The Virginia Tech–USDA Forest Service Housing Commentary: Section II
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2024 Virginia Polytechnic Institute and State University VCE-ANR

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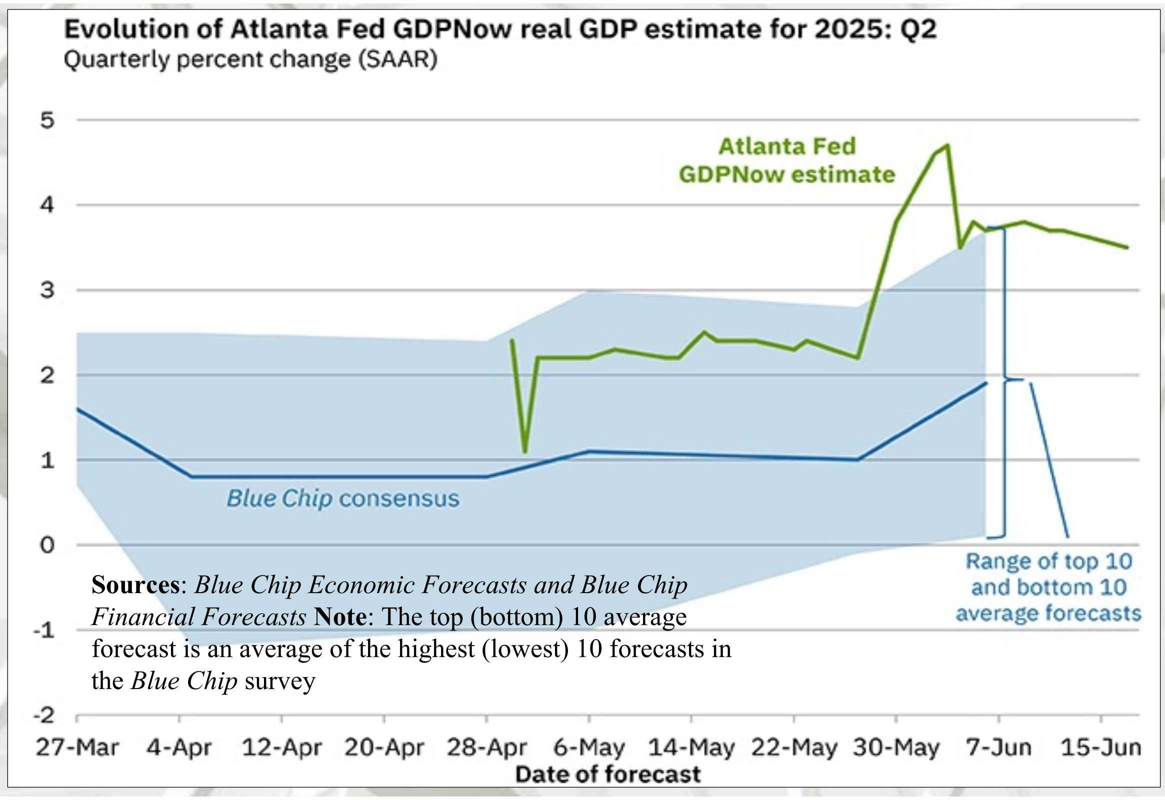
U.S. Economic Indicators



Atlanta Fed GDPNow™

Latest estimate: 3.5 percent — June 17, 2025

"The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2025 is **3.5 percent** on June 17, down from 3.8 percent on June 9. After recent releases from the US Census Bureau, the US Bureau of Labor Statistics, the Federal Reserve Board of Governors, and the Treasury's Bureau of the Fiscal Service, the nowcasts of second-quarter real personal consumption expenditures growth and second-quarter real government expenditures growth decreased from 2.5 percent and 2.3 percent, respectively, to 1.9 percent and 2.1 percent, while the nowcast of second-quarter real gross private domestic investment growth increased from -1.9 percent to -1.4 percent." – Pat Higgins, Economist, Federal Reserve Bank of Atlanta

Source: https://www.frbatlanta.org/cqer/research/gdpnow.aspx; 6/17/25

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

Index Suggests Economic Growth Decreased in April

"*The Chicago Fed National Activity Index (CFNAI) decreased to –0.25 in April from +0.03 in March. Three of the four broad categories of indicators used to construct the index decreased from March, and three categories made negative contributions in April. The index's three-month moving average, CFNAI-MA3, was unchanged at +0.05 in April.*

The CFNAI Diffusion Index, which is also a three-month moving average, decreased to –0.05 in April from –0.02 in March. Thirty of the 85 individual indicators made positive contributions to the CFNAI in April, while 55 made negative contributions. Thirty-six indicators improved from March to April, while 49 indicators deteriorated. Of the indicators that improved, 13 made negative contributions.

- Production-related indicators contributed –0.18 to the CFNAI in April, down from –0.07 in March.
- The sales, orders, and inventories category's contribution to the CFNAI was –0.04 in April, down from +0.06 in March.
- Employment-related indicators made a neutral contribution to the CFNAI in April, up from –0.05 in March.
- The personal consumption and housing category's contribution to the CFNAI was –0.04 in April, down from +0.09 in March." – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 5/22/25

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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

	Apr '25	Mar '25	Feb '25	Jan '25	Dec '24	Nov '24	Apr '24
CFNAI							
Current	−0.25	0.03	0.37	−0.25	0.37	−0.05	−0.38
Previous	N/A	−0.03	0.24	−0.26	0.37	−0.04	−0.38
CFNAI-MA3							
Current	0.05	0.05	0.16	0.02	−0.06	−0.25	−0.07
Previous	N/A	−0.01	0.12	0.02	−0.06	−0.25	−0.07
CFNAI Diffusion							
Current	−0.05	−0.02	0.17	0.07	−0.02	−0.24	−0.15
Previous	N/A	−0.01	0.12	−0.07	−0.04	−0.24	−0.13

Notes: Current and Previous values reflect index values as of the May 22, 2025, release and April 24, 2025, release, respectively. N/A indicates not applicable.

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 5/22/25

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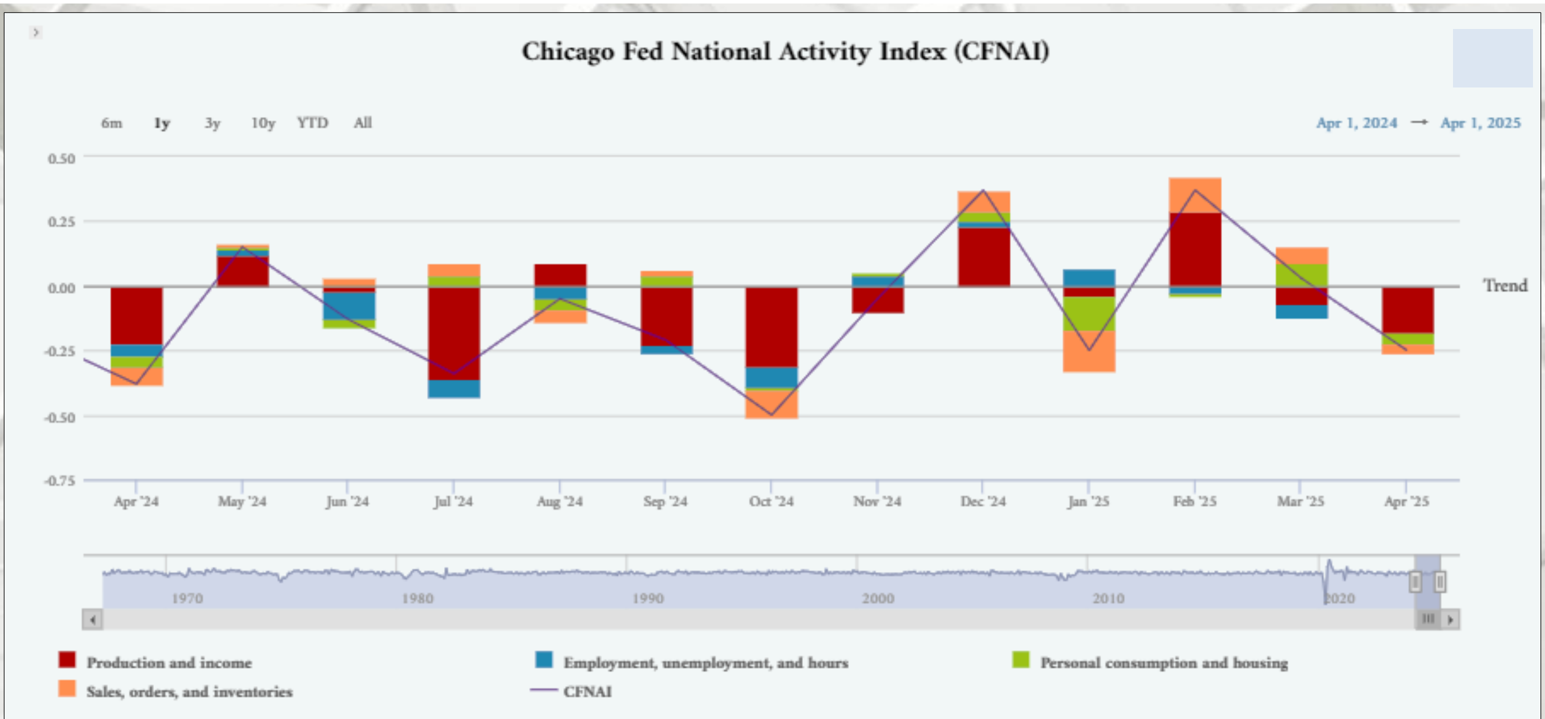
The Federal Reserve Bank of Chicago



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; 5/22/25

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

Survey Suggests Growth Picked Up in May

“The *Chicago Fed Survey of Economic Conditions* (CFSEC) Activity Index decreased –3 in May from –20 in April, suggesting that economic growth was near trend. The CFSEC Manufacturing Activity Index decreased to –21 in May from –6 in April, but the CFSEC Nonmanufacturing Activity Index increased to +11 in May from –23 in the previous month.

- Respondents’ outlooks for the U.S. economy for the next 12 months improved, but remained pessimistic on balance. Forty-five percent of respondents expected a decrease 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 decreased, and the capital spending expectations index remained negative.
- The labor cost pressures index was unchanged, but the nonlabor cost pressures index increased. Both cost pressures indexes remained negative.” – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfsec/current-data; 5/22/25

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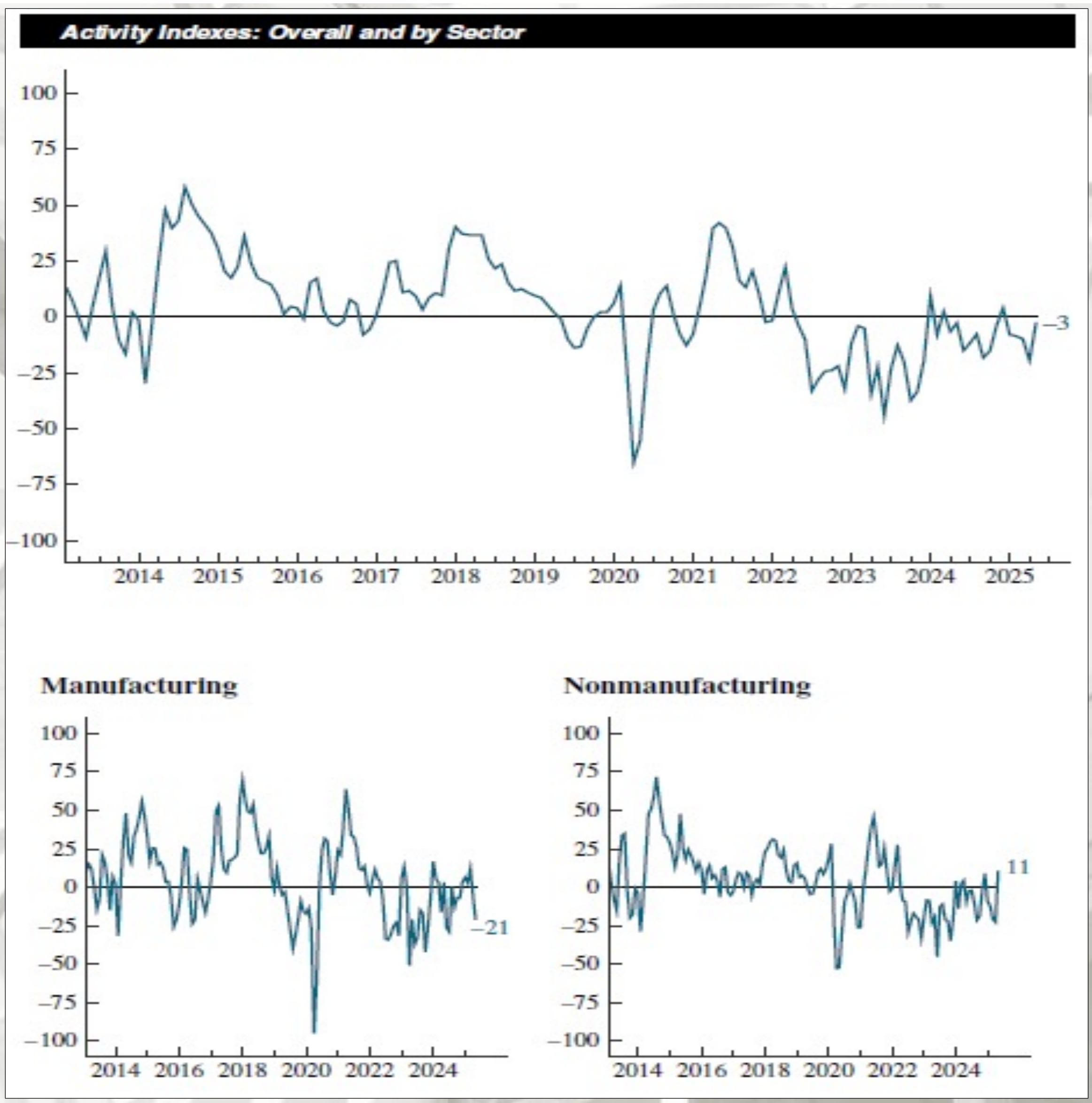
The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)



Source: https://www.chicagofed.org/research/data/cfsec/current-data; 5/22/25

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The Federal Reserve Bank of Dallas

Texas Manufacturing Outlook Survey

Texas manufacturing production flat, new orders fall

“Texas factory activity held steady in May, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, retreated four points to a near-zero reading, indicating flat output this month after modest growth in March and April.

Other measures of manufacturing activity moved up, but some remained in contractionary territory. The new orders index remained negative, signaling contraction, but rose to -8.7 from -20.0. The capacity utilization index also stayed negative but edged up to -1.5. Meanwhile, the shipments index rebounded into positive territory after dipping negative last month, coming in at 0.5.

Labor market measures suggested a slight increase in head counts and shorter workweeks this month. The employment index moved up seven points to 3.5, with 12 percent of firms noting net hiring and 8 percent noting net layoffs. The hours worked index remained negative but ticked up to -3.6.

Higher-than-usual price pressures continued in May, while wage growth remained slightly subdued. The raw materials prices index fell 8 points to 40.7, and the finished goods prices index held steady at 15.1 – both readings are well above average. Meanwhile, the wages and benefits index remained below average, largely unchanged at a reading of 15.0.” – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 5/27/25

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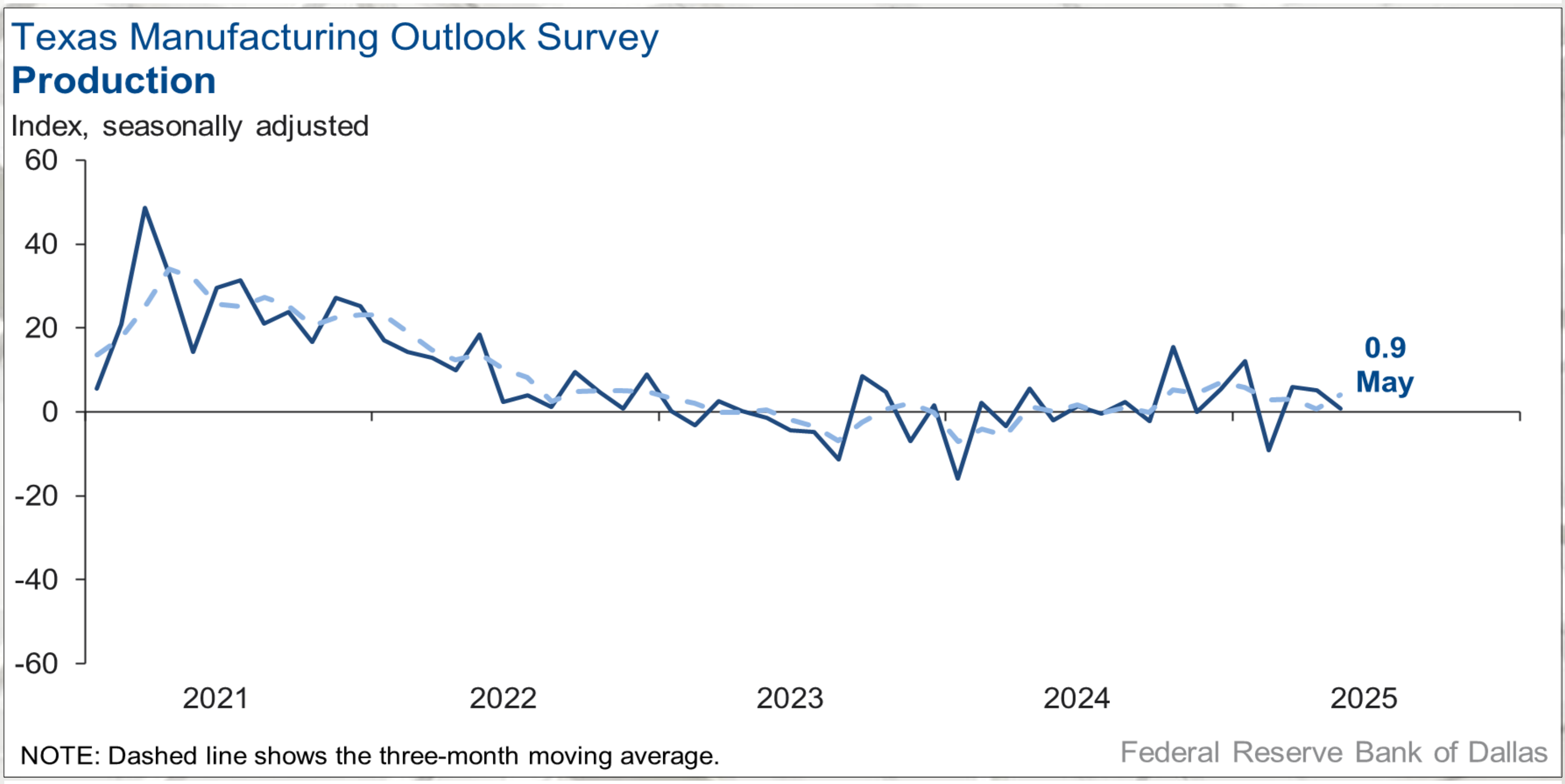
The Federal Reserve Bank of Dallas



"Perceptions of broader business conditions continued to worsen in May, though the indexes were less negative than last month. The general business activity index pushed up 21 points to -15.3. The company outlook index also remained negative but moved up, climbing to -11.3 from -28.3. The outlook uncertainty index retreated 34 points to 12.7, suggesting uncertainty continued to rise but not as notably as in April..

Expectations have increased for manufacturing activity six months from now. The future production index moved up 16 points to 31.1. The future general business activity index also rose 16 points, barely pushing into positive territory to a reading of 1.3. Other indexes of future manufacturing activity rose but remained below average." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 5/27/25

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The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey

Texas service sector activity declines modestly

"Texas service sector activity contracted in May, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, fell nine points to -4.7, suggesting revenue contracted slightly.

Labor market measures suggested both employment and workweeks were unchanged in May. The employment index increased to -0.2 from -5.1. The part-time employment index edged up to -0.7 from -3.4, while the hours-worked index dipped three points to -1.2.

Perceptions of broader business conditions worsened in May, but uncertainty moderated. The general business activity index and the company outlook index rose but remained in negative territory at -10.1 and -8.3, respectively. Meanwhile, the outlook uncertainty index fell sharply to 18.7 from 40.5.

Selling and input price growth eased in May while wage growth remained stable. The selling prices index fell three points to 5.2, and the input prices index fell to 20.5 from 32.5. Both indexes were below their respective series averages. The wages and benefits index was little changed at 9.7.

Respondents' expectations regarding future business activity were neutral to positive. The future general business activity index climbed 16 points to a near-zero reading. The future revenue index rose 10 points to 27.2. Other future service sector activity indexes such as employment and capital expenditures increased and remained in positive territory." – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 5/28/25

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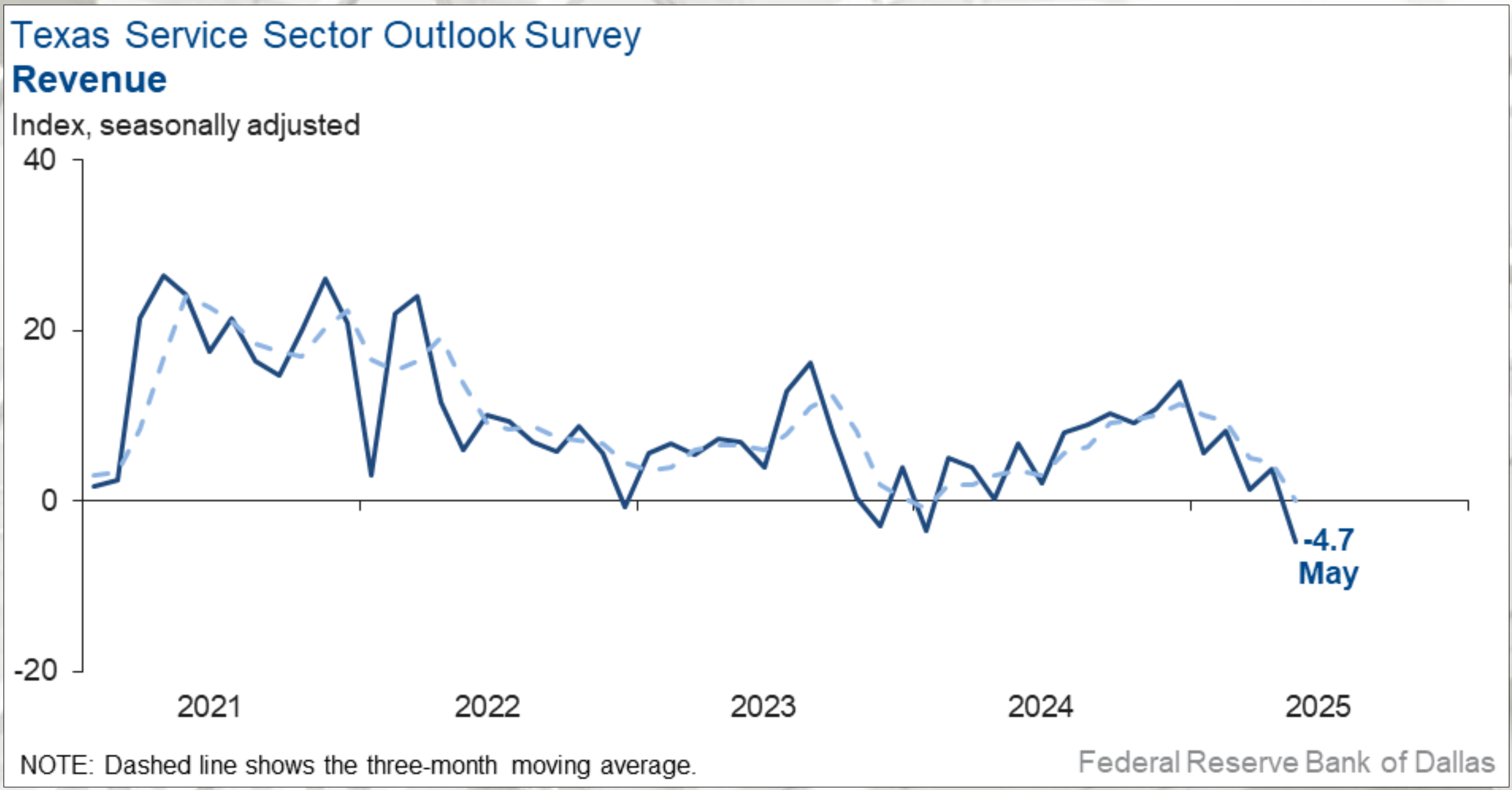

Source: https://www.dallasfed.org/research/surveys; 5/28/25

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The Federal Reserve Bank of Dallas

Texas Retail Outlook Survey

Texas retail sales decline notably

"Retail sales activity contracted sharply in May, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, plunged 33 points to -30.5, its lowest level since April 2020. Retailers' inventories pushed further negative, with the May index falling to -10.7 from -2.4.

Retail sector labor market indicators suggested continued contraction in employment and workweeks. The employment index remained at -8.1, indicating a decline in employment. The part-time employment index increased four points but remained negative at -3.6, and the hours-worked index was unchanged at -3.8.

Perceptions of broader business conditions deteriorated further in May. The general business activity index declined deeper into negative territory, dropping to -23.7 from -14.8. The company outlook index remained negative at -25.3. The outlook uncertainty index retreated 11 points to 19.7, though it remained well above the series average of 11.3.

Price growth eased while wages were stable in May. The selling prices index fell 16 points to 5.2, and the input prices index declined 14 points to 21.3. Meanwhile, the wages and benefits index dipped to -1.1, its lowest reading since July 2020.

Expectations for future retail activity were mixed. The future general business activity index increased 23 points to -1.3, suggesting no growth in business activity six months from now. The future company outlook index climbed 22 points but remained in negative territory at -3.3. Meanwhile, the future sales and future employment indexes both jumped up from near zero readings to 13.7 and 11, respectively. The future capital expenditures index also turned positive, increasing to 16.5 from -12.5." – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 5/28/25

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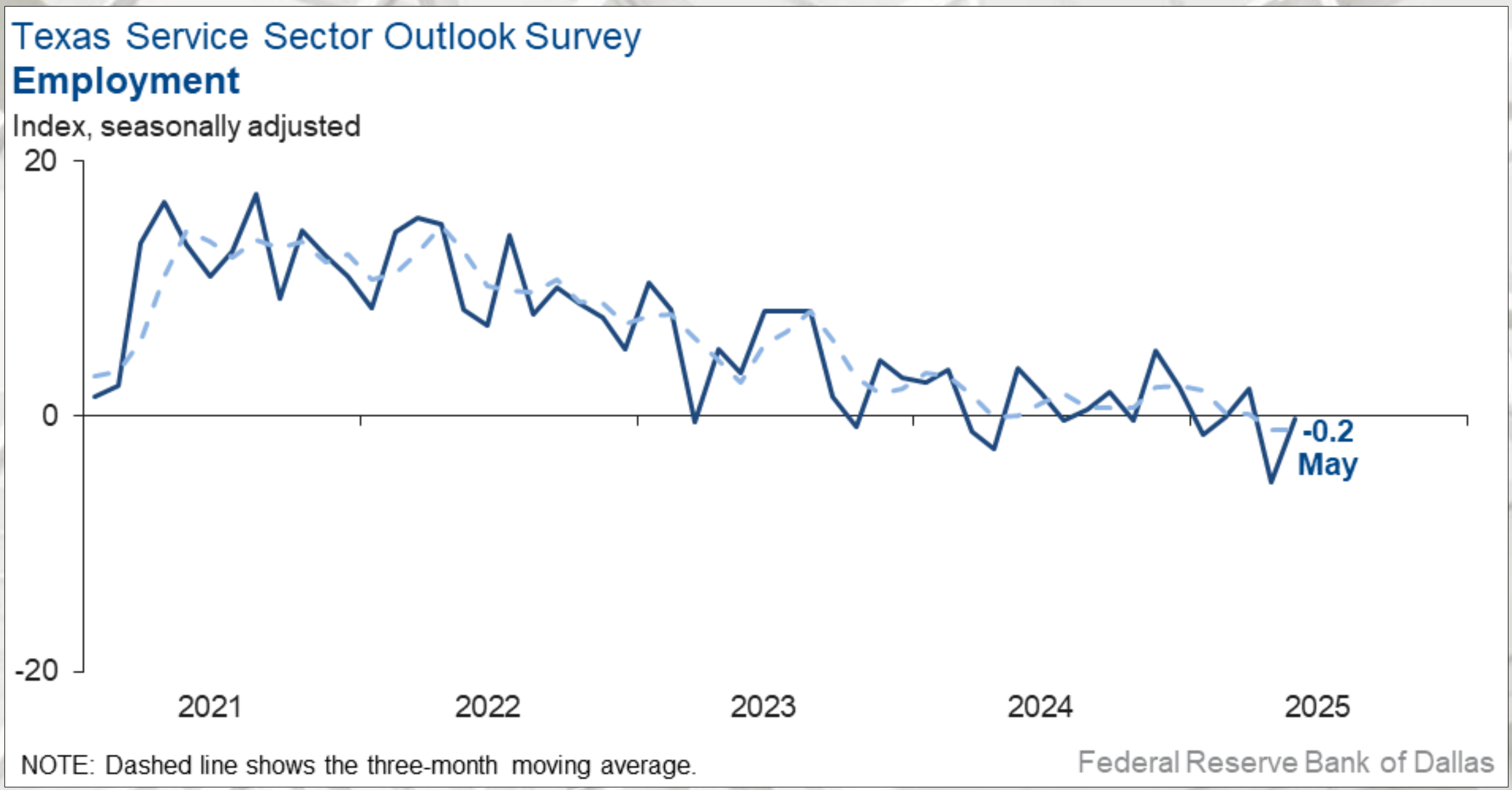
The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 5/28/25

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Manufacturing Contracted Slightly in May

Tenth District manufacturing activity contracted slightly, and expectations for future activity remained somewhat positive. Price growth for both raw materials and finished goods eased in May following high readings in previous months.

Factory Activity Contracted Slightly

"The month-over-month composite index was -3 in May, up slightly from -4 in April and down from -2 in March. The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Nondurable manufacturing declined – driven by food manufacturing – while durable manufacturing was mostly flat, with increases in metals and furniture manufacturing and decreases in electronic and transportation equipment. Production, volume of shipments, and new orders all fell moderately this month. Backlogs of orders declined substantially, while employment increased modestly and inventories were mostly flat.

Most year-over-year indexes were negative, except for the prices indexes, capital expenditures, and raw materials inventory. Production continued to decrease along with the number of employees and average employee workweek. The future composite index ticked down from 6 to 5 in May as expectations for future production, shipments, and orders all stayed somewhat positive." – Megan Williams, Associate Economist and Senior Manager and Chase Farha, Research Associate; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/24/25

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Factory Activity Contracted Slightly

Special Questions

"This month contacts were asked special questions about their firm's hiring and capital expenditures plans. About half of firms (52%) reported their hiring plans for the remainder of 2025 have not changed since the beginning of the year, while 34% expect them to decrease and 14% expect to increase hiring plans. Similarly, 60% of firms have not changed their capital expenditures plans since the beginning of the year, while 30% expect them to decrease and 10% expect them to increase. Firms were also asked if they are changing their prices more frequently compared to last year. 41% reported they have not changed the frequency with which they change prices, while 37% reported they are changing prices somewhat more often and 16% reported they are changing them much more often. Another 5% reported their prices are changing somewhat less often, and 1% reported changing much less often." – Megan Williams, Associate Economist and Senior Manager and Chase Farha, Research Associate; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/24/25

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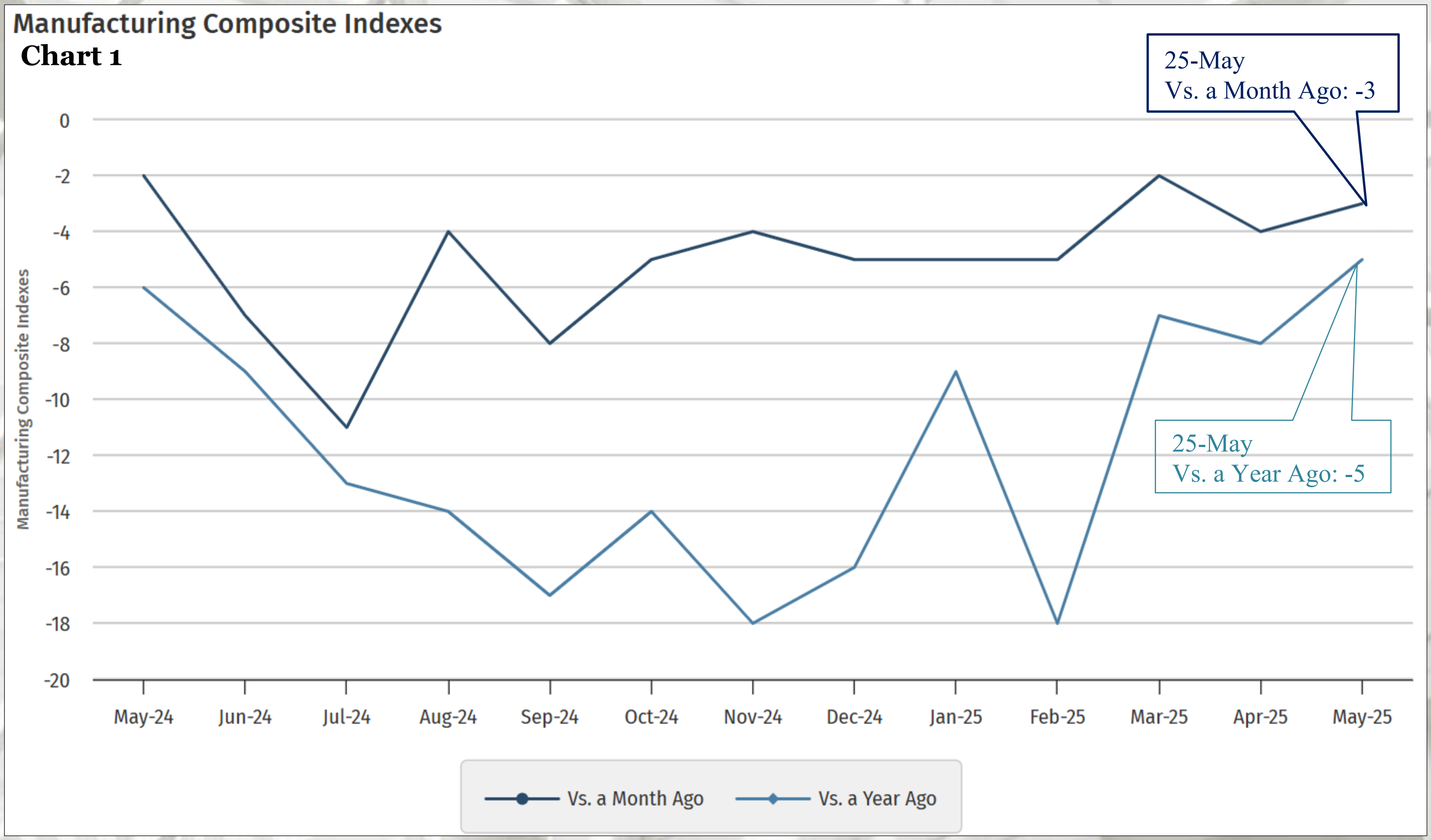
The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 5/24/25

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Services Activity Grew Moderately in May

Tenth District services activity grew moderately in May, and expectations for future activity remained elevated. Input price growth cooled from high readings in previous months, while selling prices growth ticked up.

Business Activity Grew Moderately in May

“The month-over-month services composite index was 11 in May, up from 3 in April and 0 in March. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in tourism, wholesale trade, and professional services increased, while retail trade and autos saw declines. All month-over-month indexes were positive except access to credit. General revenue/sales accelerated from 4 to 14, and employment and employee hours also increased to 10 and 9, respectively. Access to credit continued to decline modestly at -4.

Year-over-year growth ticked down but remained positive, as growth in business services softened while staying mostly steady in the consumer sector. Revenues and employment growth cooled from last month’s readings, but capital expenditures accelerated from 9 to 19. Expectations for future services activity remained expansionary, with expectations for revenue easing while employment increased.” – Megan Williams, Associate Economist and Senior Manager and Chase Farha, Research Associate; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/23/25

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U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Business Activity Grew Moderately in May

Special Questions

"This month contacts were asked about their firm's hiring and capital expenditures plans. Over half (58%) of firms reported their hiring plans for the remainder of 2025 have not changed since the beginning of the year, while 30% expect them to decrease and 12% expect to increase hiring plans. Similarly, 53% of firms have not changed their capital expenditures plans since the beginning of the year, while 26% expect them to decrease and 21% expect them to increase. Firms were also asked if they are changing their prices more frequently compared to last year. Nearly half (46%) reported they have not changed the frequency with which they change prices, while 34% reported they are changing prices somewhat more often and 15% reported they are changing them much more often. Another 4% reported their prices are changing somewhat less often, and 1% reported changing much less often." – Megan Williams, Associate Economist and Senior Manager and Chase Farha, Research Associate; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/23/25

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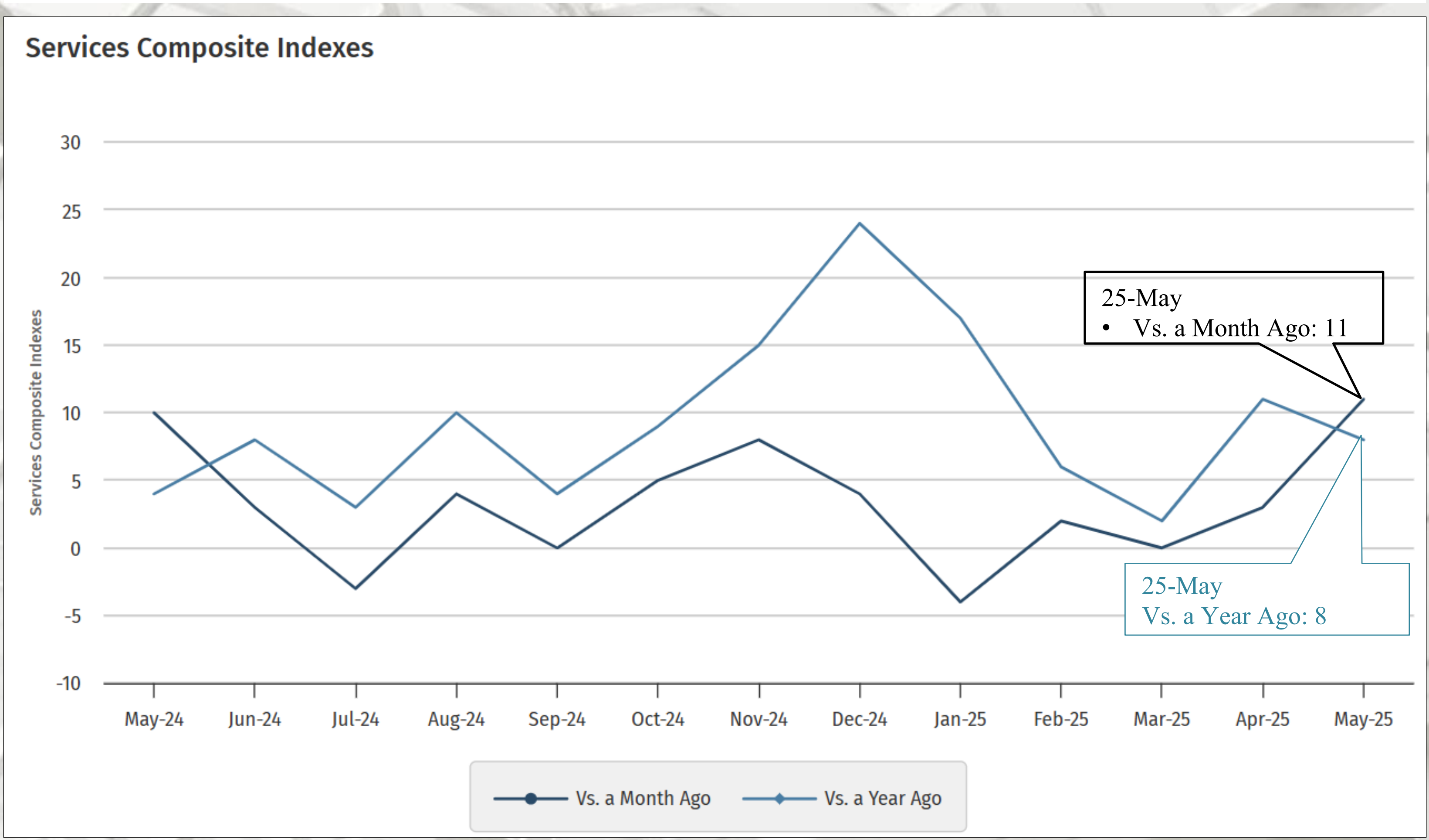
The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 5/23/25

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The Federal Reserve Bank of New York

June 2025 Empire State Manufacturing Survey

Business Conditions Continue to Worsen

“Business activity continued to decline in New York State in June, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index fell seven points to -16.0. New orders and shipments declined. Delivery times held steady, and supply availability worsened. Inventories were little changed. Employment grew slightly for the first time in several months, while the average workweek held steady. Input price increases slowed but remained substantial, while selling price increases picked up. Firms turned optimistic about the outlook, with the future general business conditions index rising above zero for the first time since March.

Manufacturing activity fell for a fourth consecutive month in New York State, according to the June survey. The general business conditions index fell seven points to -16.0. After rising above zero last month, the new orders index fell to -14.2, and the shipments index moved down to around zero, pointing to a decline in both orders and shipments. Unfilled orders declined. The inventories index came in at around zero, signaling that business inventories held steady. Delivery times were little changed, while the supply availability index remained below zero at -8.3, suggesting that supply availability continued to worsen.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 6/16/25

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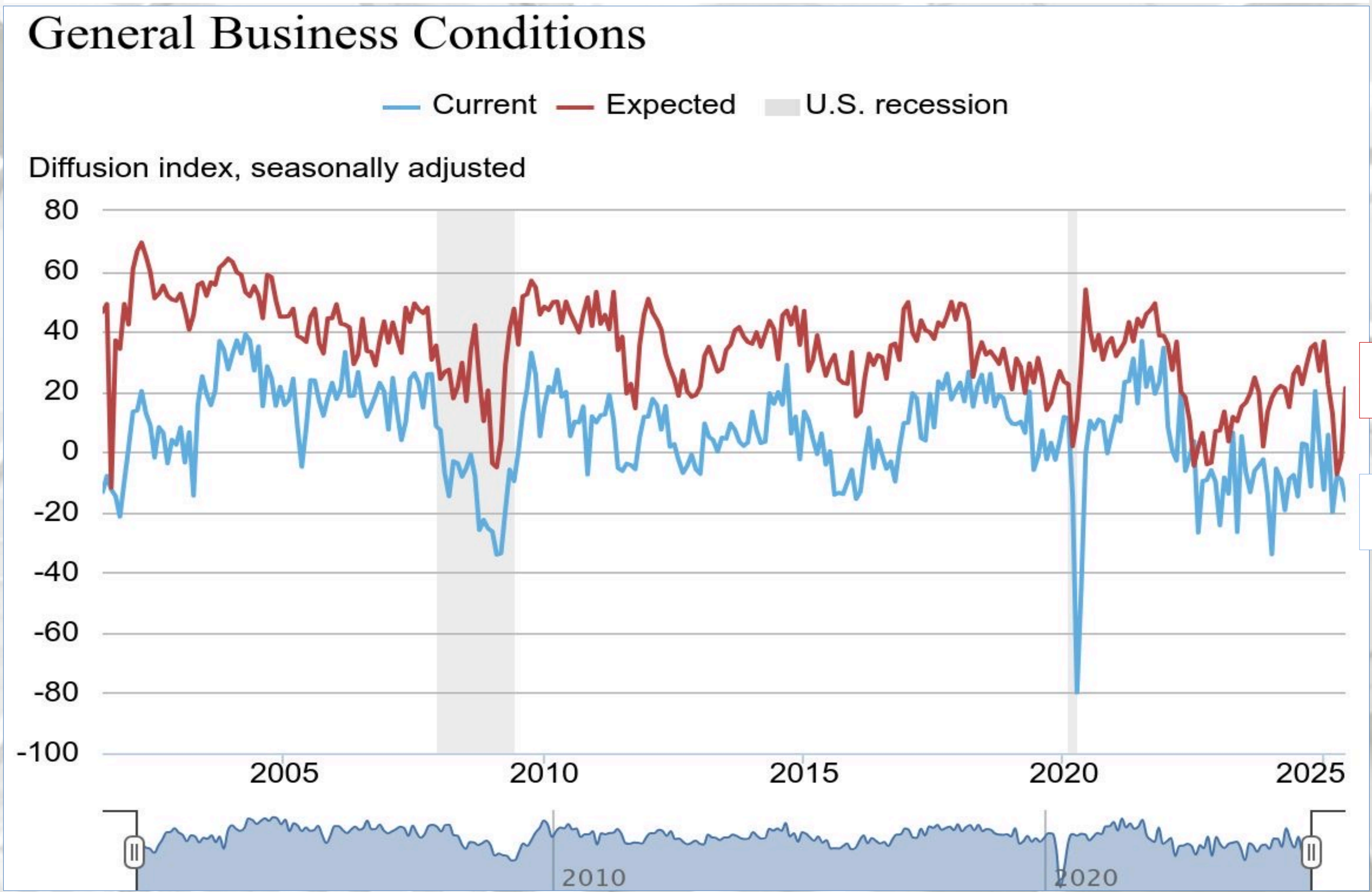
The Federal Reserve Bank of New York



June 2025
21.2

June 2025
-16.0

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 6/16/25

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The Federal Reserve Bank of New York

June 2025 Empire State Manufacturing Survey

Employment Edges Higher

“The index for number of employees rose ten points to 4.7, its first positive reading since January and a sign that employment increased slightly. The average workweek index came in at -1.5, suggesting little change in hours worked. After reaching its highest level in more than two years in May, the prices paid index fell twelve points to 46.8, suggesting that the pace of price increases slowed but remained significant. The prices received index edged up four points to 26.6, suggesting that selling price increases accelerated somewhat.

Firms Become Positive about the Outlook

After turning pessimistic in April and May, firms turned positive in June, expecting conditions to improve over the next six months. The index for future general business conditions climbed twenty-three points to 21.2. New orders and shipments are expected to increase, and firms expect supply availability to be only slightly worse in the months ahead. Capital spending plans remained soft.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 6/16/25

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The Federal Reserve Bank of New York

June 2025 Empire State Business Leaders Survey (Services)

Activity Continues to Decline

"Business activity in the region's service sector continued to decline in June, according to firms responding to the Federal Reserve Bank of New York's *Business Leaders Survey*. The survey's headline business activity index edged up three points but held below zero at -13.2. The business climate index remained firmly negative at -48.3, suggesting the business climate continued to be considerably worse than normal. Employment edged slightly lower, and wage growth dropped to its slowest pace in more than four years. Supply availability worsened significantly. Input price increases picked up, while selling price increases were little changed. Firms remained pessimistic about the outlook, though less so than in the prior couple of months.

Business activity fell for a fourth consecutive month in the New York-Northern New Jersey region, according to the June survey. The headline business activity index remained negative at -13.2. Twenty-two percent of respondents reported that conditions improved over the month while 35 percent said that conditions worsened. The business climate index remained well below zero at -48.3, with fifty-six percent of respondents saying that the business climate was worse than normal." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 6/17/25

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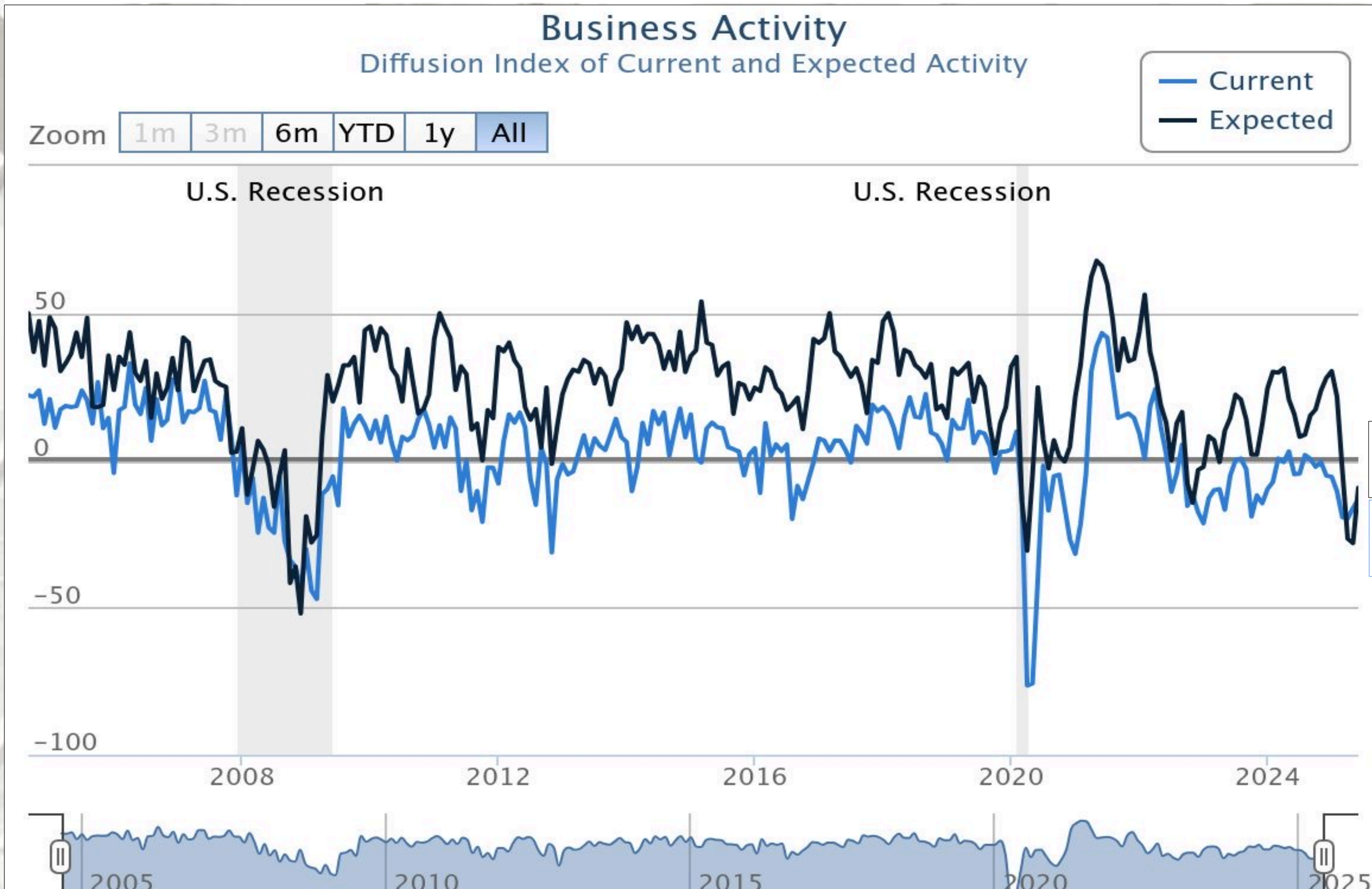
The Federal Reserve Bank of New York



June 2025
-9.3

June 2025
-13.2

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 6/17/25

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The Federal Reserve Bank of New York

June 2025 Empire State Business Leaders Survey (Services)

Employment Edges Lower

"The employment index moved down two points to -2.5, pointing to a small decline in employment levels. The wages index sank nine points to 19.4, its lowest level in more than four years, indicating that wage growth slowed. The prices paid index jumped eight points to 66.5, its highest level in more than two years, a sign that input price increases picked up. The prices received index was little changed at 21.0. The supply availability index was similar to last month at -17.2, suggesting that supply availability continued to worsen..

Outlook Remains Pessimistic

Firms remained pessimistic about the outlook, but less so than in April and May. The index for future business activity climbed nineteen points, but remained negative at -9.3, suggesting firms expect activity to decline in the months ahead. The index for the future business climate remained negative at -28.3, indicating the business climate is expected to continue to be worse than normal. Supply availability is expected to worsen, and capital spending plans remained negative." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 6/17/25

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The Federal Reserve Bank of Philadelphia

May 2025 Manufacturing Business Outlook Survey

Most Current Indicators Rise

“Manufacturing activity in the region remained weak, according to the firms responding to the May *Manufacturing Business Outlook Survey*. The diffusion index for current general activity rose from -26.4 to -4.0 in May, paring some of last month’s sharp decline but remaining negative. The new orders index turned positive, while the shipments index remained negative and declined further. The employment index rose from a near-zero reading. Both price indexes remained elevated. The firms continued to expect growth over the next six months, and expectations were more widespread.

The diffusion index for current general activity rose from -26.4 to -4.0 in May, paring some of last month’s sharp decline but remaining negative (see Chart). Twenty-three percent of the firms reported decreases in general activity this month (down from 39 percent last month), while 19 percent reported increases (up from 13 percent); 58 percent reported no change (up from 41 percent last month). The new orders index rose 42 points to 7.5, offsetting nearly all of April’s decline. The shipments index declined for the fourth consecutive month, falling 4 points to -13.0, its lowest reading since November 2023.

The firms reported overall increases in employment, and the employment index rose 16 points to 16.5 in May. Most firms continued to report no change in employment levels (68 percent), while the share of firms reporting increases (23 percent) exceeded the share reporting decreases (7 percent). The average workweek index rose from -12.7 to 2.0.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2025-05; 5/15/25

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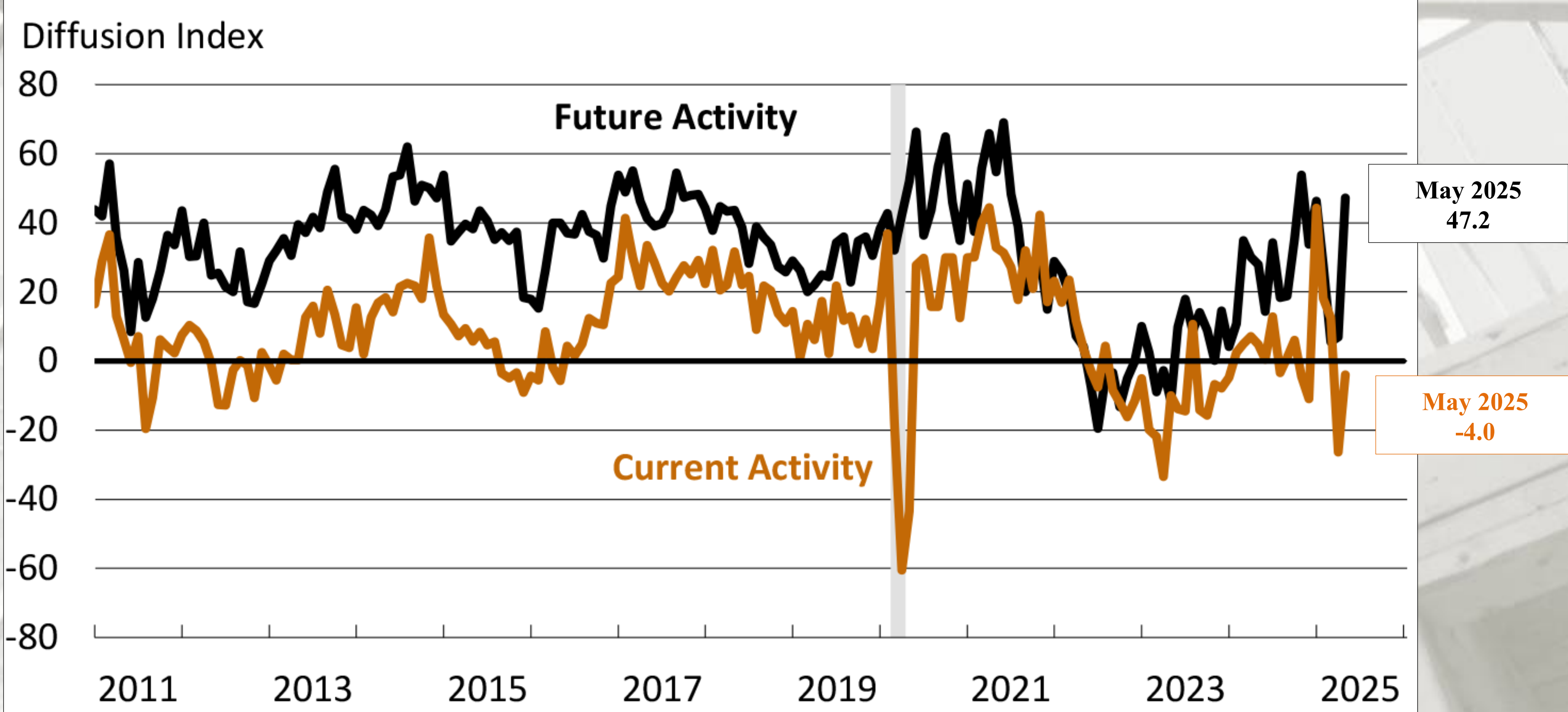
The Federal Reserve Bank of Philadelphia

Chart. Current and Future General Activity Indexes

January 2011 to May 2025



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-2025-05; 5/15/25

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The Federal Reserve Bank of Philadelphia

May 2025 Manufacturing Business Outlook Survey

Firms Expect Higher Growth for Own Prices and Inflation

"In this month's special questions, the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters (see Price and Inflation Expectations on page 2). Regarding their own prices over the next year, the firms' median forecast was for an expected increase of 3.8 percent, up from 3.0 percent when this question was last asked in February. The firms reported a median increase of 3.0 percent in their own prices over the past year, the same as last quarter. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 4.0 percent over the next four quarters, up slightly from February. The firms' median forecast for the rate of inflation for U.S. consumers over the next year rose to 3.8 percent from 3.0 percent in February.

The firms were also asked about changes in customer price sensitivity and anticipated cost changes. Half of the firms reported their core customers' price sensitivity was about the same as last quarter, while 43 percent reported customers were more price sensitive. Over 72 percent of the firms anticipated changes in their industry's costs in the near term, and nearly 86 percent of those firms expected their competitors to raise prices in response. Regarding when these price changes will occur, the firms' median expectation was for competitors to change prices in the next two months."
– Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2025-05; 5/15/25

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The Federal Reserve Bank of Philadelphia

May 2025 Manufacturing Business Outlook Survey

Firms Continue to Report Overall Price Increases

"Both price indexes rose to their highest readings since June 2022. The prices paid index increased for the sixth consecutive month to 59.8. The current prices received index rose from 30.7 to 43.6. Almost 44 percent of the firms reported increases in prices received, no firms reported decreases, and 56 percent reported no change.

Most Future Indicators Rise Sharply

The diffusion index for future general activity jumped 40 points to 47.2 in May after two months of low readings (see Chart). Similarly, the future new orders index rose to 49.7, and the future shipments index rose to 51.1. Both future price indexes moved lower but remained elevated. The future employment index rose from -0.6 to 23.0. The future capital expenditures index rose 25 points to 27.0.

Summary

Responses to the May *Manufacturing Business Outlook Survey* suggest regional manufacturing activity remained weak. The indicators for current activity and shipments remained negative, while the index for new orders turned positive. On balance, the firms indicated an increase in employment, and the price indexes rose further above their long-run averages. The survey's broad indicators for future activity suggest more widespread expectations for growth over the next six months." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2025-05; 5/15/25

The Federal Reserve Bank of Philadelphia

May 2025 Nonmanufacturing Business Outlook Survey

Current Indicators Remain Negative

"Nonmanufacturing activity continued to decline this month, according to the firms responding to the May Nonmanufacturing Business Outlook Survey. The indexes for general activity at the firm level, new orders, and sales/revenues all remained negative. However, the firms reported overall increases in full-time employment. The prices paid index continued to suggest increases, while the prices received index suggested little change in the prices of the firms' own goods and services. The respondents expect growth for their firms in the next six months but a decline in activity in the region overall.

The diffusion index for current general activity at the firm level rose from -26.7 to -16.3 in May, its fourth consecutive negative reading (see Chart). Almost 45 percent of the firms reported decreases in activity, 28 percent reported increases, and 27 percent reported no change. The sales/revenues index also rose but remained negative, ticking up 2 points to -5.5. The new orders index fell from -6.9 to -16.3. The indicator for current regional activity was little changed at -41.9." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2025-5; 5/20/25

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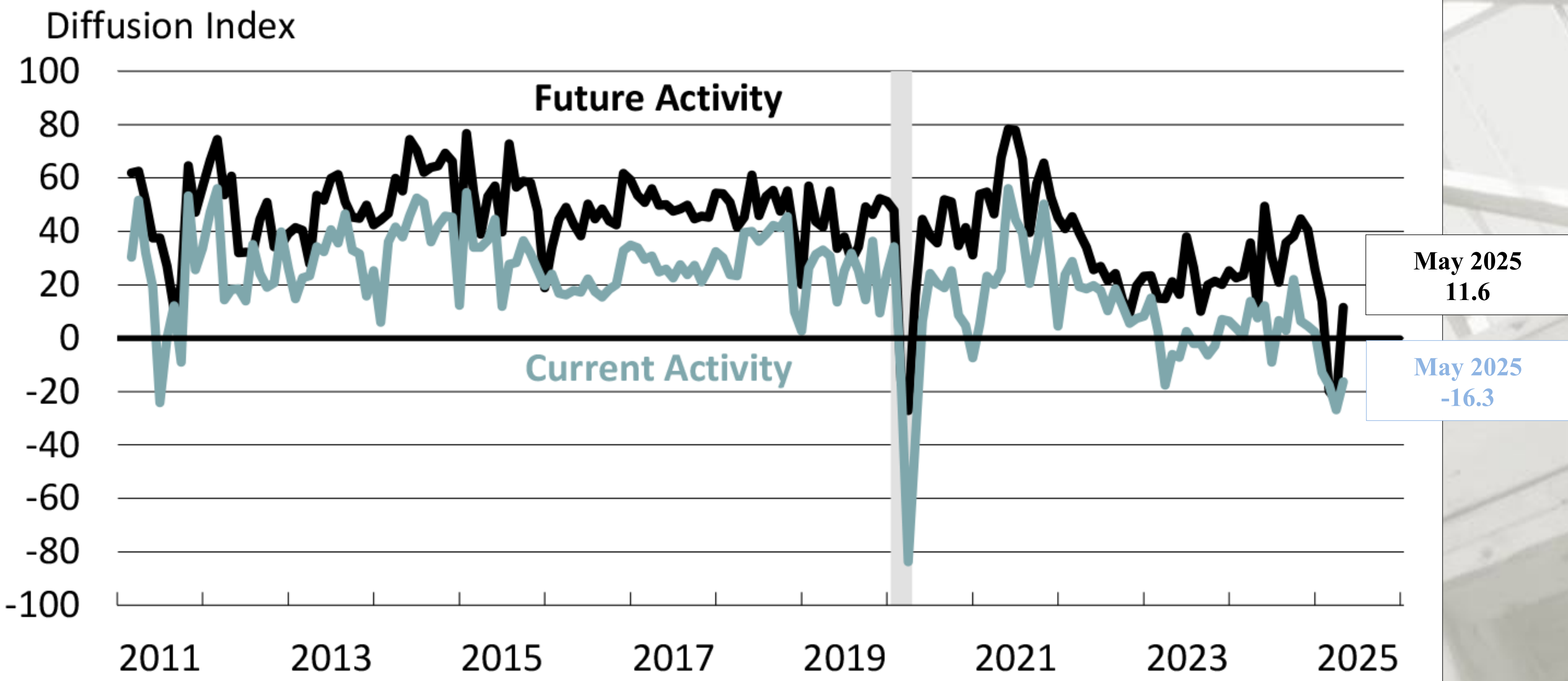
The Federal Reserve Bank of Philadelphia

Chart. Current and Future General Activity Indexes

January 2011 to May 2025



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-2025-5; 5/20/25

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The Federal Reserve Bank of Philadelphia

May 2025 Nonmanufacturing Business Outlook Survey

Firms Report Overall Increases in Full-Time Employment

"The full-time employment index, which had turned negative last month, was essentially unchanged at -7.2 this month. Almost 21 percent of the firms reported decreases in full-time employment, while 13 percent reported increases; over 57 percent reported no change. The part-time employment index declined from 3.5 to -7.9, its first negative reading since January. The share of firms reporting decreases (17 percent) exceeded the share reporting increases (9 percent); 58 percent reported steady part-time employment. The average workweek index also turned negative, falling 8 points to -6.2.

Prices Paid Index Returns to Long-Run Average

The price indicators suggest increases in prices for inputs and little change for the firms' own goods and services overall. The prices paid index declined 17 points to 29.6 this month and is now in line with its long-run average following two months of elevated readings. Regarding prices for the firms' own goods and services, the prices received index rose from a near-zero reading in April to 4.0 in May. The price indicators suggest increases in prices for inputs and little change for the firms' own goods and services overall. The prices paid index declined 17 points to 29.6 this month and is now in line with its long-run average following two months of elevated readings. Regarding prices for the firms' own goods and services, the prices received index rose from a near-zero reading in April to 4.0 in May." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2025-5; 5/20/25

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The Federal Reserve Bank of Philadelphia

May 2025 Nonmanufacturing Business Outlook Survey

Firms Report Higher Sales/Revenues on Balance

"In this month's special questions, the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters. Regarding their own prices, the firms' median forecast was for an increase of 2.0 percent, unchanged from when the question was last asked in February. The firms' reported own price change over the past year was 2.0 percent, up from 0.0 percent last quarter. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 4.0 percent over the next four quarters, up from 3.0 percent last quarter. When asked about the rate of inflation for U.S. consumers over the next year, the firms' median forecast moved up from 3.3 percent to 4.8 percent.

The firms were also asked about changes in customer price sensitivity and anticipated cost changes. Half of the firms reported their core customers were more price sensitive compared with last quarter, while over 47 percent reported customers' price sensitivity was about the same. Nearly 65 percent of the firms anticipated changes in their industry's costs in the near term, and nearly 62 percent of those firms expected their competitors to raise prices in response. Regarding when these prices changes will occur, the firms' median expectation was for competitors to change prices in the next two to three months." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2025-5; 5/20/25

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The Federal Reserve Bank of Philadelphia

April 2025 Nonmanufacturing Business Outlook Survey

Future Indicators Are Mixed

Expectations for growth over the next six months were more widespread at the firm level but remained negative for the region. The diffusion index for future activity at the firm level rose 35 points to 11.6, its first positive reading since February (see Chart). The future regional activity index remained negative but ticked up from -31.8 to -30.6.

Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest activity declined overall in the region. The indicators for firm-level general activity, new orders, and sales/revenues all remained negative for the fourth consecutive month. The firms reported overall increases in full-time employment. The firms reported increases in prices paid for inputs and little change in the prices of their own goods and services. The respondents' expectations for future growth at their own firms were more widespread this month." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2025-4; 4/22/25

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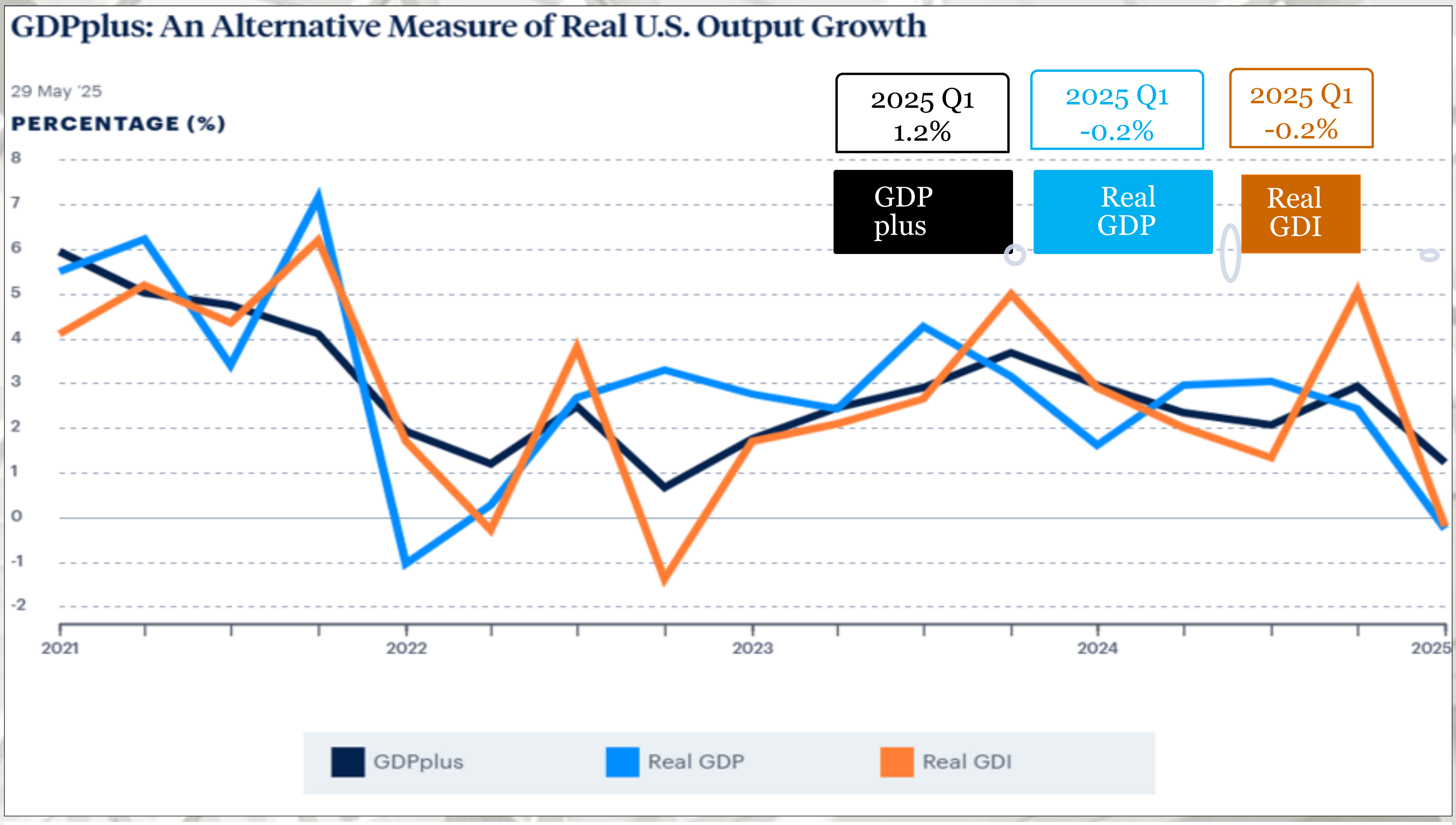
The Federal Reserve Bank of Philadelphia: GDPplus



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; 5/29/25

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The Federal Reserve Bank of Richmond

April 2025 Fifth District Survey of Manufacturing Activity

Fifth District Manufacturing Activity Slowed in May

"Fifth District manufacturing activity slowed in May, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased to −9 in May from −13 in April, remaining in negative territory. Of its three component indexes, shipments and new orders rose to −10 and −14, respectively, and employment edged up to −2 from −5.

The local business conditions index decreased from −21 in April to −25 in May, while the index for future local business conditions rose notably from −37 to −6. The future indexes for shipments and new orders increased substantially, with shipments rising from −20 to 2 and new orders increasing from −26 to −3.

The vendor lead time index increased to 15 in May, while the backlog of orders index increased from −24 to −19.

The average growth rates of prices paid and prices received were nearly unchanged in May. Firms expected heightened growth in prices paid and prices received over the next 12 months." – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/region_communities/regional_data_analysis/surveys/manufacturing; 5/28/25

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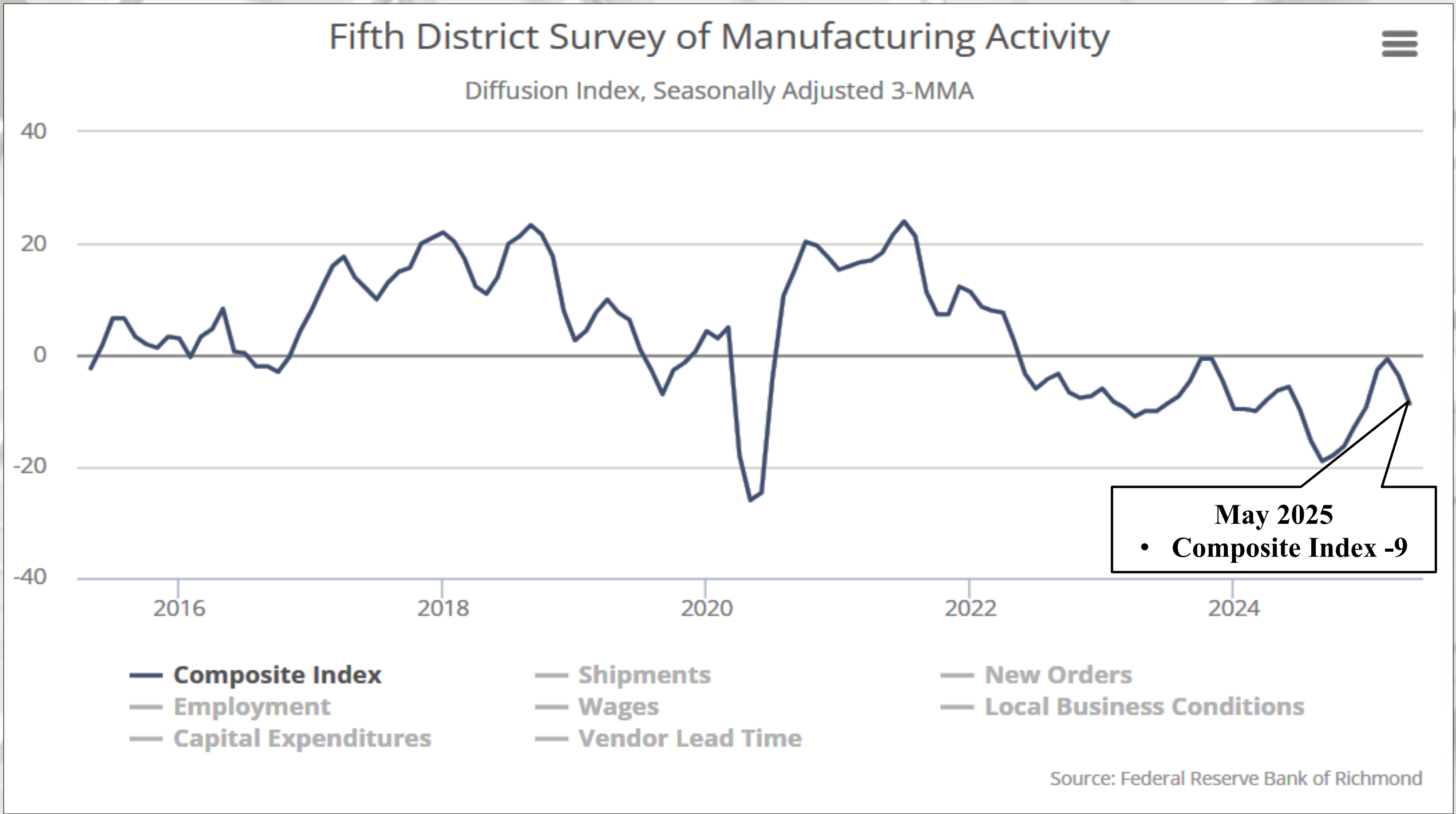
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/region_communities/regional_data_analysis/surveys/manufacturing; 5/28/25

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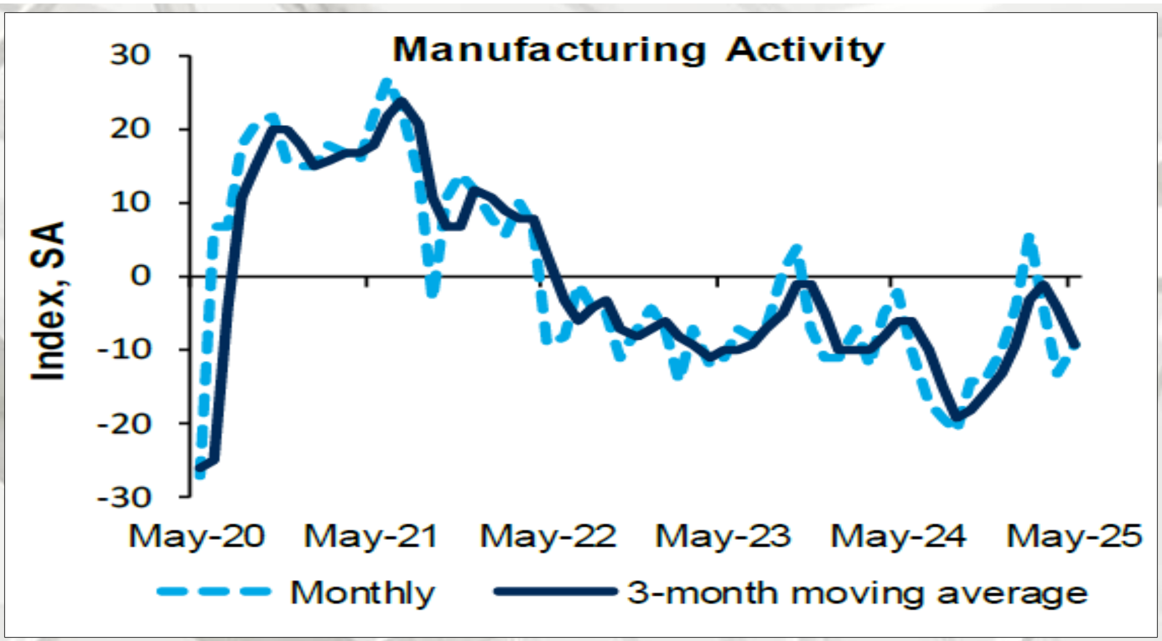
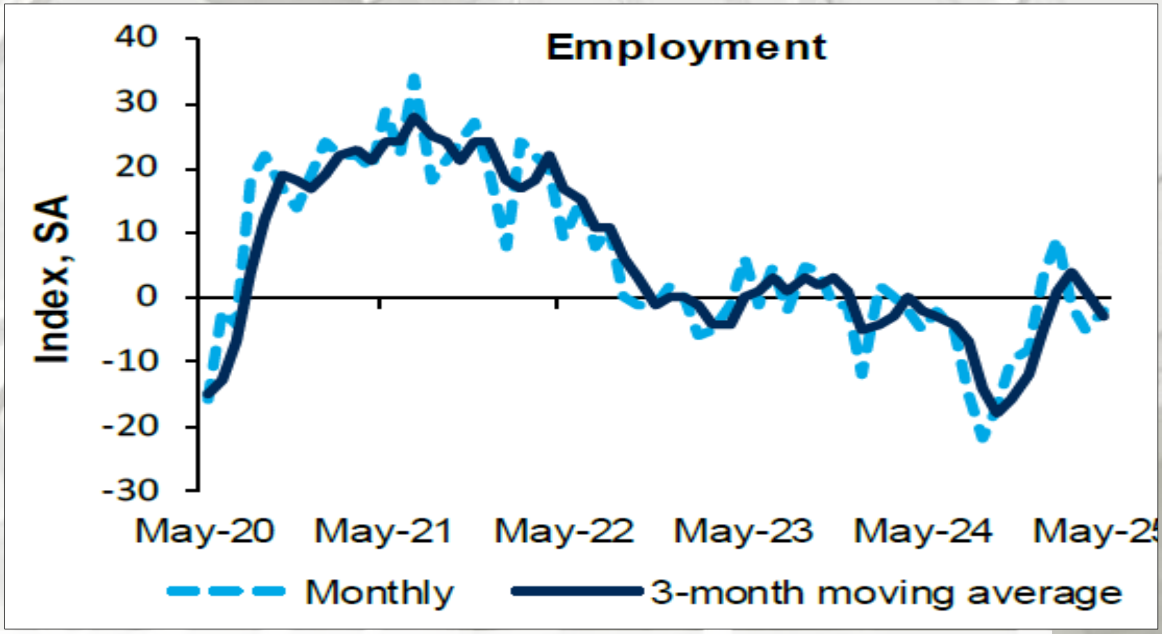
The Federal Reserve Bank of Richmond





Source: https://www.richmondfed.org/region_communities/regional_data_analysis/surveys/manufacturing; 5/28/25

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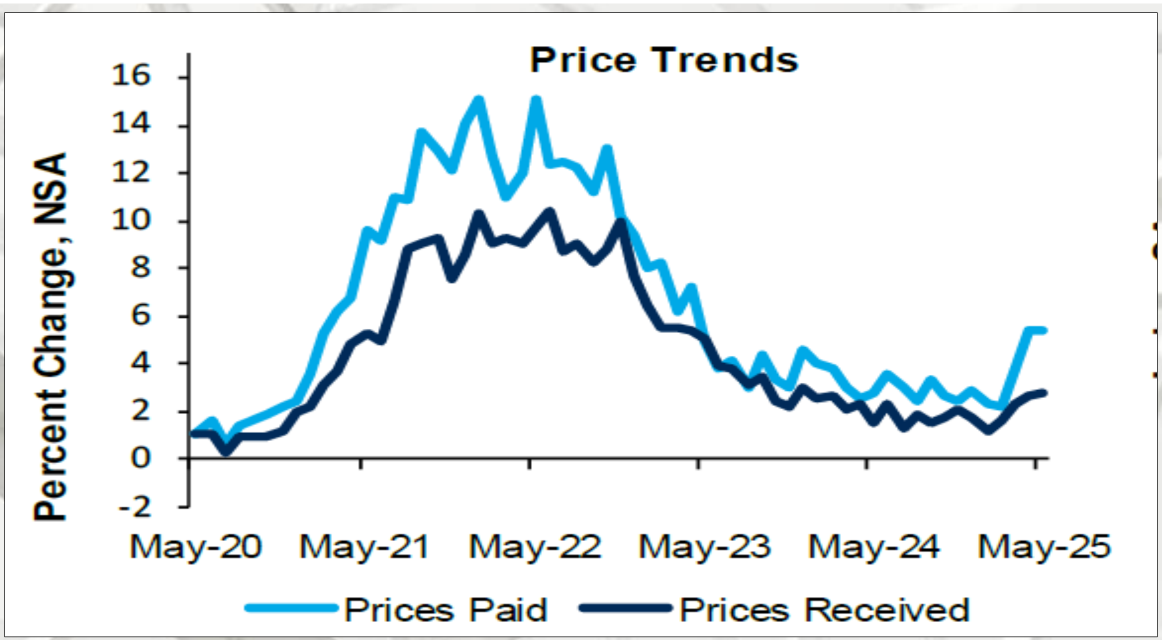
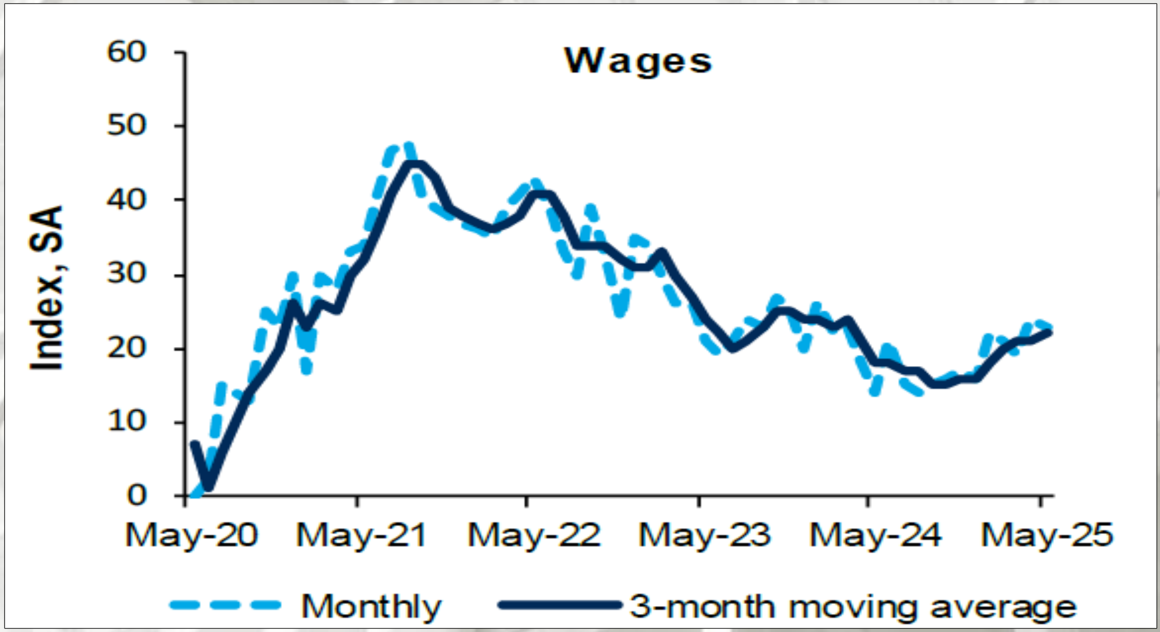
The Federal Reserve Bank of Richmond





Source: https://www.richmondfed.org/region_communities/regional_data_analysis/surveys/manufacturing; 5/28/25

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The Federal Reserve Bank of Richmond

April Fifth District Survey of Service Sector Activity

Fifth District Service Sector Activity Slowed in May

“Fifth District service sector activity slowed in May, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index fell from −7 to −11 and the demand index rose from −12 to −8 in May. The indexes for future revenues and demand edged up to 5 and 2, respectively.

The local business conditions index increased from −30 in April to −18 in May. The future local business conditions index rose from −29 to −18 in May, remaining in negative territory.

The current employment index decreased from 8 to 0 in May and the forward-looking index rose from 1 to 11. The wages index increased to 20 and firms continued to expect to increase wages over the next six months.

The average growth rates of prices paid and prices received were nearly unchanged in May. Firms expected growth in prices to increase 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/service_sector; 5/28/25

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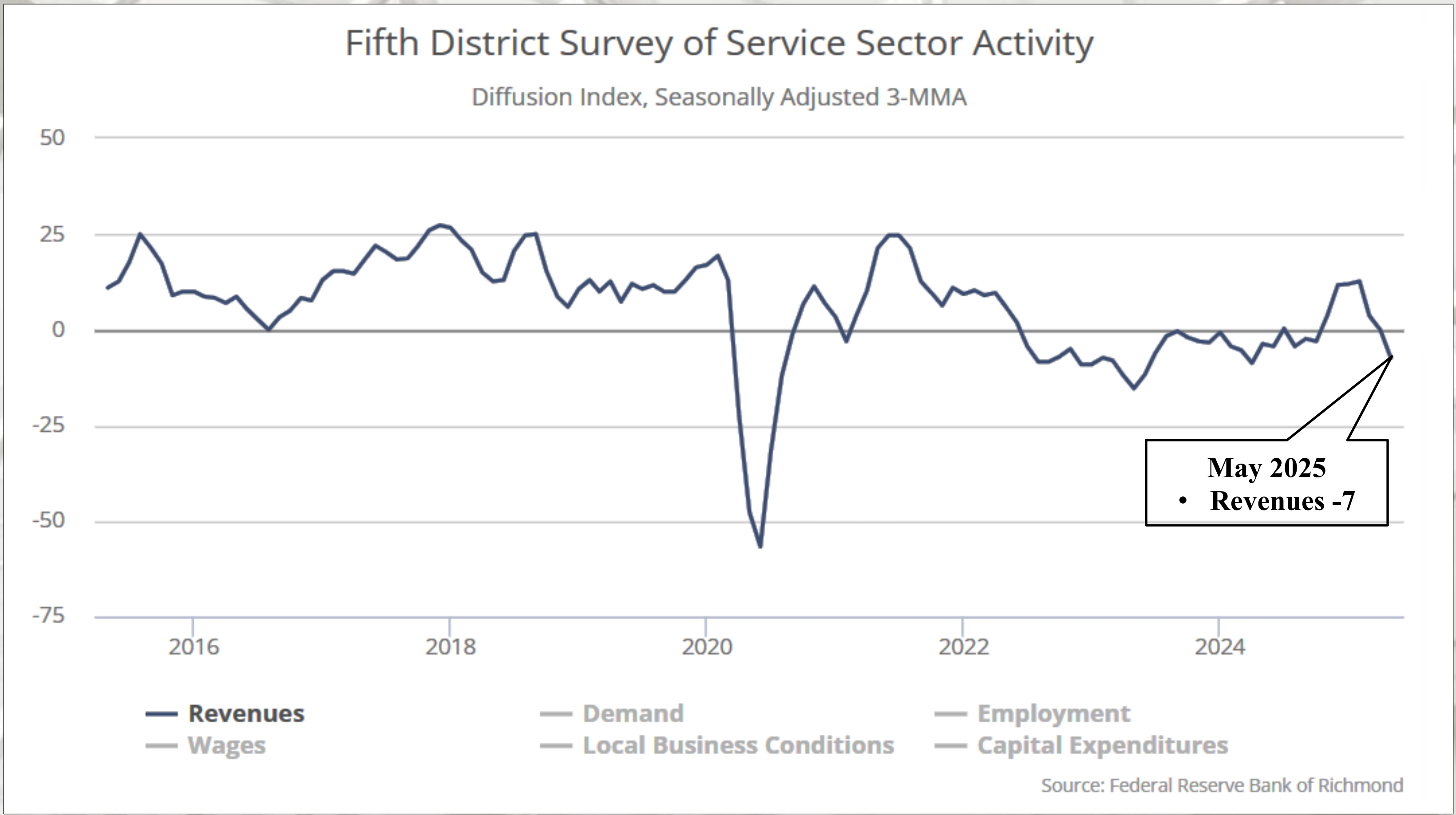
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 5/28/25

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Private Indicators: Global

S&P Global Canada Manufacturing PMI®

"The **S&P Global Canada Manufacturing Purchasing Managers' Index® (PMI®)**, a composite index designed to provide an overview of the health of the manufacturing sector, posted 46.1 in May. That was slightly up on April's 45.3 but nonetheless below the critical 50.0 no-change mark for a fourth month in a row. Readings above 50.0 signal an improvement in operating conditions, whilst those below are indicative of contraction.

Output and new orders fall sharply again as tariffs continue to weigh on sector

"The downturn in Canada's manufacturing economy continued in May. Output and new orders both fell again, largely due to tariffs, whilst employment was reduced at the fastest rate in nearly five years. Confidence in the outlook remained subdued, and inflation rates picked up since April. Delays related to the delivery of inputs intensified and further inventory reductions were recorded.

…confidence in the outlook remained subdued overall. Whilst there are some hopes of an improvement in underlying market conditions and greater macroeconomic stability, worries over trade dominated the outlook.

With manufacturers continuing to be hit by tariffs and trade uncertainty, May saw the sector experience a further significant contraction. Although declines were softer than in April, both production and new orders again fell to noticeable degrees amid reports that market demand was weak – again largely because of tariffs.

Moreover, the hard to predict nature of trade policies means the outlook for production remains extremely uncertain and given the recent scale of the downturn in the sector, job losses are mounting. Indeed, latest data showed the steepest decline in employment since the height of the COVID pandemic in 2020 with spare capacity and rising costs also an increasing problem for many firms.

Unsurprisingly, tariffs remain the primary source of price pressures, whilst also leading to an intensification of supply side delays. No wonder firms therefore remained circumspect in their purchasing and inventory management decisions during May, with the survey again revealing declines in both input buying and stocks." – Paul Smith, Economics Director, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/12cbdfe0de074bec9d7e15e67f70b607; 6/2/25

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Private Indicators: Global

J.P. Morgan Global Manufacturing PMI™

"The J.P. Morgan Global Manufacturing PMI® – a composite index produced by J.P. Morgan and S&P Global Market Intelligence in association with ISM and IFPSM – fell to a five-month low of 49.6 in May, down from 49.8 in April, to signal a deterioration in overall operating performance for the second successive month.

Global manufacturing output falls back into contraction, but confidence lifts from April low

The global manufacturing sector remained in the doldrums in May, with the latest survey data signalling that output volumes had fallen back in contraction territory. Companies linked the downturn to reduced intakes of new work, as both total new orders and new export business declined.

Manufacturing production contracted for the first time in five months during May. The downturn reflected weaknesses in the intermediate and investment goods sectors, both of which saw production volumes decline following modest gains in the prior survey month. In contrast, consumer goods output rose for the twenty-second successive month.

Although indicators of current performance (such as new orders, output and employment) were downbeat in May, there were signs of global manufacturers' outlooks strengthening. Business optimism rose from April's two-and-a-half year low, improving across the consumer, intermediate and investment goods industries. …

The J.P. Morgan global manufacturing output PMI continued its recent downward trend in May, falling back 1.4-pt. At 49.1, the index sits at a level consistent with stagnation in global factory output, reinforcing that the recent front-loaded boom in global manufacturing is set to unwind. The move was more mixed beneath the surface however, as a sharp drop in China's output PMI contrasted with a broad move sideways in much of the DM. Global new orders also fell back 0.6-pt. As we have expected, manufacturing confidence as measured by the future output PMI rebounded 3.1-pts amidst the recent US-China tariff compromise. Trade tensions remain a material drag however, and where activity eventually settles after the front-loading unwinds in 2H25 is a key uncertainty for the outlook." – Maia Crook, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/422b2c1cf22f4f6ab2ce5414aea024ef; 6/3/25

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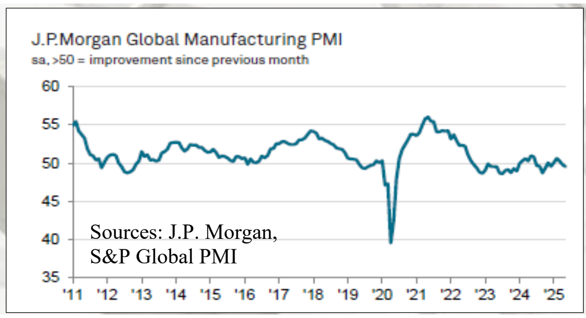
Private Indicators: Global



Sources: J.P. Morgan, S&P Global PMI

J.P. Morgan Global Composite PMI™

"The J.P. Morgan Global Composite PMI® Output Index – produced by J.P. Morgan and S&P Global in association with ISM and IFPSM – fell to a five-month low of 49.6 in May, down from 49.8 in April, to signal a deterioration in overall operating performance for the second successive month.

Growth manufacturing output falls back into contraction, but confidence lifts from April low

"The global manufacturing sector remained in the doldrums in May, with the latest survey data signalling that output volumes had fallen back in contraction territory. Companies linked the downturn to reduced intakes of new work, as both total new orders and new export business declined.

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Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/422b2c1cf22f4f6ab2ce5414aea024ef; 6/3/25

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Private Indicators
Associated Builders and Contractors (ABC)

ABC: Contractors' Backlog Falls Sharply in May

"Associated Builders and Contractors reported that its Construction Backlog Indicator fell to 8.4 months in May, according to an ABC member survey conducted May 20 to June 3. The reading is up 0.1 months since May 2024.

View ABC's Construction Backlog Indicator and Construction Confidence Index tables for May. View the full Construction Backlog Indicator and Construction Confidence Index data series.

While the South maintains the longest backlog of any region, it was the only one to experience a decline in May. Only the Northeast has longer backlog on a year-over-year basis, while the other three regions experienced annual declines.

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

"The impacts of tariffs are increasingly apparent, with nearly 1 in 4 ABC member contractors reporting tariff-related project cancellations or delays in May," said ABC Chief Economist Anirban Basu. "While 87% of survey respondents have been notified of tariff-related materials price increases, profit margin expectations actually improved in May.

"Of course, this survey was largely conducted prior to the announcement of the now-implemented 50% steel and aluminum tariffs, and margins will likely come under pressure in the coming months," said Basu. "Despite this potential headwind, approximately 6 out of 10 contractors expect their sales to increase over the next two quarters, suggesting widespread optimism about the outlook."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-contractors-backlog-falls-sharply-in-may; 6/10/25

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Private Indicators
Associated Builders and Contractors (ABC)

Construction Backlog Indicator

	May 2025	April 2025	May 2024	1-Month Net Change	12-Month Net Change
Total	**8.4**	**8.7**	**8.3**	**-0.3**	**0.1**
Industry					
Commercial and institutional	8.8	9.1	8.5	-0.3	0.3
Heavy industrial	7.2	5.9	8.8	1.3	-1.6
Infrastructure	6.8	7.0	8.0	-0.2	-1.2
Region					
Middle States	7.5	7.2	7.6	0.3	-0.1
Northeast	8.7	8.7	7.0	0.0	1.7
South	9.4	10.3	10.1	-0.9	-0.7
West	7.5	7.1	8.1	0.4	-0.6
Company Size					
<$30 Million	7.6	7.8	7.4	-0.2	0.2
$30-$50 Million	9.9	9.3	7.6	0.6	2.3
$50-$100 Million	9.4	9.7	9.2	-0.3	0.2
>$100 Million	10.9	12.0	12.1	-1.1	-1.2

Source: https://www.abc.org/News-Media/News-Releases/abc-contractors-backlog-falls-sharply-in-may; 6/10/25

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Private Indicators
Associated Builders and Contractors (ABC)

Construction Confidence Index

Response	May 2025	April 2025	May 2024
CCI Reading			
Sales	60.4	62.1	59.9
Profit margins	53.3	53.1	51.7
Staffing	61.7	62.6	61.6
Sales Expectations			
Up big	5.9%	10.6%	5.9%
Up small	54.2%	49.8%	51.4%
No change	18.8%	20.6%	22.2%
Down small	17.7%	15.4%	17.4%
Down big	3.3%	3.5%	3.1%
Profit Margin Expectations			
Up big	4.4%	4.5%	1.7%
Up small	35.8%	32.2%	31.6%
No change	33.6%	37.3%	42.0%
Down small	21.0%	23.2%	21.2%
Down big	5.2%	2.9%	3.5%
Staffing Level Expectations			
Up big	3.0%	5.1%	4.5%
Up small	52.8%	51.8%	47.6%
No change	33.2%	32.8%	38.5%
Down small	10.3%	9.0%	8.7%
Down big	0.7%	1.3%	0.7%

Source: https://www.abc.org/News-Media/News-Releases/abc-contractors-backlog-falls-sharply-in-may; 6/10/25

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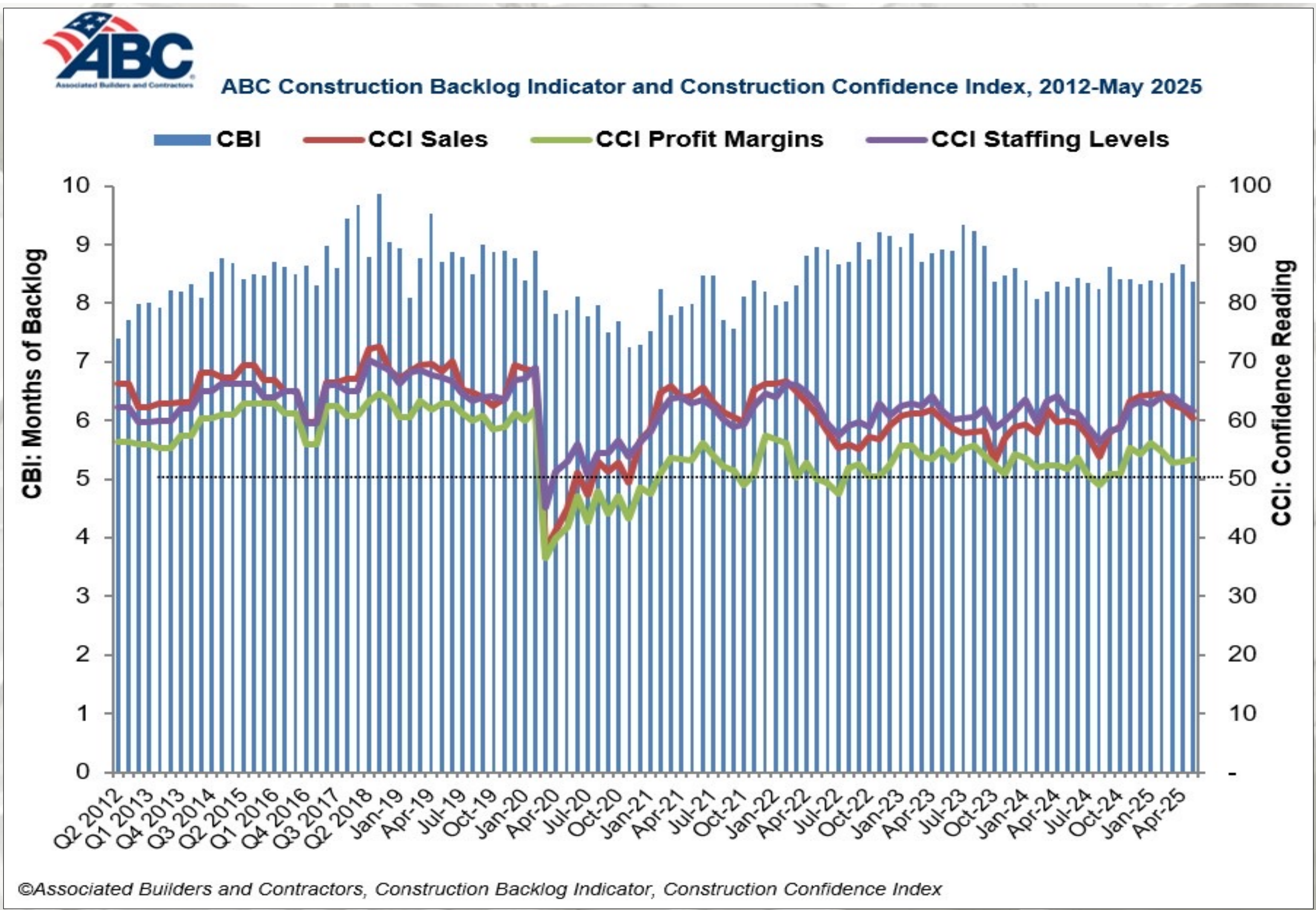
Private Indicators
Associated Builders and Contractors (ABC)



Source: https://www.abc.org/News-Media/News-Releases/abc-contractors-backlog-falls-sharply-in-may; 6/10/25

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Private Indicators
Associated Builders and Contractors

Nonresidential Construction Spending Dips 0.1% in April

"National nonresidential construction spending decreased 0.1% in April, 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 $1.248 trillion.

Spending was down on a monthly basis in 6 of the 16 nonresidential subcategories. Private nonresidential spending was down 0.5%, while public nonresidential construction spending was up 0.5% in April.

"Construction spending slipped in April as headwinds like trade policy uncertainty, high interest rates and tight lending standards continued to batter industrywide momentum," said ABC Chief Economist Anirban Basu. "Nearly 22% of contractors reported tariff-related project delays or cancellations in April, and despite changes to certain import tax rates in May, policy uncertainty remains extraordinarily elevated.

"With the exception of data centers and certain public sector segments, the industry has few bright spots at the moment," said Basu. "Private nonresidential spending has fallen in 3 of the first 4 months of 2025 and is on pace to decline 4% for the year. This is especially concerning given a nearly 10% year-over-year decline in computer/electronic manufacturing construction spending, the segment that bolstered the industry throughout much of 2023 and 2024."'" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-dips-01-in-april; 6/2//25

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Private Indicators
Associated Builders and Contractors

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

	April 2025	March 2025	April 2024	1-Month % Change	12-Month % Change
Total Construction	$2,152,380	$2,162,046	$2,163,179	-0.4%	-0.5%
Residential	$904,593	$912,513	$949,358	-0.9%	-4.7%
Nonresidential	$1,247,787	$1,249,533	$1,213,820	-0.1%	2.8%
Amusement and recreation	$42,720	$42,441	$38,341	0.7%	11.4%
Transportation	$71,099	$70,690	$66,443	0.6%	7.0%
Highway and street	$147,284	$146,573	$146,623	0.5%	0.5%
Health care	$69,375	$69,101	$67,516	0.4%	2.8%
Public safety	$19,273	$19,237	$18,510	0.2%	4.1%
Lodging	$23,047	$23,021	$23,181	0.1%	-0.6%
Sewage and waste disposal	$49,260	$49,208	$45,232	0.1%	8.9%
Water supply	$34,323	$34,303	$32,104	0.1%	6.9%
Office	$104,120	$104,084	$100,234	0.0%	3.9%
Educational	$135,618	$135,642	$127,204	0.0%	6.6%
Communication	$28,637	$28,654	$28,147	-0.1%	1.7%
Manufacturing	$232,169	$233,472	$231,583	-0.6%	0.3%
Power	$152,009	$153,016	$145,955	-0.7%	4.1%
Commercial	$122,569	$123,512	$127,087	-0.8%	-3.6%
Conservation and development	$11,493	$11,658	$11,541	-1.4%	-0.4%
Religious	$4,793	$4,922	$4,120	-2.6%	16.3%
Private Nonresidential	$746,047	$750,116	$738,845	-0.5%	1.0%
Public Nonresidential	$501,740	$499,417	$474,975	0.5%	5.6%

Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-dips-01-in-april; 6/2//25

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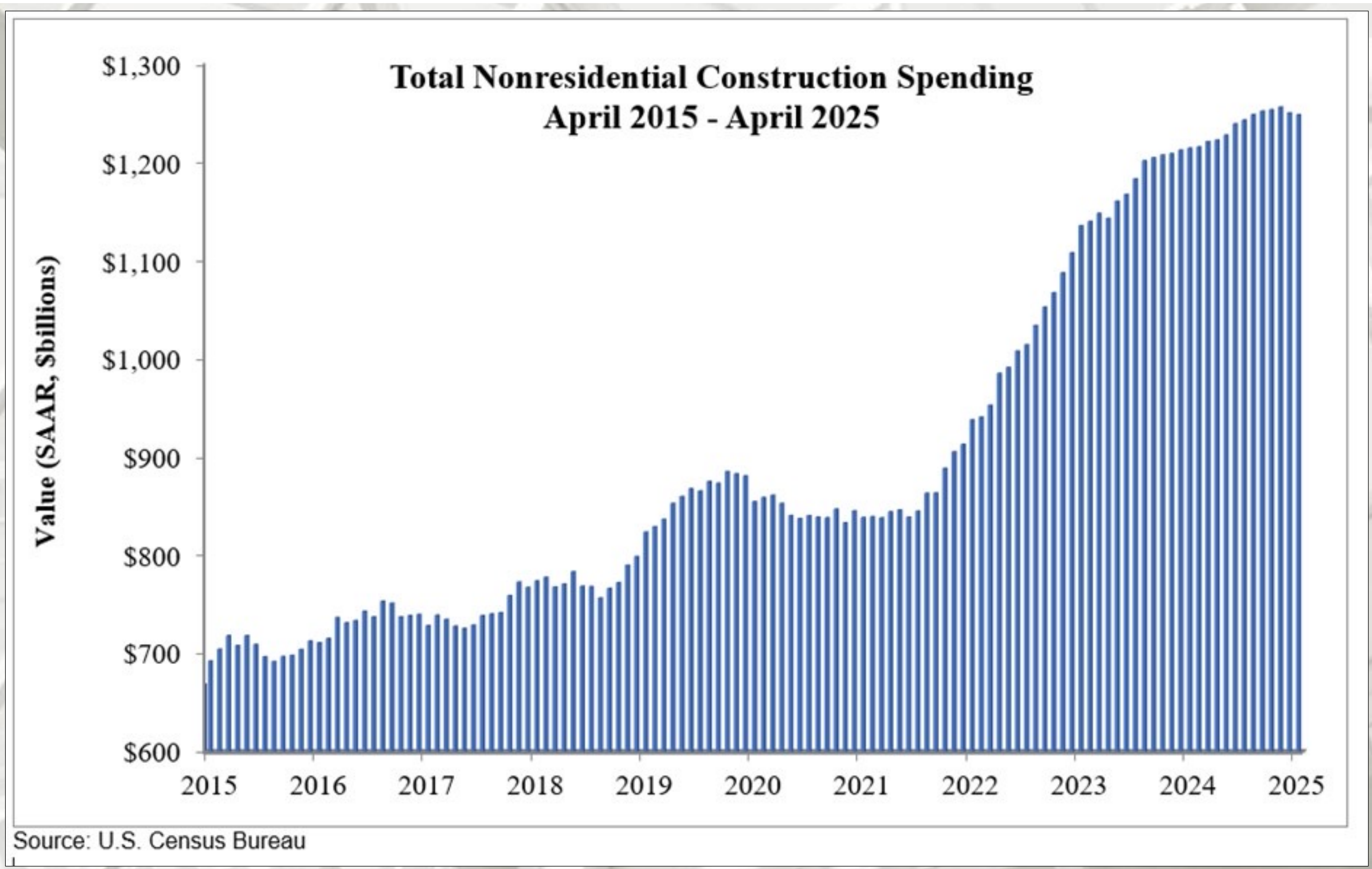
Private Indicators
Associated Builders and Contractors



Private Indicators
Associated Builders and Contractors

Construction Job Openings Decreased by 3,000 in April, Down 45% Since December 2023

"The construction industry had 248,000 job openings on the last day of April, 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 decreased by 3,000 last month and are down by 78,000 from the same time last year.

"Construction labor market churn remained unusually slow in April," said ABC Chief Economist Anirban Basu. "The rates of hires, layoffs and quits are all low by historical standards, and industrywide job openings have fallen 45% since reaching an all-time high in December 2023. Despite stagnant workforce dynamics and emerging weakness in construction spending data, approximately 57% of contractors 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-construction-job-openings-decreased-by-3000-in-april-down-45-since-december-2023; 6/3/25

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Private Indicators
Associated Builders and Contractors

Construction Industry Job Openings and Labor Turnover Data: April 2025

	April 2025	March 2025	April 2024	1-Month Net Change	12-Month Net Change	12-Month % Change
Total						
Job openings	248,000	251,000	326,000	-3,000	-78,000	-23.9%
Hires	348,000	306,000	328,000	42,000	20,000	6.1%
Total separations	339,000	322,000	347,000	17,000	-8,000	-2.3%
Layoffs & discharges	176,000	150,000	153,000	26,000	23,000	15.0%
Quits	147,000	166,000	183,000	-19,000	-36,000	-19.7%
Other separations	15,000	5,000	11,000	10,000	4,000	36.4%
Rate						
Job openings	2.9%	2.9%	3.8%			
Hires	4.2%	3.7%	4.0%			
Total separations	4.1%	3.9%	4.2%			
Layoffs & discharges	2.1%	1.8%	1.9%			
Quits	1.8%	2.0%	2.2%			
Other separations	0.2%	0.1%	0.1%			

Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-decreased-by-3000-in-april-down-45-since-december-2023; 6/3/25

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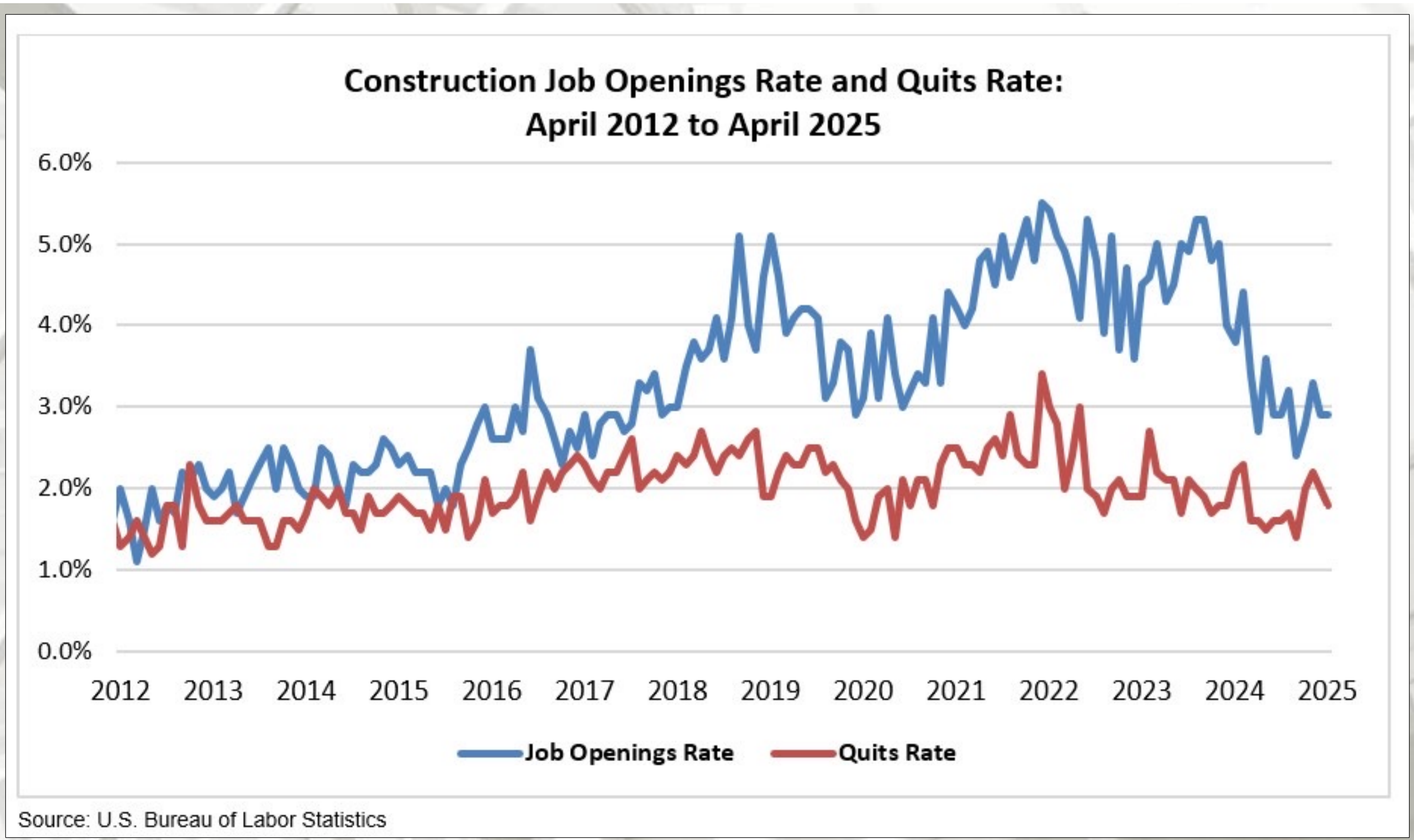
Private Indicators
Associated Builders and Contractors



Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-decreased-by-3000-in-april-down-45-since-december-2023; 6/3/25

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Private Indicators
Associated Builders and Contractors

Nonresidential Construction Added Jobs in April Despite Headwinds

"The construction industry added 4,000 jobs on net in May, according to an Associated Builders and Contractors analysis of data released by the U.S. Bureau of Labor Statistics. On a year-over-year basis, industry employment has increased by 126,000 jobs, an increase of 1.5%.

Nonresidential construction employment increased by 11,300 positions, with growth in all three subcategories. Nonresidential specialty trade added the most jobs, increasing by 4,500 positions, while heavy and civil engineering and nonresidential building added 3,700 and 3,100 jobs, respectively.

The construction unemployment rate decreased to 3.5% in May. Unemployment across all industries remained unchanged at 4.2%.

"The nonresidential construction segment has now added jobs at over twice the pace of the broader economy during the past 12 months," said ABC Chief Economist Anirban Basu. "This hiring has been aided by softness in the residential segment, which lost over 7,000 jobs in May, freeing up workers for nonresidential contractors. Even so, the industrywide unemployment rate fell to an exceptionally low 3.5% in May, indicating that the labor supply remains unusually tight.

"Despite healthy nonresidential hiring, the broader industry has added just 25,000 jobs from January to May," said Basu. "That marks the slowest five-month employment growth since 2020 and provides a clear indication that high interest rates, tight lending standards and policy uncertainty are weighing on industrywide momentum. Of course, contractors remain broadly optimistic in the face of those headwinds, according to ABC's Construction Confidence Index, with a majority of contractors expecting their staffing levels to increase over the next six months." – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-adds-11300-jobs-in-may; 6/6//25

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Private Indicators
Associated Builders and Contractors

Construction Employment Statistics: May 2025

	May 2025	April 2025	May 2024	1-Month Net Change	12-Month Net Change	12-Month % Change
Employment						
Construction	8,314,000	8,310,000	8,188,000	4,000	126,000	1.5%
Nonresidential	4,970,800	4,959,500	4,844,300	11,300	126,500	2.6%
Nonresidential building	923,200	920,100	908,700	3,100	14,500	1.6%
Nonresidential specialty trade contractors	2,867,800	2,863,300	2,786,000	4,500	81,800	2.9%
Heavy & civil engineering	1,179,800	1,176,100	1,149,600	3,700	30,200	2.6%
Residential	3,343,000	3,350,400	3,344,000	-7,400	-1,000	0.0%
Residential building	962,800	959,200	942,600	3,600	20,200	2.1%
Residential specialty trade contractors	2,380,200	2,391,200	2,401,400	-11,000	-21,200	-0.9%
Average Hourly Earnings						
All private industries	$36.24	$36.09	$34.89	$0.15	$1.35	3.9%
Construction	$39.42	$39.31	$38.00	$0.11	$1.42	3.7%
Average Weekly Hours						
All private industries	34.3	34.3	34.3	0.0	0.0	0.0%
Construction	39.0	39.0	39.0	0.0	0.0	0.0%
Unemployment Rate						
All private industries (SA)	4.2%	4.2%	4.0%	0.0pp	0.2pp	
Construction (NSA)	3.5%	5.6%	3.9%	-2.1pp	-0.4pp	

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-nonresidential-construction-adds-11300-jobs-in-may; 6/6//25

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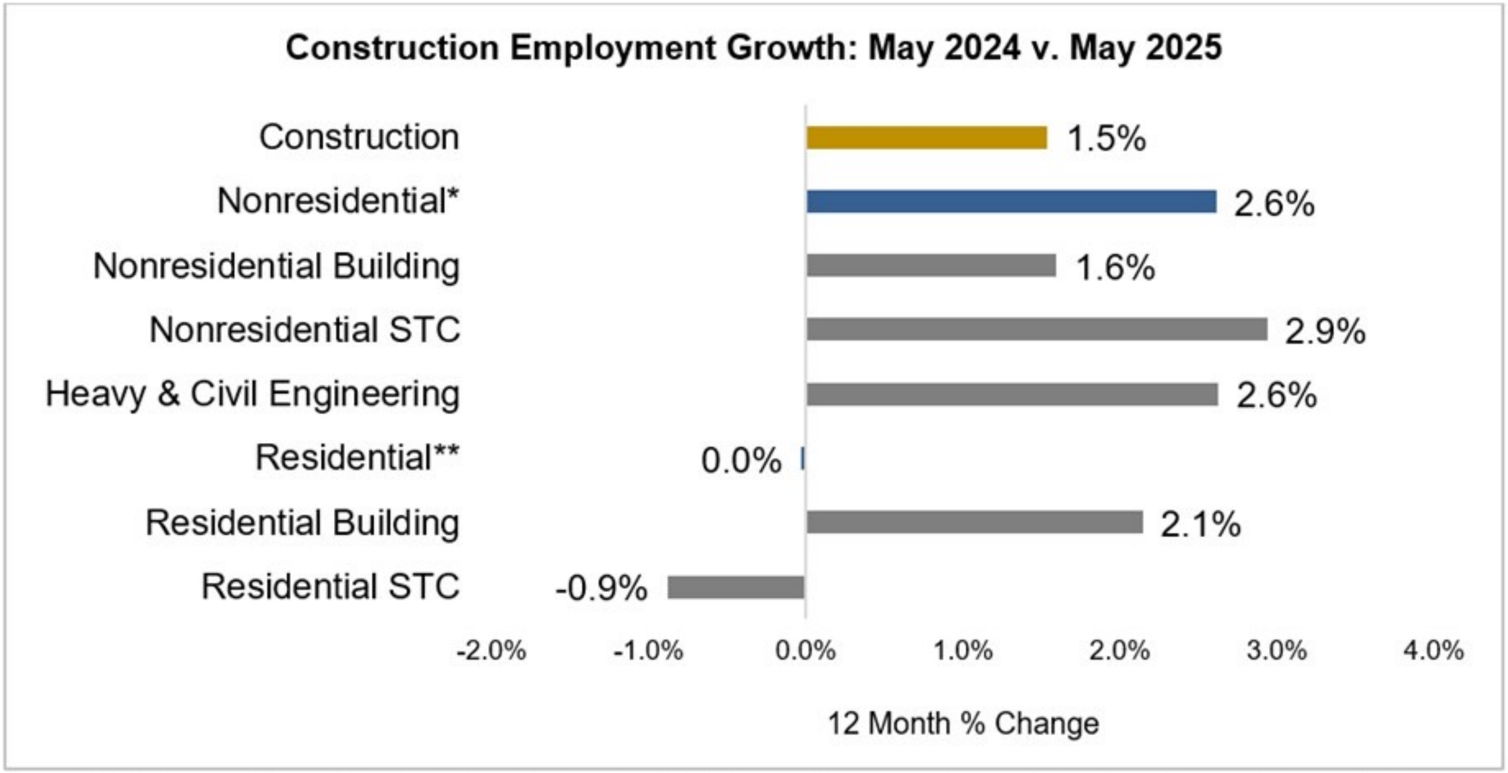
Private Indicators
Associated Builders and Contractors



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-nonresidential-construction-adds-11300-jobs-in-may; 6/6//25

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Private Indicators
American Institute of Architects (AIA) & Deltek

Architecture Billings Index April 2025

Architecture firm billings remained stagnant in April

"The AIA/Deltek Architecture Billings Index (ABI) score declined to 43.2 for the month. Billings have declined for 28 of the last 31 months, since they first dipped back into negative territory following the post-pandemic boom. Despite generally strong backlogs at firms, inquiries into new work declined for the third consecutive month in April, while the value of new design contracts declined at the majority of firms for the fourteenth consecutive month. Although the U.S. economy is not officially in a recession at this time, many architecture firms are reporting recession-like business conditions." – The American Institute of Architects

"Uncertainty as to the economic outlook continues to hold back progress on new construction projects. Despite the slowdown in billing activity, architecture firms continue to navigate this business cycle quite effectively, as staffing at firms remains relatively stable and project backlogs are holding up better than expected" – Kermit Baker, Chief Economist, AIA

Source https://www.aia.org/resource-center/abi-april-2025-billings-continue-decline-architecture-firms; 5/21/25

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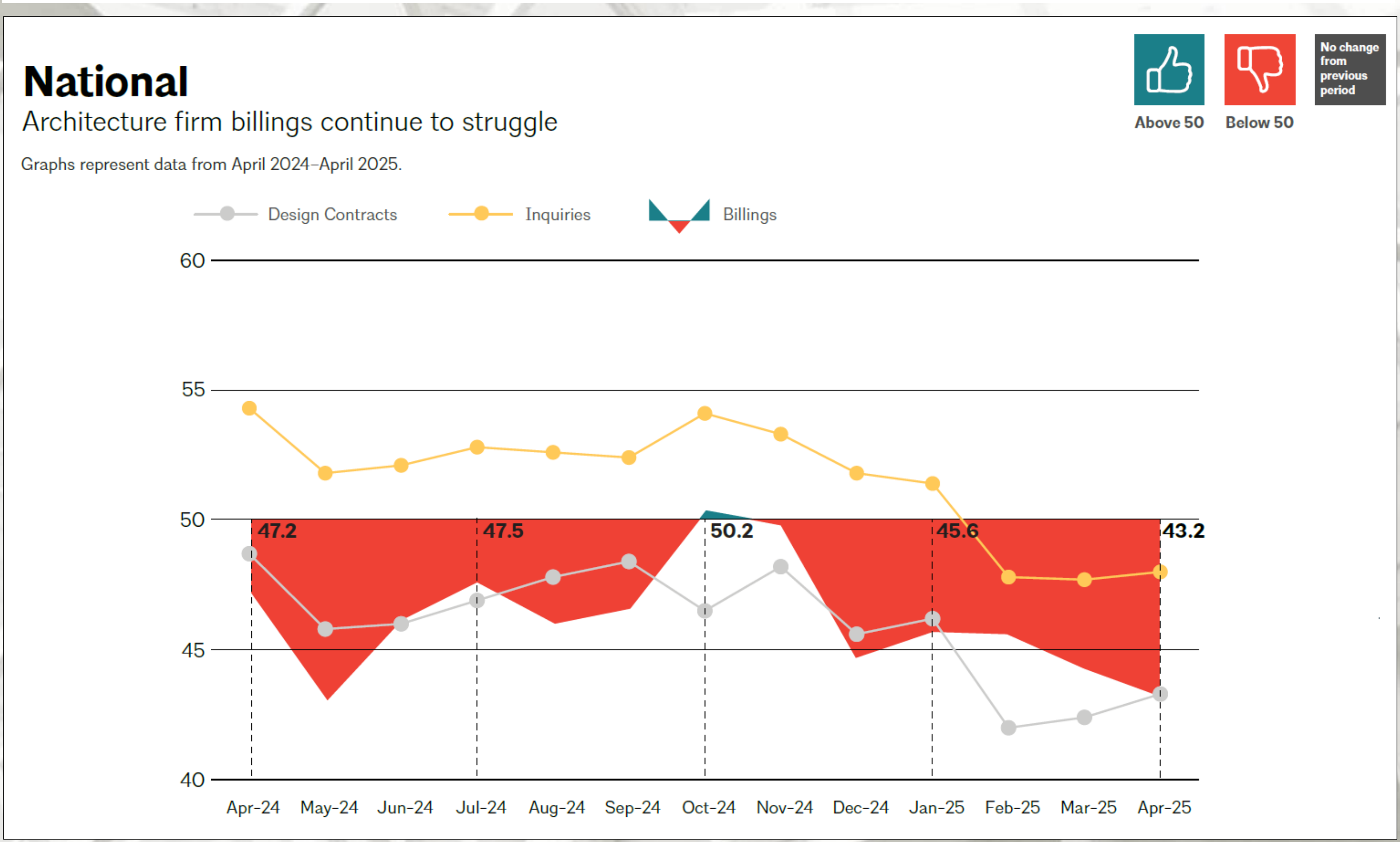
Private Indicators
American Institute of Architects (AIA) & Deltek



Source https://www.aia.org/resource-center/abi-april-2025-billings-continue-decline-architecture-firms; 5/21/25

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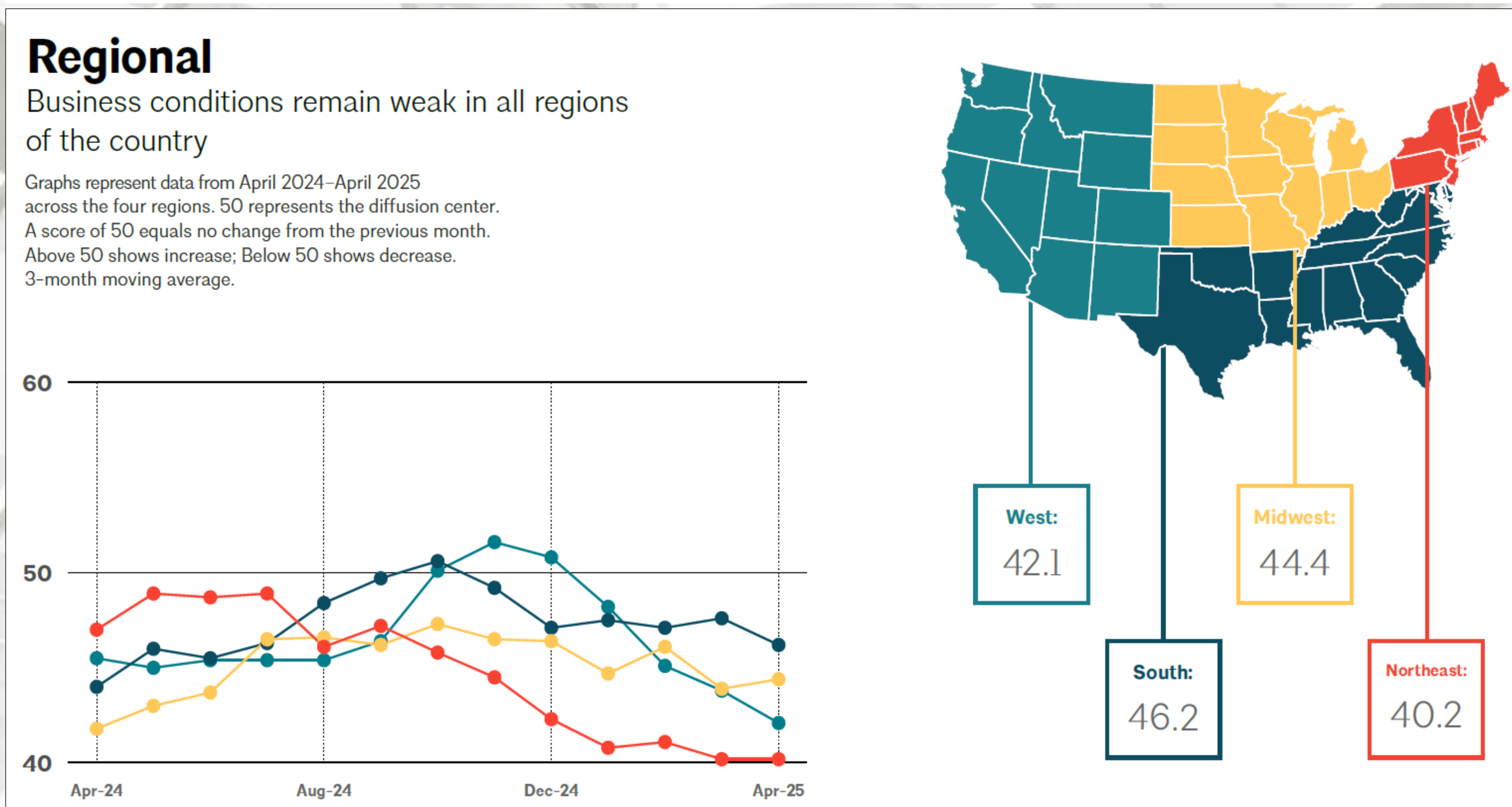
Private Indicators: AIA & Deltek



Region

"Regionally, business conditions at architecture firms remained softest at firms located in the Northeast for the seventh consecutive month in April. Conditions have also softened significantly at firms located in the West since the beginning of the year. " – The American Institute of Architects

Source https://www.aia.org/resource-center/abi-april-2025-billings-continue-decline-architecture-firms; 5/21/25

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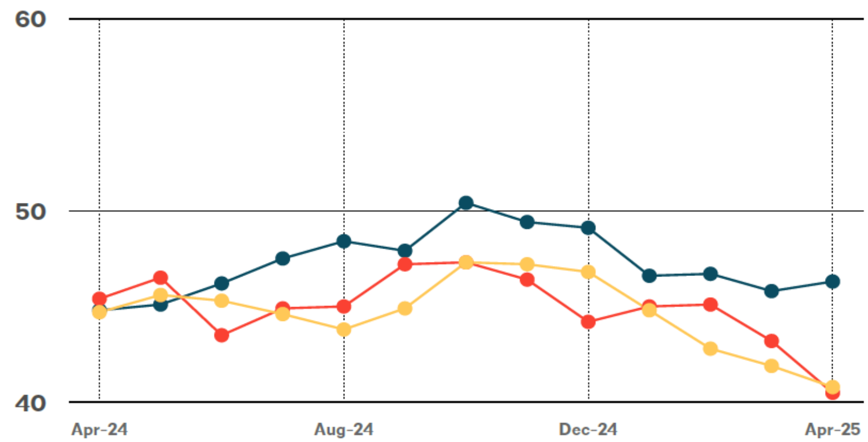
Private Indicators: AIA & Deltek

Sector

Billings soften further at firms with commercial/industrial, multifamily residential specializations

Graphs represent data from April 2024–April 2025 across the three sectors. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease.
3-month moving average.



Sector

"In addition, billings continued to decline at firms of all specializations this month, particularly at firms with commercial/industrial and multifamily residential specializations. The pace of the decline remains slower at firms with an institutional specialization, but billings have still declined nearly every month since mid-2023." – The American Institute of Architects

Source https://www.aia.org/resource-center/abi-april-2025-billings-continue-decline-architecture-firms; 5/21/25

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Private Indicators

Dodge Data & Analytics

Construction Starts Declined 9% in April

Growth in select sectors offers a counterpoint to April's slowdown.

"Total construction starts were down 9% in April to a seasonally adjusted annual rate of $1.03 trillion, according to Dodge Construction Network. Nonresidential building starts declined 3%, residential starts fell 4%, while nonbuilding starts decreased 22%. On a year-to-date basis through April, total construction starts were down 3% from last year. Nonresidential starts were down 10%, residential starts were down 5%, and nonbuilding starts were up by 8% over the same period.

For the 12 months ending April 2025, total construction starts were up 2% from the 12 months ending April 2024. Residential starts were flat, nonresidential starts were up 1%, and nonbuilding starts rose 5% over the same period.

"Broad-based monthly declines in construction starts represent a troubling signal for the sector," stated Eric Gaus, chief economist at Dodge Construction Network. "While not definitive, the slowdown in April aligns with delays in the planning pipeline and other economic data that capture the volatility and uncertainty of all the April tariff announcements. Uncertainty around trade policy and the economy's direction will continue to weigh on construction activity in the coming months."" – Sarah Martin, Associate Director of Forecasting, Dodge Construction Network

Source: https://www.construction.com/company-news/construction-starts-declined-9-in-april; 5/21/25

Private Indicators

Dodge Data & Analytics

“**Nonresidential building starts** receded 3% in April to a seasonally adjusted annual rate of $391 billion. Commercial starts were 21% lower in April, alongside weaker retail, office, and warehouse starts. Institutional starts, on the other hand, were up 2% last month following stronger healthcare and education starts. Manufacturing starts grew 78% over the month, as well. On a year-to-date basis through April, nonresidential starts are down 10% compared to April 2024. Commercial starts are up 3% and institutional starts are down 4% over the same period.

For the 12 months ending April 2025, total nonresidential starts were up 1% compared to the 12 months ending April 2024. Commercial starts were up 12%, institutional starts improved 9%, and manufacturing starts were down 46% over the same period.

Residential building starts fell 4% in April to a seasonally adjusted annual rate of $360 billion. Single-family starts decreased by 5%, while multifamily starts receded 3%. On a year-to-date basis through April, residential starts are down 5%, with single-family starts down 6% and multifamily starts down 4%.

For the 12 months ending April 2025, total residential starts were flat. Single-family starts were up 3% and multifamily starts were down 7% compared to the 12 months ending April 2024.

The largest multifamily structures to break ground in April were a $331 million residential and retail development in Jersey City, New Jersey, the $256 million Vista Point apartments at Fairview Life Care Community in Groton, Connecticut, and the $226 million Rambler Riverfront District apartments in West Lafayette, Indiana.

Regionally, total construction starts in April rose in the Midwest, and declined in the Northeast, South Atlantic, South Central, and West.” – Sarah Martin, Associate Director of Forecasting, Dodge Construction Network

Source: https://www.construction.com/company-news/construction-starts-declined-9-in-april; 5/21/25 /21/25

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Private Indicators

MONTHLY CONSTRUCTION STARTS

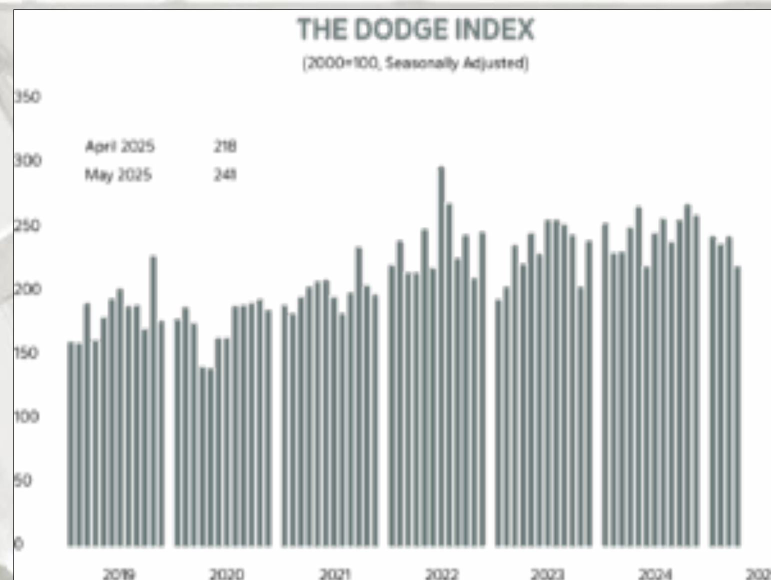
(Billions of Dollars, Seasonally Adjusted Annual Rate)

	Apr 2025	Mar 2025	% Change
Nonresidential Building	$391.5	$402.1	-2.6
Residential Building	$360.5	$376.4	-4.2
Nonbuilding Construction	$279.2	$359.2	-22.3
Total Construction	$1,031.1	$1,137.7	-9.4

YEAR-TO-DATE CONSTRUCTION STARTS

Unadjusted Totals, in Billions of Dollars

	Apr 2025	Mar 2025	% Change
Nonresidential Building	$121.5	$134.6	-9.8
Residential Building	$126.3	$133.5	-5.4
Nonbuilding Construction	$105.0	$97.0	8.2
Total Construction	$352.7	$365.1	-3.4



Source: Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-declined-9-in-april; 5/21/25il; 4/21/25

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Private Indicators

MNI Chicago

May 2025 Chicago Report™ – Slowed To 40.5 In May

"**The Chicago Business Barometer™**, produced with MNI, slowed 4.1 points to 40.5 in May. This was the second consecutive fall, bringing the index to its lowest level since January. The index has now been below 50 for eighteen consecutive months.

- The decrease was driven by a fall in New Orders, Order Backlogs and Production. Supplier Deliveries and Employment rose relative to April.
- Production softened 4.0 points to 43.9, falling below the 12-month average for the first time since January." – 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; 5/30/25

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Private Indicators

May 2025 Chicago Report™ – Slowed To 40.5 In May

- "New orders trimmed 6.0 points to 35.2, and are now 13.0 points below March's 48.2 high reading for the year. Only 11% of respondents recorded more new orders in May, the lowest since December.
- Employment rose 8.3 points to 45.9, the highest reading, and largest increase, since December. This was driven by more firms keeping employment levels unchanged rather than reducing employment.
- Order Backlogs fell 8.5 points to 29.1, matching November's reading. There has not been a lower reading since May 2024.
- Supplier Deliveries increased 5.3 points to 58.5. The proportion of respondents reporting slower supplier deliveries rose to 23% (the highest level since November 2022) from 8% in April. Only 4% reported faster deliveries.
- Inventories contracted 2.3 points to 49.5, but remains comfortably above March's 34.8 reading.
- Prices Paid narrowed 1.5 points to 76.5. This component has been above 70 for four consecutive months. As has been the case since February, no respondents reported lower prices paid in May. 57% of respondents reported an increase in prices paid, down from 67% in April." – Tim Davis, Head of Fixed Income Research, and Tim Cooper, Chief Economist, MNI Indicators

Source: https://chicago.ismworld.org/news-publications/reports/research-survey; 5/30/25

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Private Indicators

The Conference Board Leading Economic Index® (LEI) for the US Plunged in April

"**The Conference Board Leading Economic Index®** (LEI) for the U.S. fell sharply by 1.0% in April 2025 to 99.4 (2016=100), after declining by 0.8% in March (revised downward from the –0.7% originally reported). The LEI declined by 2.0% in the six-month period ending April 2025, the same rate of decline as over the previous six months (April–October 2024).

The U.S. LEI registered its largest monthly decline since March 2023, when many feared the US was headed into recession, which did not ultimately materialize. Most components of the index deteriorated. Notably, consumers' expectations have become continuously more pessimistic each month since January 2025, while the contribution of building permits and average working hours in manufacturing turned negative in April. Widespread weaknesses were also present when looking at six-month trends among the LEI's components, resulting in a warning signal for growth. However, while the six-month growth rate of the LEI went deeper into negative territory, it did not fall enough to trigger the recession signal. The Conference Board currently forecasts US real GDP to grow by 1.6% in 2025, down from 2.8% in 2024, with the bulk of the impact of tariffs likely to hit the economy in Q3.

The Conference Board Coincident Economic Index® (CEI) for the U.S. inched up by 0.1% in April 2025 to 114.8 (2016=100), after a 0.3% increase in March. The CEI rose by 1.1% over the six-month period between October 2024 and April 2025, slightly up from its 0.9% growth over the previous six months. The CEI's four 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. Industrial production, while little changed compared to the previous month, was the weakest contributor to the index in April.

The Conference Board Lagging Economic Index® (LAG) for the U.S. increased by 0.3% to 119.3 (2016=100) in April 2025, after a 0.1% decrease in March. The LAG's six-month growth rate was also positive at 0.8% between October 2024 and April 2025—a reversal of its 0.8% decline over the previous six months (April–October 2024)." – Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board

Source: https://www.conference-board.org/data/bcicountry.cfm; 5/19/25

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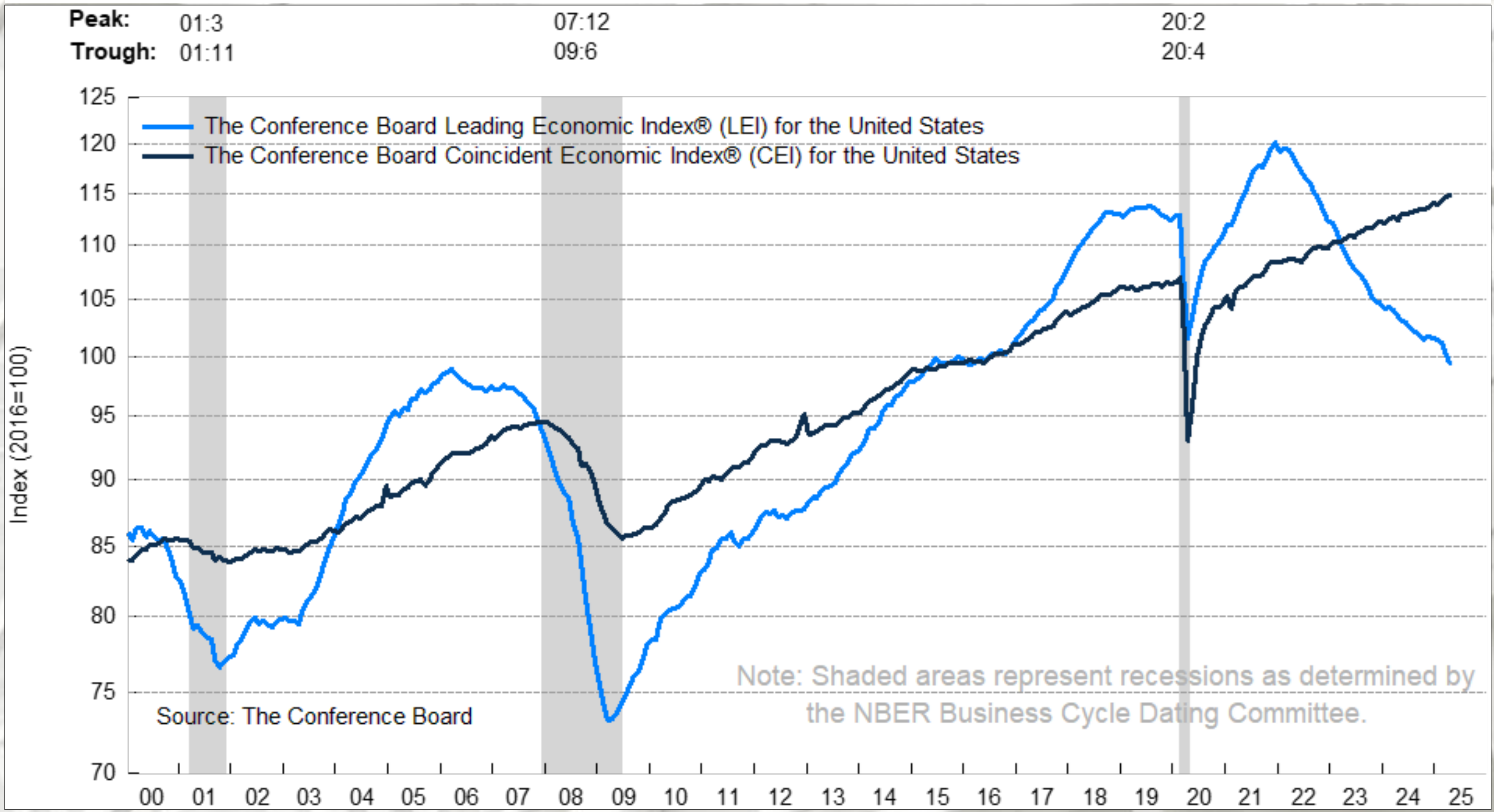
Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. Plunged in April

The LEI fell for the fifth consecutive month in April



Source: https://www.conference-board.org/data/bcicountry.cfm; 5/19/25

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Private Indicators

S&P Global U.S. Manufacturing PMI™

US manufacturing PMI picks up in May, but tariffs continue to dominate sector performance

Growth driven in part by survey record rise in input inventories
Efforts to front-run higher prices and supply chain disruption noted
Selling charge inflation highest since late 2022

“The headline index from the report, the seasonally adjusted S&P Global US Manufacturing Purchasing Managers’ Index™ (PMI®), posted 52.0 in May. That was up from readings of 50.2 in the preceding two months and represented solid overall growth which was the best since February’s recent high.

Tariffs and trade policy continued to dominate the manufacturing landscape in May, according to the latest PMI survey data from S&P Global.

Amid evidence of client efforts to front-run tariff related price increases and supply chain disruption, new orders to US manufacturers increased. Similar factors led to a survey record increase in stocks of inputs, whilst higher input prices due to tariffs were signaled and output charge inflation was the highest since November 2022. Delivery delays were at their most acute since October 2022.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/ed3c6f6ea79843648c9b8b98824d74f7; 6/2/25

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Private Indicators

S&P Global U.S. Manufacturing PMI™

US manufacturing PMI picks up in May, but tariffs continue to dominate sector performance

"Hopes of a stabilization in trade policies ensured that confidence in the outlook improved to a three-month high, whilst a rise in employment was registered – although the rate of growth was marginal amid some challenges in finding suitable staff to fill vacancies.

May's improvement in the PMI was driven by an uplift in new orders and an outsized contribution from input inventories which, in 18 years of data collection, rose at an unprecedented pace. Similar factors drove growth in both instances – efforts by manufacturers and their clients to front-run tariff related increases in prices and supply-side disruption.

For new orders, which rose to the strongest degree in three months, demand from within the United States was noted as the primary driver of growth as international sales remained relatively subdued, rising only slightly following April's steep fall. Trade policies and tariffs continued to weigh on foreign demand, according to panelists.

Despite the uplift in order books, production volumes were trimmed marginally for a third month in a row. Capacity was also broadly sufficient to deal with the dual requirements of both incoming and existing orders as backlogs of work fell again, albeit modestly. Firms also added to their finished goods inventory, which rose for the first time since last November." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/ed3c6f6ea79843648c9b8b98824d74f7; 6/2/25

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Private Indicators

S&P Global U.S. Manufacturing PMI™

US manufacturing PMI picks up in May, but tariffs continue to dominate sector performance

"An increase in labor capacity was registered in May, with a net increase in employment signaled for the first time in three months. However, growth was only marginal, with some firms noting difficulties in finding suitable workers to fill vacancies.

Tariffs helped explain another steep increase in manufacturing input prices during May. Latest data showed that raw material price inflation remained high, despite dropping to a three-month low, amid reports that suppliers were passing on tariff related cost increases. Supplier delivery delays were also noted, linked to growing stock shortages at vendors. The degree to which supplier performance worsened was the steepest for over two-and-a-half years.

In response to higher input costs, factory gate prices were also raised in May, and to the greatest degree since November 2022.

Finally, manufacturers are hopeful of a more stable trading environment in a year's time, with growing expectations among the panel that disruption to markets caused by tariffs will dissipate in the months ahead. This helped to explain why confidence in the outlook improved in May to a three-month high – and to a level fractionally above the survey average." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/ed3c6f6ea79843648c9b8b98824d74f7; 6/2/25

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Private Indicators

S&P Global U.S. Manufacturing PMI™

Comment

"The rise in the PMI during May masks worrying developments under the hood of the US manufacturing economy. While growth of new orders picked up and suppliers were reportedly busier as companies built up their inventory levels at an unprecedented rate, the common theme was a temporary surge in demand as manufacturers and their customers worry about supply issues and rising prices.

These concerns were not without basis: supplier delays have risen to the highest since October 2022, and incidences of price hikes are at their highest since November 2022, blamed in most cases on tariffs. Smaller firms, and those in consumer facing markets, appear worst hit so far by the impact of tariffs on supply and prices.

Encouragingly, manufacturers regained some optimism in May after sentiment had been hit hard by tariff announcements in April, partly reflecting the pauses on new levies. However, uncertainty clearly remains elevated amid the fluid tariff environment, and factories have so far shown a reluctance to expand headcounts in the face of such volatility." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/ed3c6f6ea79843648c9b8b98824d74f7; 6/2/25

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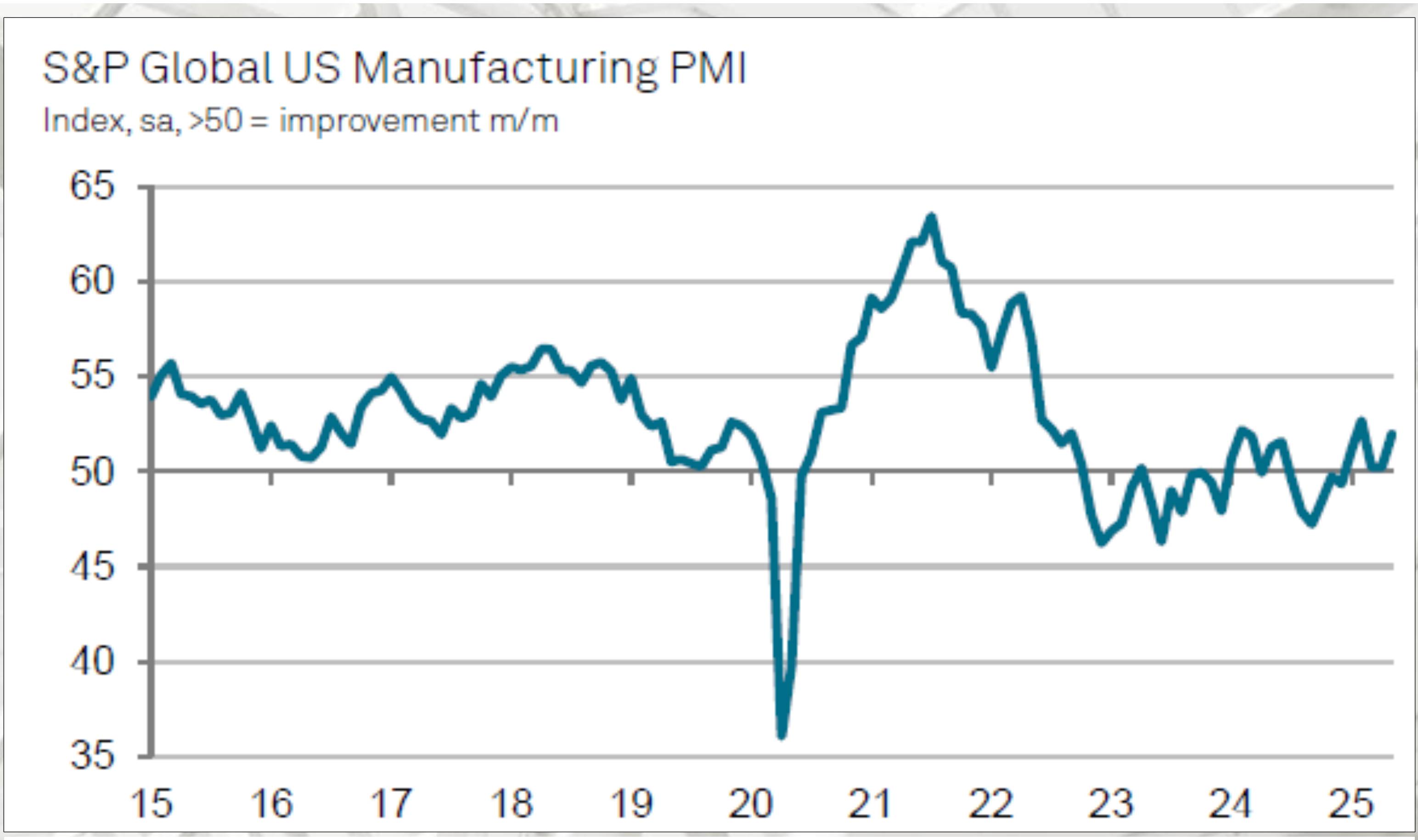

Source: S&P Global PMI,. ©2025 S&P Global.

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/ed3c6f6ea79843648c9b8b98824d74f7; 6/2/25

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Private Indicators

S&P Global U.S. Services PMI™

Growth of service sector strengthens in May amid uplift in confidence

Firmer gains in activity and new work recorded
Sentiment improves but still below trend
Price pressures intensify due to tariffs

“The S&P Global US Services PMI® Business Activity Index recorded 53.7 during May, which was stronger than the earlier 'flash' reading of 52.3. The index was also up on April's 50.8 and, being comfortably above the critical 50.0 no-change mark, was indicative of a noticeable acceleration of activity growth on April’s 17-month low. Moreover, activity has now risen on a consecutive monthly basis since February 2023.

Concurrent upturns in US service sector activity and new business growth were signaled in May, according to the latest PMI® data from S&P Global. Confidence in the outlook also strengthened, whilst firms took on additional staff to a greater degree. However, growth in employment was insufficient to prevent a solid rise in work outstanding.

Rising backlogs in part reflected delays in the delivery of ordered equipment due to tariffs, which also drove up cost inflation to its highest in nearly two years. Increased costs were passed on to clients via the steepest increase in output charges since August 2022.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c4deaa3f992441eb82ac356150ebf698; 6/4/25

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Private Indicators

S&P Global U.S. Services PMI™

Growth of service sector strengthens in May amid uplift in confidence

"Panelists linked May's upturn in activity to a similar sized increase in new work. There were reports from survey panelists of a more stable business environment compared to April, which helped to drive a rise in client spending. This was however broadly limited to domestic-based customers as foreign sales declined overall for a second successive month. Panelists attributed lower new foreign business to ongoing worries among international clients in relation to tariffs and US trade policy.

A more stable business environment and hopes this will be sustained in the months ahead helped to support an upturn in service sector confidence during May. Overall, sentiment was at its highest for four months (though remained well below the survey average). Panelists are also planning to raise their marketing and expand their business facilities over the coming year.

A more positive outlook, plus a rise in current workloads, helped to support a further upturn in employment during May, the third in as many months. Growth was modest however amid reports in some instances of the non-replacement of leavers. Moreover, the rise in staffing levels was insufficient to prevent the steepest increase in work outstanding since last November. Some firms pointed to delays in the delivery of ordered equipment as a reason for higher backlogs." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c4deaa3f992441eb82ac356150ebf698; 6/4/25

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Private Indicators

S&P Global U.S. Services PMI™

Growth of service sector strengthens in May amid uplift in confidence

"Meanwhile, tariffs and suppliers generally raising their prices meant input cost inflation accelerated steeply in May to its highest since June 2023. Wages were also reported to be factor pushing up overall operating expenses.

Service sector companies responded by passing on their increased input costs to customers wherever possible. Output charge inflation subsequently jumped noticeably in May, hitting its highest level since August 2022." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c4deaa3f992441eb82ac356150ebf698; 6/4/25

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Private Indicators

S&P Global U.S. Services PMI™

Growth of service sector strengthens in May amid uplift in confidence

Comment

"Service sector growth has improved more than first estimated in May, with confidence about the year ahead also lifting higher, buoyed in part due to pauses on higher rate tariffs. Companies have matched that optimism with increased spending and hiring.

That said, the improvements come from a low base, following a very gloomy April, which saw growth nearly stall as confidence sank to a two-and-half year low. Reports from companies underscore how uncertainty about the policy outlook continued to act as a deterrent to expansion plans in May. Output growth and confidence consequently remain subdued by standards seen last year.

The PMI is so far indicating annualized GDP growth barely above 1% in the second quarter, so avoiding recession but adding to our expectation of only modest GDP growth in 2025 of just 1.3%.

Alongside sluggish economic growth, the survey is also signaling intensifying inflationary pressures. Rising costs in the service sector were again blamed widely on tariffs, which were in turn passed on to customers to result in the steepest rise in average prices charged since August 2022. These rising price pressures will only add to policymaker reluctance to reduce interest rates, which we consequently expect to remain on hold until December." – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c4deaa3f992441eb82ac356150ebf698; 6/4/25

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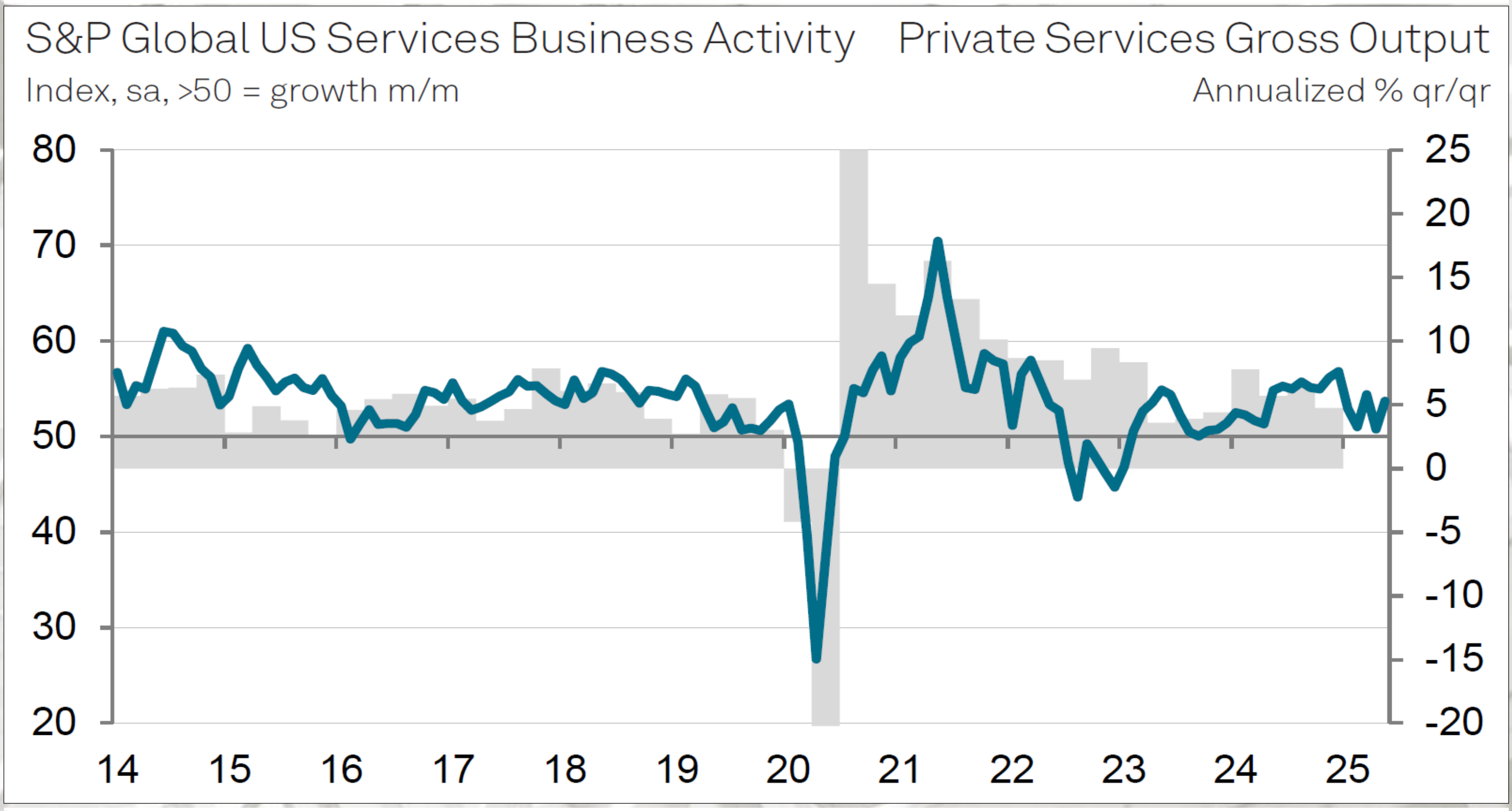
Private Indicators



Source: S&P Global PMI, Bureau of Economic Analysis via S&P Global Market Intelligence. ©2025 S&P Global.

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/c4deaa3f992441eb82ac356150ebf698; 6/4/25

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Private Indicators

National Association of Credit Management – Credit Managers' Index

Report for May 2025: Combined Sectors

"The National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) for May 2025 improved 0.7 points to 54.7. "The improvement in May was somewhat unexpected given that 10% across the board tariffs were put in place the first week of April along with very high tariffs that affected all imports from China," said NACM Economist Amy Crews Cutts, Ph.D., CBE.

"The Credit Managers' Index is based on a survey of credit managers regarding their companies' experiences in the month just completed. This month's survey is asking about April activity. The "Liberation Day" tariff announcement happened on April 2, and the retaliatory component of the new tariffs for all countries except China were immediately, but only temporarily, suspended. Despite the improvement in the combined CMI, respondents commented on their concerns about the uncertainty created by the tariffs and supply chain disruptions. Many said they are having to increase prices to cover the tariff costs."

"Port activity has declined sharply over the past few weeks after rising ahead of the tariff announcement," said Cutts. "The recent reduction in the retaliatory tariffs on Chinese imports will have a positive effect, but the tariff levels are still extraordinarily high so we should not expect much of a turnaround."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 6/2/25

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Private Indicators

National Association of Credit Management – Credit Managers' Index

"The Manufacturing Sector CMI improved 0.6 points in the May CMI survey to a level of 54.5. The Service Sector CMI improved by 0.9 points to 54.9.

"Both sectors reported improvement in the May survey," said Cutts. "Tariffs most directly impact manufacturers either through supply chains or competition but services are also affected in that a construction company, for example, would need machinery or materials to build, so few companies are immune to the impacts."

"For now, many of the effects are muted due to the rush to get ahead of the tariffs by building inventories or stockpiling inputs," Cutts added. "Based on conversations with NACM members, many are expecting a material change in conditions over the next few months."

"A respondent noted that more customers are using credit lines than ever before and they're having more customers going delinquent than previous months," said Cutts. "This comment is not incongruent with the survey data in that I followed up with members about their firms' experiences and many noted that newer and smaller accounts seem to have more challenges than older and larger accounts."

"Some of the impacts of tariffs are just compounding weaknesses or trends that were already present," said Cutts. One of the Service Sector members commented, "Open orders in the pipeline remain fairly steady to this point. We continue to see strategic moves by our suppliers and customers to account for the tariffs. There still seems to be fallout from last year's retail woes and our customers are making moves to shift their segment focus and/or realign for more efficiency and cost cutting. We are also still seeing consolidation in the form of mergers and acquisitions."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 6/2/25

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Private Indicators

National Association of Credit Management – Credit Managers' Index

CMI Combined Sectors Factor Indexes

Key Findings:

- "The Index of Unfavorable Factors improved to 50.8, just over the line of expansion. Although only one of the six factors is in contraction, none of the factors in expansion are more than 2 points above the threshold.
- The Index for Accounts Placed for Collection deteriorated 1.3 points to 47.9 this month, its 33rd month in contraction. This means the number of accounts placed for collections at respondent firms has increased every month for almost three years.
- The Index for Favorable Factors improved 0.9 points in this month's survey. The index sits at 61.9 points and is in expansion. Half of the factor indexes improved, with dollar sales leading the improvement.
- Based on respondent comments, the dollar sales index improved due to higher prices rather than increased unit sales in response to tariffs." – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 6/2/25

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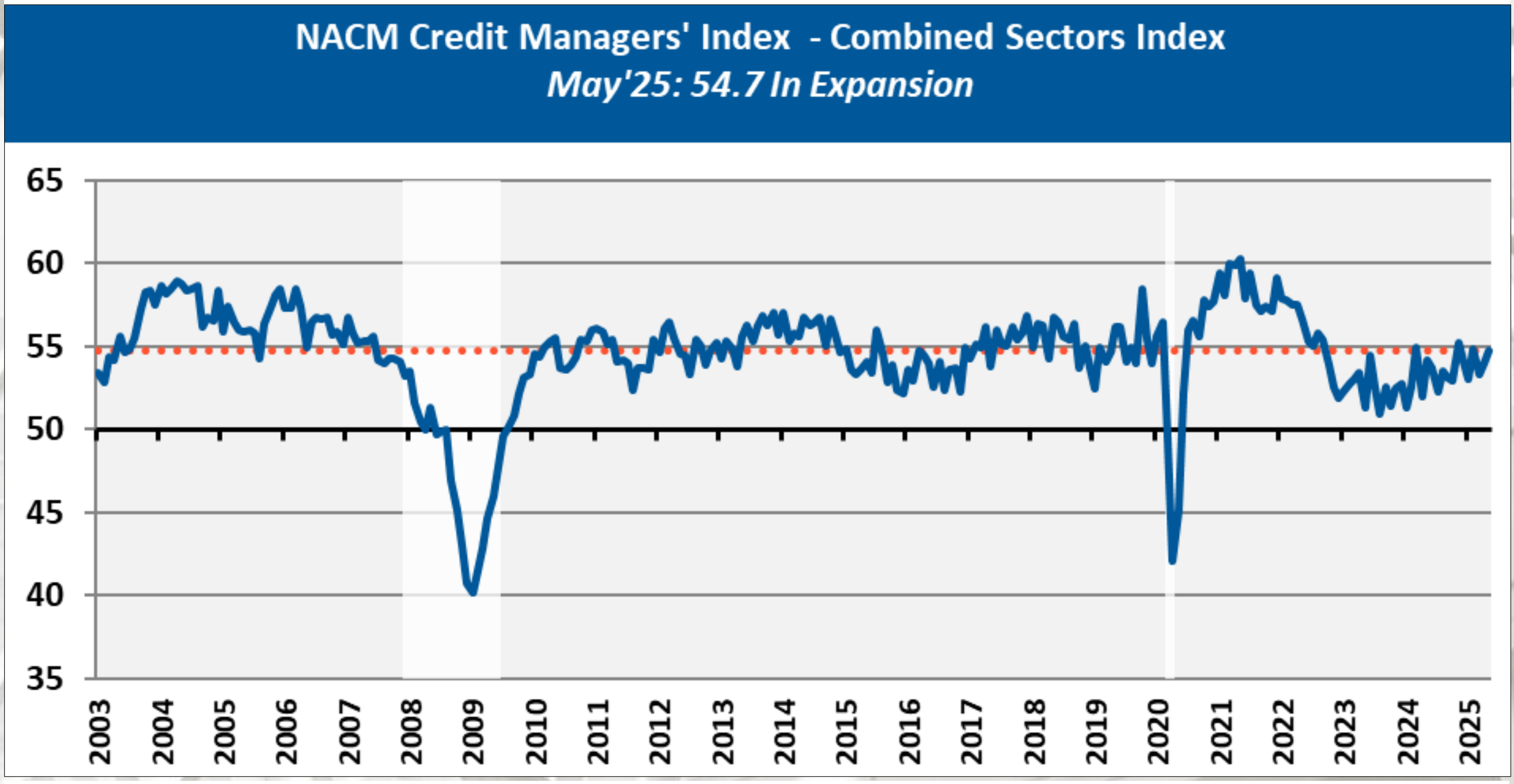
Private Indicators

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; 6/2/25

Private Indicators

National Association of Credit Management –
Credit Managers' Index

Combined Manufacturing and Service Sectors (seasonally adjusted)	May '24	Jun '24	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25
Dollar Sales	62.2	60.1	55.1	58.5	55.3	55.8	63.4	53.6	56.1	59.5	54.9	58.0	61.9
New Credit Applications	60.4	58.5	58.2	57.1	55.6	57.5	58.9	59.2	57.2	61.4	56.8	58.8	56.5
Dollar Collections	60.0	58.5	55.3	62.0	57.5	58.2	63.4	60.0	61.3	59.8	54.8	62.6	61.8
Amount of Credit Extended	60.5	59.4	60.8	58.6	57.6	58.2	63.7	62.0	56.8	60.7	59.6	59.5	62.1
Index of Favorable Factors	**60.8**	**59.1**	**57.4**	**59.1**	**56.5**	**57.4**	**62.3**	**58.7**	**57.9**	**60.3**	**56.5**	**59.7**	**60.6**
Rejections of Credit Applications	51.0	51.0	49.9	50.5	52.1	50.0	50.6	50.6	50.9	51.1	50.2	50.8	50.4
Accounts Placed for Collection	45.0	46.1	46.4	45.7	48.9	47.0	47.1	49.6	47.8	49.4	49.7	49.2	47.9
Disputes	49.7	49.2	49.1	49.8	51.0	50.6	52.6	51.5	51.1	51.0	51.3	49.1	51.3
Dollar Amount Beyond Terms	50.7	50.6	46.1	49.7	50.9	49.6	52.6	50.2	46.9	51.7	52.1	48.3	52.0
Dollar Amount of Customer Deductions	51.9	51.5	51.1	51.8	51.3	52.0	51.8	53.0	51.3	52.5	51.1	50.4	51.3
Filings for Bankruptcies	50.7	52.4	50.9	51.7	50.9	50.3	48.5	51.5	50.6	51.6	53.0	52.9	52.0
Index of Unfavorable Factors	**49.9**	**50.1**	**48.9**	**49.9**	**50.8**	**49.9**	**50.5**	**51.1**	**49.8**	**51.2**	**51.2**	**50.1**	**50.8**
NACM Combined CMI	**54.2**	**53.7**	**52.3**	**53.5**	**53.1**	**52.9**	**55.3**	**54.1**	**53.0**	**54.9**	**53.3**	**54.0**	**54.7**

Source: https://nacm.org/cmi.html; 6/2/25

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Private Indicators

National Federation of Independent Business (NFIB)

May 2025 Report

Small Business Optimism Increases in May

"The **NFIB Small Business Optimism Index** increased by three points in May to 98.8, slightly above the 51-year average of 98. Expected business conditions and sales expectations contributed the most to the rise in the index. The Uncertainty Index rose two points from April to 94. Eighteen percent of small business owners reported taxes as their single most important problem, up two points from April and ranking as the top problem. The last time taxes were ranked as the top single most important problem was in December 2020." – Holly Wade, NFIB

"Although optimism recovered slightly in May, uncertainty is still high among small business owners. While the economy will continue to stumble along until the major sources of uncertainty are resolved, owners reported more positive expectations on business conditions and sales growth." – Bill Dunkelberg, Chief Economist, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/10/25

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Private Indicators

National Federation of Independent Business (NFIB)

May 2025 Report

Key findings include:

- ✓ A net 1% (seasonally adjusted) of owners viewed current inventory stocks as "too low" in May, up 7 points from April and the highest reading since August 2022. This was the largest monthly increase in the survey's history.
- ✓ The net percent of owners expecting better business conditions rose 10 points from April to a net 25% (seasonally adjusted).
- ✓ The net percent of owners expecting higher real sales volumes rose 11 points from April to a net 10% (seasonally adjusted). This component contributed the most to the Optimism Index's improvement.
- ✓ Twenty-two percent (seasonally adjusted) plan capital outlays in the next six months, up four points from April and the highest reading of this year.
- ✓ The percent of small business owners reporting labor quality as the single most important problem for business fell three points from April to 16%.
- ✓ Fourteen percent of owners reported that inflation was their single most important problem in operating their business, unchanged from April.
- ✓ When asked to rate the overall health of their business, 14% reported excellent (up one point), and 55% reported good (down one point). Twenty-eight percent reported the health of their business was fair (up one point) and 4% reported poor (unchanged)." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/10/25

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Private Indicators

National Federation of Independent Business (NFIB)

May 2025 Report

“As reported in **NFIB’s monthly jobs report**, a seasonally adjusted 34% of all small business owners reported job openings they could not fill in May, unchanged from April. Of the 55% of owners hiring or trying to hire in May, 86% reported few or no qualified applicants for the positions they were trying to fill. A seasonally adjusted net 12% of owners plan to create new jobs in the next three months, down one point from April.

Labor costs reported as the single most important problem for business owners rose one point in May to 9%.

Seasonally adjusted, a net 26% reported raising compensation, down seven points from April. A seasonally adjusted net 20% plan to raise compensation in the next three months, up three points from April.

Fifty-six percent of owners reported capital outlays in the last six months, down two points from April and the lowest reading of this year.

Of those making expenditures, 40% reported spending on new equipment, 26% acquired vehicles, and 15% improved or expanded facilities. Ten percent spent money on new fixtures and furniture and 5% acquired new buildings or land for expansion.

In May, the percent of small business owners reporting poor sales as their top business problem remained at 9% for the fifth consecutive month. A net negative 13% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down five points from April.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/10/25

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Private Indicators

National Federation of Independent Business (NFIB)

May 2025 Report

"The net percent of owners reporting inventory gains was unchanged from April at a net negative 5%, seasonally adjusted. Not seasonally adjusted, 14% reported increases in stocks and 16% reported reductions. A net 1% (seasonally adjusted) of owners viewed current inventory stocks as "too low" in May, up seven points from April and the highest reading since August 2022.

Seasonally adjusted, a net 31% plan price hikes in May, up three points from April. The net percent of owners raising average selling prices was unchanged from April at a net 25%, seasonally adjusted. Unadjusted, 10% of owners reported lower average selling prices and 38% reported higher average prices.

The frequency of reports of positive profit trends was a net negative 26% (seasonally adjusted) in May, five points worse than in April. Among owners reporting lower profits, 36% blamed weaker sales, 13% cited the rise in the cost of materials, 11% cited usual seasonal change, and 8% cited labor costs. For owners reporting higher profits, 52% credited sales volumes, 27% cited usual seasonal change, and 8% cited higher selling prices.

Five percent of owners reported that financing and interest rates were their top business problem in May, up two points from April. Twenty-five percent of all owners reported borrowing on a regular basis, down one point from April. A net 4% reported their last loan was harder to get than in previous attempts, down one point from April. A net 7% reported paying a higher rate on their most recent loan, up one point from April." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/10/25

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Private Indicators

National Federation of Independent Business (NFIB)

May 2025 Report

“Ten percent (seasonally adjusted) of owners reported that it is a good time to expand their business, up one point from April. Despite the increase, this remains a low reading historically.

Eighteen percent of small business owners reported taxes as their single most important problem, up two points from April and ranking as the top problem. The last time taxes were ranked as the top single most important problem was in December 2020, when it tied for first with labor quality. The percent of small business owners reporting government regulations and red tape as their single most important problem remained at 9%. Four percent reported competition from large businesses as their single most important problem, down three points from April.

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 May 2025.” – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/10/25

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Private Indicators

National Federation of Independent Business (NFIB)
May 2025 Report

Small Business Optimism

Index Component	Net %	From Last Month
Plans to Increase Employment	12%	▼ -1
Plans to Make Capital Outlays	22%	▲ 4
Plans to Increase Inventories	-1%	▲ 3
Expect Economy to Improve	25%	▲ 10
Expect Real Sales Higher	10%	▲ 11
Current Inventory	1%	▲ 7
Current Job Openings	34%	— 0
Expected Credit Conditions	-4%	▲ 3
Now a Good Time to Expand	10%	▲ 1
Earnings Trends	-26%	▼ -5

NFIB NFIB.com/sboi

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/10/25

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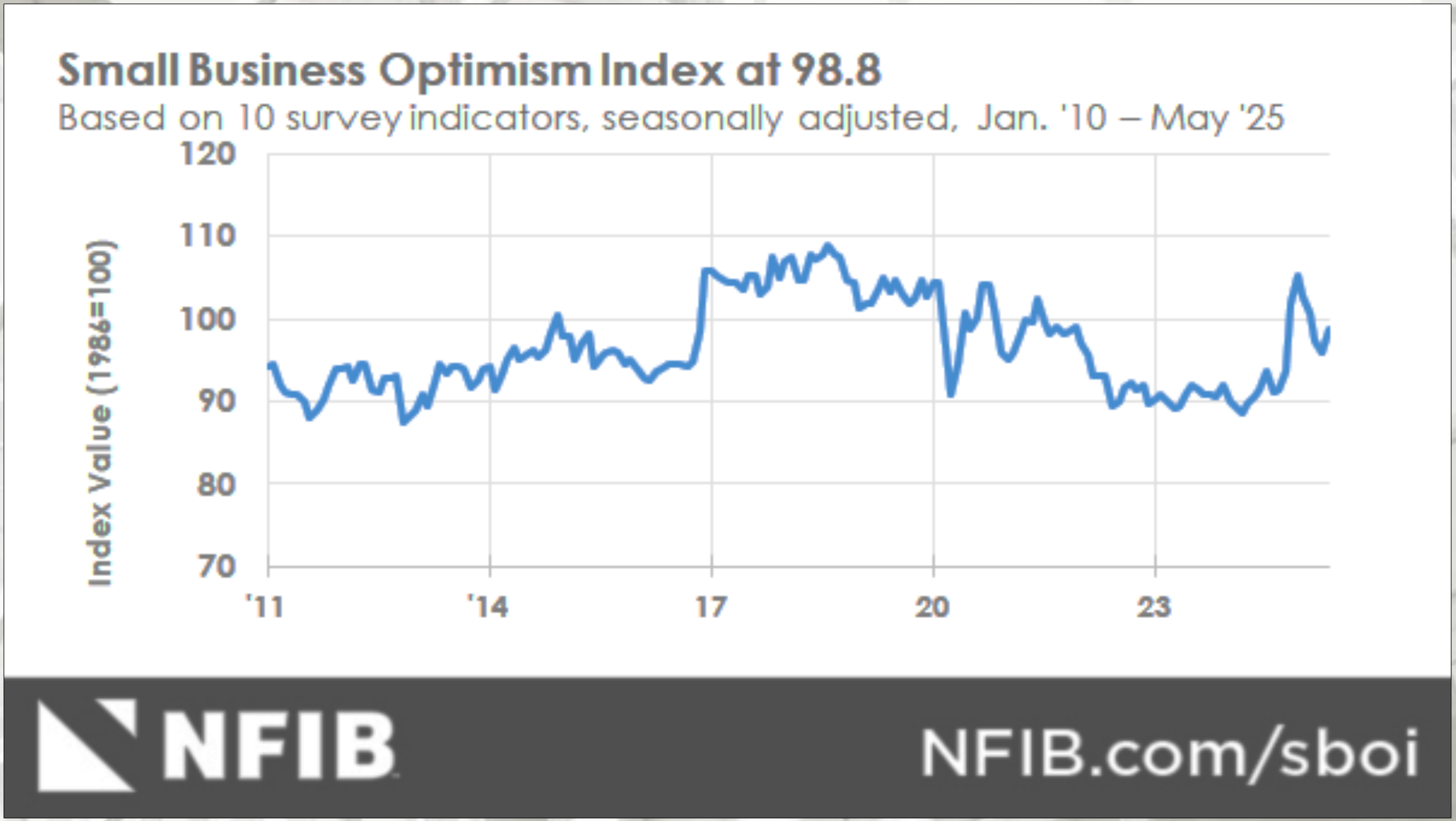
National Federation of Independent Business (NFIB)
May 2025 Report



Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/10/25

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

U.S. Small Business Job Growth Remains Largely Unchanged in May

Hourly earnings growth reaches new four-year low

"In May, job growth in U.S. small businesses remained largely unchanged from April, according to the Paychex Small Business Employment Watch. The Small Business Jobs Index, which is a primary component of Paychex's monthly employment report for businesses with fewer than 50 employees, has continued to show steady, flat employment growth throughout 2025. Meanwhile, hourly earnings growth for U.S. small business workers reached a four-year low at 2.77% in May." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

"Despite the rapidly changing news cycle, the underlying labor market remains fundamentally healthy, and small business owners have remained resilient. While inflation concerns remain for business owners, wage inflation in small businesses continued to moderate and reached a new four-year low in May." – John Gibson, President and CEO, Paychex

Source: https://www.paychex.com/employment-watch; 5/3/25

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

U.S. Small Business Job Growth Remains Largely Unchanged in May

Jobs Index and Wage Data Highlights

- "At 99.81 in May, the national Small Business Jobs Index continued to report steady, flat employment growth in 2025.
- National hourly earnings growth (2.77%) for small business workers continued its slow descent to a new four-year low (May 2021: 2.74%).
- Three-month annualized hourly earnings growth (2.45%) fell to its lowest level since December 2020 (1.66%).
- The Midwest (100.19) has represented the strongest region for small business employment growth for the past year, while the West continues to lag all regions and reported an index level below 100 for the 14th consecutive month in May.
- Construction dropped 0.68 percentage points to a jobs index of 99.69 in May, marking its lowest level since March 2021. Job growth in the Leisure and Hospitality industry remained last among sectors for the fourth consecutive month at 98.18 in May." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Source: https://www.paychex.com/employment-watch; 5/3/25

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Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Small Business Jobs Index

Index

99.81

Historical Jobs Index Trend

Small Business Wage Data

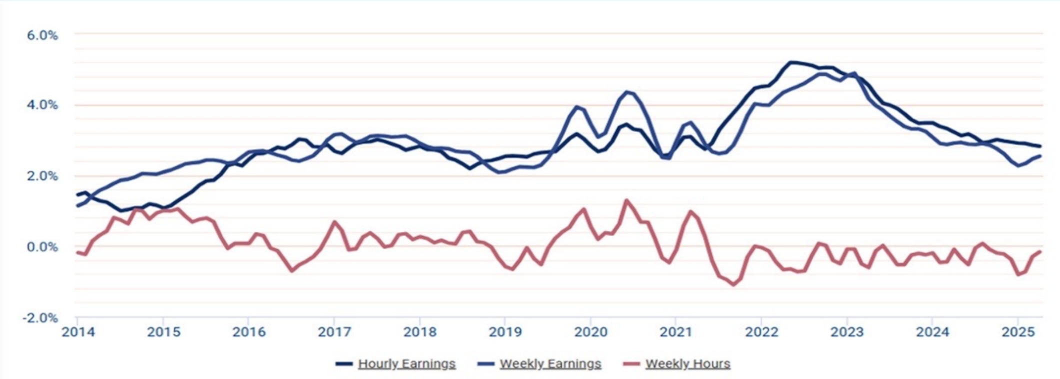
Hourly Earnings

$33.34

12-Month Growth

2.77% ($0.90)

Historical 12-Month Growth Trend



Source: https://www.paychex.com/employment-watch; 5/3/25

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Economics

U.S. Census Bureau

NEW Business Formation Statistics

May 2025

Business Applications

"Business Applications for May 2025, adjusted for seasonal variation, were 446,993, a decrease of 0.6 percent compared to April 2025.

Business Formations

Projected Business Formations (within 4-quarters) for May 2025, adjusted for seasonal variation, were 28,303, a decrease of 0.1 percent compared to April 2025. 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 28,303 new business startups with payroll tax liabilities will form within 4-quarters of application from all the business applications filed during May 2025. The 0.1 percent decrease indicates that for May 2025 there will be 0.1 percent fewer businesses projected to form within 4-quarters of application, compared to the analogous projections for April 2025." – Economic Indicators Division, Business Formation Statistics; U.S. Census Bureau

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 6/11/25

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Economics

U.S. Census Bureau

NEW Business Formation Statistics

May 2025

BUSINESS APPLICATIONS

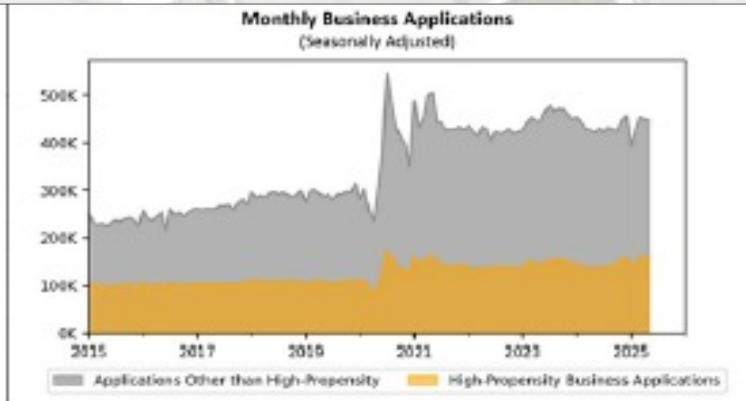
U.S. Business Applications:	MAY 2025	MAY 2025 / APR 2025
Total	446,993	-0.6%°
High-Propensity	159,009	1.6%°
With Planned Wages	43,693	-0.7%°
From Corporations	66,891	2.0%°

Next release: July 10, 2025

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

Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, June 11, 2025



Source: U.S. Census Bureau, Business Formation Statistics, June 11, 2025

Business Applications - At a Glance

		US	Northeast	Midwest	South	West
Total	MAY 2025	446,993	63,992	74,276	198,443	110,282
	MAY 2025 / APR 2025	-0.6%	-0.1%	-0.2%	+0.8%	-3.5%
High-Propensity	MAY 2025	159,009	23,240	26,376	66,177	43,216
	MAY 2025 / APR 2025	+1.6%	+0.1%	+9.2%	+2.3%	-2.9%
With Planned Wages	MAY 2025	43,693	6,239	7,835	18,640	10,979
	MAY 2025 / APR 2025	-0.7%	-0.2%	+0.3%	+0.8%	-3.8%
From Corporations	MAY 2025	66,891	10,844	9,672	23,578	22,797
	MAY 2025 / APR 2025	+2.0%	-2.2%	+16.3%	+8.2%	-6.4%

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; 6/11/25

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Economics

U.S. Census Bureau

May 2025

BUSINESS FORMATIONS

U.S. Total Projected Business Formations:	MAY 2025	MAY 2025 / APR 2025
Within 4 Quarters	28,303	-0.1%°
Within 8 Quarters	39,220	-0.4%°

Next release: July 10, 2025

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

Spliced - Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, June 11, 2025

Source: U.S. Census Bureau, Business Formation Statistics, June 11, 2025

Projected Business Formations - At a Glance

		US	Northeast	Midwest	South	West
Within 4 Quarters	MAY 2025	28,303	4,340	4,610	11,025	8,328
	MAY 2025 / APR 2025	-0.1%	-0.7%	+2.2%	+2.2%	-3.8%
Within 8 Quarters	MAY 2025	39,220	6,005	6,229	15,592	11,394
	MAY 2025 / APR 2025	-0.4%	-0.6%	+0.5%	+2.1%	-4.0%

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

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

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 6/11/25

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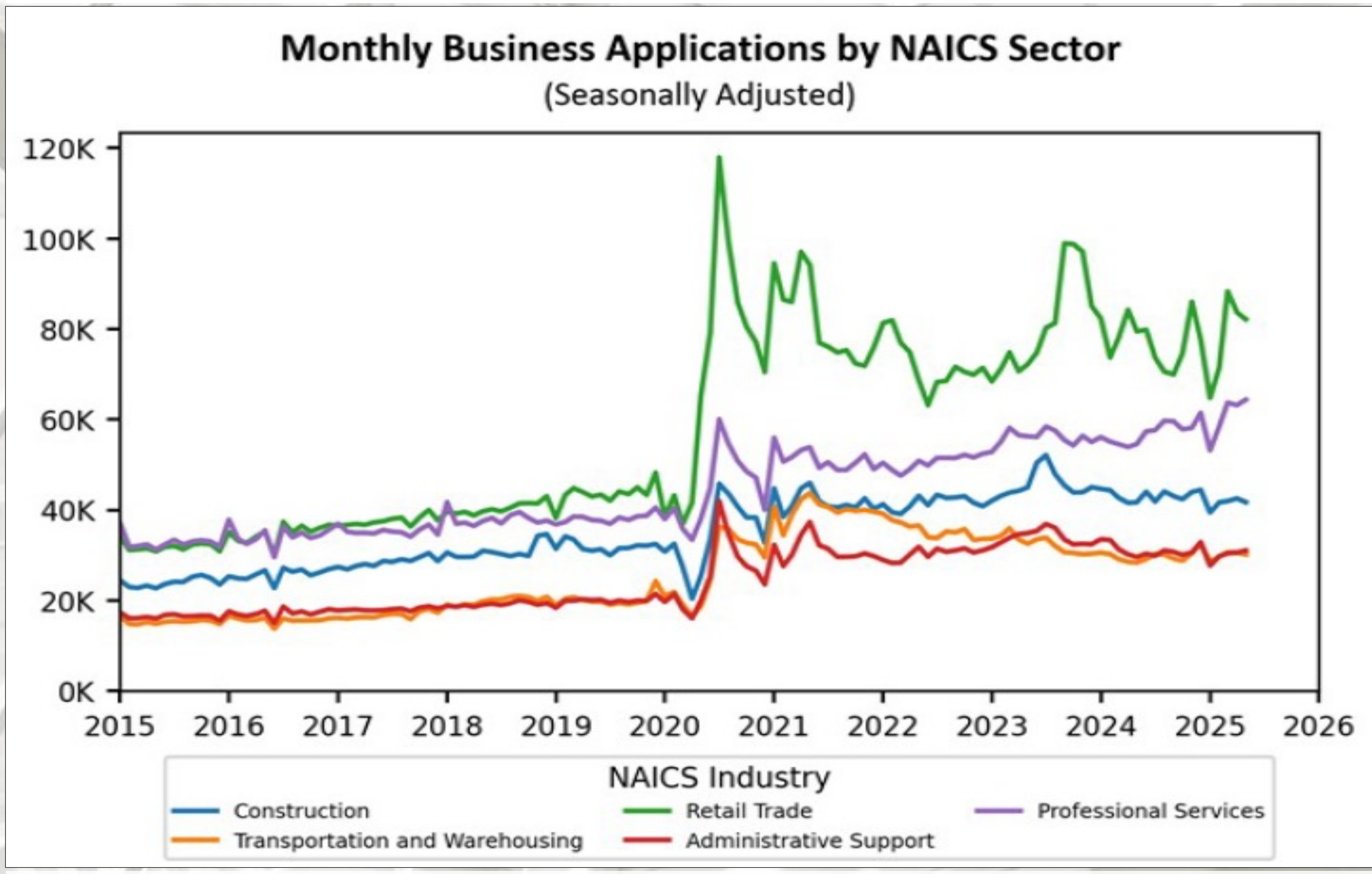
Economics

NEW Business Formation Statistics

May 2025



Source: U.S. Census Bureau, Business Formation Statistics, June 11, 2025

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 6/11/25

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