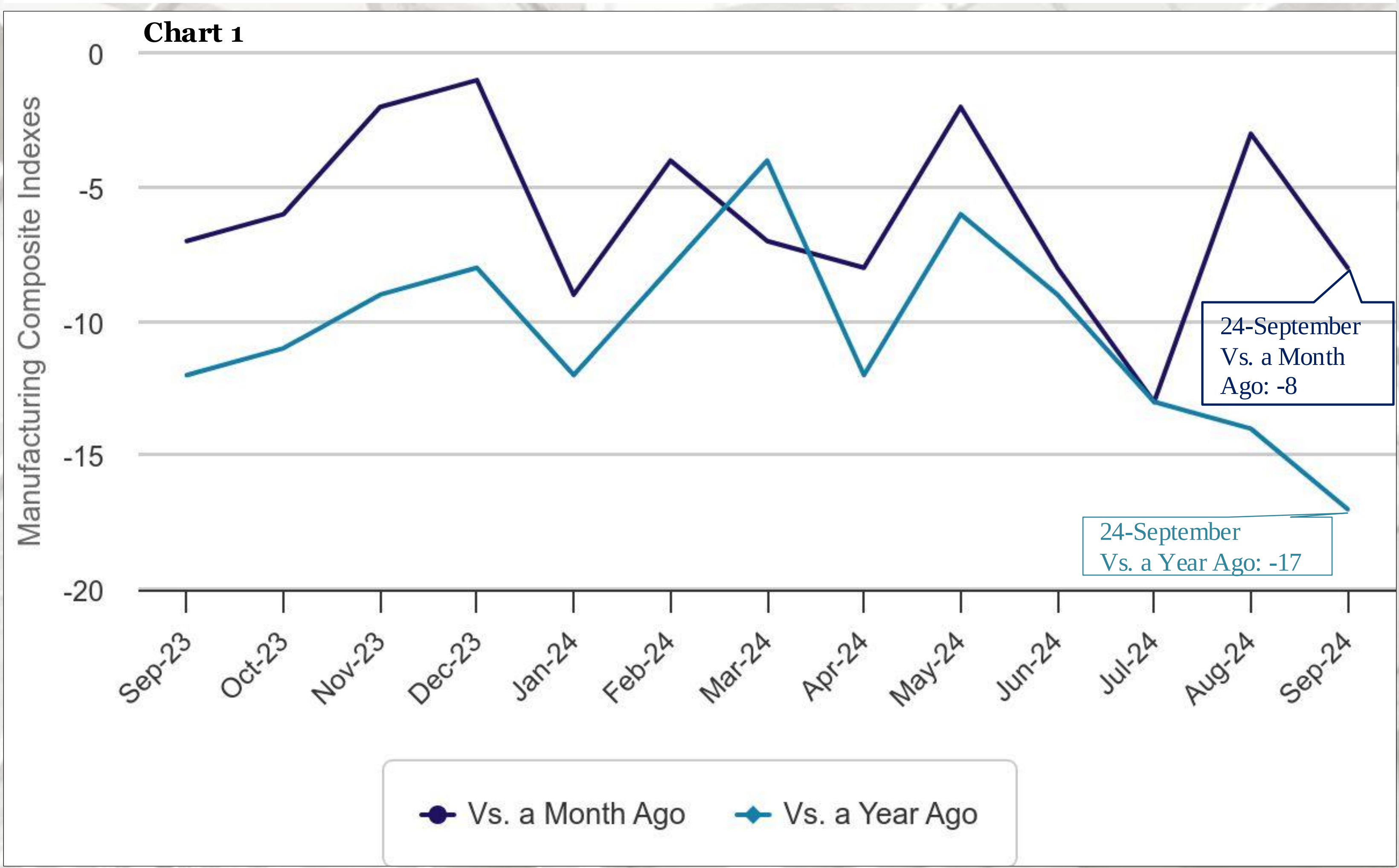
The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 9/26/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Services Activity Eased Slightly in September

District services activity moderated somewhat in September as revenues were flat but employment decreased modestly. Business sentiment softened from last month's high, as firms now expect lower revenue growth in the next six months.

Business Activity Eased Slightly

"Tenth District services activity eased slightly in September and expectations for future activity softened somewhat (Table 1). Input price growth accelerated this month, while selling price growth cooled somewhat. Input prices continue to grow at a faster pace than selling prices on a month-over-month and year over-year basis.

The month-over-month services composite index was -2 in September, down from 5 in August and up from -4 in July. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Transportation, leisure and hospitality, and retail saw the largest declines, while real estate activity increased. Revenues were flat from last month, as the month-over-month index decreased from 17 to -1. Employment declined slightly with a reading of -5, up from -9 last month." – 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; 9/27/24

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Business Activity Eased Slightly

“The year-over-year composite index fell from 10 to 4, as revenue and employment growth eased while inventories increased. Capital expenditures growth accelerated, increasing from 6 to 18. The composite expectations index for services activity cooled from last month’s high but remained expansionary with a reading of 7.

Special Questions

This month contacts were asked how their current investment in technology will likely impact employment levels over the next year. Two-thirds of firms (66%) said their technology investment will have no impact on employment, but over a quarter (29%) reported they expect a slight decrease while 5% expect a slight increase. Firms were also asked if they’ve seen any change in the flow of job applicants per job opening since last year. Responses were mixed, with 36% of firms reporting an increase in the number of job openings, while 38% reported no change, 20% reported a decrease, and 6% have not had any openings.” – 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; 9/27/24

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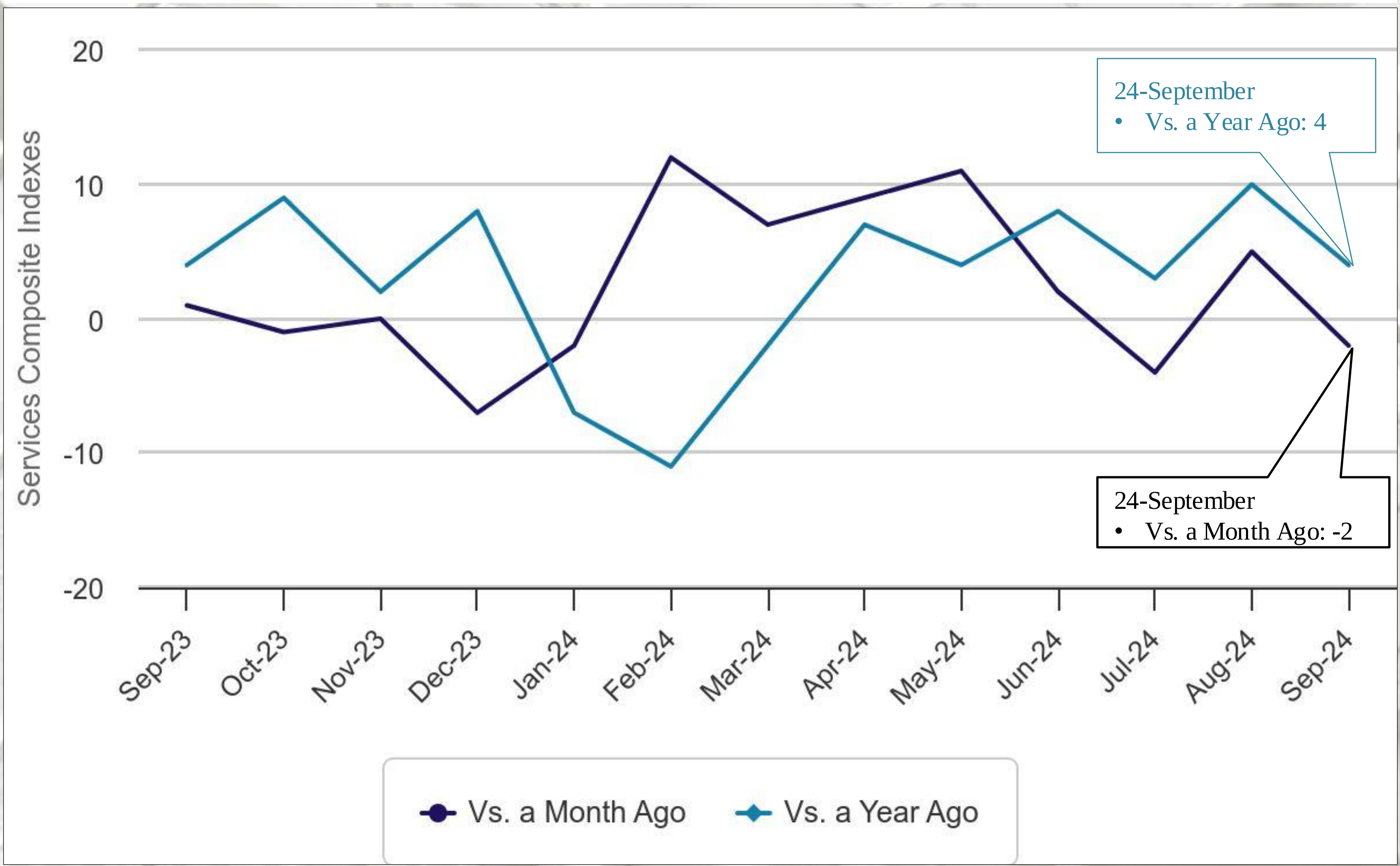
The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 9/27/24

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The Federal Reserve Bank of New York

September 2024 Manufacturing Survey

Decline in Activity Resumes

"Business activity contracted modestly in New York State, according to firms responding to the October 2024 *Empire State Manufacturing Survey*. After climbing into positive territory last month, the headline general business conditions index retreated twenty-three points to -11.9. New orders fell, and shipments edged lower. Delivery times were slightly shorter, while supply availability deteriorated somewhat. Inventories shrank. Labor market conditions improved, with a small increase in both employment and the average workweek for the first time in a year. The pace of input and selling price increases remained modest but picked up to a small degree. Despite the weakness in general business conditions, optimism about the six-month outlook grew strongly.

After briefly picking up last month, manufacturing activity declined modestly in New York State, according to the October survey. The general business conditions index fell twenty-three points to -11.9. The new orders index fell twenty points to -10.2, and the shipments index fell twenty-one points to -2.7, pointing to declines in both orders and shipments. Unfilled orders were little changed. The inventories index fell eight points to -7.5, indicating that inventories were lower. The delivery times index edged down to -3.2, suggesting that delivery times were somewhat shorter, and the supply availability index fell five points to -7.5, a sign that supply availability worsened in October." – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 10/15/24

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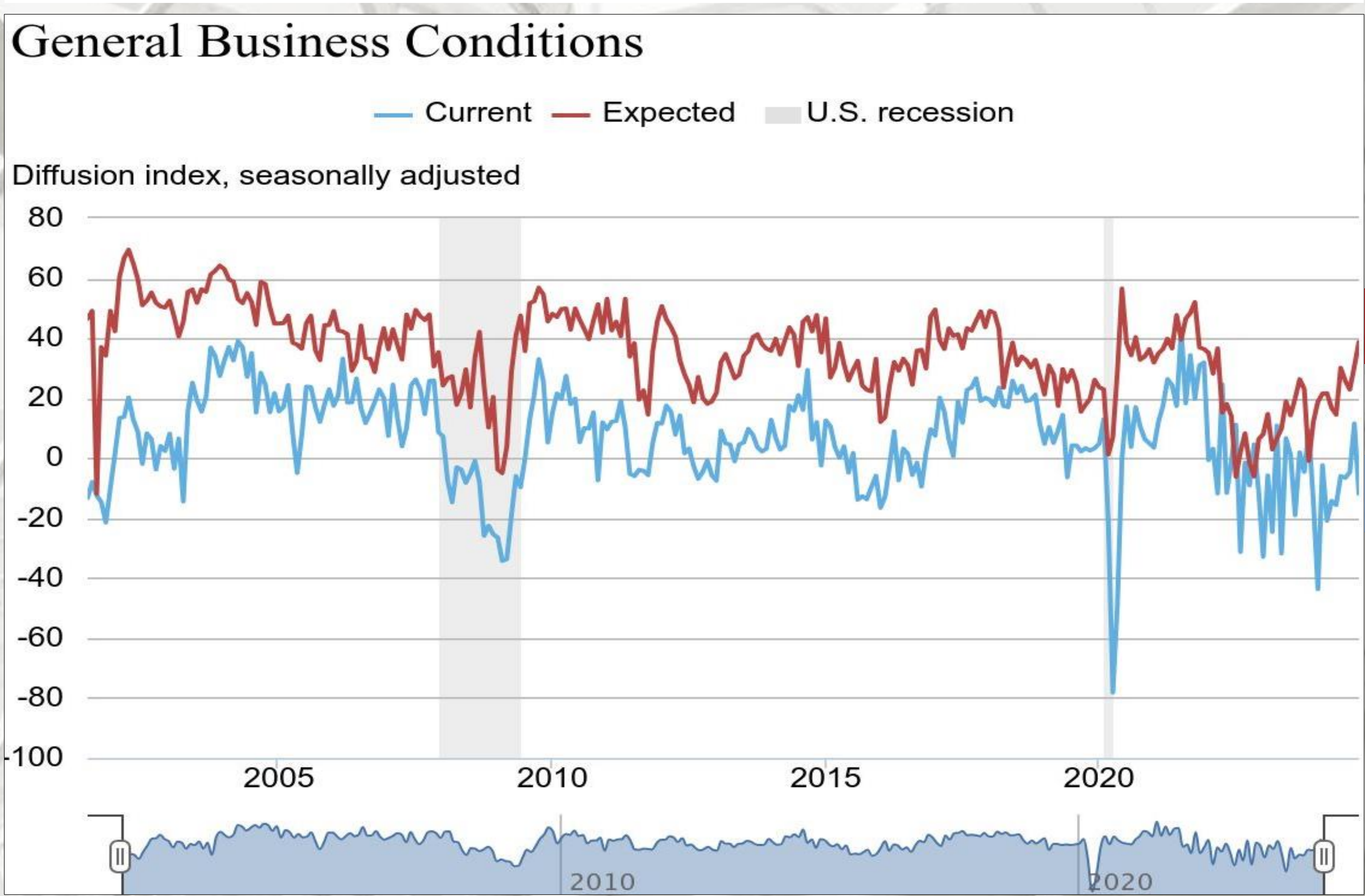
The Federal Reserve Bank of New York



Sep 2024
38.7

Sep 2024
-11.9

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 10/15/24

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The Federal Reserve Bank of New York

September 2024 Manufacturing Survey

Employment Increases

“Despite the decline in activity, labor market conditions improved. The index for number of employees climbed ten points to 4.1, its first positive reading in a year, and the average workweek index edged up to 4.7, pointing to small increases in employment levels and hours worked. Price increases remained modest, but ticked up somewhat: the prices paid index rose six points to 29.0, and the prices received index rose three points to 10.8.

Optimism Grows

Though firms reported that activity declined overall this month, optimism about the outlook grew strongly. The index for future business activity moved up eight points to 38.7, a multi-year high, with 55 percent of respondents expecting conditions to improve over the next six months. Capital spending plans were modestly positive.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 10/15/24

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The Federal Reserve Bank of New York

October 2024 Empire State Business Leaders Survey (Services)

Activity Continues to Hold Steady

“Business activity was little changed in the region’s service sector in October, according to firms responding to the Federal Reserve Bank of New York’s *Business Leaders Survey*. The survey’s headline business activity index continued to hover around zero, coming in at -2.2. The business climate index edged down to -26.0, suggesting the business climate remains worse than normal. Employment continued to grow slightly, and wage increases moderated. Supply availability was steady. Input price increases were just slightly higher than last month, while selling price increases were somewhat lower. Capital spending picked up but remained modest. Looking ahead, firms remained somewhat positive that conditions would improve in the months ahead, but optimism remained subdued.

As has been the case in recent months, business activity was little changed in the New York-Northern New Jersey region, according to the October survey. The headline business activity index edged down to -2.2. Twenty-eight percent of respondents reported that conditions improved over the month and 30 percent said that conditions worsened. The business climate index was similar to last month at -26.0, 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; 10/16/24

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The Federal Reserve Bank of New York

October 2024 Empire State Business Leaders Survey (Services)

Employment Remains Sluggish

"The employment index held steady at 4.4, a sign that employment grew, but only to a small degree. The wages index fell seven points to 28.3, its lowest level in nearly a year, indicating that wage increases slowed. The prices paid index edged up three points to 47.8, indicating input price increases were slightly stronger than last month, while the prices received index fell four points to 19.0, suggesting selling price increases slowed somewhat. The capital spending index picked up several points to 8.9, indicating that capital spending grew modestly.

Optimism Remains Subdued

The index for future business activity edged up two points to 17.3, and the index for the future business climate index climbed seven points to 4.9, its first positive reading in several months, the two readings pointing to some improvement in optimism compared to last month, though optimism remained subdued. Modest increases in employment are expected in the months ahead." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 10/16/24

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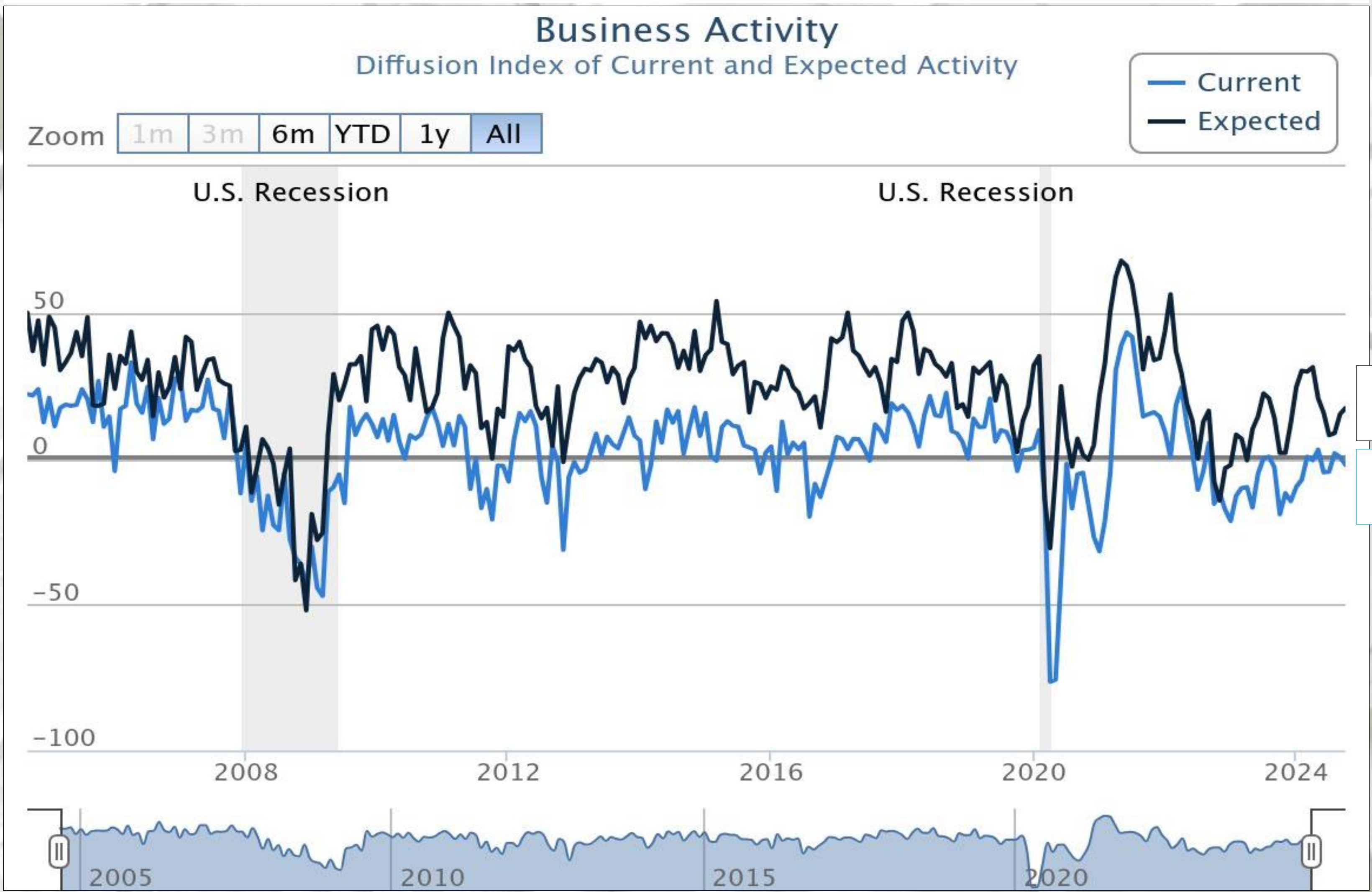
The Federal Reserve Bank of New York



Oct 2024
15.2

Oct 2024
0.5

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 10/16/24

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The Federal Reserve Bank of Philadelphia

October 2024 Manufacturing Business Outlook Survey

Most Current Manufacturing indicators Improve in October

"Manufacturing activity in the region expanded overall, according to the firms responding to the October Manufacturing *Business Outlook Survey*. The diffusion index for current general activity rose from 1.7 to 10.3 in October, its second consecutive increase. The survey's indicators for new orders and shipments rose and returned to positive territory this month. The employment index declined and suggested mostly steady employment conditions. Both price indexes edged down but continue to indicate overall increases in prices. Expectations for growth over the next six months were more widespread this month as most future indicators rose.

The diffusion index for current general activity rose from 1.7 to 10.3 in October, its second consecutive increase (see Chart 1). More than 24 percent of the firms reported increases in general activity this month, while 14 percent reported decreases; 57 percent reported no change. The indexes for new orders and shipments, which had turned negative last month, nearly recovered their declines from September. The new orders index climbed 16 points to 14.2, and the shipments index rose 22 points to 7.4.

The firms reported mostly steady employment as the employment index declined from 10.7 to -2.2. Most firms (76 percent) reported no change in employment levels, while the share reporting decreases (13 percent) narrowly exceeded the share reporting increases (11 percent). The average workweek index inched up from -13.6 to -11.8." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-10; 10/17/24

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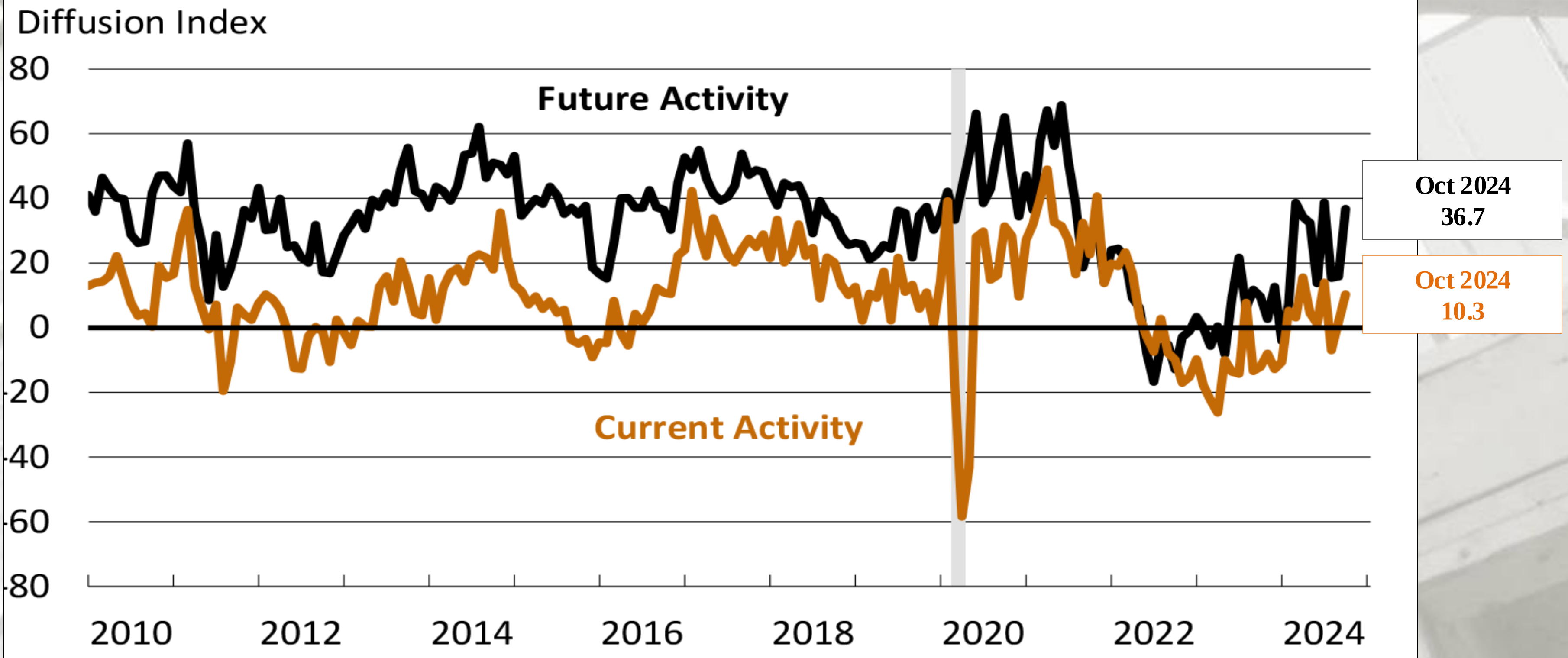
The Federal Reserve Bank of Philadelphia

Chart 1. Current and Future General Activity Indexes
January 2009 to October 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-2024-10; 10/17/24

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The Federal Reserve Bank of Philadelphia

October 2024 Manufacturing Business Outlook Survey

Firms Continue to Report Overall Price Increases

“Both price indexes declined but remained positive. The prices paid index declined from 34.0 to 29.7. Nearly 35 percent of the firms reported increases in input prices, while 5 percent reported decreases; 60 percent of the firms reported no change. The current prices received index decreased 7 points to 17.9. Almost 22 percent of the firms reported increases in prices received for their own goods, 4 percent reported decreases, and 72 percent reported no change.

Firms Anticipate Higher Capital Expenditures Next Year

“In this month’s special question, manufacturers were asked about their plans for different categories of capital expenditures next year. Almost 52 percent of the firms expect to increase total capital spending, compared with 21 percent that expect to decrease total spending; 27 percent expect total spending to stay the same. When this question was asked last year, the share of firms expecting to decrease spending slightly exceeded the share of firms expecting to increase spending (30 percent versus 24 percent). On balance, the firms expect higher capital expenditures next year for computer and related hardware, software, noncomputer equipment, and energy-saving investments, and lower expenditures on structure and other investments.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-10; 10/17/24

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The Federal Reserve Bank of Philadelphia

October 2024 Manufacturing Business Outlook Survey

Firms Expect Growth over Next Six Months

“The diffusion index for future general activity rose from 15.8 to 36.7 in October (see Chart 1). Over 47 percent of the firms expect increases in activity over the next six months (up from 39 percent last month), while 11 percent expect decreases (down from 23 percent); 34 percent expect steady conditions (up from 24 percent). The future new orders and shipments indexes rose to 40.1 points and 45.8 points, respectively, their highest readings since the spring. The firms continue to expect an overall increase in employment over the next six months, and the future employment index rose from 19.1 to 27.3, its highest reading since May 2022. Both future price indexes remained elevated, and none of the firms expect decreases in either. The future capital expenditures index remained elevated but ticked down 2 points to 23.5.

Summary

Responses to the October *Manufacturing Business Outlook Survey* suggest an overall increase in regional manufacturing activity this month. The indicators for current activity, new orders, and shipments were positive, and all rose from last month. On balance, the firms indicated mostly steady employment and continued to report increases in prices. The survey’s future indicators suggest more widespread expectations among the firms 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-2024-10; 10/17/24

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The Federal Reserve Bank of Philadelphia

September 2024 Nonmanufacturing Business Outlook Survey

Most Current Indicators Remain Low

"Nonmanufacturing activity softened somewhat and remained weak, according to the firms responding to the September *Nonmanufacturing Business Outlook Survey*. The index for general activity at the firm level declined but remained positive. The new orders index remained negative and fell, while the sales/revenues index rose. On balance, the firms reported no change in full-time employment but an increase in part-time employment. Both price indexes declined but continued to indicate overall increases in prices. Expectations for growth over the next six months were more widespread both for firms and in the region.

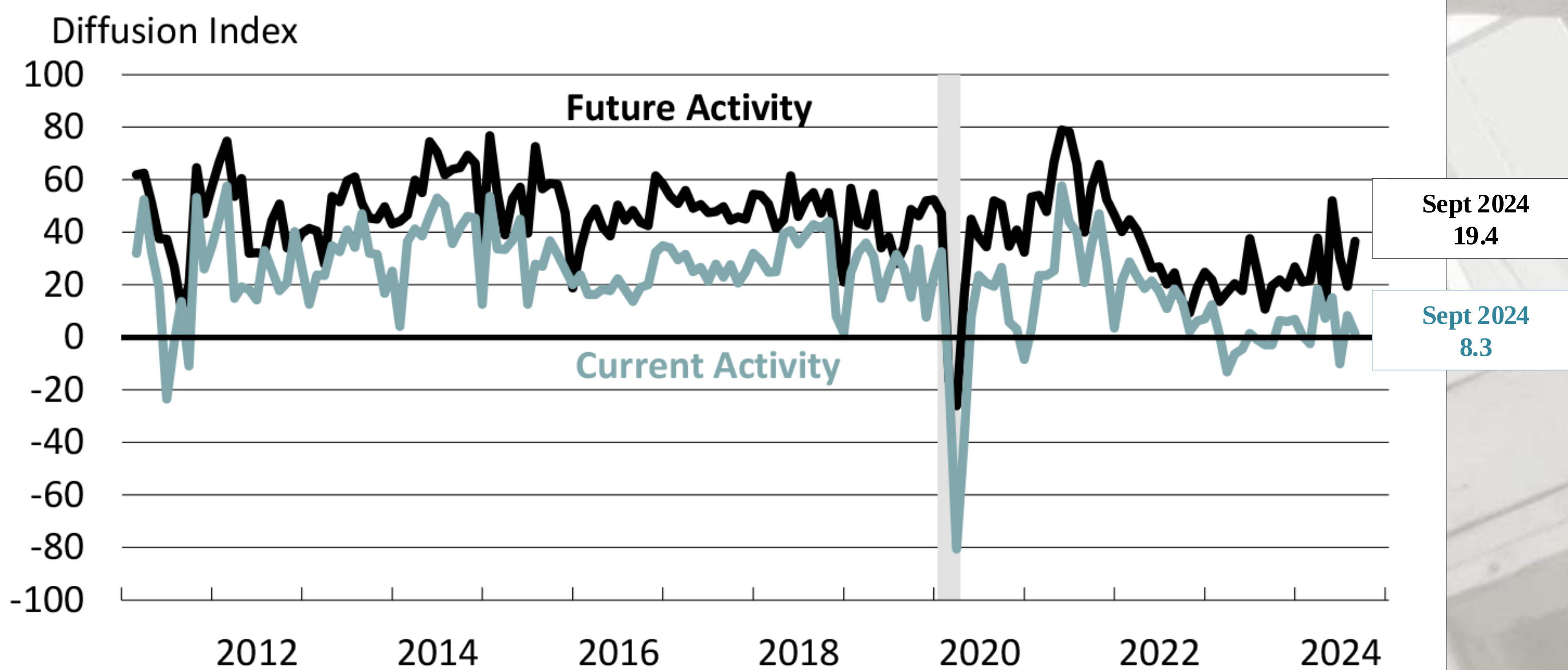
The diffusion index for current general activity at the firm level declined from 8.3 to 1.5 in September, paring some of its increase from last month (see Chart 1). Almost 32 percent of the firms reported increases in activity, 30 percent reported decreases, and 39 percent reported no change. The new orders index fell from -0.3 to -17.8, its lowest reading since April 2023. Nearly 32 percent of the firms reported a decrease in new orders, while 14 percent reported an increase; 36 percent reported no change. The sales/revenues index rose 7 points to 13.5. The current regional activity index increased 19 points but remained negative at -6.1." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-09; 9/24/24

The Federal Reserve Bank of Philadelphia

Chart 1. Current and Future General Activity Indexes

January 2011 to September 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/nbos-2024-09; 9/24/24

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The Federal Reserve Bank of Philadelphia

September 2024 Nonmanufacturing Business Outlook Survey

Firms Report No Change in Full-Time Employment, Rise in Part-Time Employment

"The full-time employment index rose 15 points to 0.0, following two consecutive negative readings. Almost 62 percent of the firms reported no change, while an equal share of the firms (16 percent) reported increases and decreases in full-time employment. The part-time employment index rose from -0.5 to 16.1, its highest reading since March 2022. The average workweek index was little changed at 1.6.

Price Indexes Move Lower

Price indicators continue to suggest increases in prices for inputs and the firms' own goods and services overall. The prices paid index declined from 30.0 to 19.5 this month, its lowest reading since October 2020. Nearly 23 percent of the firms reported increases in input prices, while 3 percent reported decreases; 64 percent reported steady prices. Regarding prices for the firms' own goods and services, the prices received index edged down from 9.8 to 6.2. Most of the firms (69 percent) reported no change in prices received, while the share reporting increases (15 percent) exceeded the share reporting decreases (8 percent).

Future Indicators Decline

The future activity indexes suggest more widespread expectations for growth over the next six months. The diffusion index for future activity at the firm level increased 17 points to 36.5 (see Chart 1). This followed two consecutive months of falling readings. Nearly 52 percent of the firms expect increases in future activity at their firms, 15 percent expect decreases, and 33 percent expect no change. The future regional activity index increased to 23.8, more than recovering its decline from last month." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-09; 9/24/24

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The Federal Reserve Bank of Philadelphia

September 2024 Nonmanufacturing Business Outlook Survey

Firms Report Higher Sales/Revenues on Balance

"In this month's special questions, the firms were asked to estimate their total sales/revenues growth for the third quarter ending this month compared with the second quarter of 2024; they were also asked about factors constraining business operations. Forty-five percent of the firms reported expected increases in third-quarter sales/revenues (down from 63 percent for the second quarter), while 38 percent reported expected decreases (up from 19 percent). Over 68 percent of the firms reported labor supply as at least a slight constraint on business operations, comparable to 71 percent in June. Half of the firms reported financial capital as at least a slight constraint in the current quarter, up from 44 percent in June. Over the next three months, most of the firms expect the impacts of various factors to stay the same. However, while 15 percent of the firms expect labor supply impacts to worsen, 28 percent expect impacts to improve. The firms were evenly split (22 percent) on whether financial capital impacts would improve or worsen.

Summary

Responses to this month's Nonmanufacturing Business Outlook Survey suggest some improvement among firms in the region. The indicators for firm-level general activity and sales/revenues returned to positive territory, while the new orders index was flat. The index for full-time employment suggests overall declines in employment. The firms continue to expect growth over the next six months, but expectations were less widespread." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-09; 9/24/24

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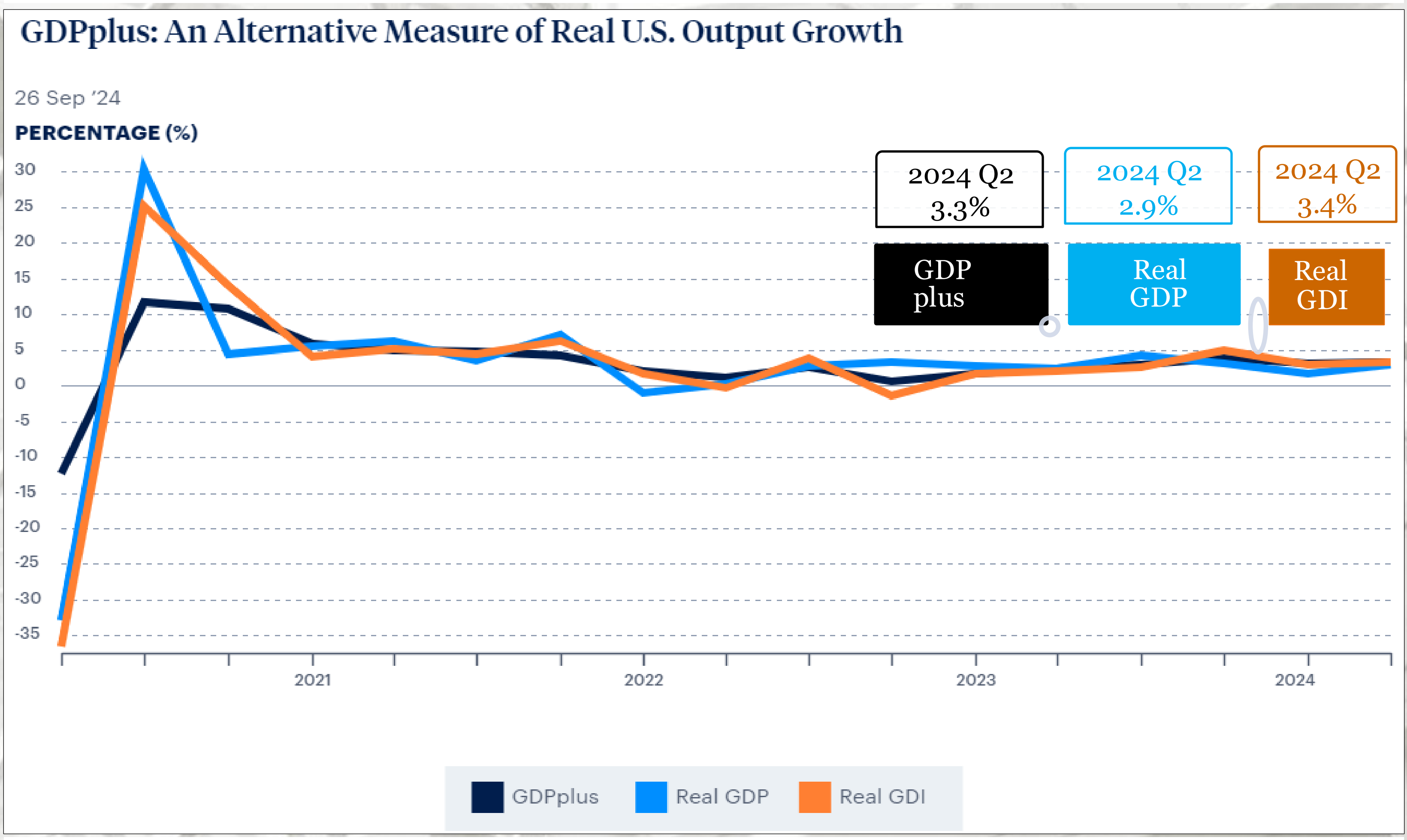
The Federal Reserve Bank of Philadelphia: GDPplus



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; 9/26/24

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The Federal Reserve Bank of Richmond

August 2024 Fifth District Survey of Manufacturing Activity

Manufacturing Activity Remained Sluggish in September

"Fifth District manufacturing activity remained sluggish in September, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index edged down from −19 in August to −21 in September. Of its three component indexes, shipments decreased from −15 to −18, new orders increased from −26 to −23, and employment fell from −15 to −22.

The local business conditions index increased modestly but remained solidly in negative territory, while the index for future local business conditions rose from −18 to −6 in September. The future indexes for shipments and new orders both decreased but remained in positive territory, suggesting that firms continued to expect improvements in these areas over the next six months.

The vendor lead time index remained at −4 in September. On balance, firms continued to report declining backlogs in September as that index remained negative.

The average growth rate of prices paid increased in September, while the average growth rate of prices received decreased somewhat. Firms expected little change in price growth 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; 9/24/24

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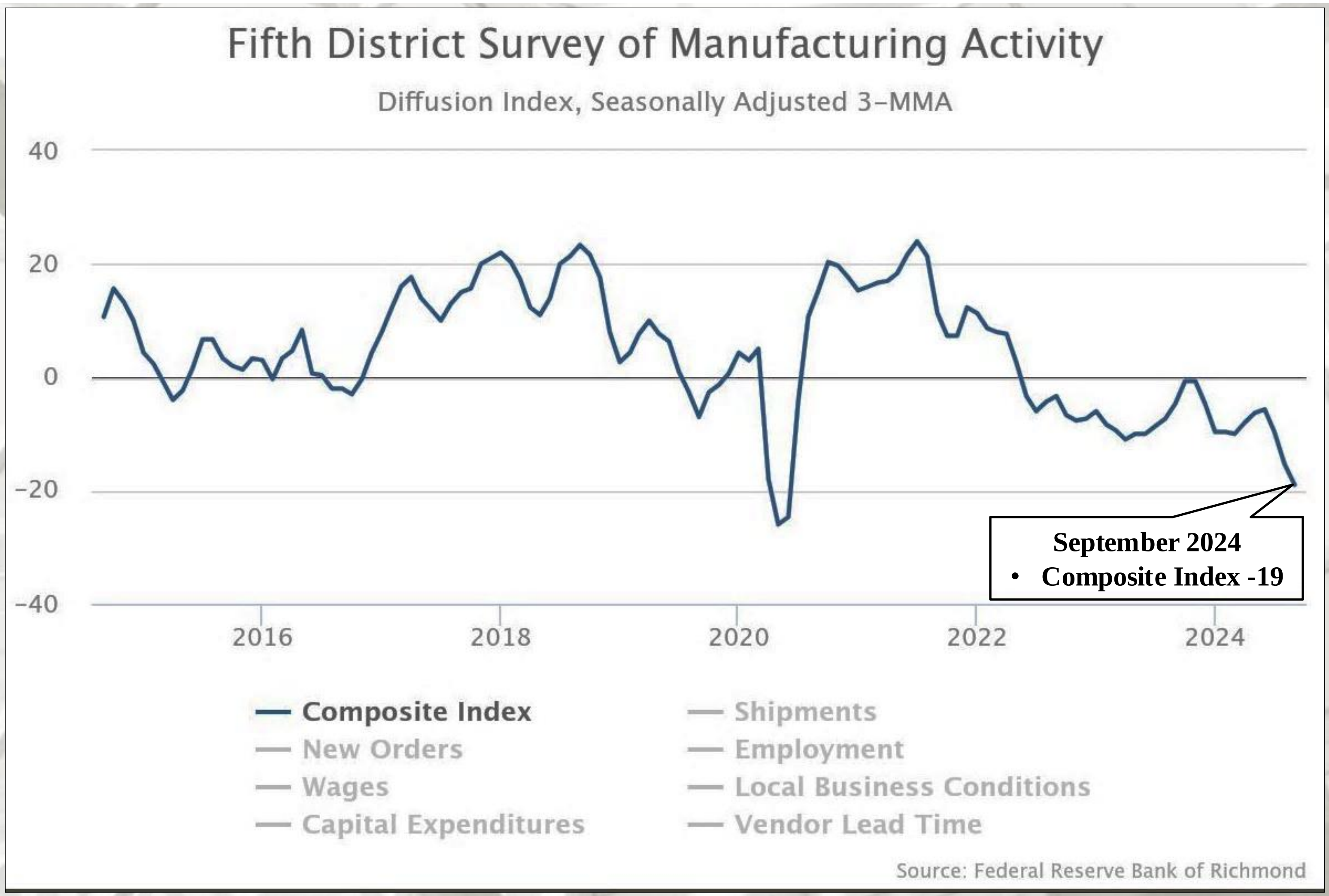
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 9/24/24

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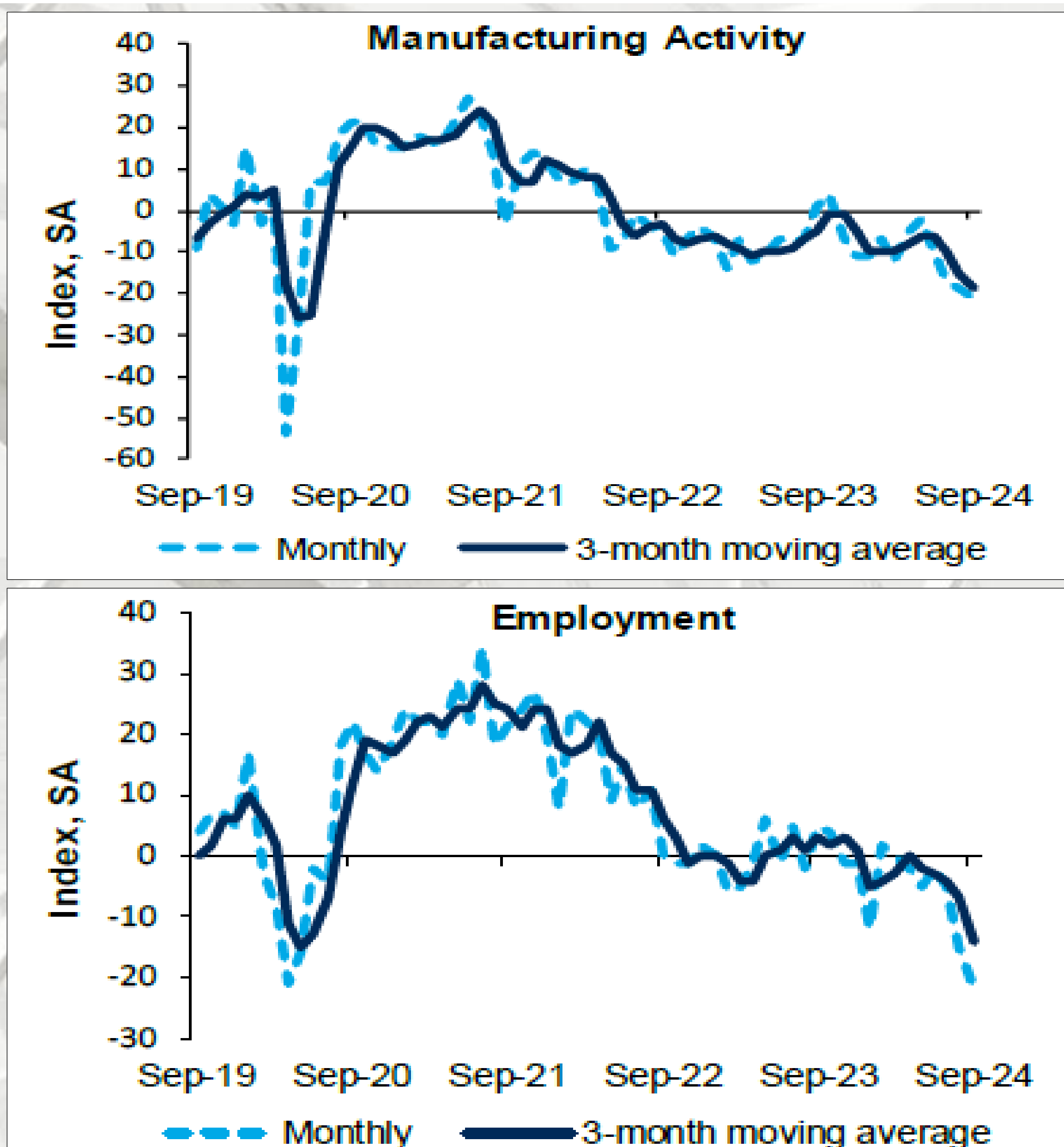
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 9/24/24

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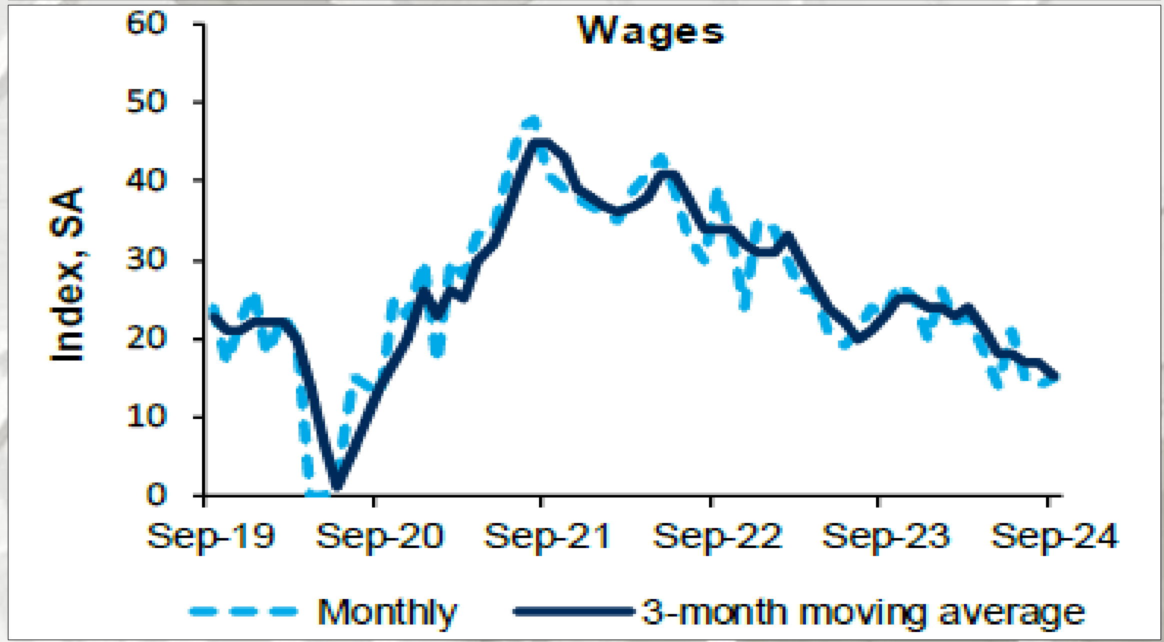
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 9/24/24

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The Federal Reserve Bank of Richmond

August Fifth District Survey of Service Sector Activity

Service Sector Activity Was Mixed in September

"Fifth District service sector activity mixed in September, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index rose from −11 to −1 and the demand index increased from −3 in August to 3 in September. These changes reflect reports that continued to vary across respondents: one quarter of respondents reported that demand increased from last month, while nearly one quarter reported that it decreased. The indexes for future revenues and demand remained solidly in positive territory.

The local business conditions index increased from −13 in August to −3 in September. Firms were somewhat optimistic about future business conditions, though, as that index remained in positive territory.

The employment index edged up to −2 in September, while firms, on balance, continued to report wage increases. The availability of skills index fell from 3 to −6 in September, signaling a decrease 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 September. Firms expected growth in prices paid to moderate somewhat in 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; 9/24/24

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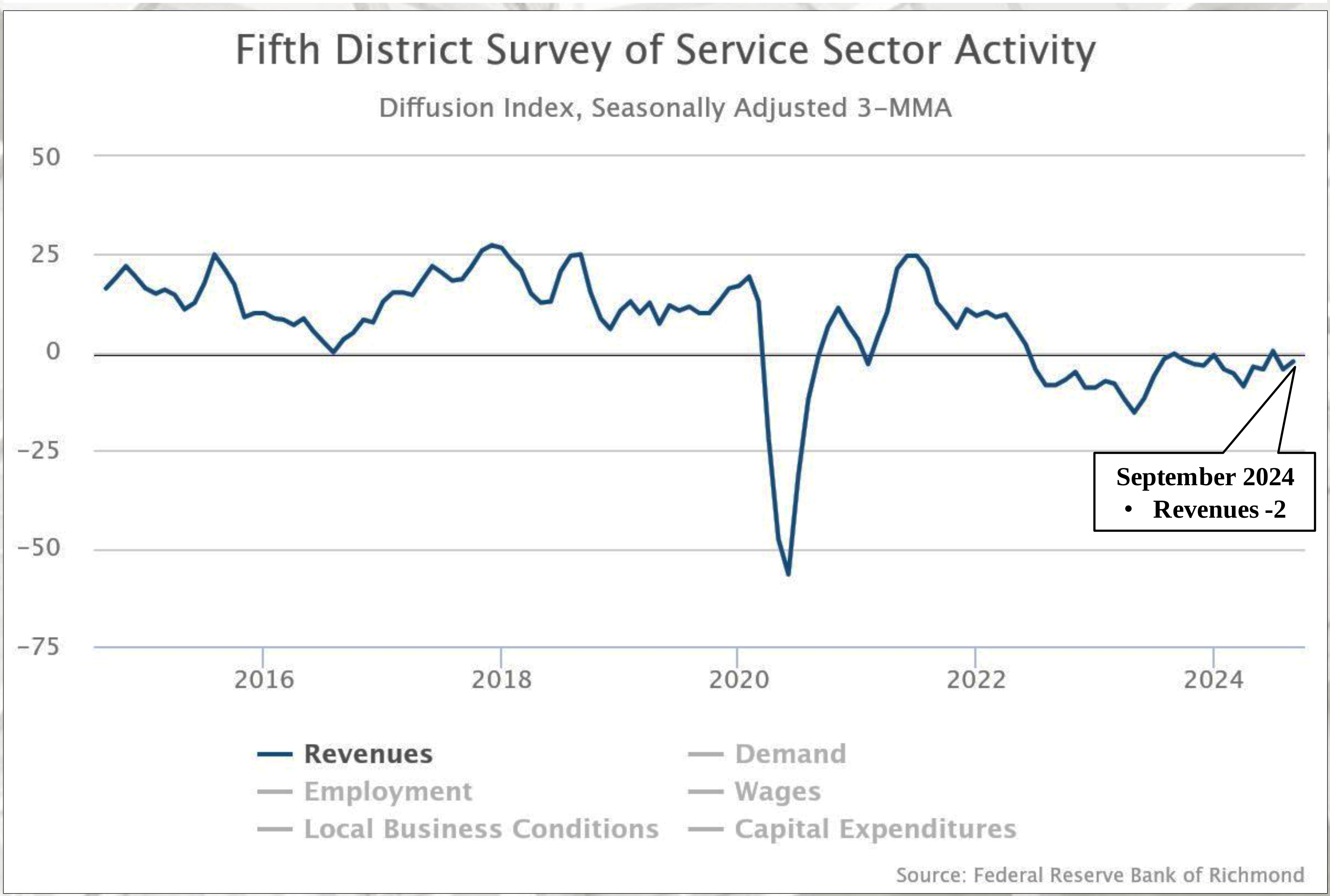
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 9/24/24

Private Indicators: Global

S&P Global Canada Manufacturing PMI®

"The seasonally adjusted **S&P Global Canada Manufacturing Purchasing Managers' Index® (PMI®)** edged back above the critical 50.0 no-change mark in September to signal a first improvement in operating conditions since April 2023.

PMI signals slight growth of manufacturing sector in September

"Supported by marginal gains in new orders and employment, operating conditions in Canada's manufacturing economy strengthened during September. Confidence in the outlook also improved and output showed signs of stablising. Amid reports that market demand conditions remained subdued overall, however, purchasing activity fell slightly. On the price front, input cost inflation accelerated to its highest level for nearly a year-and-a-half. Output charges increased only modestly, however.

The PMI was supported by a slight rise in new orders, the first in nearly a year-and-a-half. Growth was reported to be reflective of an uplift in market demand and the release of new product lines. However, there were still many reports that underlying demand conditions remained subdued, especially from foreign clients. Indeed, new export orders declined again in September, and to a greater extent than in August. Latest data marked the thirteenth successive month in which a fall in new export work has been registered. …

Confidence in the outlook picked up since August, reaching its highest level since May. … Lower interest rates should also help to stimulate growth. Positive projections for the future helped to explain why firms took on extra staff in September. Employment overall increased for the second time in the past three months, albeit only marginally, and helped firms to comfortably keep on top of their overall workloads during September….

The latest PMI data provided some encouraging signs for the health of the manufacturing economy, with new orders, employment and confidence in the outlook all improving since August. Panellists pointed to slightly better market demand at home as a factor underpinning growth, which served to offset a further deterioration in foreign sales. Indeed, global demand remains subdued, in part linked to geopolitical uncertainties and this continues to bear down on production and buying activity. Firms are therefore looking towards the forthcoming US elections as an opportunity to see some much-needed stability, whilst also noting that falling interest rates should help to stimulate growth in the year ahead." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/38d9cb1119644bbea69c5a2cf9be45f1; 10/1/24

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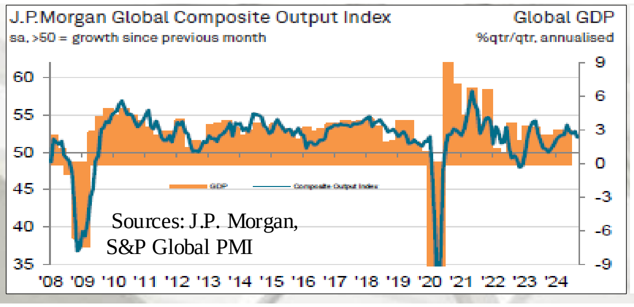
Private Indicators: Global



J.P. Morgan Global Composite 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 52.0 in September, down from 52.8 in August. The headline index has signalled expansion in each of the past 11 months.

Global economic growth slows following downturn in manufacturing production

"The rate of global economic expansion slowed to an eight month low in September. Service sector business activity continued to grow at a solid pace, but a decrease in manufacturing output signalled a wide divergence between the two sectors.

Service sector business activity rose for the twentieth consecutive month in September, albeit at a reduced pace. Output rose across the business, consumer and financial services sub-industries, with growth again led by the financial services category. A similar sectoral trend was seen for new orders. In contrast, manufacturing production decreased for the first time since December 2023 following a third successive month-on-month decrease in the level of new work received. …

Growth was underpinned by rising intakes of new business, including a further improvement in new export orders. Employment increased slightly, following no change in the prior survey month, as backlogs of work showed a minor gain. Price pressures increased slightly in September, with rates of increase in both input costs and output charges accelerating. Business optimism dipped to a near two-year low.

A 0.9-pt decline in the global services activity PMI pushed the J.P. Morgan global composite PMI down 0.8-pt to 52.0 in September. At this level, the index still points to a strong pace of global growth at just below 3%ar. But a broad-based loss of momentum across regions and sectors raises some concerns. Stability in the composite employment PMI was one of the few bright spots in the report, particularly against the backdrop of signs of easing in labor market pressures." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/80a2d5d7d8554f7f909ba9ae30fd4016; 10/3/24

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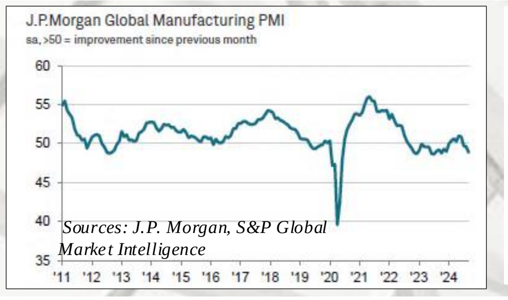
Private Indicators: Global



J.P. Morgan Global Manufacturing PMI™

"At 48.8 in September, the J.P. Morgan Global Composite Output Index – produced by J.P. Morgan and S&P Global in association with ISM and IFPSM – signalled a deterioration in overall operating conditions for the third successive month. Albeit remaining modest, the rate of decline was the fastest in almost a year (since October 2023).

Global Manufacturing PMI signals contraction for third successive month in September

Four of the five PMI components were at levels consistent with contraction in September, as output, new orders, employment and stocks of purchases all fell. Only the (inverted) suppliers' delivery times index made a positive contribution to the headline PMI.

Manufacturing production decreased for the first time in the year-so-far, as companies scaled back output in response to reduced intakes of new business. New orders fell for the third consecutive month, with the pace of contraction the steepest since December 2022. The trend in international trade also remained weak, as the rate of contraction in new export orders hit an 11-month record.

Data broken down by sector pointed to a widespread malaise across global industry. The intermediate and investment goods sectors both saw production contract in September and, although still expanding, the rate of growth in the consumer goods category remained tepid at best. All three sub-industries also saw contractions in both total new orders and new export business. …

September survey data also indicated that efforts to minimise costs and combat under-utilised capacity remained a prominent feature of manufacturers' decision-making. Backlogs of work decreased for the twenty-seventh successive month, leading to a further cut in employee headcounts. …

A fourth straight decline in the global manufacturing output PMI points to a weakening in global industry. The 0.6 pt move down in September lowered the output index to a nine-month low of 49.4, marking its first reading below the 50-mark this year. Underlying details were also weak: the new orders, employment, and future output PMIs all saw sizable September declines. At the national level, a depressed Euro area output PMI points to a very weak industrial sector while China looks to be stagnating. Even the US output PMI, which stood out with a modest step up in its earlier flash estimate, saw this improvement wiped away in today's final release." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/5624ca3680634213a2b58f273ad64c31; 10/1/24

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Private Indicators
Associated Builders and Contractors (ABC)

ABC's Construction Backlog Indicator Rebounds in September, Contractor Confidence Improves

"Associated Builders and Contractors reported that its Construction Backlog Indicator increased to 8.6 months in September, according to an ABC member survey conducted Sept. 20 to Oct. 4. The reading is down 0.4 months from September 2023.

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

Backlog increased in every region except for the Northeast in September. On a year-over-year basis, however, only the Middle States have longer backlog than one year ago.

ABC's Construction Confidence Index readings for sales, profit margins and staffing levels improved in September. The readings for all three components are above the threshold of 50, indicating expectations for growth over the next six months.

"Contractor confidence rebounded in September," said ABC Chief Economist Anirban Basu. "While the reading for profit margins briefly dipped below the threshold of 50 in August, indicating net expectations of contraction, contractors are back to expecting modest expansion in their margins as of September. This optimism likely reflects falling interest rates, which will eventually serve as a tailwind for the industry, and the fact that materials prices have actually declined over the past year. Despite the improved outlook in September, contractor confidence is worse and backlog shorter than one year ago, suggesting that the effects of high interest rates continue to weigh on the industry.''" – Erika Walter, Director of Media Relations, ABC

" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-rebounds-in-september-contractor-confidence-improves; 10/15/24

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Private Indicators
Associated Builders and Contractors (ABC)

Construction Backlog Indicator

	September 2024	August 2024	September 2023	1-Month Net Change	12-Month Net Change
Total	**8.6**	**8.2**	**9.0**	**0.4**	**-0.4**
Industry					
Commercial and institutional	8.9	8.3	9.3	0.6	-0.4
Heavy industrial	8.9	7.6	7.4	1.3	1.5
Infrastructure	7.9	9.1	8.6	-1.2	-0.7
Region					
Middle States	8.7	7.7	6.3	1.0	2.4
Northeast	7.5	8.1	9.4	-0.6	-1.9
South	9.8	9.1	10.4	0.7	-0.6
West	7.6	7.4	9.1	0.2	-1.5
Company Size					
<$30 Million	7.5	7.1	8.4	0.4	-0.9
$30-$50 Million	8.7	8.7	11.0	0.0	-2.3
$50-$100 Million	12.5	11.1	10.7	1.4	1.8
>$100 Million	11.9	11.6	10.6	0.3	1.3

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-rebounds-in-september-contractor-confidence-improves; 10/15/24

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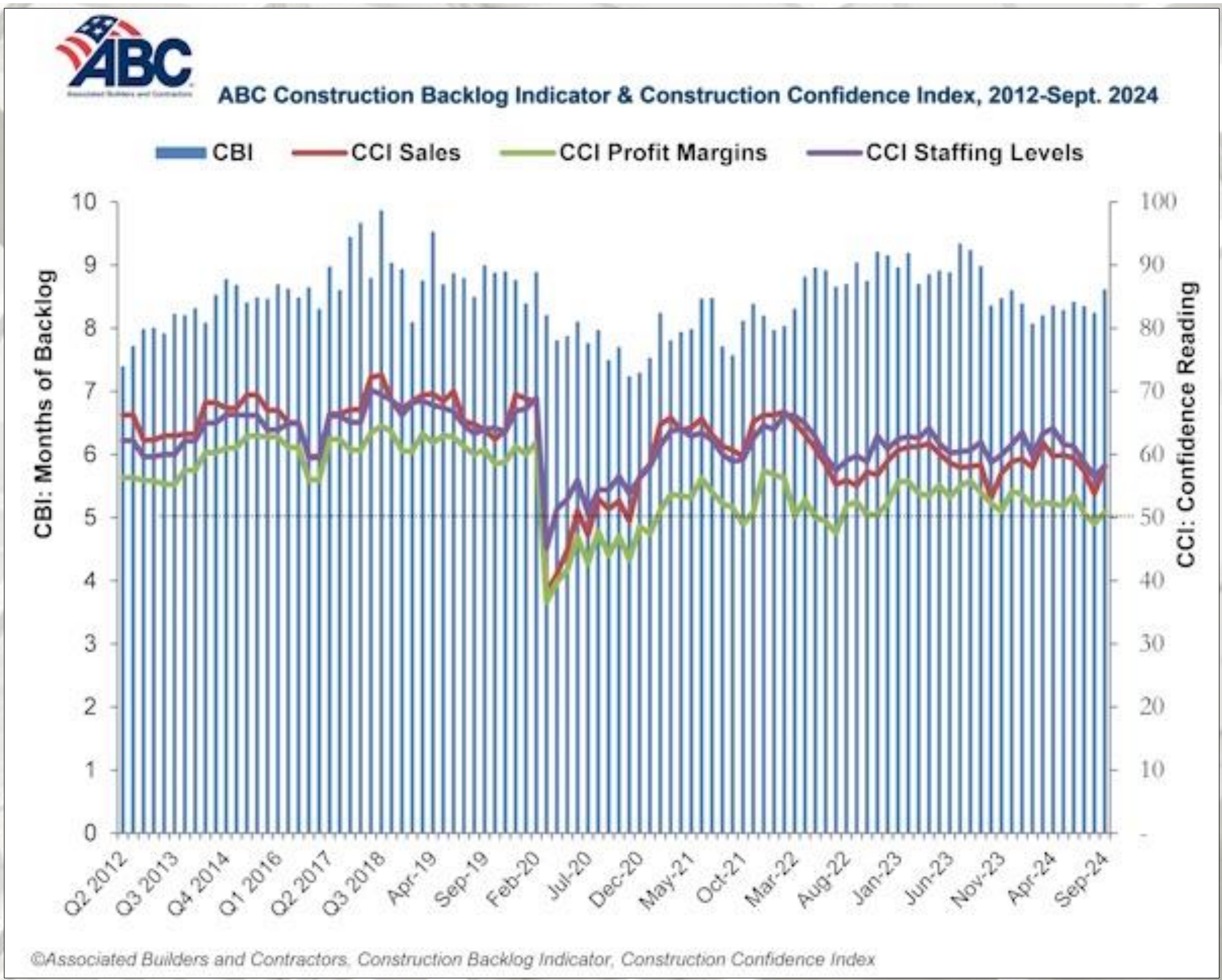
Private Indicators
Associated Builders and Contractors (ABC)



Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-rebounds-in-september-contractor-confidence-improves; 10/15/24

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Private Indicators
Associated Builders and Contractors (ABC)

Construction Confidence Index

Response	September 2024	August 2024	September 2023
CCI Reading			
Sales	58.1	53.8	58.3
Profit margins	50.9	49.1	54.0
Staffing	58.2	56.4	62.0
Sales Expectations			
Up big	7.6%	4.9%	2.9%
Up small	44.4%	38.3%	50.7%
No change	24.3%	26.9%	26.1%
Down small	20.1%	26.9%	17.4%
Down big	3.6%	3.0%	2.9%
Profit Margin Expectations			
Up big	2.3%	1.9%	1.4%
Up small	27.0%	25.8%	38.4%
No change	46.1%	43.2%	37.0%
Down small	21.4%	25.0%	21.0%
Down big	3.3%	4.2%	2.2%
Staffing Level Expectations			
Up big	1.6%	4.2%	2.9%
Up small	43.8%	33.7%	49.3%
No change	41.1%	48.1%	41.3%
Down small	12.8%	11.7%	5.8%
Down big	0.7%	2.3%	0.7%

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-down-in-august-contractor-confidence-turns-negative-on-profit-margins; 9/10/24

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Private Indicators
Associated Builders and Contractors

Nonresidential Construction Spending Inches Up in August

"National nonresidential construction spending increased 0.1% in August, 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 $1.22 trillion.

Spending was up on a monthly basis in 10 of the 16 nonresidential subcategories. Private nonresidential spending decreased 0.1%, while public nonresidential construction spending was up 0.3% in August.

"Nonresidential construction spending inched higher in August, and that's almost entirely due to ongoing infrastructure investments," said ABC Chief Economist Anirban Basu. "Public spending accounted for all of the nonresidential segment's monthly increase and has risen nearly 8% over the past year, significantly outpacing privately financed nonresidential construction activity. As a result of ongoing weakness in certain private subsegments, ABC's Construction Backlog Indicator has fallen by a full month over the past year. While falling interest rates will eventually serve as a tailwind for the industry, it may be several quarters before privately financed segments see any substantial relief.""– Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/nonresidential-construction-spending-inches-up-in-august-says-abc; 10/1/24

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Private Indicators
Associated Builders and Contractors

Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate

	August 2024	July 2024	August 2023	1-Month % Change	12-Month % Change
Total Construction	$2,131,936	$2,133,909	$2,047,414	-0.1%	4.1%
Residential	$911,429	$914,269	$887,564	-0.3%	2.7%
Nonresidential	$1,220,507	$1,219,640	$1,159,850	0.1%	5.2%
Conservation and development	$12,096	$11,832	$11,489	2.2%	5.3%
Religious	$3,931	$3,872	$3,786	1.5%	3.8%
Communication	$28,613	$28,234	$28,382	1.3%	0.8%
Highway and street	$142,338	$141,031	$137,534	0.9%	3.5%
Amusement and recreation	$40,846	$40,481	$37,027	0.9%	10.3%
Lodging	$23,377	$23,185	$25,881	0.8%	-9.7%
Public safety	$19,255	$19,143	$14,733	0.6%	30.7%
Manufacturing	$238,262	$237,918	$201,375	0.1%	18.3%
Transportation	$69,121	$69,033	$65,322	0.1%	5.8%
Health care	$66,742	$66,695	$64,916	0.1%	2.8%
Office	$100,440	$100,518	$98,580	-0.1%	1.9%
Educational	$127,073	$127,324	$120,539	-0.2%	5.4%
Power	$145,662	$146,336	$134,347	-0.5%	8.4%
Commercial	$124,616	$125,235	$143,860	-0.5%	-13.4%
Sewage and waste disposal	$45,438	$45,825	$44,128	-0.8%	3.0%
Water supply	$32,697	$32,979	$27,954	-0.9%	17.0%
Private Nonresidential	$742,225	$742,803	$716,710	-0.1%	3.6%
Public Nonresidential	$478,282	$476,838	$443,140	0.3%	7.9%

Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/nonresidential-construction-spending-inches-up-in-august-says-abc; 10/1/24

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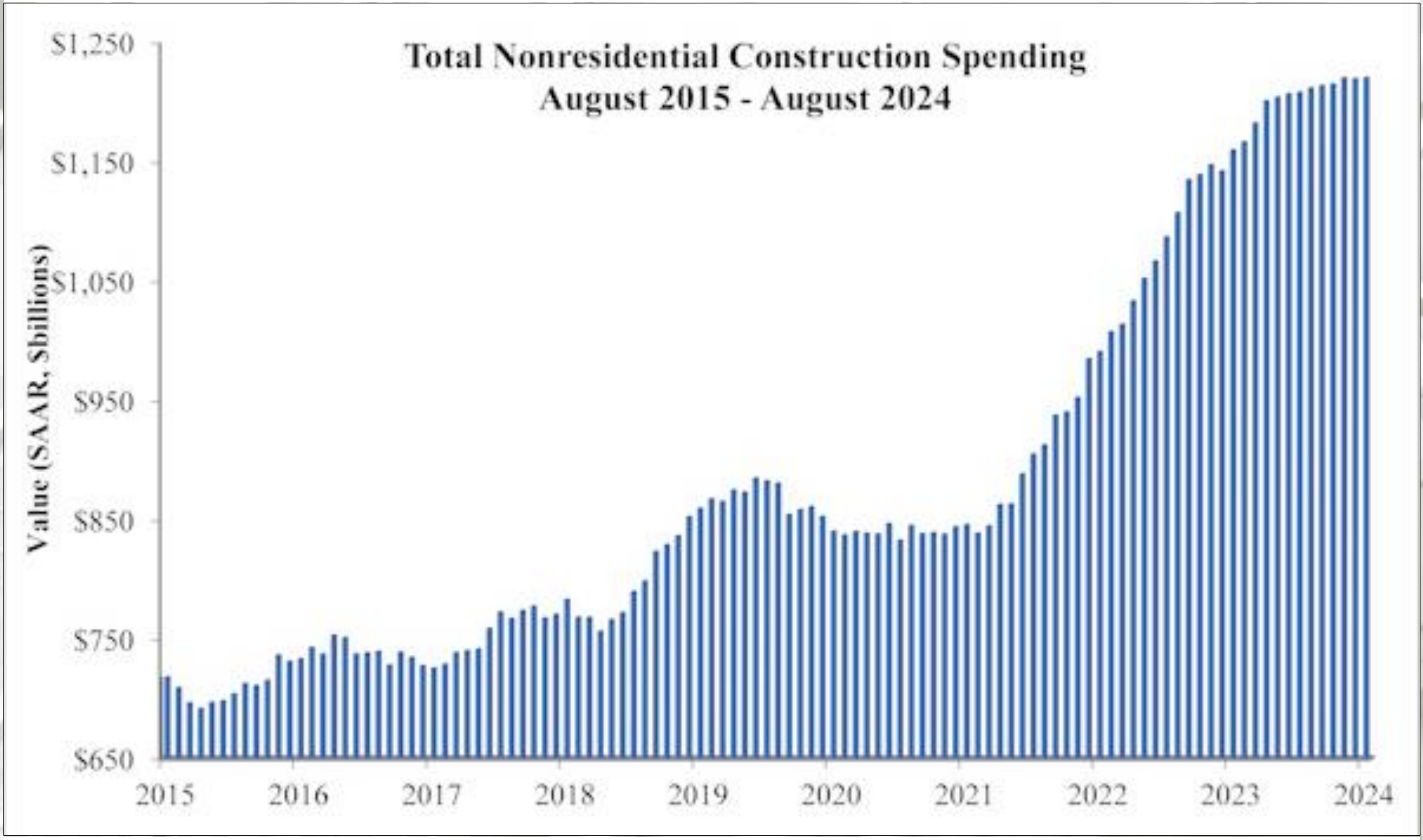
Private Indicators
Associated Builders and Contractors



Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/nonresidential-construction-spending-inches-up-in-august-says-abc; 10/1/24

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Private Indicators
Associated Builders and Contractors

Record Rebound in Construction Job Openings in August

"The construction industry had 370,000 job openings on the last day of August, 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 138,000 last month but are down by 16,000 from the same time last year.

"Construction job openings rebounded sharply in August, exhibiting the largest one-month increase on record," said ABC Chief Economist Anirban Basu. "Much of this surge is likely due to the effects of Hurricane Beryl on July's job openings data. Despite this bounceback, industrywide job openings are still down 19% since hitting a cyclical peak in February, a reflection of moderating activity in the face of high interest rates and economic uncertainty. Even so, labor still remains scarce, especially for certain occupations, and many contractors still intend to increase their staffing levels 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-record-rebound-in-construction-job-openings-in-august; 10/1/24

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Private Indicators
Associated Builders and Contractors

Construction Industry Job Openings and Labor Turnover Data: August 2024

	August 2024	July 2024	August 2023	1-Month Net Change	12-Month Net Change	12-Month % Change
Total						
Job openings	370,000	232,000	386,000	138,000	-16,000	-4.1%
Hires	338,000	359,000	374,000	-21,000	-36,000	-9.6%
Total separations	310,000	321,000	349,000	-11,000	-39,000	-11.2%
Layoffs & discharges	164,000	175,000	176,000	-11,000	-12,000	-6.8%
Quits	135,000	137,000	160,000	-2,000	-25,000	-15.6%
Other separations	11,000	9,000	14,000	2,000	-3,000	-21.4%
Rate						
Job openings	4.3%	2.7%	4.6%			
Hires	4.1%	4.4%	4.6%			
Total separations	3.7%	3.9%	4.3%			
Layoffs & discharges	2.0%	2.1%	2.2%			
Quits	1.6%	1.7%	2.0%			
Other separations	0.1%	0.1%	0.2%			

Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-record-rebound-in-construction-job-openings-in-august; 10/1/24

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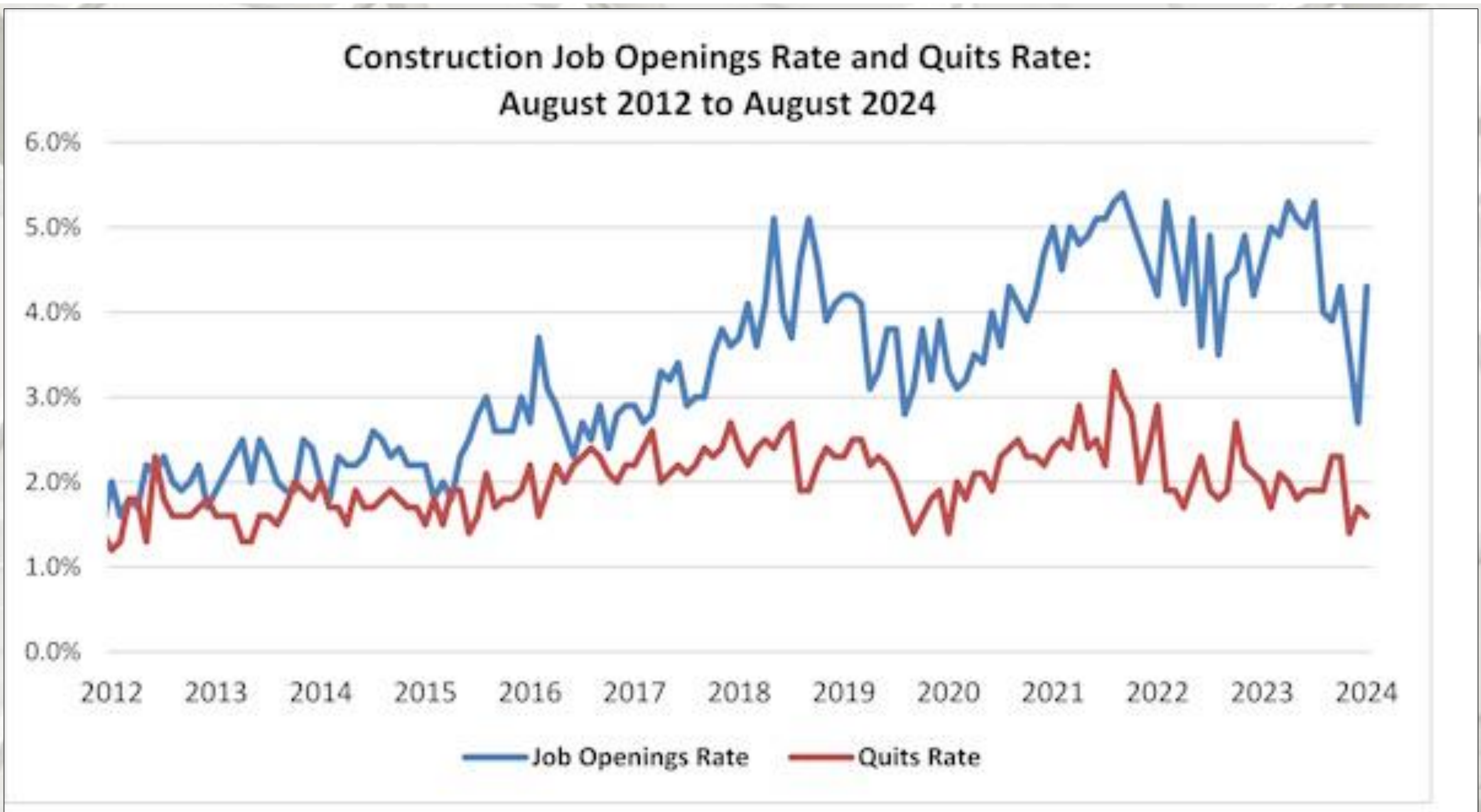
Private Indicators
Associated Builders and Contractors



Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-record-rebound-in-construction-job-openings-in-august; 10/1/24

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Private Indicators
Associated Builders and Contractors

Nonresidential Construction Employment Increased by 25,000 in September

"The construction industry added 25,000 jobs on net in September, 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 is up by 238,000 jobs, an increase of 3.0%.

Nonresidential construction employment increased by 17,900 positions on net, with growth in 2 of the 3 subcategories. Nonresidential specialty trade added the most jobs, increasing by 17,000 positions. Heavy and civil engineering added 3,800 jobs while nonresidential building lost 2,900 positions.

The construction unemployment rate increased to 3.7% in September. Unemployment across all industries decreased from 4.2% in August to 4.1% last month.

"The construction industry added jobs for the fifth consecutive month despite labor shortages," said ABC Chief Economist Anirban Basu. "The industry unemployment rate rose to 3.7% in September, but that's still lower than in any month on record before the second half of 2018 and half a percentage point below the economywide unemployment rate. Hiring should persist in the coming months, with contractors expecting to increase their staffing levels 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-construction-employment-increased-by-25000-in-september; 10/4/24

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Private Indicators
Associated Builders and Contractors

Nonresidential Construction Employment Increased by 25,000 in September

"""Beyond the construction industry, this jobs report blew past expectations," said Basu. "U.S. employers added 254,000 jobs for the month, the most since March, and employment estimates for the previous two months were revised upward by a total of 72,000 jobs. While the ongoing strength of the labor market and consumer spending indicates that the economy has weathered high interest rates better than anyone thought possible, the combination of rising household debt levels and economic uncertainty surrounding geopolitics and the looming election will potentially weigh on growth in the coming months."""" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-employment-increased-by-25000-in-september; 10/4/24

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Private Indicators
Associated Builders and Contractors

Construction Employment Increased by 25,000 in September

Construction Employment Statistics: September 2024

	September 2024	August 2024	September 2023	1-Month Net Change	12-Month Net Change	12-Month % Change
Employment						
Construction	8,303,000	8,278,000	8,065,000	25,000	238,000	3.0%
Nonresidential	4,927,000	4,909,100	4,749,200	17,900	177,800	3.7%
Nonresidential building	927,900	930,800	890,800	-2,900	37,100	4.2%
Nonresidential specialty trade contractors	2,843,200	2,826,200	2,730,400	17,000	112,800	4.1%
Heavy & civil engineering	1,155,900	1,152,100	1,128,000	3,800	27,900	2.5%
Residential	3,376,200	3,368,400	3,315,700	7,800	60,500	1.8%
Residential building	951,500	949,500	928,700	2,000	22,800	2.5%
Residential specialty trade contractors	2,424,700	2,418,900	2,387,000	5,800	37,700	1.6%
Average Hourly Earnings						
All private industries	$35.36	$35.23	$34.01	$0.13	$1.35	4.0%
Construction	$38.53	$38.37	$36.84	$0.16	$1.69	4.6%
Average Weekly Hours						
All private industries	34.2	34.3	34.4	-0.1	-0.2	-0.6%
Construction	39.2	39.0	39.1	0.2	0.1	0.3%
Unemployment Rate						
All private industries (SA)	4.1%	4.2%	3.8%	-0.1pp	0.3pp	
Construction (NSA)	3.7%	3.2%	3.8%	0.5pp	-0.1pp	

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-employment-increased-by-25000-in-september; 10/4/24

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Private Indicators
Associated Builders and Contractors

Construction Employment Increased by 25,000 in September

Source: U.S. Bureau of Labor Statistics *Includes Nonresidential Building, Nonresidential STC, and Heavy and Civil Engineering
**Includes Residential Building and Residential STC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-employment-increased-by-25000-in-september; 10/4/24

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Private Indicators
American Institute of Architects (AIA) & Deltek

Architecture Billings Index August 2024

Architecture firm billings continue to decline

Three-quarters of firm leaders are at least somewhat confident that business conditions will improve over the next 12–18 months

“It has now been nearly two years since firms saw sustained growth. However, clients are still expressing interest in new projects, as inquiries into work have continued to increase during that period. However, those inquiries remain challenging to convert to actual new projects in the pipeline, as the value of newly signed design contracts declined for the fifth consecutive month in August. …when asked about their degree of confidence that their firms will see improved business conditions over the next 12–18 months, three-quarters of firms were at least somewhat confident, with 14% saying that they are very confident. However, slightly more than one in five firms (21%) indicated they are not very confident, while the remaining 4% said they don’t know. Large firms, firms located in the South, and firms with a multifamily residential specialization were most likely to indicate that they are very confident that they will see improved business conditions over the next year and a half.” – Katharine Keane, Senior Associate Editor, The American Institute of Architects

“Unfortunately, even the impending interest rate cuts didn’t move the needle on project inquiries or new design contracts at architecture firms. Hopefully, once the trajectory of further cuts gets clarified, delayed projects will restart, and new projects will gather momentum.” – Kermit Baker, Chief Economist, AIA

Source: https://www.aia.org/resource-center/abi-august-2024-architecture-firm-billings-continue-decline; 9/18/24

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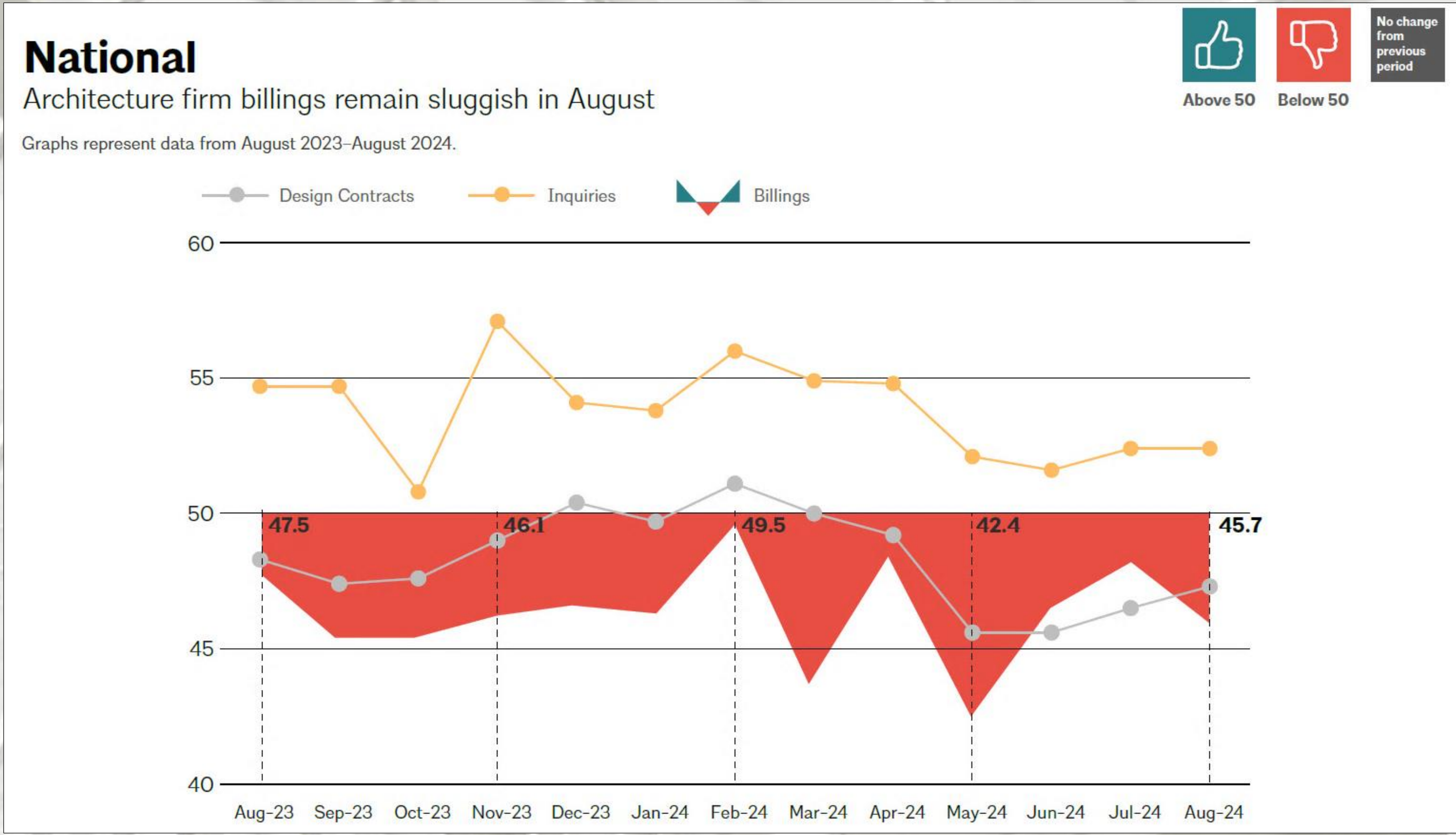
Private Indicators
American Institute of Architects (AIA) & Deltek



Source: https://www.aia.org/resource-center/abi-august-2024-architecture-firm-billings-continue-decline; 9/18/24

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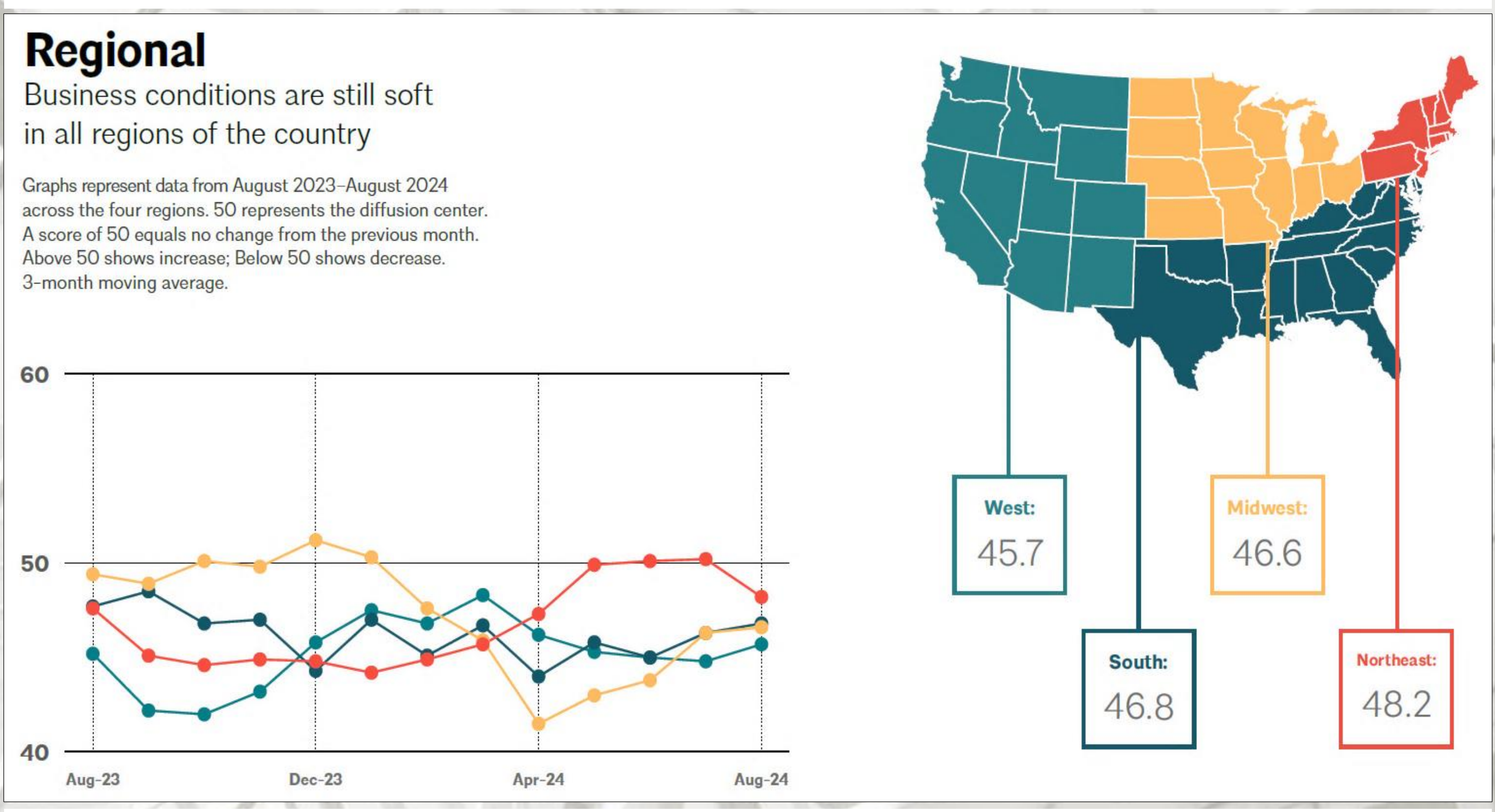
Private Indicators: AIA & Deltek



Region

"Business conditions softened in all regions of the country in August, with firms located in the West reporting the softest conditions for the second consecutive month. Billings were flat at firms located in the Northeast for the previous two months but dipped back into negative territory again this month." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-august-2024-architecture-firm-billings-continue-decline; 9/18/24

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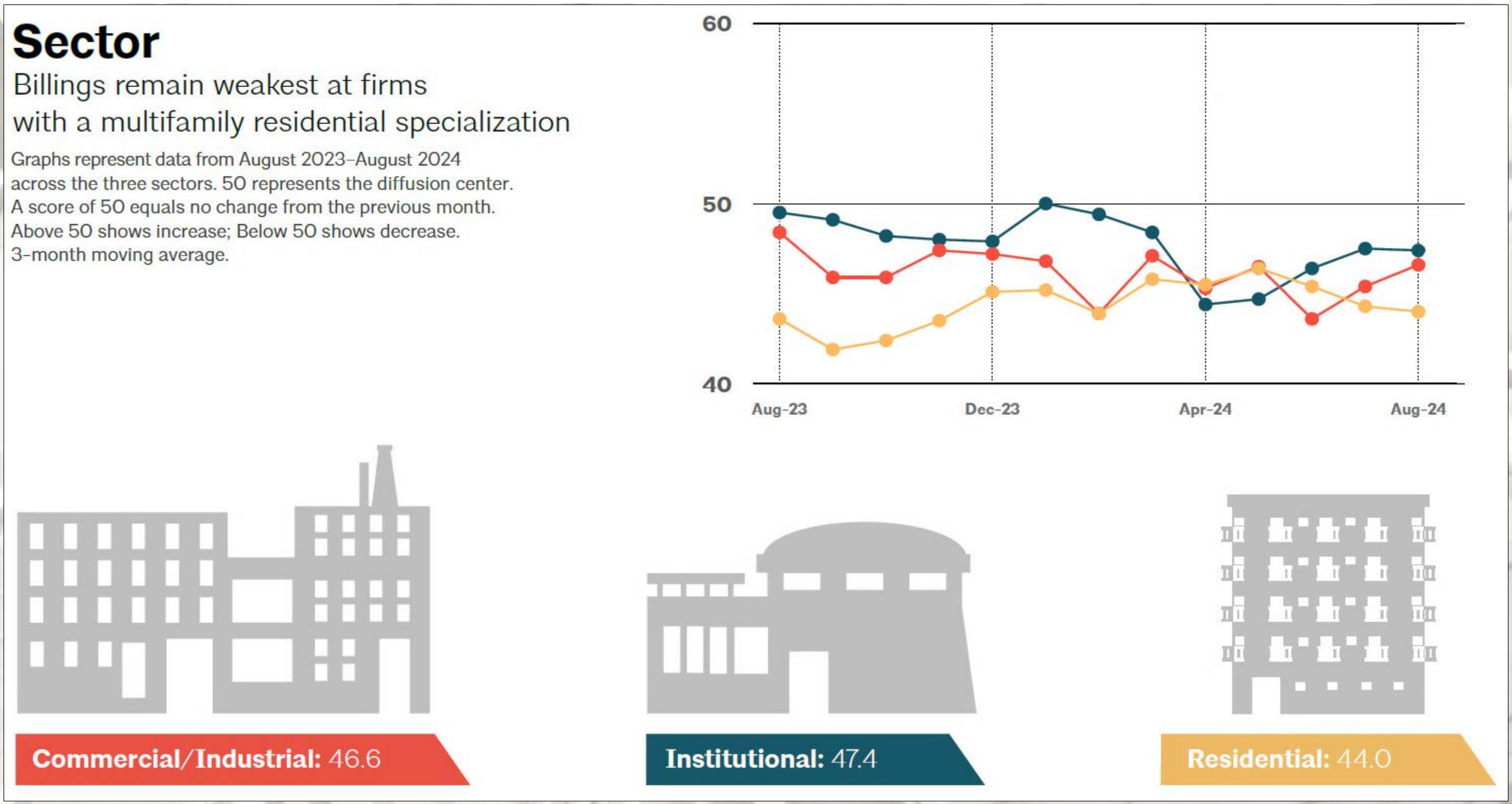
Private Indicators: AIA & Deltek



Sector

"Firms of all specializations also saw declining billings in August, with conditions remaining particularly soft at firms with a multifamily residential specialization." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-august-2024-architecture-firm-billings-continue-decline; 9/18/24

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Private Indicators

Dodge Data & Analytics

Construction Starts Increase 6% in August

Single family, infrastructure, and airline terminal work propels starts

"Total construction starts 6% in August to a seasonally adjust annual rate of $1.2 trillion, according to Dodge Construction Network. Residential starts rose 5%, nonbuilding starts gained 17%, while nonresidential buildings fell 2% in August. On a year-to-date basis through August, total construction starts were up 4% from the first eight months of 2023. Residential starts were up 8%, nonresidential buildings rose 3%, and nonbuilding starts were down 1%.

For the 12 months ending August 2024, total construction starts were up 2% from the 12 months ending August 2023. Residential starts were up 6%, while nonresidential building and nonbuilding starts were each up 1% on a 12-month rolling sum basis.

"Construction starts continue to move forward at a modest pace," said Richard Branch, chief economist of Dodge Construction Network. "Now that the Federal Reserve has begun to lower rates the construction sector should begin to feel relief. The Dodge Momentum Index has been steady, indicating that owners and developers feel reasonably confident that market and financial conditions will improve. Improve they will, but it will take successive rate cuts before they feel comfortable moving these projects forward to start. Starts should show stronger and more consistent growth in the first quarter of 2025."" – Amy Roepke, Media Contact, Construction.com

Source: https://www.construction.com/company-news/construction-starts-increase-6-in-august/; 9/22/24

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Private Indicators

Dodge Data & Analytics

"**Nonresidential building starts** fell 2% in August to a seasonally adjusted annual rate of $437 billion. Commercial starts lost 32% and manufacturing starts dropped 21%. These declines were almost offset by a 32% gain in institutional starts driven by education and airline terminals. On a year-to-date basis through August, total nonresidential starts were up 3%. Institutional starts were 13% higher, while commercial starts were flat, and manufacturing starts were 16% lower on a year-to-date basis through August.

For the 12 months ending August 2024, nonresidential building starts were 1% higher than the previous 12 months. Manufacturing starts were down 16%, commercial starts were down 7%, and institutional starts were 14% higher for the 12 months ending August 2024.

Residential building starts improved 5% in August to a seasonally adjusted annual rate of $383 billion. Single family starts rose 7%, while multifamily starts were 1% higher. On a year-to-date basis through eight months, total residential starts were 8% higher. Single family starts jumped 19% and multifamily starts were down 10% on a year-to-date basis.

For the 12 months ending August 2024, residential starts were 6% higher than the previous 12 months. Single family starts were 17% higher, while multifamily starts were 11% lower on a 12-month rolling sum basis.

The largest multi-family structures to break ground in August were the $332 million West Brighton I & II Apartments in Richmond County, New York, the $235 million Cooper Park Commons in East Williamsburg, New York, and the $248 million The Downs mixed-use building in Northville, Michigan.

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

Source: https://www.construction.com/company-news/construction-starts-increase-6-in-august/; 9/22/24

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Private Indicators

MONTHLY CONSTRUCTION STARTS

(Millions of Dollars, Seasonally Adjusted Annual Rate)

	Aug 2024	Jul 2024	% Change
Nonresidential Building	$437,006	$445,096	-2
Residential Building	382,834	363,734	5
Nonbuilding Construction	348,493	297,369	17
Total Construction	$1,168,334	$1,106,199	6

YEAR-TO-DATE CONSTRUCTION STARTS

Unadjusted Totals, in Millions of Dollars

	8 Mos. 2024	8 Mos. 2023	% Change
Nonresidential Building	$277,140	$268,066	3
Residential Building	267,776	247,201	8
Nonbuilding Construction	217,669	220,300	-1
Total Construction	$762,584	$735,568	4

Source: Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-increase-6-in-august/; 9/22/24

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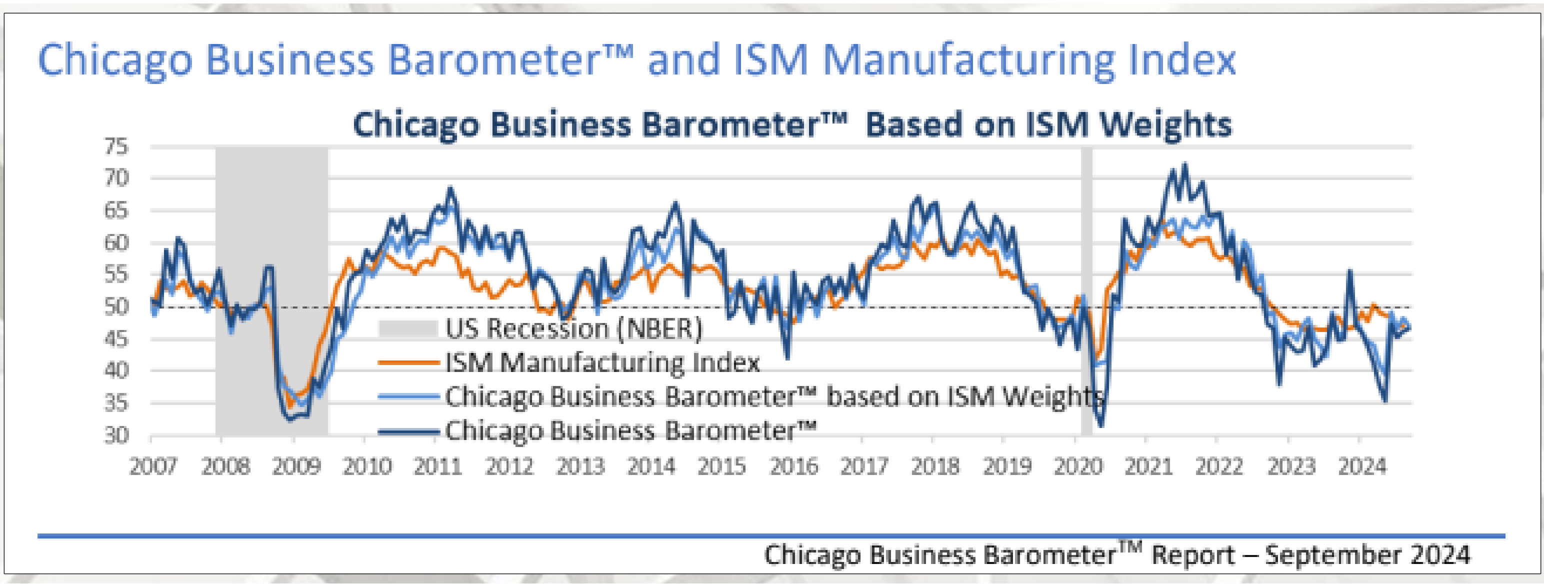
Private Indicators



MNI Chicago

2024 Chicago ReportTM – Augmented to 46.6 in September

“**The Chicago Business Barometer™**, produced with MNI, rose slightly by 0.5 points to 46.6 in September. The Barometer has now been in a tight range between 45.3-47.4 for four consecutive months. The Barometer has remained in contractionary territory for 24 of the past 25 months.

- The marginal rise was due to two of the five subcomponents improving significantly: Order Backlogs and Employment. Meanwhile, reductions in Supplier Deliveries, New Orders, and Production restricted the upward move.
- Order Backlogs increased 5.3 points, although it still remains below the 2024 high in June. This was due to the highest proportion of respondents reporting unchanged backlogs since February.” – 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/; 9/30/24

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Private Indicators

2024 Chicago Report™ – Augmented to 46.6 in September

- “New Orders and Production both weakened 1.1 points.
- Prices Paid remain elevated for the second consecutive month, rising by 8.3 points, making it the highest since August 2023 and significantly above the year-to-date average of 64.6. This was due to nearly half of respondents reporting higher prices paid.
- Finally, Inventories dipped 3.6 points.” – Tim Davis, Head of Fixed Income Research, and Tim Cooper, Chief Economist, MNI Indicators

Source: https://chicago.ismworld.org/news-publications/reports/research-survey/; 9/30/24

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Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. Inched Down Further in August

"**The Conference Board Leading Economic Index®** (LEI) for the U.S. declined by 0.2% in August 2024 to 100.2 (2016=100), following an unrevised 0.6% decline in July. Over the six-month period between February and August 2024, the LEI fell by 2.3%, a smaller rate of decline than the 2.7% drop over the six-month period between August 2023 and February 2024.

In August, the US LEI remained on a downward trajectory and posted its sixth consecutive monthly decline. The erosion continued to be driven by new orders, which recorded its lowest value since May 2023. A negative interest rate spread, persistently gloomy consumer expectations of future business conditions, and lower stock prices after the early-August financial market tumult also weighed on the Index. Overall, the LEI continued to signal headwinds to economic growth ahead. The Conference Board expects US real GDP growth to lose momentum in the second half of this year as higher prices, elevated interest rates, and mounting debt erode domestic demand. However, in the Fed's September 2024 Summary of Economic Projections, policymakers suggested 100 basis points of interest rate cuts are likely by the end of this year, which should lower borrowing costs and support stronger economic activity in 2025.

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased by 0.3% in August 2024 to 112.7 (2016=100), after a downwardly revised 0.1% decline in July. Overall, the CEI grew by 0.8% in the six-month period ending in August 2024, slightly above its 0.6% growth rate over the previous six-month period. 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 components improved in August, with industrial production recovering the most after July's decline.

The Conference Board Lagging Economic Index® (LAG) for the U.S. was unchanged at 119.5 (2016=100) in August 2024, after a decline of 0.1% in July. The LAG's six-month growth rate softened further to 0.3% over the six-month period ending in August 2024, after a 1.1% increase over the six-month period from February 2023 to August 2024." – Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board

Source: https://www.conference-board.org/data/bcicountry.cfm; 9/19/24

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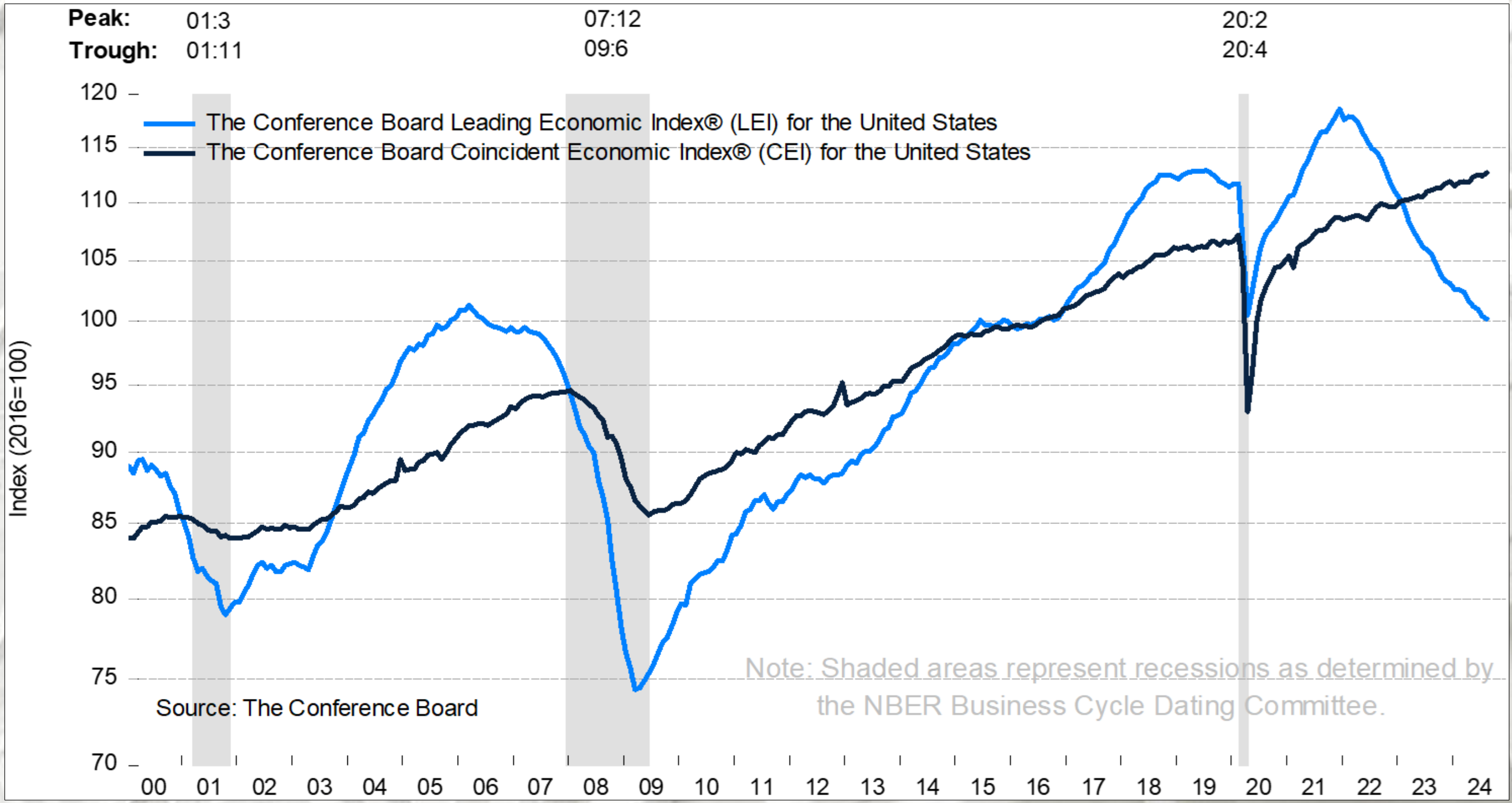
Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. Inched Down Further in August

The LEI has continued to fall in 2024, but the rate of decline has moderated since last year



Source: https://www.conference-board.org/data/bcicountry.cfm; 9/19/24

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Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. Inched Down Further in August

The LEI's weakness in August was led by new orders and the yield spread

The Conference Board Leading Economic Index® and Component Contributions (Percent)

Source: The Conference Board
* Inverted series; a negative change in this component makes a positive contribution.
** Statistical Imputation
LEI change might not equal sum of its contribiutins due to application of trend adjustment factor

Source: https://www.conference-board.org/data/bcicountry.cfm; 9/19/24

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Private Indicators

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

Equipment Leasing and Finance Association's Monthly Leasing and Finance Index Shows Originations Down 10% Y/Y, Improved Credit Performance

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

- New business volume (NBV) was $9.2 billion, down 10% from August 2023.
- Month over month, NBV was down 17% from $11.1 billion in July 2024.
- Year to date, cumulative NBV was up 3.5% compared to 2023.

Additional findings include:

- **Receivables over 30 days** were 2.2%, down from 2.5% the previous month and down from 2.3% in the same period in 2023.
- **Charge-offs** were 0.4%, down from 0.5% the previous month, and up from 0.3% year over year.
- **Credit approvals** totaled 76%, unchanged from July.
- **Total headcount** for equipment finance companies was up 1.2% year-over-year.

Separately, the Equipment Leasing & Finance Foundation's **Monthly Confidence Index** in September is 61.9, up from the August index of 58.4, and the highest level in more than two years."
– Amy Vogt, Vice President, Communications and Marketing, ELFA

Source: https://www.elfaonline.org/news-and-publications/press-room/press-releases/details/2024/09/25/equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-shows-originations-down-10--y-y--improved-credit-performance; 9/25/24

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Private Indicators

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

"The Fed's decision to begin lowering interest rates will support demand for equipment, even if some businesses wait for rates to fall further before investing. That wait-and-see approach showed up in our August MLFI as new business volumes declined. However, ELFA members expect acquisitions to pick up once we're past the election and interest rates fall a bit further. That sentiment was also reflected in our Foundation's recent Monthly Confidence Index, which showed that equipment finance executives are very optimistic about their organizations' prospects over the next four months. Finally, credit conditions remain healthy, which will allow lessors and financiers to service new demand when it shows up later this year." – Leigh Lytle, President and CEO, ELFA

"It appears there is still a slight slowdown in the equipment finance industry, which was heavily weighted in the decrease in origination activity at banks, which led to a dip in new business volume. However, it's reassuring to hear that portfolio quality is remaining stable, with improvements in receivables and a reduction in losses. What was not baked into these numbers was the Fed rate drop this month. This will help stimulate fourth quarter growth, for both independent lessors and banks. The anticipation of further rate reductions may indeed boost demand, encouraging businesses to invest in capital expenditures. It's definitely a pivotal time for both independent lessors and banks as we navigate these changes, but I think we are going to start trending in the right direction." – Marci Slagle, CLFP, President, BankFinancial Equipment Finance

Source: https://www.elfaonline.org/news-and-publications/press-room/press-releases/details/2024/09/25/equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-shows-originations-down-10--y-y--improved-credit-performance; 9/25/24

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Private Indicators

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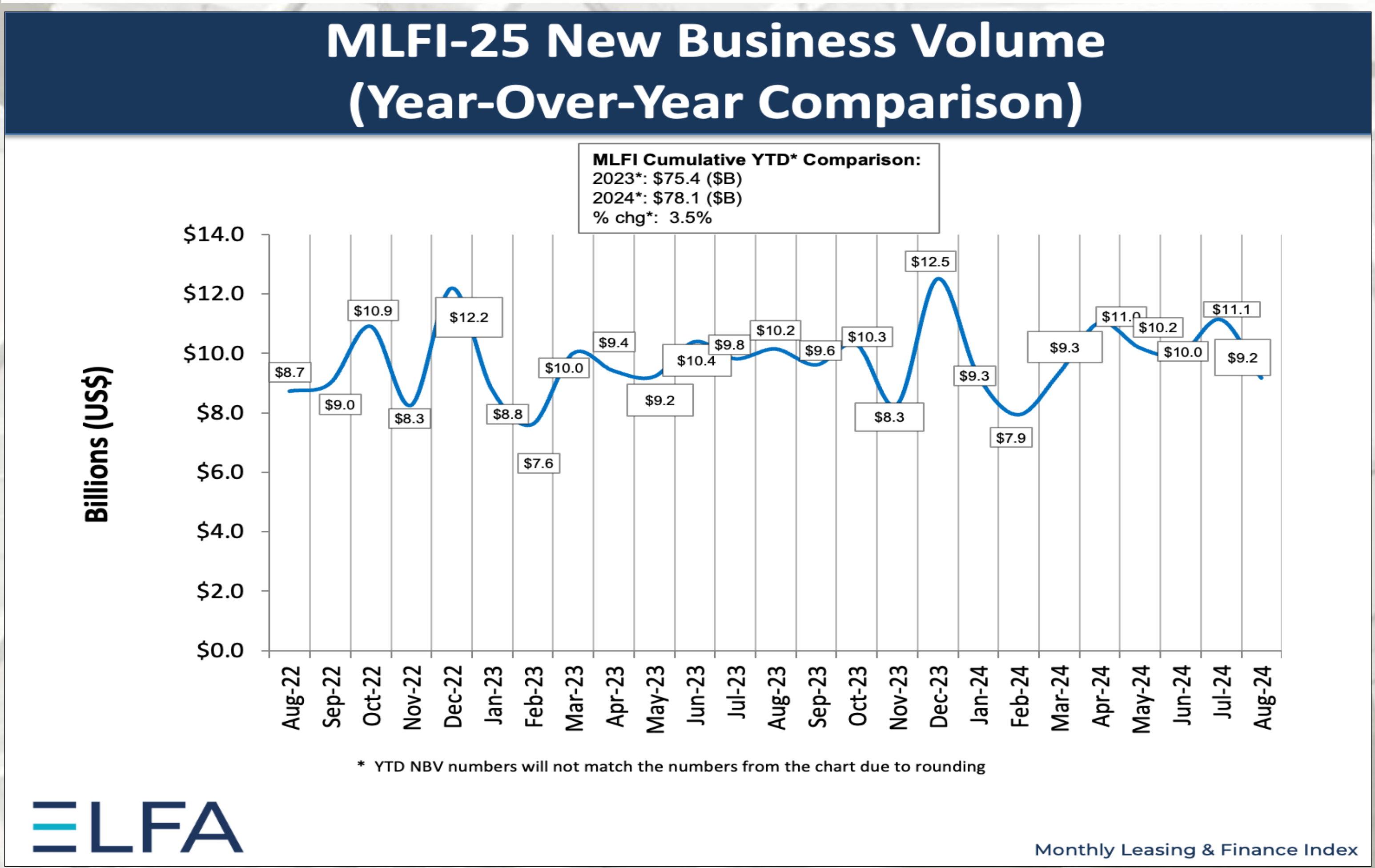

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Factory employment falls at sharper pace as manufacturing downturn deepens

Sharpest fall in new orders since June 2023
Job shedding intensifies
Output price inflation quickens despite slower rise

"The seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index™ (PMI®) remained below the 50.0 no-change mark in September, dipping to 47.3 from 47.9 in August. The index signaled a third consecutive monthly worsening in the health of the sector, and one that was the most pronounced since June 2023.

The US manufacturing sector moved deeper into contraction territory at the end of the third quarter of the year.

Output and new orders both fell at sharper rates in September amid demand weakness and political uncertainty. Meanwhile, employment decreased at the strongest pace since the start of 2010 if the COVID-19 pandemic period is excluded. More positively, business confidence ticked higher amid optimism that new business will pick up following the Presidential Election.

Meanwhile, the rate of input cost inflation softened but remained marked, and firms increased their selling prices at the fastest pace since April." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/4f55b2967c9e4015897fd410acaf38c6; 10/1/24

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Factory employment falls at sharper pace as manufacturing downturn deepens

"Central to the deterioration in business conditions was a sharply worsening demand environment amid a slowdown in the wider economy and uncertainty around the upcoming Presidential Election.

New orders decreased for the third month running, with the rate of contraction the sharpest in 15 months. New export orders were also down to a larger extent than in August, as geopolitical issues and demand weakness (notably in Europe) led to a fourth consecutive decline.

With new orders continuing to fall, manufacturers scaled back their production for the second month running. The pace of decline was modest, yet the fastest since June 2023. Firms also reduced employment for the second consecutive month in September. The fall in staffing levels was the steepest since January 2010 if the initial pandemic period in 2020 is excluded.

Manufacturing output decreased less quickly than new orders as firms worked through outstanding business and added to holdings of finished goods. The resulting drop in backlogs of work was the largest since January, while post-production inventories were accumulated for the third month running." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/78070699cd654baeb61c7a6dca339f58; 10/3/24

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Factory employment falls at sharper pace as manufacturing downturn deepens

"Meanwhile, a sharp and accelerated contraction in purchasing activity was recorded amid lower output requirements, with the latest fall in input buying the most marked in 2024 so far. This fed through to a further reduction in stocks of inputs, albeit one that was only marginal as some firms looked to build inventories ahead of expected improvements in demand heading into next year.

A further decline in demand for inputs meant that suppliers were able to speed up deliveries for the second month running in September, with the rate of improvement in vendor performance broadly in line with that seen in August.

Manufacturers continued to be faced with sharply rising input prices. Higher costs for raw materials such as cardboard and paper were accompanied by reports of higher shipping rates. The pace of inflation eased slightly from the previous month, however.

In contrast to the picture for input costs, the pace of output price inflation quickened, reaching the highest since April.

Firms were generally optimistic that output will increase over the coming year, with confidence often due to expectations that demand will improve following the Presidential Election. Lower interest rates also supported confidence, which ticked up to a four-month high but remained a touch weaker than the series trend." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/4f55b2967c9e4015897fd410acaf38c6; 10/1/24

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Production falls for first time in seven months

Comment

“The September PMI survey brings a whole slew of disappointing economic indicators regarding the health of the US economy. Factories reported the largest monthly drop in production for 15 months in response to a slump in new orders, in turn driving further reductions in employment and input buying as producers scaled back operating capacity.

However, companies are sensing that at least part of the drop in demand is likely to be temporary, as spending, investment and inventory building have been paused in many cases amid the uncertainty caused by the Presidential Election. The prospect of lower interest rates has meanwhile raised confidence in the longer term outlook, with firms anticipating that demand will be rekindled by lower borrowing costs if the political environment improves. Hence, despite the deterioration in the current business situation, business expectations about the year ahead have in fact improved.

While the current weak demand environment has helped keep cost pressures low in the manufacturing sector, the potential for geopolitical events to drive energy prices higher alongside possible spikes in shipping prices poses upside risks to the inflation picture.”” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/4f55b2967c9e4015897fd410acaf38c6; 10/1/24

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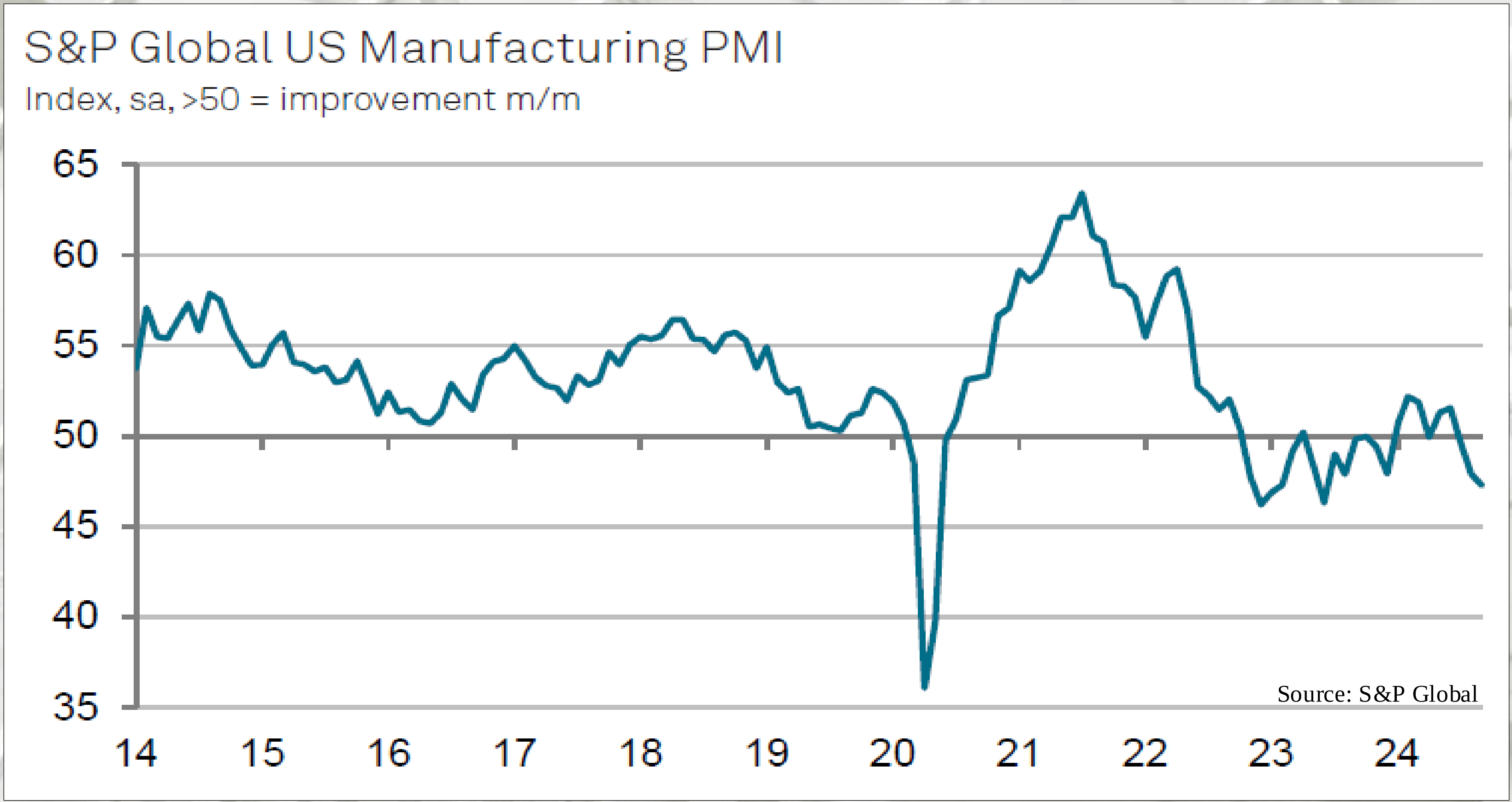

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/4f55b2967c9e4015897fd410acaf38c6; 10/1/24

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Private Indicators

S&P Global U.S. Services PMI™

Service sector reports strong growth and steeper price pressures in September

"The seasonally adjusted S&P Global US Services PMI® Business Activity Index posted 55.2 in September, down from 55.7 in August but still signaling a marked monthly increase in service sector output at the end of the third quarter, and one that was among the strongest in the past two-and-a-half years.

September saw a further marked expansion of US services activity as demand was helped in part by a reduction in interest rates. New business continued to rise solidly, leading to a build-up of unfinished work as companies were cautious with regards to hiring in the face of strong cost pressures. In fact, input prices rose at the joint-fastest pace in a year, with selling price inflation also accelerating. Meanwhile, business confidence dropped markedly due to concerns of a slowdown in the economy.

Services activity has now increased in each of the past 20 months. The latest rise was often linked to success in securing new work, while there were a number of reports that the recent reduction in interest rates had boosted demand in the service sector.

A boost from lower interest rates was also mentioned by those companies that saw new orders increase in September as clients became more willing to commit to new projects.

New order growth was recorded for the fifth month running, with the latest solid expansion only slightly softer than the 14-month high seen in August. Total new business was supported by a modest increase in new business from abroad." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c544ce673cca44bfb2456d4e13d6a64d; 10/3/23

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Private Indicators

S&P Global U.S. Services PMI™

Service sector reports strong growth and steeper price pressures in September

"Despite marked expansions of both activity and new business, confidence in the year-ahead outlook dropped sharply during September and was the lowest since October 2022. While lower interest rates and an expected improvement in demand following the Presidential Election supported optimism, sentiment waned amid concerns about a potential slowdown in the economy.

Meanwhile, employment dropped for the second month running, albeit only marginally. Some companies reported lowering staffing levels in a bid to save costs but others reported staff shortages.

Input prices increased rapidly in September, with the rate of inflation the joint-fastest in the past year. Higher input costs were often linked to salary pressures.

Alongside higher staff pay, rising prices paid for manufactured goods led some companies to increase their selling prices markedly during the month. The rate of inflation of prices charged for services quickened to a six-month high.

Rates of increase in both input costs and selling prices were well above the respective pre-pandemic averages.

The aforementioned reduction in staffing levels at a time of solid growth of new orders meant that outstanding business was accumulated during September. Backlogs of work rose for the third time in the past four months, and at the fastest pace since January." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c544ce673cca44bfb2456d4e13d6a64d; 10/3/23

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Private Indicators

S&P Global U.S. Services PMI™

Service sector reports strong growth and steeper price pressures in September

Comment

“US service sector businesses reported a strong end to the third quarter, with output continuing to grow at one of the fastest rates seen over the past two-and-a-half years. After GDP rose at a 3.0% rate in the second quarter, a similar strong performance looks likely in the three months to September.

Encouragingly, inflows of new business in the service sector grew at a rate only marginally shy of August’s 27-month high. Lower interest rates have already been reported by survey contributors as having buoyed demand, notably for financial services which, alongside healthcare, remains an especially strong performing sector.

Companies have become increasingly concerned about the outlook, however, with business confidence slumping in September amid uncertainty caused by the upcoming election as well as perceptions of rising recession risks.

The upturn has also become increasingly uneven, with growth wholly dependent on the service sector as manufacturing has slipped deeper into a decline in September. This factory malaise is showing some signs of spilling over to the service sector, subduing growth in particular for industrial services.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c544ce673cca44bfb2456d4e13d6a64d; 10/3/23

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Private Indicators

S&P Global U.S. Services PMI™

Service sector reports strong growth and steeper price pressures in September

Comment

“It therefore remains to be seen how the Presidential Election will affect growth, and the extent to which lower interest rates might help revive struggling sectors such as industrial goods and services. Clearly there are both upside and downside risks to growth.

Meanwhile, the inflation signals from the survey point to reviving price pressures, principally linked to stubbornly elevated wage growth, which could temper the Fed's enthusiasm for further aggressive rate cutting.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c544ce673cca44bfb2456d4e13d6a64d; 10/3/23

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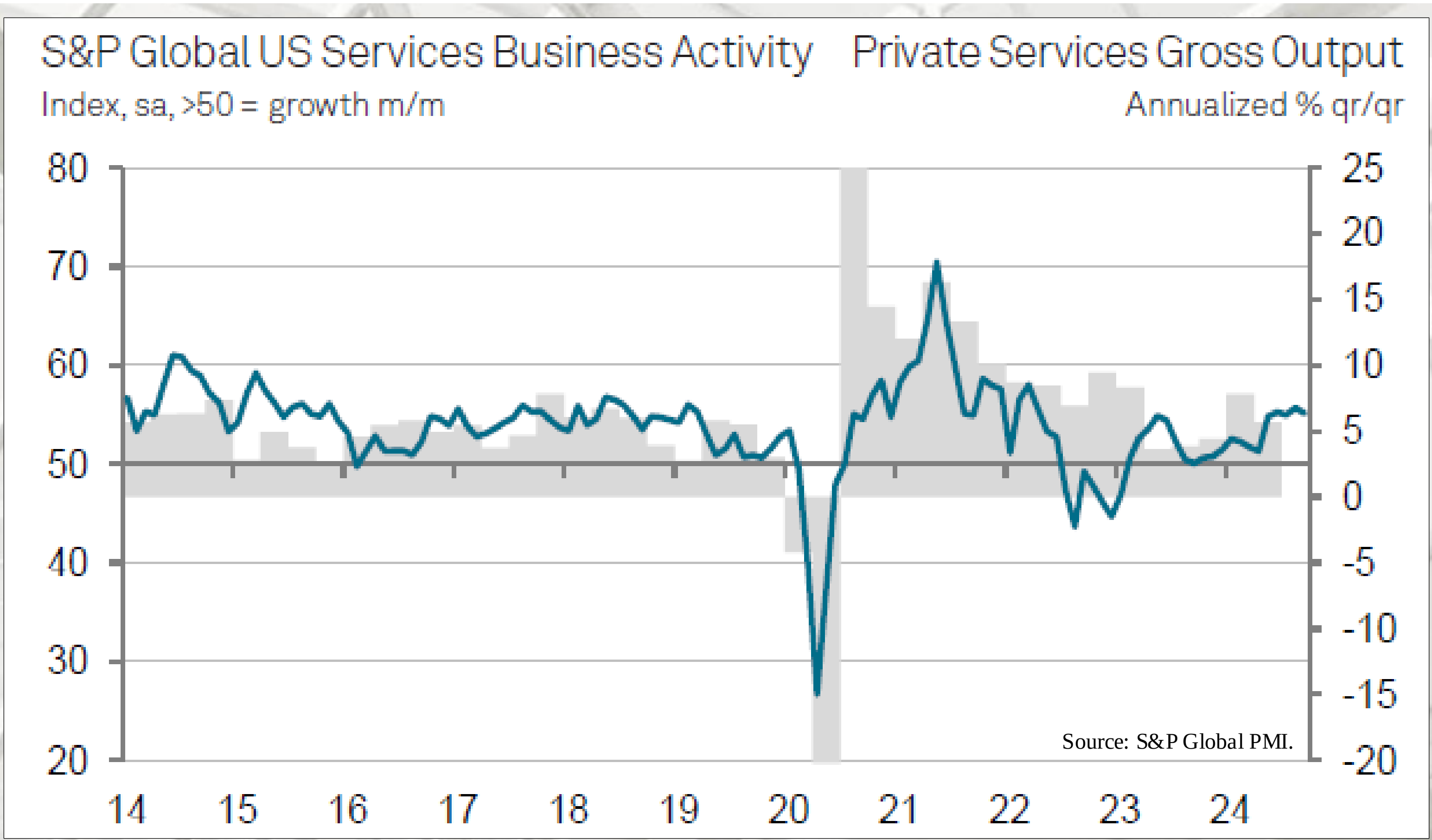

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c544ce673cca44bfb2456d4e13d6a64d; 10/3/23

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Report for September 2024: Combined Sectors

"The National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) for deteriorated 0.4 to 53.1. "The CMI continues to indicate that the economy is in expansion but like many other economic indicators, it is on a weakening trend," said NACM Economist Amy Crews Cutts, Ph.D., CBE.

"Hopefully this is indicative of the soft landing the Fed has been aiming for," Cutts said. "The recent rate cut by the Fed, and likely regular subsequent rate cuts over the next year, should start to provide some relief for borrowers and those seeking new credit. But the outlook is clouded by the impending dock worker strikes at major ports from Maine to Texas, which will have a material effect on the economy, with estimated costs of $1 billion per day in lost economic activity. The widespread devastation from Hurricane Helene will have long-lasting impacts on manufacturing and transportation throughout the southern states. Estimates of damage are only now starting to be tallied, but I think this storm will ultimately rank among the most damaging in U.S. history."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 10/1/24

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Key Findings:

- "The index for unfavorable factors improved by 0.9 to 50.8, pulling it back into expansion after two months in contraction.
- The index for accounts placed for collection is at 48.9 this month, its 25th month in contraction. This means the number of accounts placed for collections has increased every month for more than two years.
- The index for the dollar collections had the largest deterioration in the September survey. The index fell 4.5 points to 57.5. This index relates to all accounts, not just those in collections. Importantly, since the index value is above 50, meaning it's in expansion, respondents are indicating that actual dollars collected is holding up.
- The index for favorable factors remains solidly in expansion even with a 2.6-point fall in September. The index sits at 56.5

"The credit ecosystem is more complicated than it might seem," said Cutts. "There is a wide variation in payment terms and structures across both supplier companies and their customers. Several respondents have indicated several times in the past few surveys that more customers are being slow to pay, with the worst offenders being those that have a "pay when paid" contract, meaning the supplier company doesn't get paid until their customer gets paid by their customer. Thus, a credit manager is not just managing their direct client risk, they also have third party risk to deal with."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 10/1/24

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Private Indicators

National Association of Credit Management – Credit Managers' Index

CMI Manufacturing versus CMI Service Sectors Indexes

"The Manufacturing Sector CMI deteriorated 1.6 points in the September CMI survey to a level of 53.2. The Service Sector CMI improved 0.7 points to reach a level of 53.0.

"Respondents in the Manufacturing Sector were quiet this month, with comments focused on seasonal patterns in their business," Cutts said. "In contrast, Service Sector respondents were decidedly negative in their comments noting the increasing difficulty of getting paid and rising numbers of unexpected business closures. Interestingly, the sector CMI indexes are not much different in levels with both indicating steady slow expansion."

"The dockworkers strike will slow manufacturing output throughout the eastern U.S. as component parts and raw materials are delayed" Cutts said. "This will put more stress on credit departments – whether clients demand discounts for late delivery or withhold payment as a result of supply chain issues, credit managers will be the ones having to manage their dissatisfaction."

"Respondents in the Service Sector have been much more pessimistic regarding business credit trends than their manufacturing counterparts even though the sector indexes are close in levels," said Cutts. "I think this is notable because it reflects the deep frustration of these credit managers, that they are having to work a lot harder to get paid. The survey values don't reflect this difference in experience."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 10/1/24

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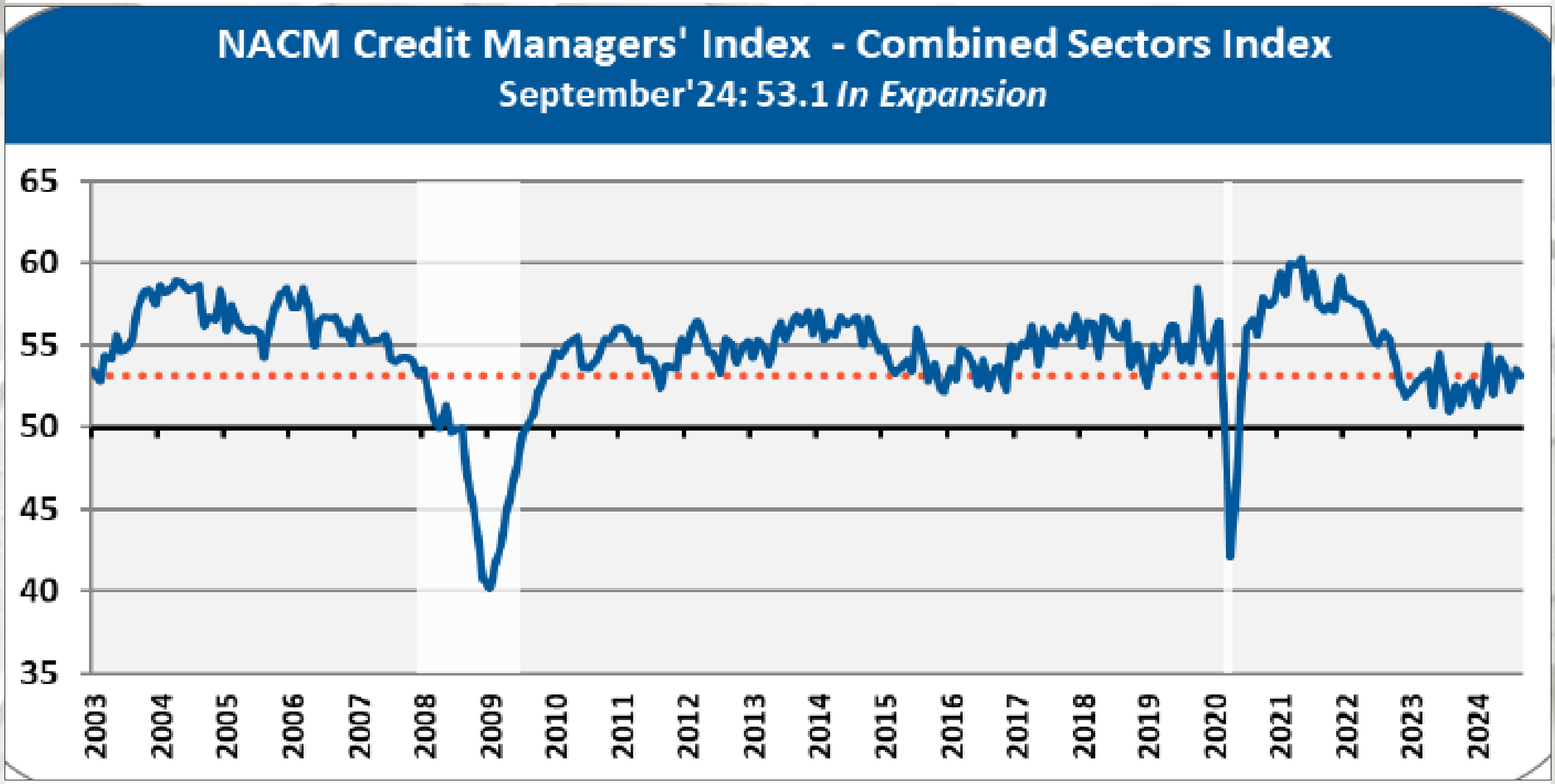
Private Indicators

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; 10/1/24

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Combined Manufacturing and Service Sectors (seasonally adjusted)	Sep '23	Oct '23	Nov '23	Dec '23	Jan '24	Feb '24	Mar '24	Apr '24	May '24	Jun '24	Jul '24	Aug '24	Sep '24
Sales	58.4	52.9	56.6	54.5	53.9	58.8	62.1	57.9	62.2	60.1	55.1	58.5	55.3
New credit applications	56.7	56.8	58.6	60.9	55.1	59.6	61.0	57.7	60.4	58.5	58.2	57.1	55.6
Dollar collections	58.7	56.8	59.6	59.0	56.2	59.2	60.8	55.3	60.0	58.5	55.3	62.0	57.5
Amount of credit extended	61.6	58.8	58.4	58.8	58.0	56.2	64.5	60.9	60.5	59.4	60.8	58.6	57.6
Index of favorable factors	58.8	56.3	58.3	58.3	55.8	58.4	62.1	57.9	60.8	59.1	57.4	59.1	56.5
Rejections of credit applications	49.1	49.7	48.8	49.2	50.9	48.0	51.5	49.4	51.0	51.0	49.9	50.5	52.1
Accounts placed for collection	46.9	45.4	44.6	45.9	44.8	42.9	45.9	44.9	45.0	46.1	46.4	45.7	48.9
Disputes	47.4	48.6	49.9	49.6	48.8	48.2	49.6	49.7	49.7	49.2	49.1	49.8	51.0
Dollar amount beyond terms	49.8	45.8	49.3	48.7	43.8	50.8	54.8	43.6	50.7	50.6	46.1	49.7	50.9
Dollar amount of customer deductions	47.4	48.9	51.1	50.4	50.0	49.7	50.1	50.7	51.9	51.5	51.1	51.8	51.3
Filings for bankruptcies	50.1	50.5	47.7	51.0	51.6	52.6	49.6	49.9	50.7	52.4	50.9	51.7	50.9
Index of unfavorable factors	48.4	48.1	48.6	49.1	48.3	48.7	50.2	48.0	49.9	50.1	48.9	49.9	50.8
NACM Combined CMI	52.6	51.4	52.5	52.8	51.3	52.6	55.0	52.0	54.2	53.7	52.3	53.5	53.1

Note: Seasonal adjustment factors were updated for the September 2024 report which may affect previously published values.

Source: https://nacm.org/cmi.html; 10/1/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

Main Street Uncertainty Reaches All-Time High

"The NFIB Small Business Optimism Index rose by 0.3 points in September to 91.5. This is the 33rd consecutive month below the 50-year average of 98. The Uncertainty Index rose 11 points to 103, the highest reading recorded. Fifty-one percent of owners reported capital outlays in the last six months, down five points from August. Meanwhile, the number of owners reporting inventory gains fell four points to a net negative 13% (seasonally adjusted), the lowest reading since June 2020." – Holly Wade, NFIB

"Small business owners are feeling more uncertain than ever. Uncertainty makes owners hesitant to invest in capital spending and inventory, especially as inflation and financing costs continue to put pressure on their bottom lines. Although some hope lies ahead in the holiday sales season, many Main Street owners are left questioning whether future business conditions will improve." – Bill Dunkelberg, Chief Economist, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 10/8/24

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Private Indicators

National Federation of Independent Business (NFIB)
September 2024 Report

Key findings include:

- "The net percent of owners reporting inventory gains fell four points to a net negative 13% (seasonally adjusted), the lowest reading since June 2020.
- The average rate paid on short maturity loans was 10.1%, up 0.6 of a point from August. The last time it was this high was February 2001.
- Thirty-four percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down six points from August and the lowest reading since January 2021.
- A net 12% of owners reported paying a higher rate on their most recent loan, down three points from August and the lowest reading since March 2022.
- Fifty-one percent reported capital outlays in the last six months, down five points from August. The last time it was this low was July 2022.
- Seasonally adjusted, a net 32% reported raising compensation, down one point from August and remaining the lowest reading since April 2021.
- Twenty-three percent of owners reported that inflation was their single most important problem in operating their business (higher input and labor costs), down one point from August but remaining the top issue.

As reported in NFIB's monthly jobs report, a seasonally adjusted 34% of all small business owners reported jobs openings they could not fill in their current period, down six points from August and the lowest reading since January 2021. Of the 59% of owners hiring or trying to hire in September, 90% 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; 10/8/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

"Fifty-one percent of owners reported capital outlays in the last six months, down five points from August. Of those making expenditures, 35% reported spending on new equipment, 23% acquired vehicles, and 15% improved or expanded facilities. Ten percent spent money on new fixtures and furniture and 4% acquired new buildings or land for expansion. Nineteen percent (seasonally adjusted) plan capital outlays in the next six months, down five points from August.

A net negative 17% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down one point from August and the lowest reading of this year. The net percent of owners expecting higher real sales volumes rose nine points to a net negative 9% (seasonally adjusted).

The net percent of owners reporting inventory gains fell four points to a net negative 13%, seasonally adjusted, the lowest reading since June 2020. Not seasonally adjusted, 10% reported increases in stocks and 22% reported reductions.

A net negative 4% (seasonally adjusted) of owners viewed current inventory stocks as "too low" in September, up one point from August. A net negative 3% (seasonally adjusted) of owners plan inventory investment in the coming months, down two points from August.

The net percent of owners raising average selling prices rose two points from August to a net 22% seasonally adjusted. Twenty-three percent of owners reported that inflation was their single most important problem in operating their business, down one point from August and remaining the top issue. Unadjusted, 13% reported lower average selling prices and 34% reported higher average prices." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 10/8/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

"Price hikes were the most frequent in the finance (64% higher, 4% lower), retail (48% higher, 9% lower), transportation (41% higher, 18% lower), and construction (38% higher, 12% lower) sectors. Seasonally adjusted, a net 25% plan price hikes in September.

Seasonally adjusted, a net 32% reported raising compensation, down one point from August and remaining and the lowest reading since April 2021. A seasonally adjusted net 23% plan to raise compensation in the next three months, up three points from August. Nine percent of owners cited labor costs as their top business problem, unchanged from August and only four points below the highest reading of 13% reached in December 2021. Seventeen 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 34% (seasonally adjusted), up three points from August. Among owners reporting lower profits, 37% blamed weaker sales, 14% blamed the rise in the cost of materials, 13% cited labor costs, and 11% cited lower selling prices. For owners reporting higher profits, 47% credited sales volumes, 26% cited usual seasonal change, and 9% cited higher selling prices." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 10/8/24

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Private Indicators

National Federation of Independent Business (NFIB)

September 2024 Report

Small Business

“Two percent of owners reported that all their borrowing needs were not satisfied. Twenty-four percent reported all credit needs met and 62% said they were not interested in a loan. A net 8% 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 September, unchanged from August.

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 September 2024.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 10/8/24

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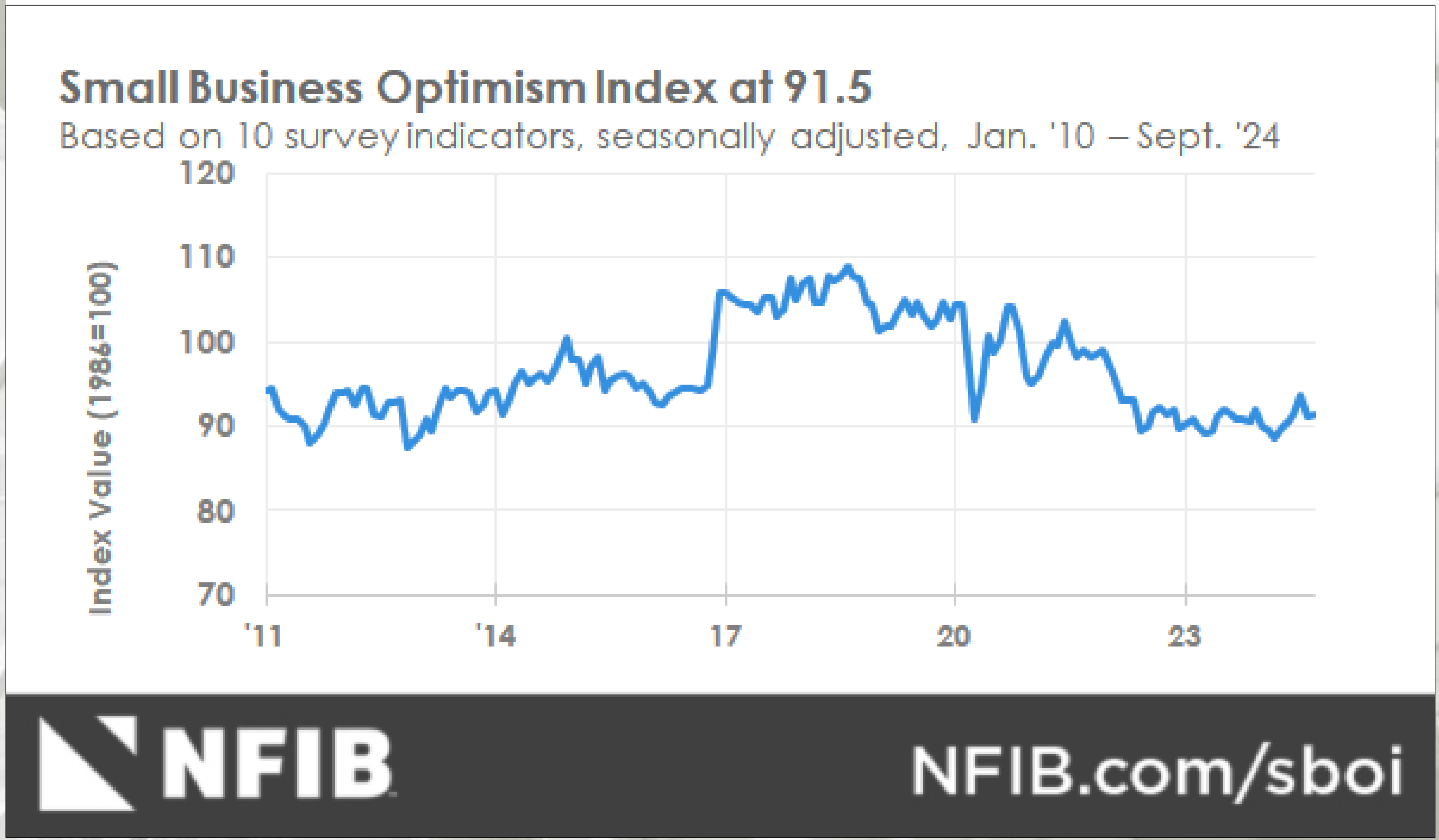
National Federation of Independent Business (NFIB) September 2024 Report



Source: http://www.nfib.com/surveys/small-business-economic-trends; 10/8/24

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Private Indicators

National Federation of Independent Business (NFIB) September 2024 Report

Small Business Optimism

Index Component	Net %	From Last Month
Plans to Increase Employment	15%	▲ 2
Plans to Make Capital Outlays	19%	▼ -5
Plans to Increase Inventories	-3%	▼ -2
Expect Economy to Improve	-12%	▲ 1
Expect Real Sales Higher	-9%	▲ 9
Current Inventory	-4%	▲ 1
Current Job Openings	34%	▼ -6
Expected Credit Conditions	-8%	— 0
Now a Good Time to Expand	4%	— 0
Earnings Trends	-34%	▲ 3

NFIB NFIB.com/sboi

Source: http://www.nfib.com/surveys/small-business-economic-trends; 10/8/24

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Hourly Earnings Growth Falls Below Three Percent as Job Growth Remains Steady for U.S. Small Businesses

"According to the Paychex Small Business Employment Watch for September, which reflects U.S. small businesses with fewer than 50 employees, the national jobs index moderated slightly in September (99.84) but has averaged 100.31 so far in 2024, representing modest employment growth. Hourly earnings growth for workers showed 3.01% in September, while the three-month annualized hourly earnings growth has remained below three percent for the past five months." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

"Our monthly jobs and wage data offers a pulse on the small business labor market and often indicates broader labor market trends. We've seen employment growth fluctuate less than a half a percentage point in the last three months amidst uncertain external forces such as the upcoming election and the potential for additional rate cuts.

We are still seeing small business employers struggling to find qualified workers and compete against larger businesses for talent. True to our mission and legacy of helping businesses succeed, we recently introduced Paychex Recruiting Copilot to help these employers find top talent in seconds using natural language search and AI to produce a list of qualified individuals." – John Gibson, President and CEO, Paychex

Source: https://www.paychex.com/employment-watch; 10/1/24

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Jobs Index and Wage Data Highlights

- "The national job index has averaged 100.31 through the first three quarters of 2024, representing modest employment growth. At 99.84 in September, the national jobs index remained just below 100 for the third consecutive month.
- Hourly earnings growth increased slightly to 3.01% in September after slipping below three percent in August (2.95%). Meanwhile, weekly hours worked growth (-0.16%) remained negative year-over-year for the 18th consecutive month.
- More than half of all states (29 of 50) reported an index of 100 or higher in September.
- The Midwest (100.39) remained the top region for small business employment growth for the fourth consecutive month. Within the Midwest, Indiana (101.29) remained the top state for small business job growth for the third-straight month.
- The West (3.54%) led all regions for hourly earnings growth for the 15th consecutive month and showed the largest negative change in job growth from the prior year. The region also reported a jobs index level of 99.09 in September, dropping 1.97 percentage points to rank last among regions.
- Education and Health Services (100.95) continued as the top industry for small business job growth for the fourth consecutive month in September, despite reporting the largest one-month slowdown among sectors (0.92 percentage points)." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Source: https://www.paychex.com/employment-watch; 10/1/24

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Small Business Jobs Index

Index
99.87

Historical Jobs Index Trend

Small Business Wage Data

Hourly Earnings
$32.58

12-Month Growth
3.16% ($1.00)

Historical 12-Month Growth Trend

Source: https://www.paychex.com/employment-watch; 10/1/24

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Economics

Deloitte

United States Economic Forecast

"Despite persistent concerns surrounding the durability of growth and interest rate policy, the US economy remains fundamentally strong. While real gross domestic product growth slowed in the first quarter of this year, growth rebounded to a strong 3.0% in the second quarter. All available evidence suggests policymakers may have managed to bring inflation under control without causing a recession.

Deloitte's baseline scenario remains relatively positive. The boom in factory construction will continue to boost the economy's potential in the coming years. In the short term, a faster pace of interest rate cuts by the Fed should allow households to take on more debt and support continued growth in consumer spending. Coupled with elevated government consumption, we expect the US economy to grow by 2.7% this year.

In addition to this relatively positive baseline scenario, we include two alternate scenarios: an upside scenario where positive structural changes to the labor market occur in the long run and labor productivity gains exceed our baseline forecast, and a downside scenario that highlights the potential of geopolitical conflict and trade policy to stoke persistent inflation.[1]" – Ira Kalish, Chief Global Economist, United States and Robyn Gibbard, Manager, Macroeconomics; Deloitte Touche Tohmatsu

[1] Unless otherwise noted, all data cited in this article are taken from Haver Analytics' reporting of US government data.

Source: https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html; 9/27/24

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Economics

Deloitte

United States Economic Forecast

"**Baseline (60%)**: Real GDP growth came in stronger than expected in the second quarter of 2024, after slowing in the first quarter. The contrasting results were caused by a big drawdown in inventories in the first quarter, followed by their replenishment in the second quarter; on average, GDP grew at a reasonably strong pace of 2.2% through the first half of this year. We expect GDP to continue growing at a similar pace throughout the remainder of this year before slowing in 2025.

Overall, the story for the US economy remains positive. Consumer spending keeps coming in stronger than expected and is forecasted to rise 2.4% in 2024, slightly more than the 2.2% increase recorded last year. Business investment is predicted to rise 4.2% in this year, down only slightly from the 4.5% growth recorded in 2023. The Inflation Reduction Act and the Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act are predicted to keep driving strong gains in structures and machinery and equipment investments, while firms continue to heavily invest in software and other intellectual property like artificial intelligence. On the trade front, growth in exports is expected to slow to 2.2% in 2024 before picking up again the following year, while imports are forecasted to increase 3.8% this year. Government spending is predicted to rise 2.9% in 2024. …" – Ira Kalish, Chief Global Economist, United States and Robyn Gibbard, Manager, Macroeconomics; Deloitte Touche Tohmatsu

Source: https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html; 9/27/24

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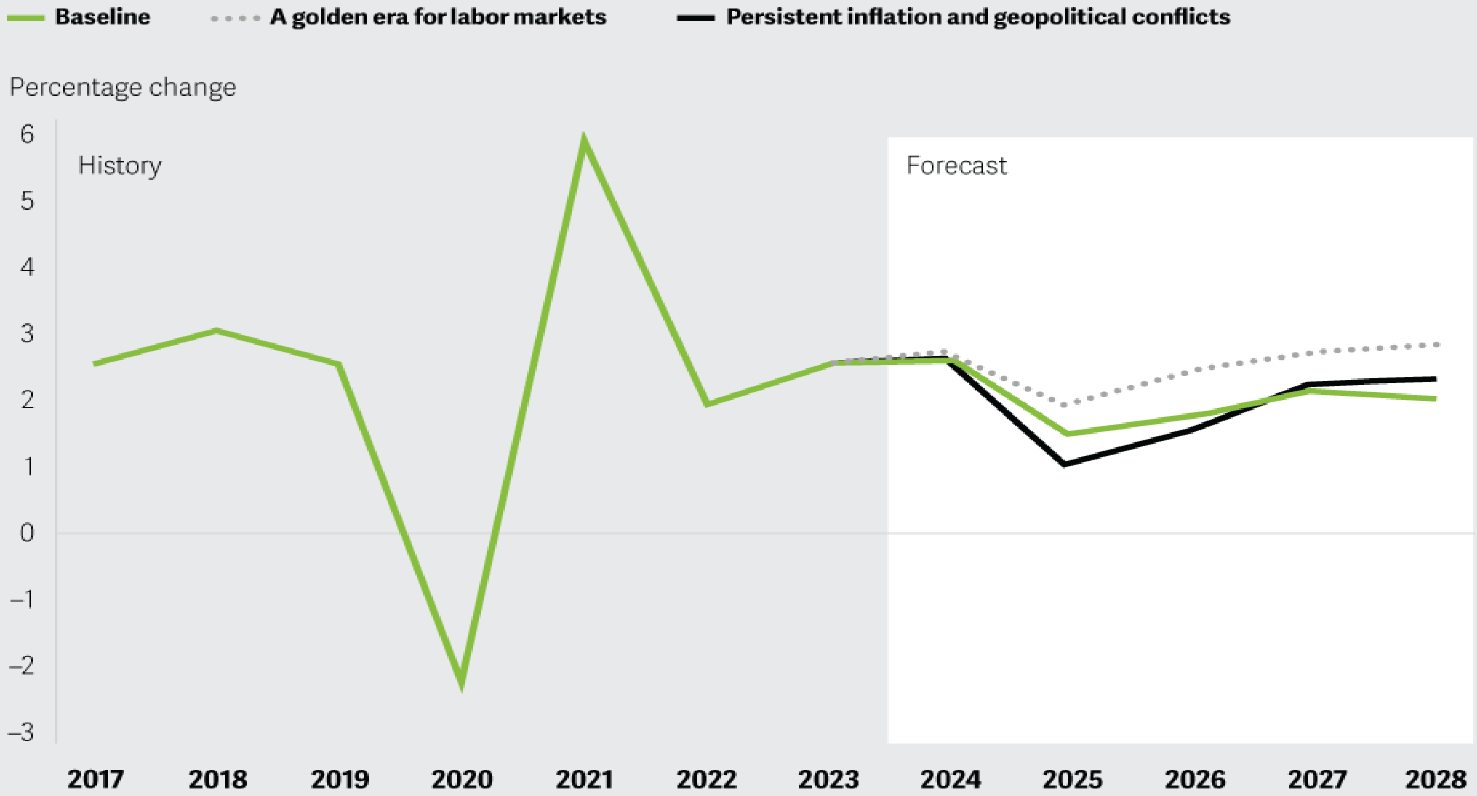
Economics

Deloitte

United States Economic Forecast

Figure 1

Real GDP growth



Source: Deloitte analysis.

Deloitte. Insights | deloitte.com/insights.com

Source: https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html; 9/27/24

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Economics

Deloitte

United States Economic Forecast: Housing

“Home sales and construction have been limited so far this summer as interest rates, and consequently mortgage rates, remain elevated. In July, both housing starts and the volume of permits were down, with particularly large declines recorded in the South.[5] Furthermore, according to the National Association of Realtors, existing home sales rose 1.3% in July and the median sales was US$422,600, up 4.2% from the same time last year.6

The slowdown in the housing market is expected to cause housing starts to fall in the short term, but as home prices continue to rise, builders may respond with higher starts. We project 1.35 million housing starts this year, down from over 1.4 million recorded in 2023, but in 2025, housing starts are expected to rise to over 1.4 million and remain around that level over the longer term. In 2025 and 2026, the housing stock is expected to rise more rapidly than total population. However, that trend is expected to reverse in the later years of the forecast period. Despite a strong level of construction in the medium term, for there to be a real impact on affordability, more of this new construction will need to be “starter homes” and will need to be built in parts of the country experiencing the largest increases in population. We expect this to remain a challenge. Consequently, the house price index is forecasted to rise 5.0% in 2024, with growth expected to slow to 2.6% in 2025 and remain between 2.2% and 2.4% from 2026 to 2028.” – Ira Kalish, Chief Global Economist, United States and Robyn Gibbard, Manager, Macroeconomics; Deloitte Touche Tohmatsu

[5] US Census Bureau, “Monthly new residential construction, July 2024,” Aug. 16, 2024.

[6] National Association of Realtors, “Existing-home sales,” accessed Sept. 18, 2024; National Association of Realtors, “Existing-home sales housing snapshot,” accessed Sept. 18, 2024.

Source: https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html; 9/27/24

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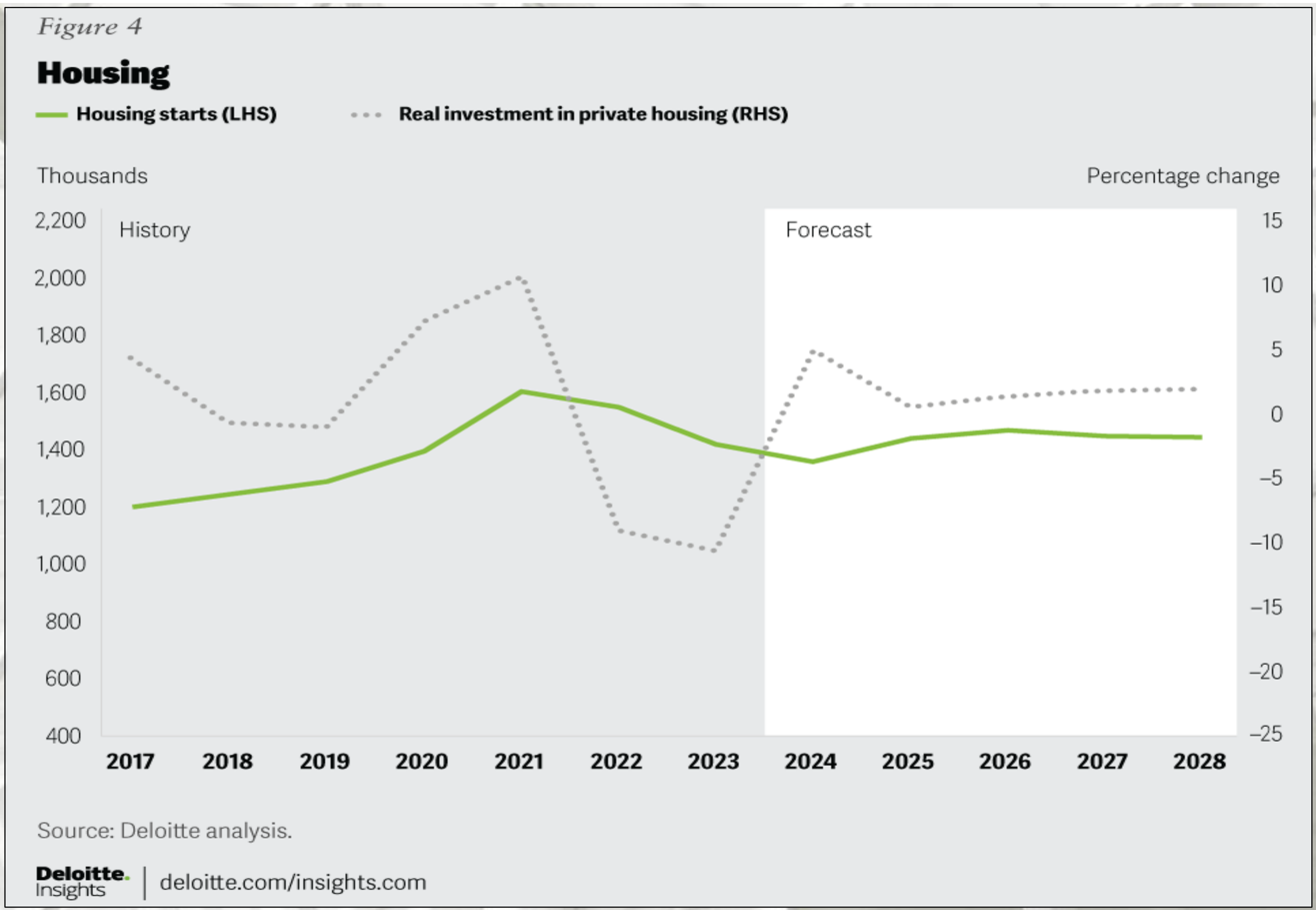
Economics

Deloitte

United States Economic Forecast: Housing



Source: https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html; 9/27/24

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Economics

Deloitte

United States Economic Forecast: Housing

Figure 5

Housing

% year over year unless mentioned otherwise	History							Forecast				
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real investment in private housing	4.3	–0.7	–0.9	7.2	10.7	–9.0	–10.6	4.8	0.6	1.3	1.8	1.9
Housing starts (thousands)	1,205	1,247	1,292	1,394	1,605	1,552	1,421	1,356	1,438	1,466	1,444	1,441
Stock of owner-occupied homes (millions)	137	138	140	141	142	144	145	147	148	149	151	152
Interest rate on 30-year fixed rate mortgages (percentage)	3.99	4.54	3.94	3.11	2.96	5.33	6.80	6.72	6.10	5.55	5.31	5.28

Source: Deloitte analysis.

Deloitte. Insights | deloitte.com/insights.com

Source: https://www2.deloitte.com/us/en/insights/economy/us-economic-forecast/united-states-outlook-analysis.html; 9/27/24

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Economics

U.S. Census Bureau

NEW Business Formation Statistics

September 2024

Business Applications

"Business Applications for September 2024, adjusted for seasonal variation, were 426,170, a decrease of 1.35 percent compared to August 2024.

Business Formations

Projected Business Formations (within 4-quarters) for September 2024, adjusted for seasonal variation, were 28,865, a decrease of 0.4 percent compared to August 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 28,927 new business startups with payroll tax liabilities will form within 4-quarters of application from all the business applications filed during September 2024. The 0.4 percent decrease indicates that for September 2024 there will be 0.4 percent fewer businesses projected to form within 4-quarters of application, compared to the analogous projections for August 2024." – Economic Indicators Division, Business Formation Statistics; U.S. Census Bureau

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 10/10/24

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Economics

U.S. Census Bureau

NEW Business Formation Statistics

September 2024

BUSINESS APPLICATIONS

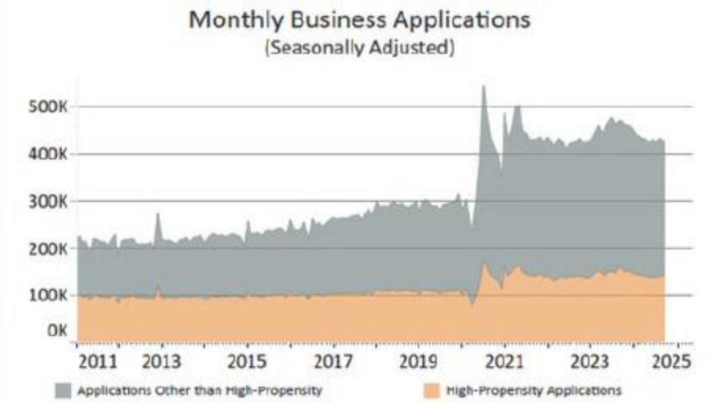
U.S. Business Applications:	SEP 2024	SEP 2024 / AUG 2024
Total	426,170	-1.3%°
High-Propensity	139,632	-0.5%°
With Planned Wages	45,244	-1.7%°
From Corporations	48,064	0.2%°

Next release: November 14, 2024

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

Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, October 10, 2024



Source: U.S. Census Bureau, Business Formation Statistics, October 10, 2024

Business Applications - At a Glance

		US	Northeast	Midwest	South	West
Total	SEP 2024	426,170	62,825	71,073	189,042	103,230
	SEP 2024 / AUG 2024	-1.3%	+0.4%	-0.6%	-2.7%	-0.1%
High-Propensity	SEP 2024	139,632	22,586	22,372	59,301	35,373
	SEP 2024 / AUG 2024	-0.5%	-1.0%	-0.9%	-0.5%	+0.1%
With Planned Wages	SEP 2024	45,244	6,329	7,982	19,416	11,517
	SEP 2024 / AUG 2024	-1.7%	-1.4%	-3.0%	-1.5%	-1.1%
From Corporations	SEP 2024	48,064	10,767	5,858	15,871	15,568
	SEP 2024 / AUG 2024	+0.2%	+2.3%	-3.3%	-1.4%	+1.7%

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; 10/10/24

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Economics

U.S. Census Bureau

September 2024

BUSINESS FORMATIONS

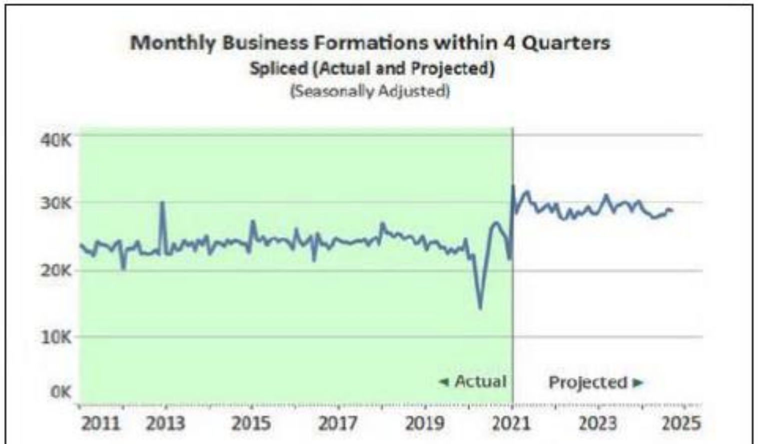
U.S. Total Projected Business Formations:	SEP 2024	SEP 2024 / AUG 2024
Within 4 Quarters	28,865	-0.4%°
Within 8 Quarters	38,812	-0.7%°

Next release: November 14, 2024

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

Spliced - Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, October 10, 2024



Source: U.S. Census Bureau, Business Formation Statistics, October 10, 2024

Projected Business Formations - At a Glance

		US	Northeast	Midwest	South	West
Within 4 Quarters	SEP 2024	28,865	4,576	4,636	11,281	8,372
	SEP 2024 / AUG 2024	-0.4%	-0.8%	-0.3%	-0.9%	+0.4%
Within 8 Quarters	SEP 2024	38,812	6,197	6,198	15,285	11,132
	SEP 2024 / AUG 2024	-0.7%	-0.4%	-0.6%	-2.1%	+1.1%

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; 10/10/24

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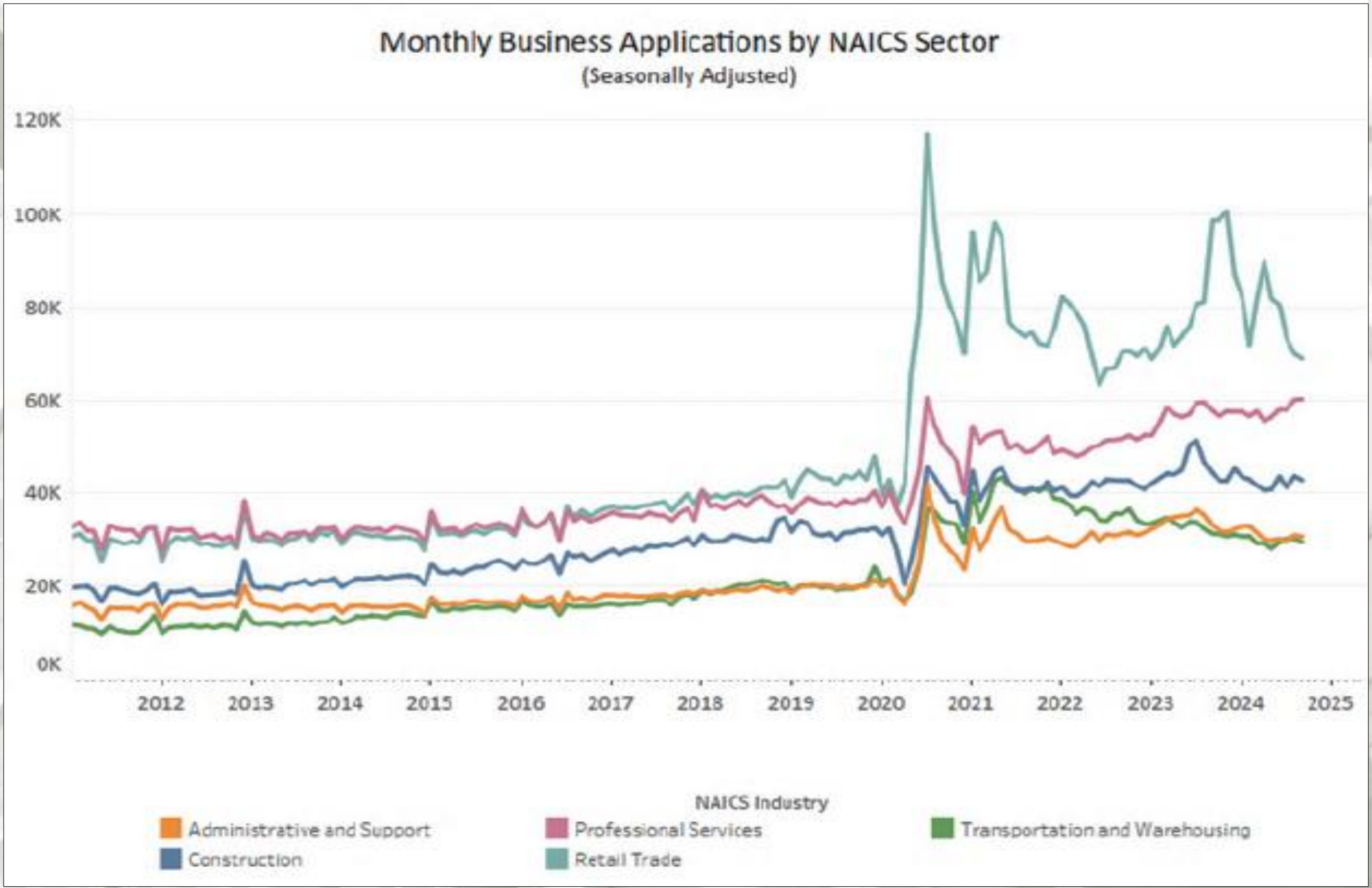
NEW Business Formation Statistics

September 2024



Source: U.S. Census Bureau, Business Formation Statistics, October 10, 2024

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 10/10/24

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