

The Virginia Tech–USDA Forest Service Housing Commentary: Section II June 2025



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Virginia Polytechnic Institute and State University

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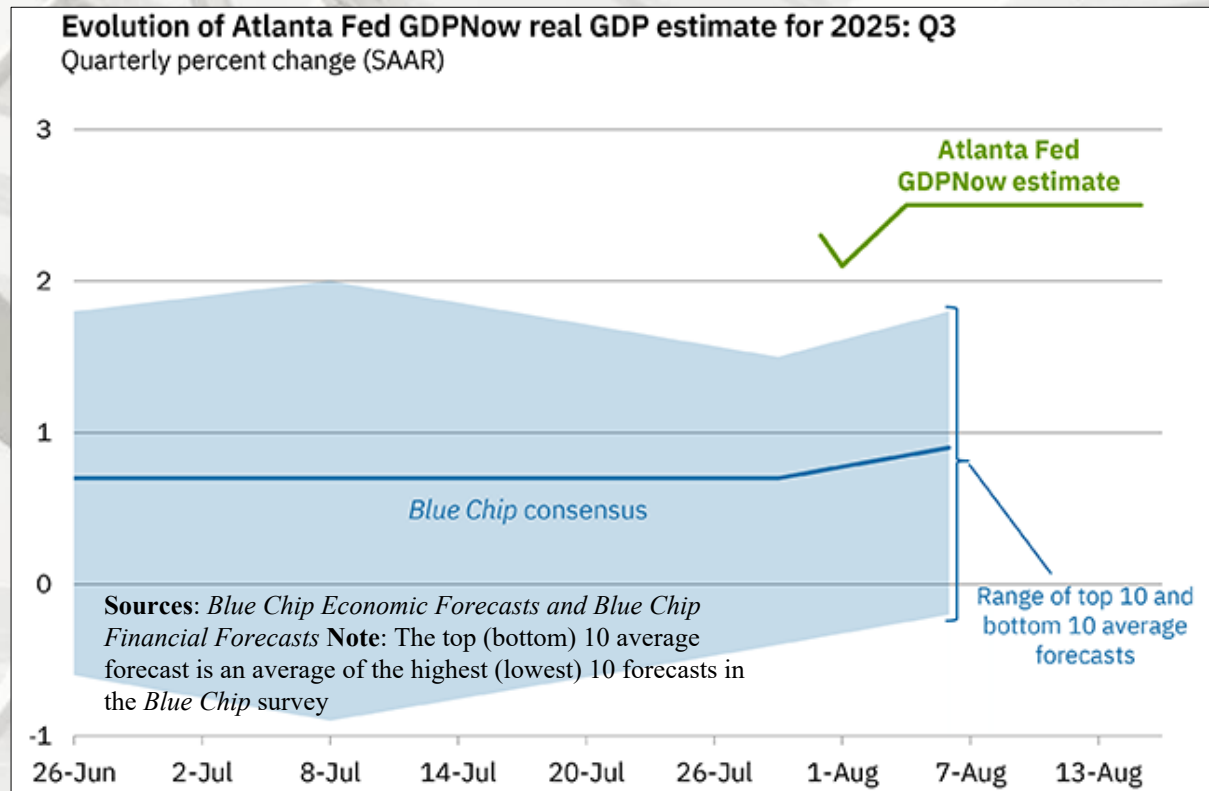
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U.S. Economic Indicators



Atlanta Fed GDPNow™

Latest estimate: 2.5 percent — August 15, 2025

“The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2025 is **2.5 percent** on August 15, unchanged from August 7 after rounding. After recent releases from the US Census Bureau, US Bureau of Labor Statistics, Federal Reserve Board of Governors, and Treasury's Bureau of the Fiscal Service, the nowcast of third-quarter real personal consumption expenditures growth increased from 2.0 percent to 2.2 percent, while the nowcast of third-quarter real gross private domestic investment growth decreased from 7.3 percent to 6.6 percent.” – Pat Higgins, Economist, Federal Reserve Bank of Atlanta

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

Index Suggests Economic Growth Increased in June

“The Chicago Fed National Activity Index (CFNAI) increased to -0.28 in June from -0.36 in April. Two of the four broad categories of indicators used to construct the index increased from April, but three categories made negative contributions in June. The index's three-month moving average, CFNAI-MA3, decreased to -0.16 in June from $+0.06$ in April.

The CFNAI Diffusion Index, which is also a three-month moving average, decreased to -0.24 in June from -0.03 in April. Twenty-eight of the 85 individual indicators made positive contributions to the CFNAI in June, while 57 made negative contributions. Forty-three indicators improved from April to June, while 40 indicators deteriorated and two were unchanged. Of the indicators that improved, 21 made negative contributions.

- Production-related indicators contributed -0.11 to the CFNAI in June, up from -0.18 in April.
- The sales, orders, and inventories category made a neutral contribution to the CFNAI in June, up from -0.14 in April.
- Employment-related indicators contributed -0.05 to the CFNAI in June, down from -0.02 in April.
- The personal consumption and housing category's contribution to the CFNAI was -0.12 in June, down from -0.03 in April.” – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

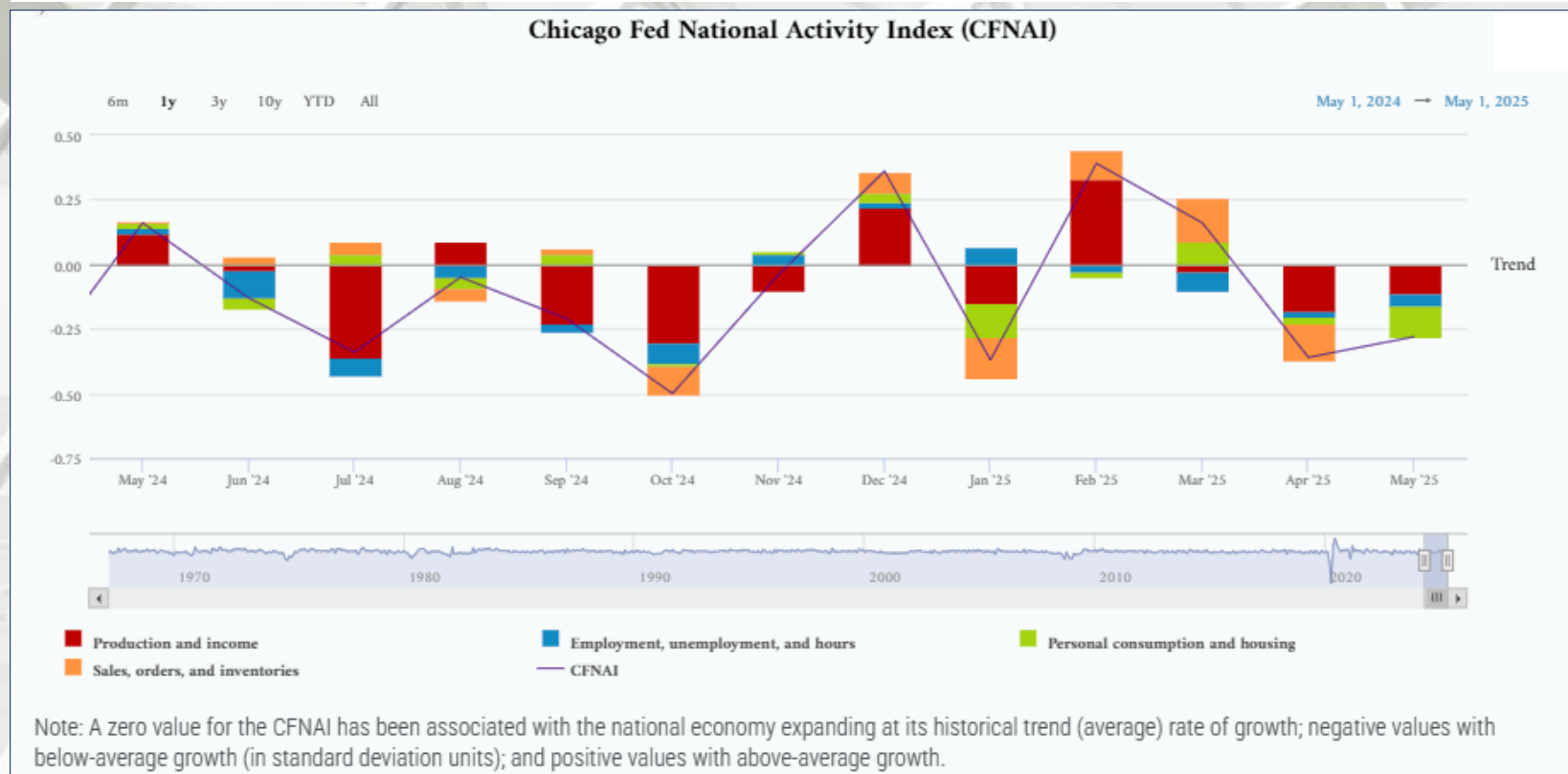
The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

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

	May '25	Apr '25	Mar '25	Feb '25	Jan '25	Dec '24	May '24
CFNAI							
Current	-0.28	-0.36	0.16	0.39	-0.37	0.36	0.16
Previous	N/A	-0.25	0.03	0.37	-0.25	0.37	0.15
CFNAI-MA3							
Current	-0.16	0.06	0.06	0.13	-0.02	-0.06	-0.14
Previous	N/A	0.05	0.05	0.16	0.02	-0.06	-0.14
CFNAI Diffusion							
Current	-0.24	-0.03	0.00	0.16	0.07	-0.02	-0.14
Previous	N/A	-0.05	-0.02	0.17	0.07	-0.02	-0.14

Notes: Current and Previous values reflect index values as of the June 26, 2025, release and May 22, 2025, release, respectively. N/A indicates not applicable.

The Federal Reserve Bank of Chicago



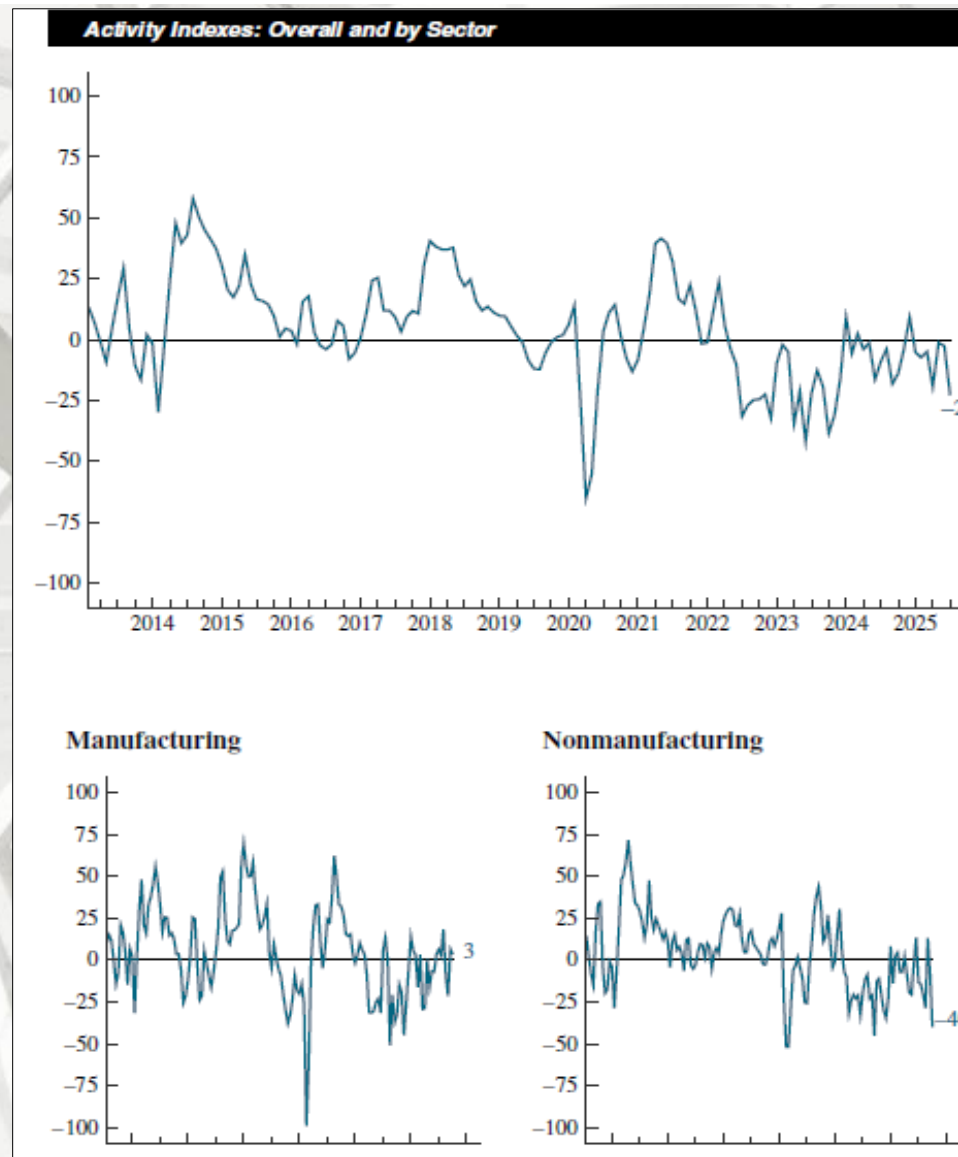
The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)

Survey Suggests Growth Slowed in July

“The *Chicago Fed Survey of Economic Conditions* (CFSEC) Activity Index decreased to –23 in July from –3 in June, suggesting that economic growth was near trend. The CFSEC Manufacturing Activity Index decreased to +3 in July from +7 in June, and the CFSEC Nonmanufacturing Activity Index decreased to –40 in July from –9 in the previous month.

- Respondents’ outlooks for the U.S. economy for the next 12 months improved, but remained pessimistic on balance. Thirty-seven percent of respondents expected an increase in economic activity over the next 12 months.
- The pace of current hiring decreased, but respondents’ expectations for the pace of hiring over the next 12 months increased. Both hiring indexes remained negative.
- Respondents’ expectations for the pace of capital spending over the next 12 months increased, but the capital spending expectations index remained negative.
- The labor cost pressures index increased, as did the nonlabor cost pressures index. Both cost pressures indexes remained negative.” – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

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



The Federal Reserve Bank of Dallas

Texas Manufacturing Outlook Survey

Growth resumes in the Texas manufacturing sector

“Texas factory activity picked up notably in July, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, jumped 20 points to 21.3, its highest reading in more than three years.

Other measures of manufacturing activity were mixed. The new orders index remained negative but moved up to -3.6 from -7.3. Meanwhile the capacity utilization and shipments indexes pushed up into positive territory, coming in at 17.3 and 2.7, respectively.

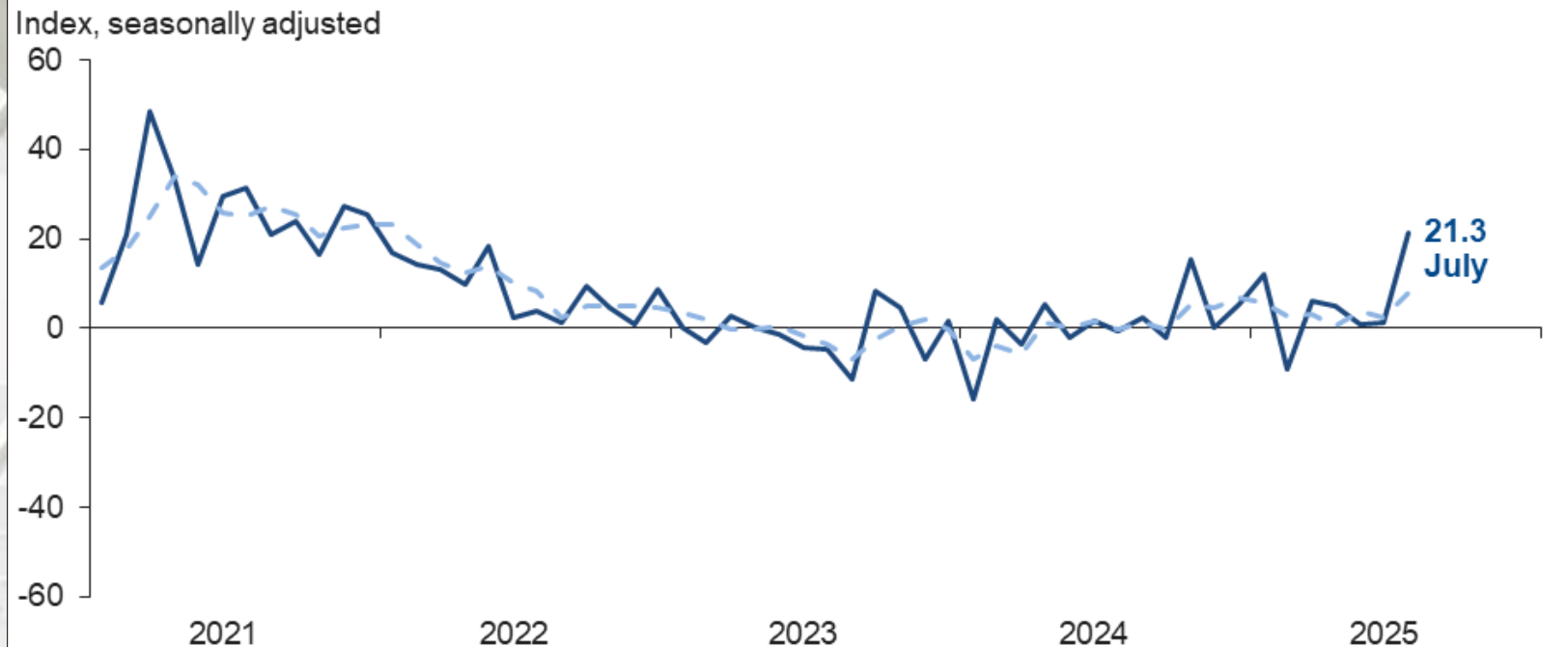
Perceptions of broader business conditions stabilized, and outlooks improved. The general business activity index shot up 14 points to a near-zero reading, indicating no change in activity in July after five months of worsening. The company outlook index also jumped 14 points to 4.7, posting its first positive reading in six months. The outlook uncertainty index retreated four points to 11.2.

Labor market measures suggested an increase in employment and work hours. The employment index moved up three points to 8.4, with 17 percent of firms noting net hiring and 9 percent noting net layoffs. The hours worked index climbed 16 points to 7.7, its highest reading in nearly three years.

Elevated input price pressures continued in July, while selling price growth eased. The raw materials prices index held fairly steady at 41.7, well above its average reading of 27.4. The finished goods prices index retreated 15 points to 11.1. Meanwhile, the wages and benefits index was unchanged at 13.2.” – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

The Federal Reserve Bank of Dallas

Texas Manufacturing Outlook Survey Production



NOTE: Dashed line shows the three-month moving average.

Federal Reserve Bank of Dallas

“Expectations for manufacturing activity six months from now improved. The future production index rose eight points to 30.3, while the future general business activity index rose five points to 19.0. Most other indexes of future manufacturing activity also increased, though some remain below their average readings.” – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey

Growth resumes in Texas service sector activity

“Texas service sector activity expanded in July after contracting for two consecutive months, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, increased 10 points to 6.3.

Labor market measures indicated employment and hours worked also grew in July. The employment index edged up to 2.8 from -1.2. The part-time employment index dipped to -3.8 from -1.7, while the hours worked index increased to 3.2.

Perceptions of broader business conditions were mixed in July. The general business activity index moved back into positive territory to 2.0 from -4.4, while the company outlook index remained negative but stable at -2.1. The outlook uncertainty index fell seven points to 12.8.

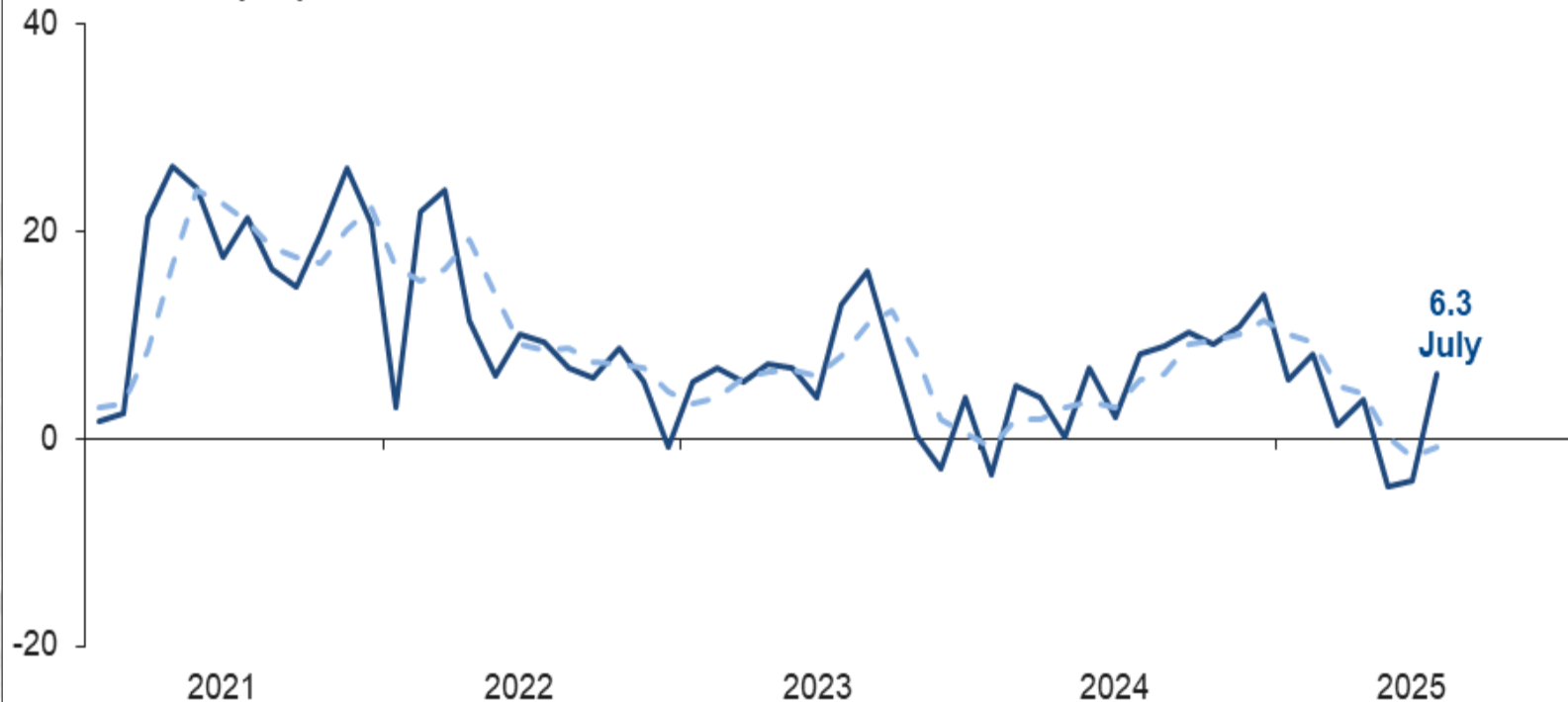
Input price and wage pressures increased, while selling price growth eased this month. The input prices index increased slightly to 25.3 from 21.3, but the selling prices index fell four points to 3.3. The wages and benefits index rose to 13.4 from 8.6 last month.

Respondents’ expectations regarding future business activity improved. The future general business activity index moved up to 9.8 from 1.5, while the future revenue index was relatively unchanged at 31.3. Other future service sector activity indexes, such as employment and capital expenditures also remained stable and in positive territory.” – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey Revenue

Index, seasonally adjusted



NOTE: Dashed line shows the three-month moving average.

Federal Reserve Bank of Dallas

The Federal Reserve Bank of Dallas

Texas Retail Outlook Survey

Texas retail sales decline notably

“Texas retail sales were flat in July, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, increased to 0.8 from -29.5, with the near-zero reading suggesting little change in sales from June. Retailers’ inventories fell for the sixth consecutive month, with the index remaining in negative territory at -2.1 in July.

Retail sector labor market indicators suggested no growth in employment and hours worked. Both the employment index and the hours worked index improved slightly to -0.8 and 0.6 respectively, with the near-zero readings reflecting flat headcounts and no change in hours worked from last month. Meanwhile, the part-time employment index increased to 2.0 from -4.9.

Perceptions of broader business conditions were less pessimistic in July. Both the general business activity index and the company outlook index remained in negative territory, but improved to -4.0 and -3.3, respectively. The outlook uncertainty index fell three points to 16.3 but remained above its series average.

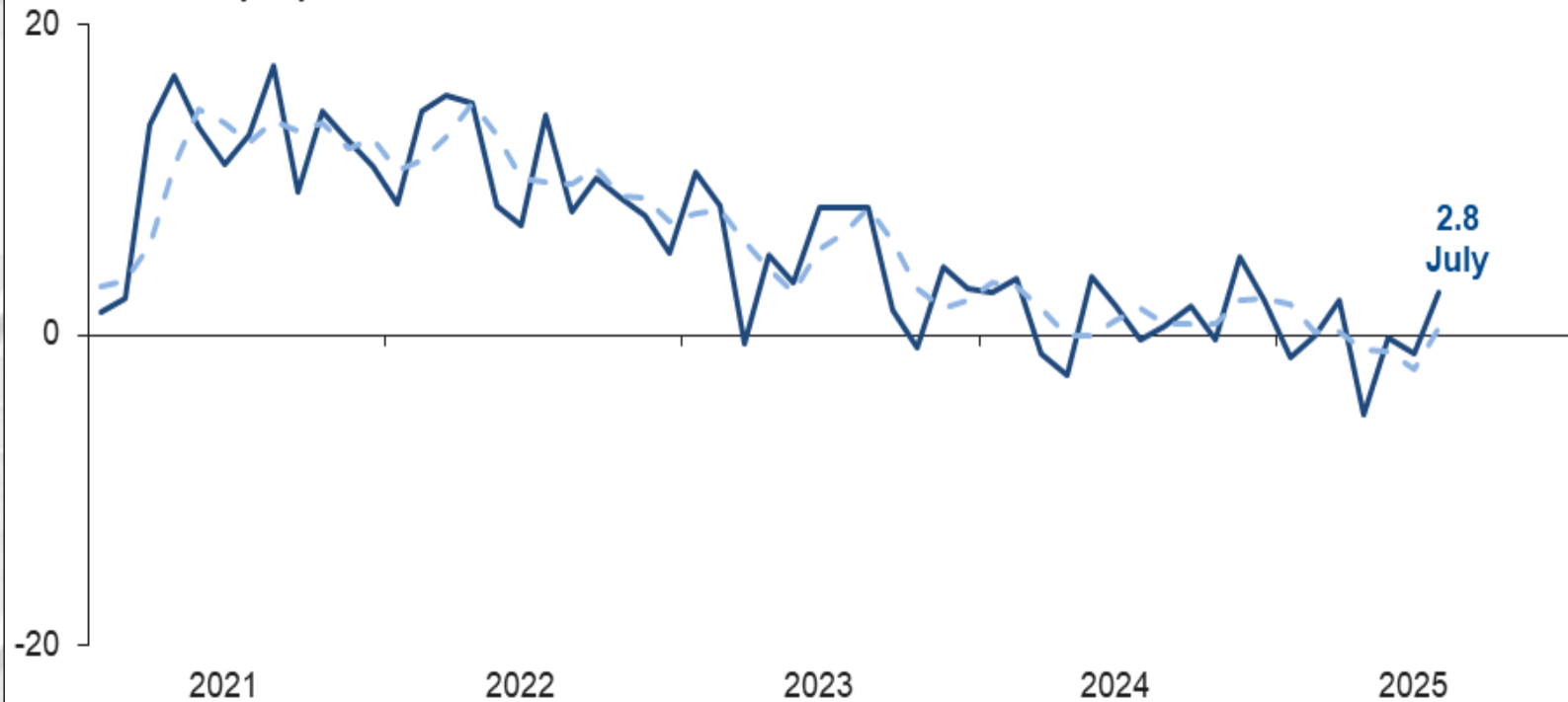
Input price and wage growth accelerated while selling price pressures eased this month. The input prices index rose 14 points to 31.6, while the selling prices index dipped five points to 9.0. The wages and benefits index increased 18 points to 14.4.

Expectations for future retail activity improved in July. The future general business activity index jumped to 15.6 from -3.2 while the future sales index rose 12 points to 31.2. Other future retail activity indexes, such as employment and capital expenditures remained in positive territory.” – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey Employment

Index, seasonally adjusted



2.8
July

NOTE: Dashed line shows the three-month moving average.

Federal Reserve Bank of Dallas

U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Manufacturing Activity Edged Up Slightly in July

Tenth District manufacturing activity edged up slightly, and expectations for future activity remained expansionary. Price growth cooled slightly for both raw materials and finished products.

Factory Activity Edged Up Slightly

“The month-over-month composite index was 1 in July, up slightly from -2 in June and -3 in May. The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The increase from last month was driven by nondurable manufacturing, while durable manufacturing activity continued to fall. The month-over-month indexes were mixed. The volume of shipments and new orders both increased modestly, but production fell from 5 to -3. The backlog of orders fell considerably from -11 to 30 and the employment index continued to decrease from -8 to -11.” – Cortney Cowley, Assistant Vice President and Oklahoma City Branch Executive and Megan Williams, Associate Economist and Senior Manager; Federal Reserve Bank of Kansas City

U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

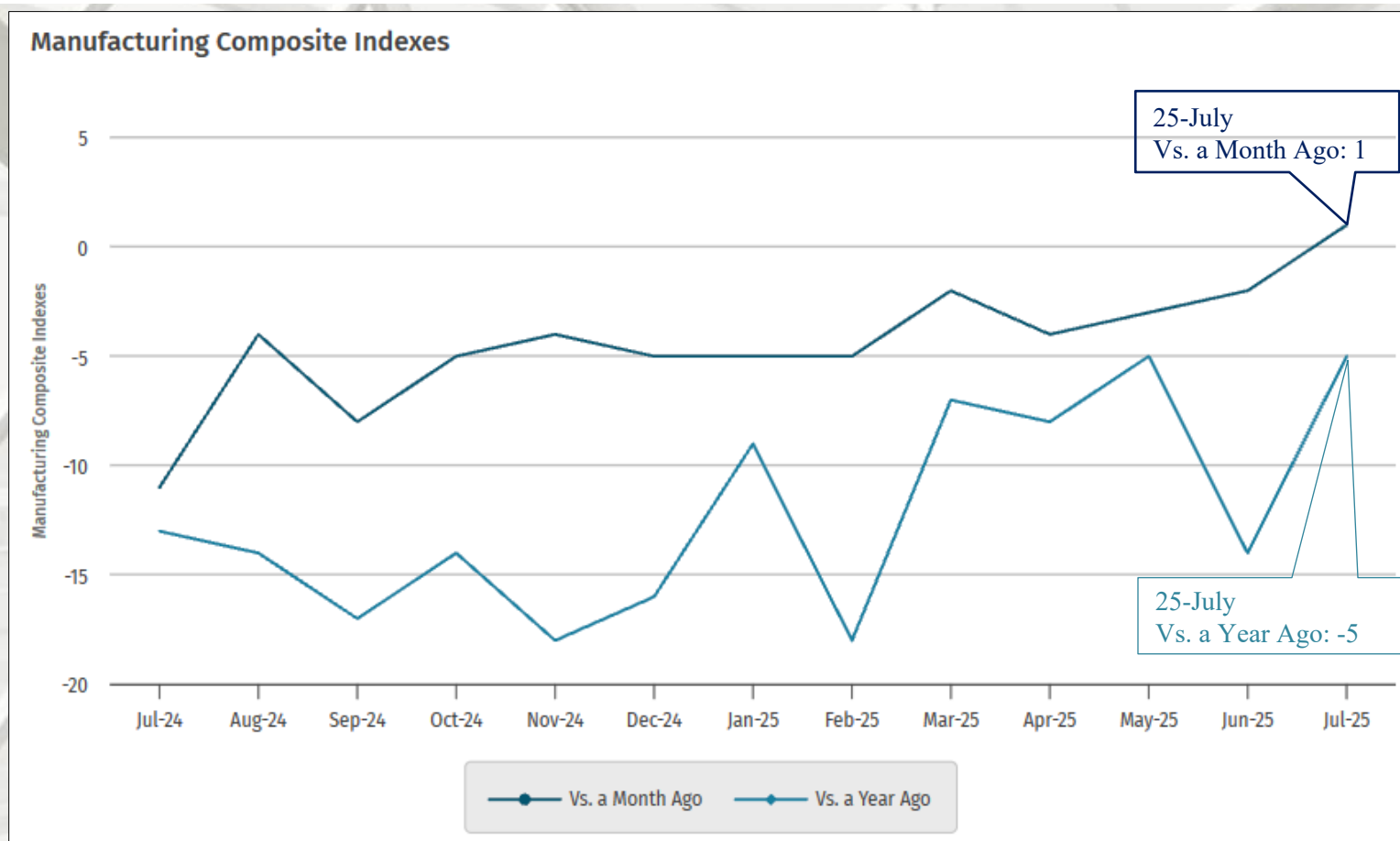
Factory Activity Edged Up Slightly

“Most year-over-year indexes were negative, but up somewhat from last month’s readings. Production and backlogs fell substantially, while the shipments, new orders, and employment count and workweek indexes all declined moderately. Expectations for future activity remained positive, with the composite index ticking down from 9 to 8, as firms continued to have positive outlooks for production, new orders, and employment.

Special Questions

“This month contacts were asked special questions about profit margins and passthrough ability. Changes in firms’ profit margins were mixed. Over a third (35%) of firms reported a slight decrease in profit margins over the previous quarter and 21% reported a significant decrease, while 21% reported no change, 20% reported a slight increase, and 3% reported a significant increase. In the next 12 months, 32% of firms expect margins to decrease slightly, 10% expect them to decrease significantly, 26% expect no change, 29% expect them to increase slightly, and 3% expect them to increase significantly. Firms were also asked if their ability to pass through rising input prices has changed in the last few months. A third of firms (33%) reported a slightly increased ability, another 33% reported no change in passthrough ability, 31% reported it is harder to passthrough costs, and 3% reported a considerably increased passthrough ability.” – Cortney Cowley, Assistant Vice President and Oklahoma City Branch Executive and Megan Williams, Associate Economist and Senior Manager; Federal Reserve Bank of Kansas City

The Federal Reserve Bank of Kansas City



U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Services Fell Modestly in July

Tenth District services activity fell modestly in July, while expectations for future activity remained positive. Input prices continued to ease, while selling prices remained steady from last month.

Business Activity Fell Modestly in July

“The month-over-month services composite index was -5 in July, down from 3 in June and 11 in May. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in the real estate, tourism, and hotel sectors grew, while the wholesale trade sector continued to decline. The month-over-month indexes were mixed. General revenue/sales cooled further from 2 to -8, and employment and employee hours both decreased to -6. Year-over-year growth eased from 11 to 1, and revenues decreased slightly from 7 to -2. Capital expenditures increased modestly from 4 to 6. Expectations for future services activity remained positive, as firms’ anticipated revenue and employment growth continued to be favorable.” – Cortney Cowley, Assistant Vice President and Oklahoma City Branch Executive and Megan Williams, Associate Economist and Senior Manager; Federal Reserve Bank of Kansas City

U.S. Economic Indicators

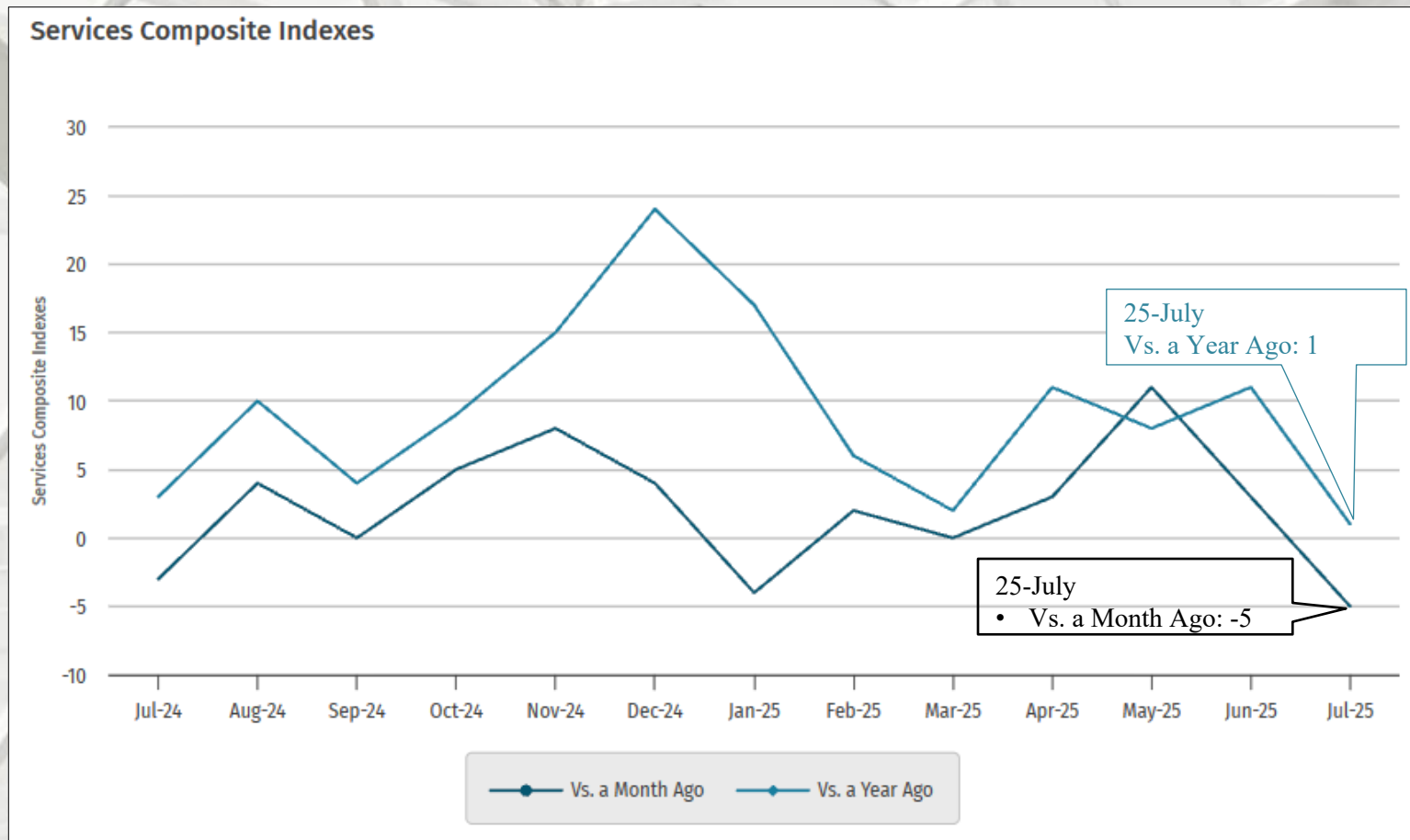
The Federal Reserve Bank of Kansas City

Business Activity Fell Modestly in July

Special Questions

“This month contacts were asked about profit margins and passthrough ability. A significant portion of firms (41%) reported that in the previous quarter there was a slight decrease in profit margins, while 15% reported a significant decrease 14% reported no change, 26% reported a slight increase, and 4% reported a significant increase. In the next 12 months, 40% of firms expected margins to slightly decrease, 13% expected a significant decrease, 16% expected no change, 28% expected a slight increase, and 3% a significant increase. Additionally, 41% of firms reported that over the last few months their ability to pass through rising input prices has not changed, 33% reported it is harder to pass through costs, 23% reported a slight increase in ability, and 3% of firms reported a considerable increase.” – Cortney Cowley, Assistant Vice President and Oklahoma City Branch Executive and Megan Williams, Associate Economist and Senior Manager; Federal Reserve Bank of Kansas City

The Federal Reserve Bank of Kansas City



The Federal Reserve Bank of New York

August 2025 Empire State Manufacturing Survey

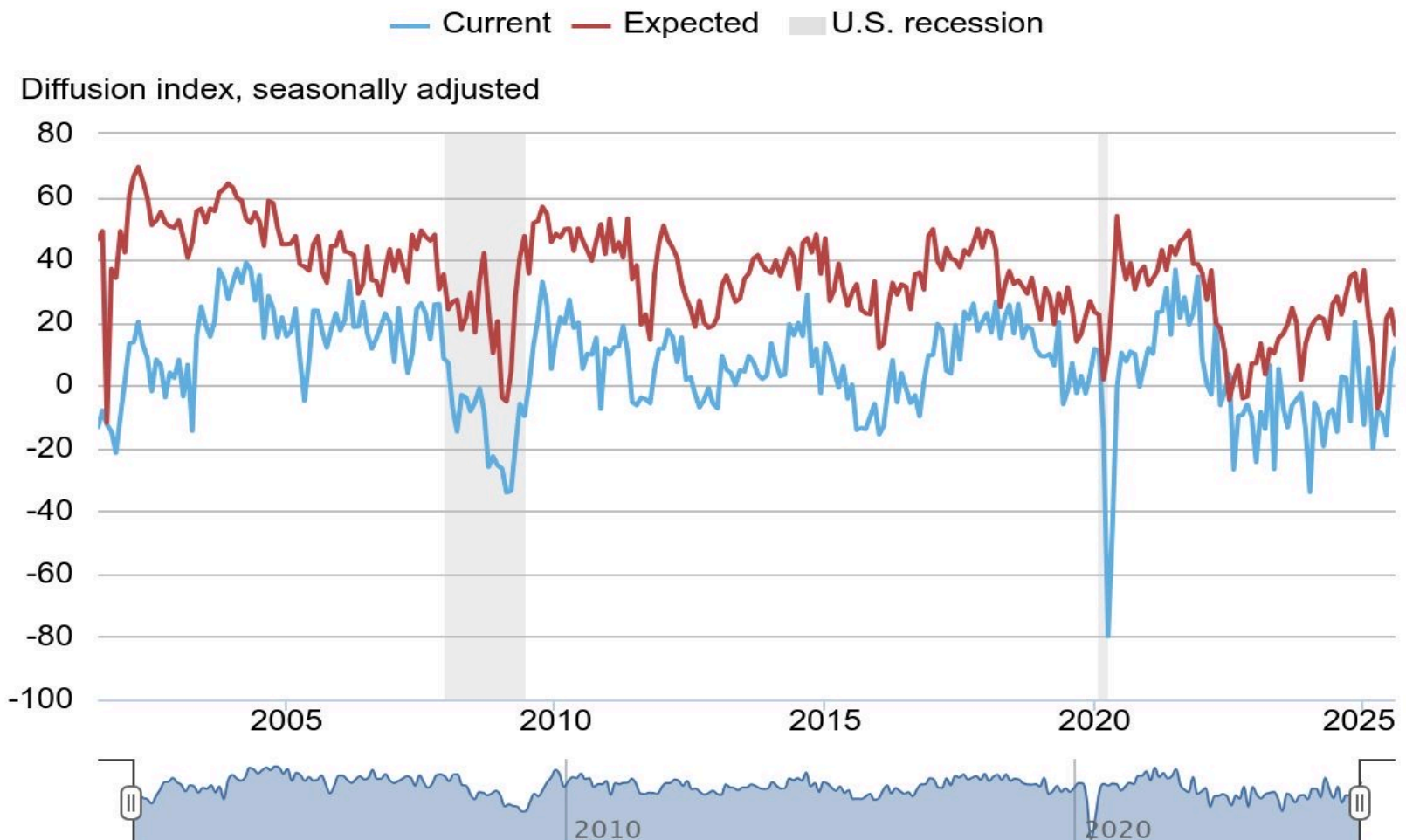
Business Activity Continues to Expand

“Business activity grew modestly in New York State in August, according to firms responding to the *Empire State Manufacturing Survey*. The headline general business conditions index rose six points to 11.9, its highest reading in several months. New orders and shipments increased. Delivery times lengthened significantly, and supply availability worsened somewhat. Inventories declined after growing last month. Employment edged slightly higher, while the average workweek held steady. The pace of input price increases remained elevated but was little changed from last month, while the pace of selling price increases was slightly lower. Capital spending plans were soft. Firms expect conditions to improve in the months ahead, though optimism diminished compared to last month.

Manufacturing activity in New York State picked up for a second consecutive month, according to the August survey. The general business conditions index climbed six points to 11.9, its highest level since November 2024. The new orders index rose thirteen points to 15.4, and the shipments index held steady at 12.2, pointing to increases in both orders and shipments. Unfilled orders edged lower. After rising sharply last month, the inventories index retreated twenty-two points to -6.4, indicating that business inventories shrank. Delivery times were significantly longer, and supply availability was somewhat worse.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

The Federal Reserve Bank of New York

General Business Conditions



The Federal Reserve Bank of New York

August 2025 Empire State Manufacturing Survey

Input Price Increases Remain Elevated

“The index for number of employees remained positive at 4.4, pointing to a slight increase in employment, and the average workweek index came in at around zero, suggesting that hours worked held steady. The prices paid index was little changed at 54.1, a sign that input price increases remained steep, while the prices received index edged down to 22.9, suggesting that selling price increases remained moderate.

Firms Expect Some Improvement

The index for future general business conditions fell eight points to 16.0, suggesting that businesses expect activity to increase in the months ahead, but firms were less optimistic than they were last month. New orders and shipments are expected to increase. Two-thirds of respondents expect input prices to pick up further over the next six months. Capital spending plans were soft.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

The Federal Reserve Bank of New York

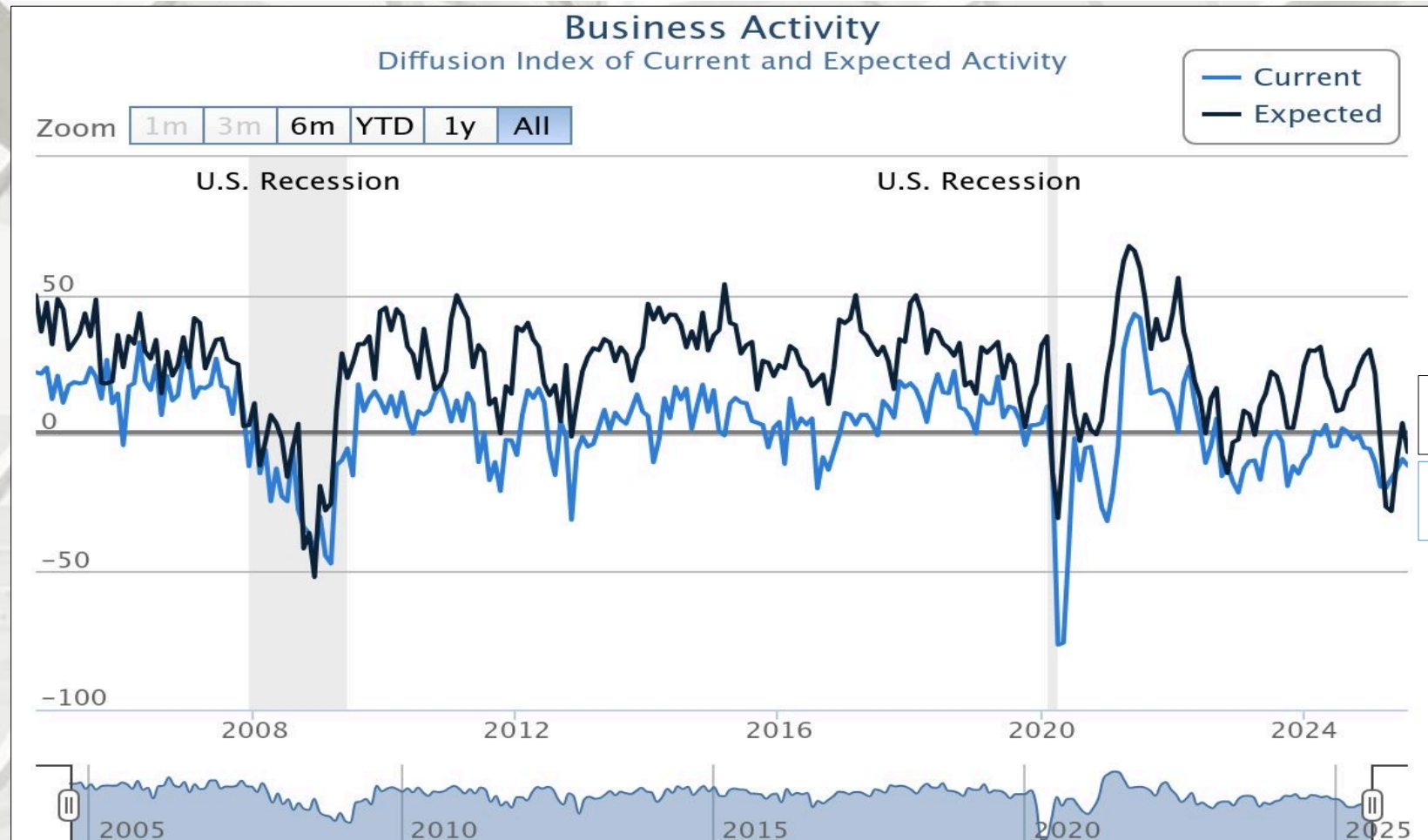
August 2025 Empire State Business Leaders Survey (Services)

Activity Continues to Decline

“Business activity continued to decline in the region’s service sector in August, according to firms responding to the Federal Reserve Bank of New York’s *Business Leaders Survey*. The survey’s headline business activity index was little changed at -11.7. The business climate index remained negative at -39.3, suggesting the business climate remained worse than normal. Employment held steady, and wage growth was modest. Supply availability continued to worsen. The pace of input price increases remained moderate, and selling price increases remained significant. Firms turned pessimistic about the outlook.

Business activity fell for a sixth consecutive month in the New York-Northern New Jersey region, according to the August survey. The headline business activity index edged down two points to -11.7. Twenty-three percent of respondents reported that conditions improved over the month while 35 percent said that conditions worsened. The business climate index remained negative at -39.3, with just over half of respondents saying that the business climate was worse than normal.” – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

The Federal Reserve Bank of New York



The Federal Reserve Bank of New York

August 2025 Empire State Business Leaders Survey (Services)

Employment Holds Steady

“The employment index moved down three points to 1.0, suggesting employment was little changed. The wages index held steady at 28.0, indicating that wages increased at about the same pace as last month. The prices paid index remained elevated at 64.3, while the prices received index edged up two points to 32.0, its highest reading since March of 2023, pointing to a small pickup in selling price increases. The supply availability index remained negative at -10.2, indicating that supply availability worsened.

Firms Turn Pessimistic Again

The index for future business activity dropped back into negative territory, falling to -6.8, and the index for the future business climate held well below zero, suggesting firms were pessimistic about the outlook. The index for future prices paid remained elevated, and the index for future prices received climbed to its highest level since 2022, suggesting firms expect widespread price increases in the months ahead. Supply availability is expected to worsen, and capital spending plans were soft.” – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

The Federal Reserve Bank of Philadelphia

July 2025 Manufacturing Business Outlook Survey

Current Indicators Improve

“Manufacturing activity in the region expanded overall this month, according to the firms responding to the July Manufacturing *Business Outlook Survey*. The survey’s indicator for general activity returned to positive territory, and the indexes for new orders and shipments both increased this month. All three indexes recorded their highest readings since February. The employment index turned positive, suggesting overall increases in employment. Both price indexes rose after declining last month and continue to suggest overall price increases. The future activity indicators suggest that the firms continue to expect growth over the next six months.

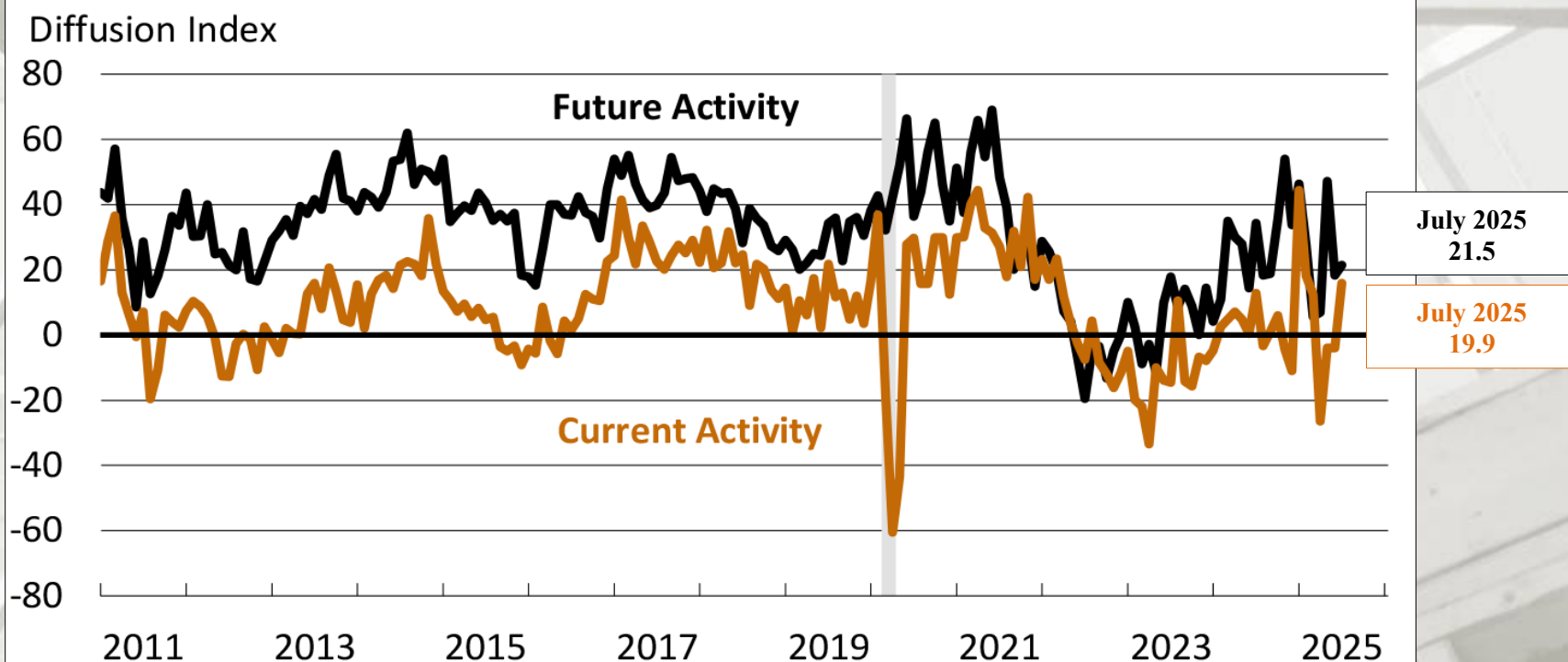
The diffusion index for current general activity rose 20 points to 15.9 in July, its first positive reading after three negative readings and its highest reading since February (see Chart 1). Nearly 32 percent of the firms reported increases in general activity this month (up from 25 percent last month), while 16 percent reported decreases (down from 28 percent); 49 percent reported no change (up from 44 percent). The index for new orders increased 16 points to 18.4 this month, and the current shipments index increased from 8.3 to 23.7, also their highest readings since February.

The firms reported overall increases in employment, as the employment index rose 20 points to 10.3 and mostly recovered its decline from last month. Most firms (70 percent) reported no change in employment, 17 percent reported increases, and 7 percent reported decreases. The average workweek index inched up to 0.4.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

The Federal Reserve Bank of Philadelphia

Chart 1. Current and Future General Activity Indexes

January 2011 to July 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.

The Federal Reserve Bank of Philadelphia

July 2025 Manufacturing Business Outlook Survey

Firms Continue to Expect Increases in Wages

“In this month’s [special questions](#), the firms were asked about changes in wage rates and compensation packages over the past three months, as well as their updated expectations for changes in various input and labor costs for the current year. Thirty percent of the firms indicated wages and compensation costs had increased over the past three months, 70 percent reported no change, and no firm reported decreases. Sixty-nine percent of the firms reported not having made changes to their 2025 plan for wages and compensation since the beginning of the year, 28 percent indicated they plan to increase wages and compensation, and 3 percent indicated they plan to decrease wages and compensation.

The firms expect cost increases across all categories of expenses in 2025. The responses indicate a median expected increase of 3 to 4 percent for wages, unchanged from April. The firms also reported a median expected increase of 4 to 5 percent for health benefits, up from 3 to 4 percent when this question was last asked in April, and an increase of 3 to 4 percent for total compensation (wages plus benefits), down from 4 to 5 percent in April.

Firms Continue to Report Overall Price Increases

“The prices paid index rose 17 points from 41.4 to 58.8, largely undoing its fall in June. Almost 61 percent of the firms reported increases in input prices, while 2 percent reported decreases; 31 percent reported no change. The current prices received index increased 5 points to 34.8. Almost 35 percent of the firms reported increases in the prices of their own goods, none reported decreases, and 58 percent reported no change.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

The Federal Reserve Bank of Philadelphia

July 2025 Manufacturing Business Outlook Survey

Future Indicators Remain Positive

The diffusion index for future general activity jumped 40 points to 47.2 in June 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 July *Manufacturing Business Outlook Survey* suggested an overall increase in regional manufacturing activity this month. The indicator for current activity turned positive after three consecutive negative readings, and the new orders and shipments indexes both increased. The firms indicated overall increases in employment, and the current price indexes remained elevated. The survey's broad indicators for future activity remained positive, suggesting expectations for growth over the next six months.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

The Federal Reserve Bank of Philadelphia

July 2025 Nonmanufacturing Business Outlook Survey

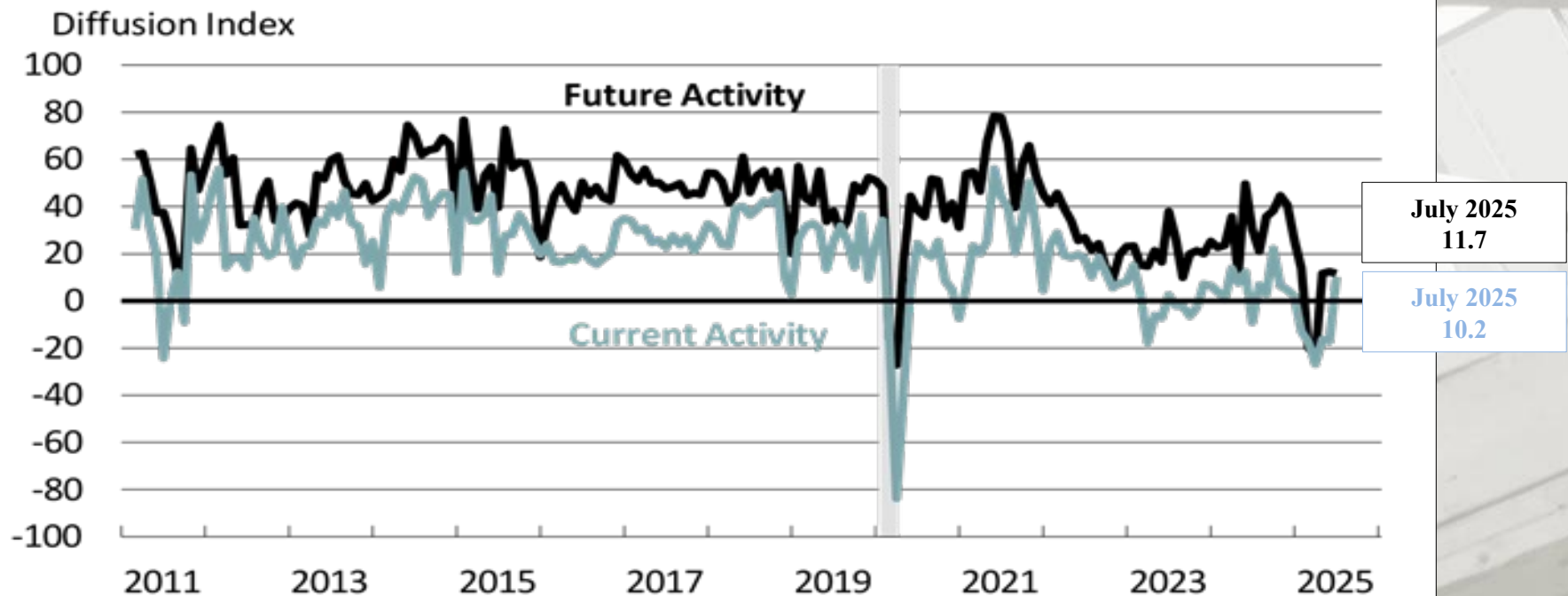
Firms Report Declines in Activity

“Nonmanufacturing activity in the region expanded overall this month, according to the firms responding to the July *Nonmanufacturing Business Outlook Survey*. The indexes for general activity at the firm level and new orders rose and turned positive, while the sales/revenues index increased further. The firms reported overall increases in full-time employment. Both price indexes rose and indicated overall increases in prices. The firms continued to expect growth in activity over the next six months at their own firms.

The diffusion index for current general activity at the firm level increased from -17.3 to 10.2 this month, its first positive reading after five consecutive negative readings and its highest reading since October (see Chart 1). Almost 36 percent of the firms reported increases (up from 28 percent last month), while 26 percent reported decreases (down from 45 percent last month); 36 percent reported no change in activity (up from 26 percent last month). Both the new orders and sales/revenues indexes recorded their highest readings since October. The new orders index rose 30 points to 9.7. The share of firms reporting increases in new orders (33 percent) exceeded the share reporting decreases (23 percent). The sales/revenues index rose 8 points to 11.8. Over 37 percent of the firms reported increases in sales/revenues, 26 percent reported decreases, and 33 percent reported no change. The regional activity index increased 15 points but remained negative at -10.3, its highest reading since January.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

The Federal Reserve Bank of Philadelphia

Chart 1. Current and Future General Activity Indexes
January 2011 to July 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.

The Federal Reserve Bank of Philadelphia

July 2025 Nonmanufacturing Business Outlook Survey

Most Firms Report Steady Employment

“The full-time employment index, which turned negative last month, rose 6 points to 4.1 this month. More than 18 percent of the firms reported increases in full-time employment, while 14 percent reported decreases; almost 64 percent reported no change. The part-time employment index declined from 0.1 to -1.4. The share of firms reporting decreases (11 percent) narrowly exceeded the share reporting increases (10 percent); 75 percent reported steady part-time employment. The average workweek index moved up 4 points to 12.5.

Firms Continue to Report Overall Price Increases

Price indicator readings suggest continued increases in input prices and prices for the firms’ own goods and services this month. The prices paid index rose 3 points to 32.5. More than 35 percent of the respondents reported higher input prices, while 3 percent reported decreases; 51 percent reported no change. Regarding prices for the firms’ own goods and services, the prices received index increased 10 points to 12.4, its highest reading since December and just below its long-run average. More than 16 percent of the firms reported increases in their own prices, 4 percent reported decreases, and 73 percent of the firms reported no change.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

The Federal Reserve Bank of Philadelphia

July 2025 Nonmanufacturing Business Outlook Survey

Firms Continue to Expect Increases in Wages

“In [special questions](#) this month, the firms were asked about changes in wages and compensation in the past three months as well as their expected changes to various input and labor costs for 2025. More than 36 percent of the firms indicated wages and compensation costs had increased in the past three months, 59 percent reported no change, and 5 percent reported decreases. More than 37 percent of the firms reported that they plan to increase wage rates and compensation packages for 2025, 56 percent indicated they have not made any changes, and 7 percent reported they plan to decrease wage rates and compensation packages. The firms still expect higher costs across all expense categories in 2025. The responses indicate a median expected increase of 2 to 3 percent in wages, little changed from when this question was last asked in April. The firms now expect higher increases in costs for health and nonhealth benefits than when the question was asked in April, while expectations for increased costs for other raw materials and intermediate goods moved down.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

The Federal Reserve Bank of Philadelphia

July 2025 Nonmanufacturing Business Outlook Survey

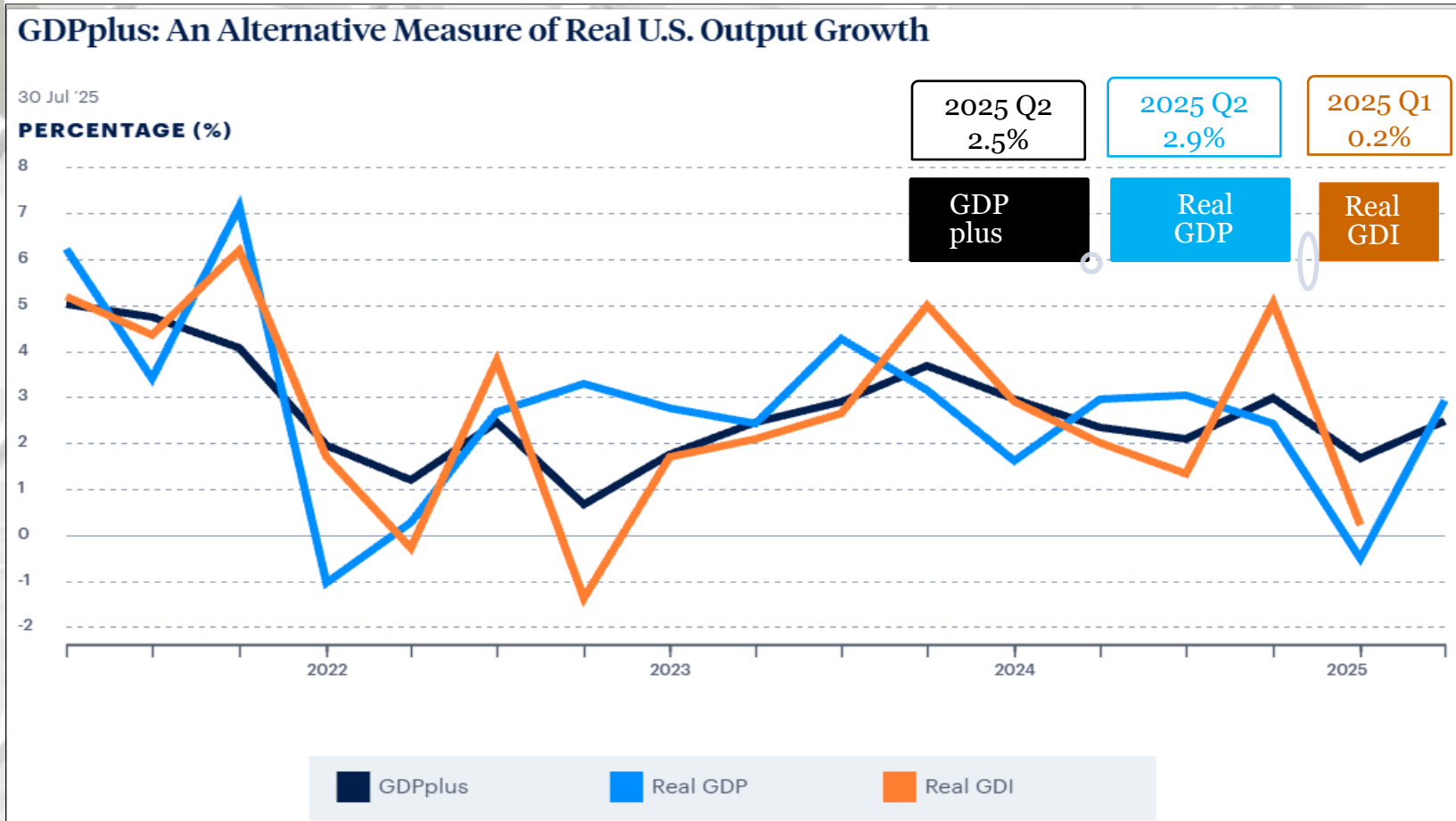
Firms Anticipate Growth at Their Own Firms

“The index for future general activity at the firm level ticked down 1 point to 11.7 (see Chart 1). Thirty-nine percent of the firms expect an increase in activity at their firms over the next six months, 27 percent expect decreases, and 34 percent of the firms expect no change. The future regional activity index remained negative but increased from -8.2 to -3.9.

Summary

Responses to this month’s *Nonmanufacturing Business Outlook Survey* suggest nonmanufacturing activity in the region expanded overall. The indicators for firm-level general activity and new orders turned positive, and the sales/revenues index increased further. The full-time employment index returned to positive territory. Price indexes indicated overall increases in both prices paid and prices received. The respondents continue to expect increases in activity at their own firms over the next six months.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

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.

The Federal Reserve Bank of Richmond

June 2025 Fifth District Survey of Manufacturing Activity

Fifth District Manufacturing Activity Deteriorated in July

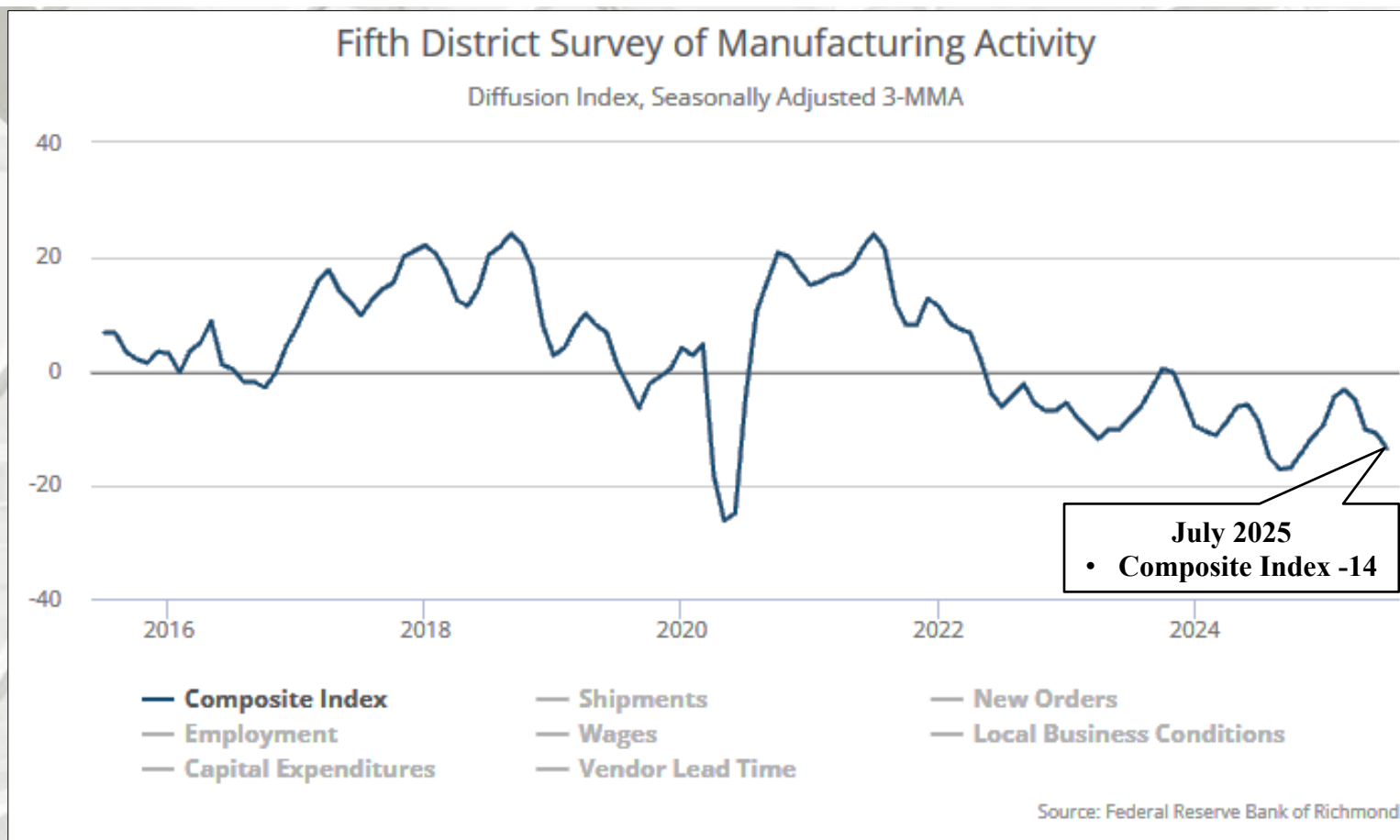
“Fifth District manufacturing activity deteriorated in July, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index fell to -20 in July from -8 in June, remaining in negative territory. All three of its component indexes fell. Shipments decreased to -18 from -5 , new orders dropped to -25 from -12 , and employment fell to -16 from -6 .

The local business conditions index increased to -11 in July. The index for future local business conditions rose to -2 from -7 . The future indexes for shipments and new orders increased, with shipments rising to 11 from 6 and new orders edging up to 9 from 6 . The future index for employment decreased to -10 from -4 .

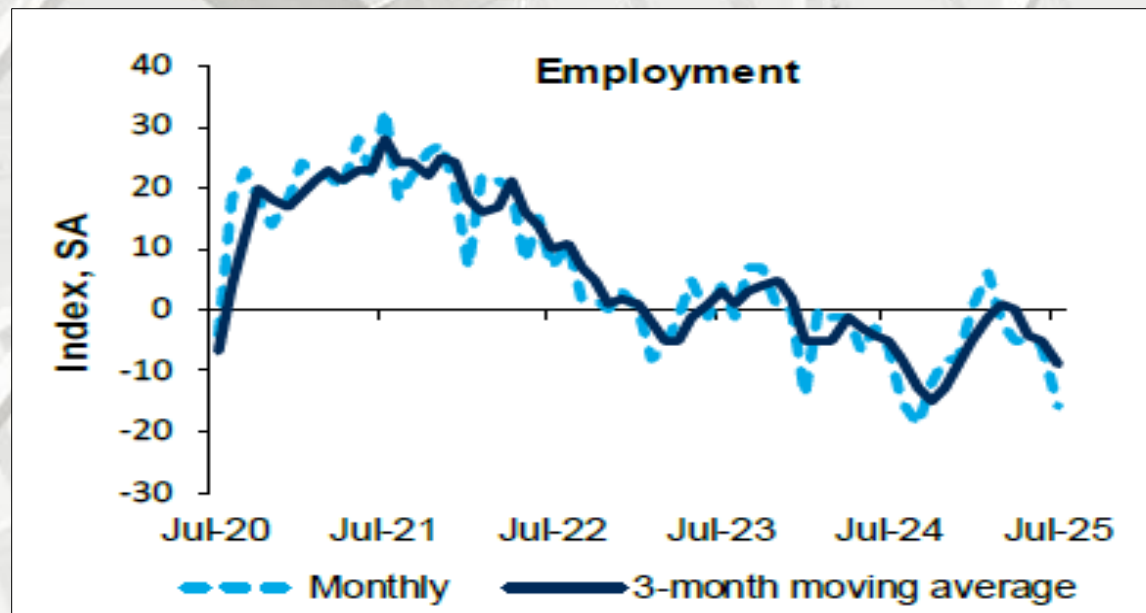
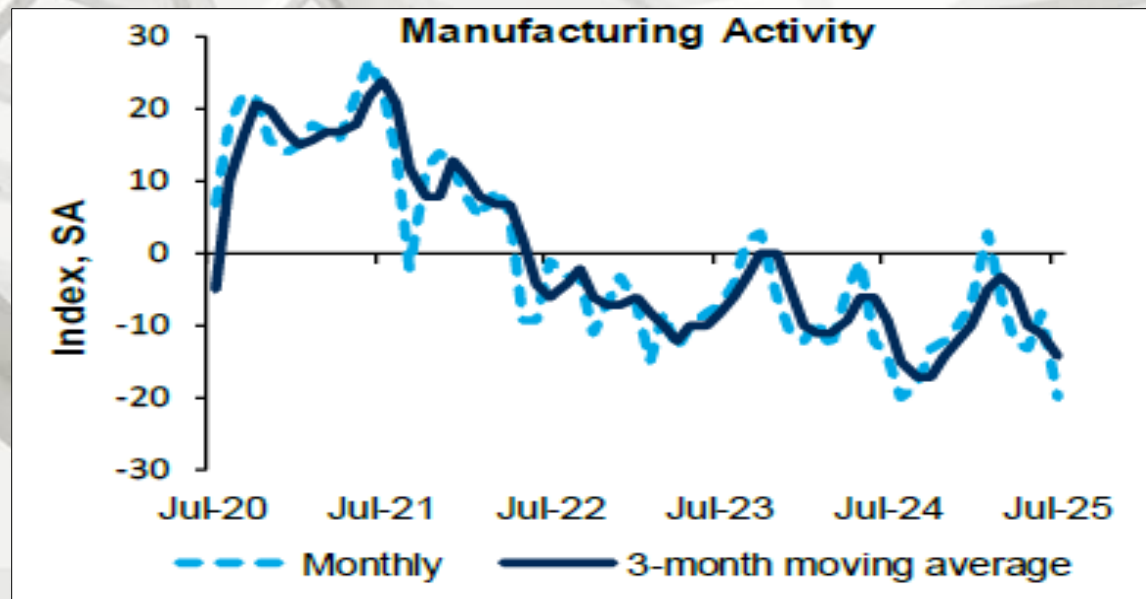
The vendor lead time index decreased to 7 in July, while the backlog of orders index fell to -30 from -18 .

The average growth rates of prices paid and prices received decreased somewhat in July. Firms expected growth in prices paid to remain nearly unchanged and expected growth in prices received to increase over the next 12 months. ” – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

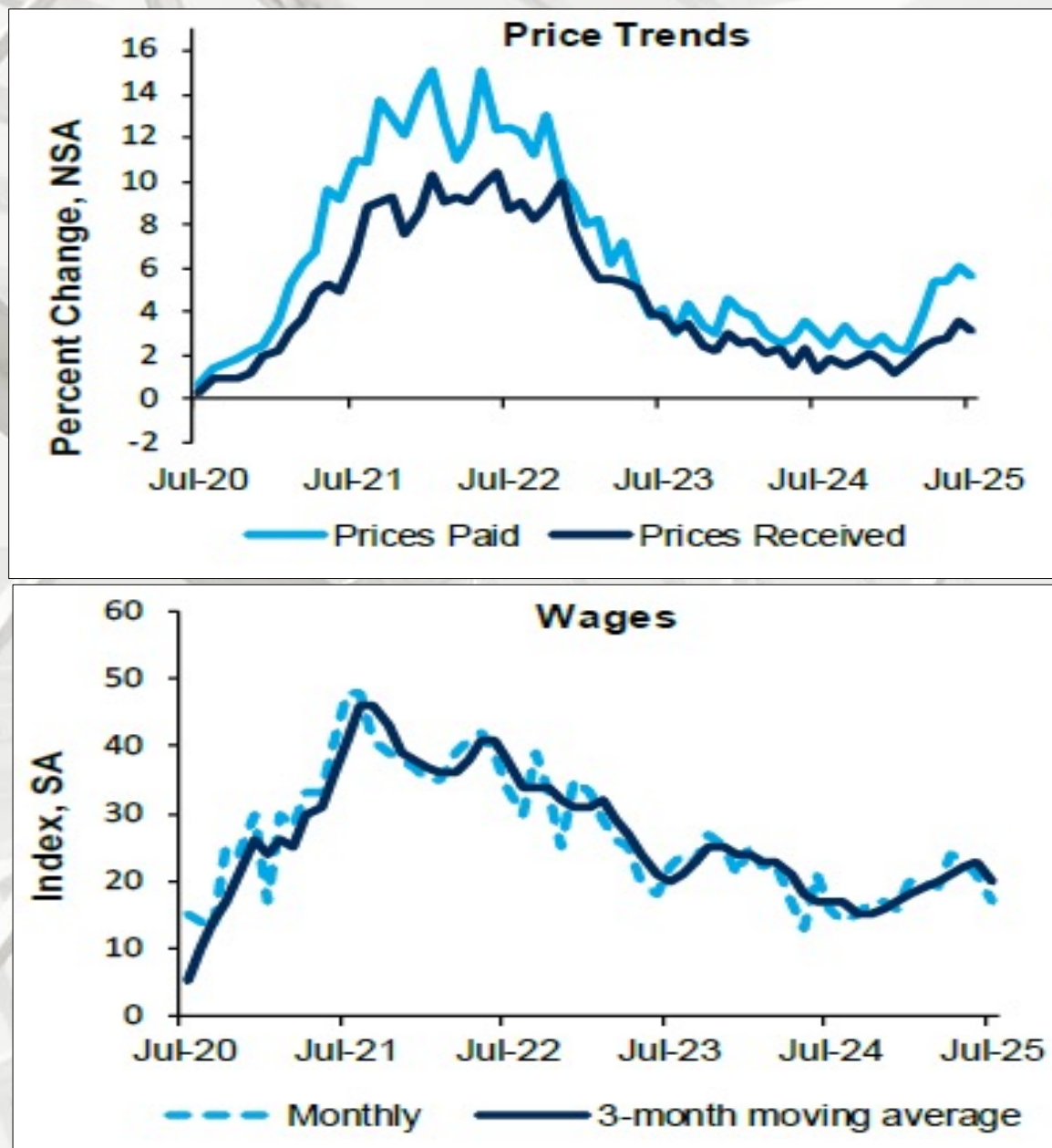
The Federal Reserve Bank of Richmond



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The Federal Reserve Bank of Richmond

June Fifth District Survey of Service Sector Activity

Fifth District Service Sector Activity Improved Slightly in July

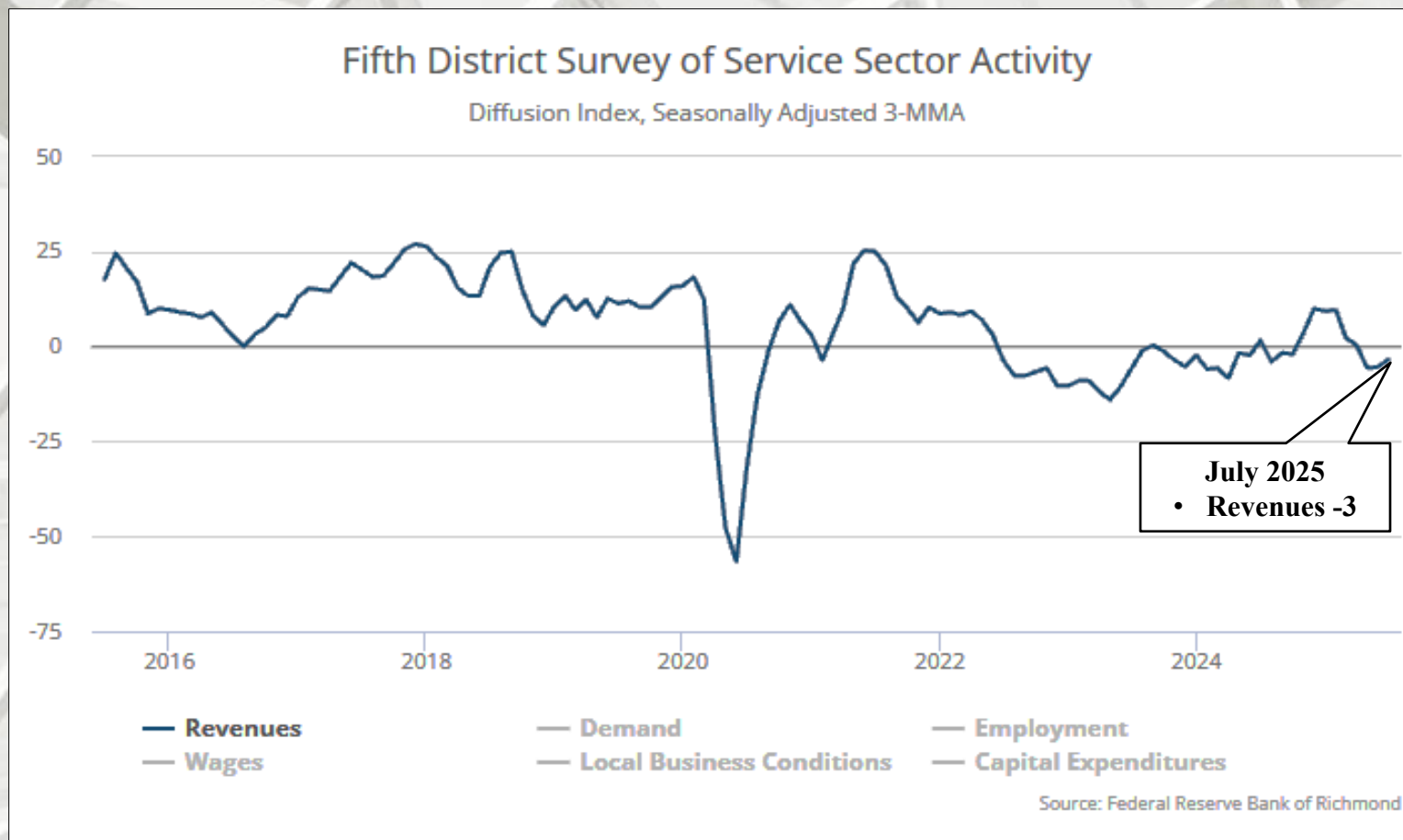
“Fifth District service sector activity improved slightly in July, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index edged up to 2 from -1 and the demand index increased to 5 from -4 in July. The indexes for future revenues and demand remained solidly positive in July.

The local business conditions index rose to -8 from -14 in July. The future local business conditions index increased to 6 from -5 .

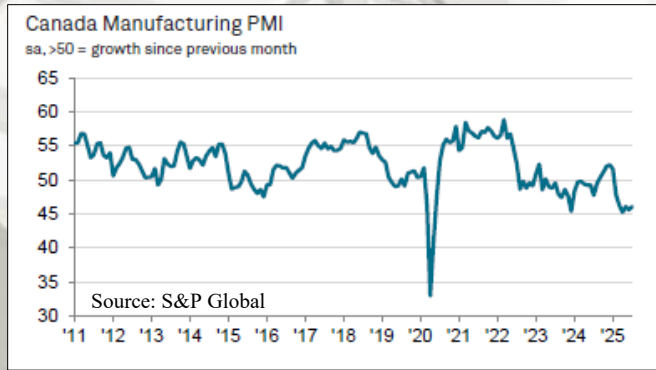
The current employment index edged down to 0 in July from 2 in June, while the forward looking index fell to 4 from 15. The wages index ticked down to 18 and firms continued to expect to increase wages over the next six months.

The average growth rate of prices paid decreased slightly while average growth in prices received increased slightly in July. Firms expected little change in the growth rate of prices paid over the next 12 months but expected growth in prices received to increase over the same period.” – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

The Federal Reserve Bank of Richmond



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, recorded 46.1 in July. That was up slightly since June’s 45.6 but remained below the critical 50.0 no-change mark for a sixth successive month and indicative of another deterioration in overall operating conditions.

Downturn in manufacturing sector continues in July

“Canada’s manufacturing sector landscape continued to be dominated by tariffs and trade uncertainty during July. Although output and new orders declined to weaker degrees, the adverse impact of tariffs on market demand – especially from the neighbouring United States – undermined sales and production. With the outlook remaining especially hard to predict, firms reduced inventories, lowered purchasing activity and cut employment. Tariffs again served to raise input costs and resulted in further supply chain delays. However, in a relatively positive development, input price inflation softened to an eight month low. In response, selling charges were raised to a reduced degree. ...

Canada’s manufacturing sector continued to struggle in the face of tariffs during July, with output, new orders and buying activity all declining at noticeable rates – albeit to lesser degrees than seen in recent months. Unsurprisingly, it was again trade with the United States that remained especially challenging, with firms noting reduced demand and sales volumes from US-based clients.

Associated supply chain challenges also persisted, and with vendors continuing to pass on tariff related price hikes, manufacturers again experienced an uptick in their overall input costs. That said, there was signs of some inflation relief, with both input costs and selling prices rising at slower rates.

A key takeaway from the latest survey was destocking, with both inputs and finished goods inventories declining at rates not seen since 2020. For companies facing a hugely unpredictable business environment, it has becoming increasingly important to run operations as lean as possible. And such considerations inevitably led to further cuts to both employment and purchasing activity.” – Paul Smith, Economics Director, S&P Global Market Intelligence

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 – posted 49.7 in July, down from 50.4 in June, falling back below the neutral 50.0 mark that separates growth from contraction.

Worldwide manufacturing sector slips back into contraction at start of third quarter

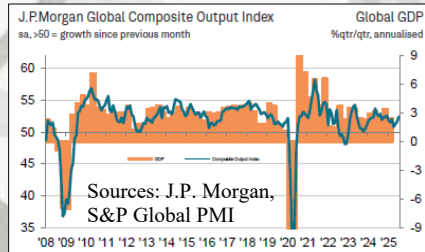
Worldwide manufacturing business conditions deteriorated slightly in July, reflecting downturns in output, new orders, exports and employment. Business confidence about the year ahead slipped to a three-month low. The latest surveys showed signs of a fading impact from the recent frontrunning of US tariffs alongside ongoing concerns about the underlying strength of economic conditions in the months ahead.

Manufacturing production declined for the second time in the past three months, although the rate of contraction was only moderate. Data broken down by sector reinforced the sense of a reversal in fortunes. After seeing mild growth in June, all three of the industries covered (consumer, intermediate and investment goods) saw modest downturns in production during the latest survey month. ...

The renewed contraction in global manufacturing production partly reflected weaker intakes of new business. New orders declined for the third time in the past four months, while new export business decreased for the fourth successive month. The tough market backdrop led manufacturers to exhibit continued caution on the cost front, as highlighted by mild cutbacks to employment, inventory holdings and purchasing volumes. ...

The J.P. Morgan global manufacturing output PMI fell back 1.6-point in July, unwinding much of June's gain. At 49.7, the index is consistent with our expectation for global manufacturing to stall in the second half of the year, as industry faces not just a tariff-driven hit to consumption and sentiment but also an unwind of previously front-loaded production. Forward-looking indicators were similarly downbeat, with the future output PMI falling back to its lowest level since the April Liberation Day-induced drop. Underlying July's output PMI fall were sizable declines in the US and Asia, including China, Japan, Taiwan, and Korea.” – Maia Crook, Global Economist, J.P. Morgan

Private Indicators: Global



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 – rose to a seven-month high of 52.4 in July, up from 51.7 in June. Growth of economic activity has been signalled throughout the past two-and-a-half years.

Global economic output expands at quickest pace so far in 2025 as service sector growth accelerates

“Global economic growth accelerated for the third successive month in July, reaching its fastest pace during the year to date. Although output expanded at a quicker pace, business optimism about the year ahead remained relatively downbeat and was among the gloomiest registered post-pandemic.

July PMI data signalled a widening disparity between the performances of the manufacturing and service sectors. Global service sector output rose at the quickest pace since last December, with all three of the services categories covered (business, consumer and financial services) registering growth. In contrast, worldwide manufacturing production fell for the second time in the past three months, with downturns seen across the consumer, intermediate and investment goods sub-industries. ...

A similar trend to output was seen for incoming new business, with overall levels of new work rising at the joint-fastest pace since January led by stronger gains in the service sector. Manufacturing new orders, in contrast, fell for the third time in the past four months. July data signalled that business optimism dipped to a three-month low and to one of its weakest levels post-pandemic. Of the six sub-sectors covered by the survey, only financial services saw confidence levels improve. ...

A 0.7-point rise in the July J.P. Morgan global all industry output PMI takes the index to its highest level of 2025. At 52.4, the PMI suggests ongoing resilience and even an acceleration in momentum into 3Q, against our expectation for a growth downshift. But beneath the upbeat headline series is a notable divergence in services and manufacturing, with the latter signalling a near-stall in global industry. In our forward-looking indicators, the new orders PMIs show a similar sectoral divide, while declines in both services and manufacturing brought the future output PMI back to one of its lowest post-pandemic points. We continue to expect the tariff drag to build in 2H25, with the impact felt most acutely on global industry and business sentiment.” – Maria Crook, Global Economist, J.P. Morgan

Private Indicators

Associated Builders and Contractors (ABC)

ABC: Construction Backlog Indicator Rises, Contractor Optimism Slips in July

“Associated Builders and Contractors reported that its Construction Backlog Indicator reported that its Construction Backlog Indicator rose to 8.8 months in July, according to an ABC member survey conducted July 24 to Aug. 4. The reading is up 0.4 months since July 2024.

View the full Construction Backlog Indicator and Construction Confidence Index [data series](#).

Backlog is up on a year-over-year basis in every region except for the South. Despite the lack of growth, backlog in the South remains significantly longer than in any other region. ABC’s Construction Confidence Index reading for sales and profit margins declined in July, while the reading for staffing levels rose to the highest level since April. The readings for all three components remain above the threshold of 50, indicating expectations for growth over the next six months.

“Backlog continued to rise in July despite the ongoing decline in construction spending,” said ABC Chief Economist Anirban Basu. “Some of that strength can be attributed to the fact that 1 in every 8 ABC members is currently under contract to perform work on a data center project. Backlog in the infrastructure category has also increased considerably over the past year, and public construction activity has outperformed the private sector over the past several months.

“While backlog rose, contractor confidence slipped in July, especially with regards to profit margins,” said Basu. “Fewer than 2% of ABC members expect their profit margins to increase significantly over the next six months, the fewest since October 2024. This is likely due to trade policy and the recent acceleration in materials price escalation; more than 80% of ABC members have been notified of tariff-related price increases.” – Erika Walter, Director of Media Relations, ABC

Private Indicators

Associated Builders and Contractors (ABC)

Construction Backlog Indicator					
	July 2025	June 2025	July 2024	1-Month Net Change	12-Month Net Change
Total	8.8	8.7	8.4	0.1	0.4
Industry					
Commercial and institutional	9.2	8.9	8.6	0.3	0.6
Heavy industrial	5.1	6.8	11.1	-1.7	-6.0
Infrastructure	9.6	9.3	7.5	0.3	2.1
Region					
Middle States	8.0	7.3	7.2	0.7	0.8
Northeast	8.1	9.2	7.2	-1.1	0.9
South	9.8	9.4	9.8	0.4	0.0
West	8.7	8.0	8.6	0.7	0.1
Company Size					
<\$30 Million	7.9	8.0	7.2	-0.1	0.7
\$30-\$50 Million	9.2	8.8	9.0	0.4	0.2
\$50-\$100 Million	9.3	9.2	9.5	0.1	-0.2
>\$100 Million	12.3	11.9	12.2	0.4	0.1

© Associated Builders and Contractors, Construction Backlog Indicator

Private Indicators

Associated Builders and Contractors (ABC)

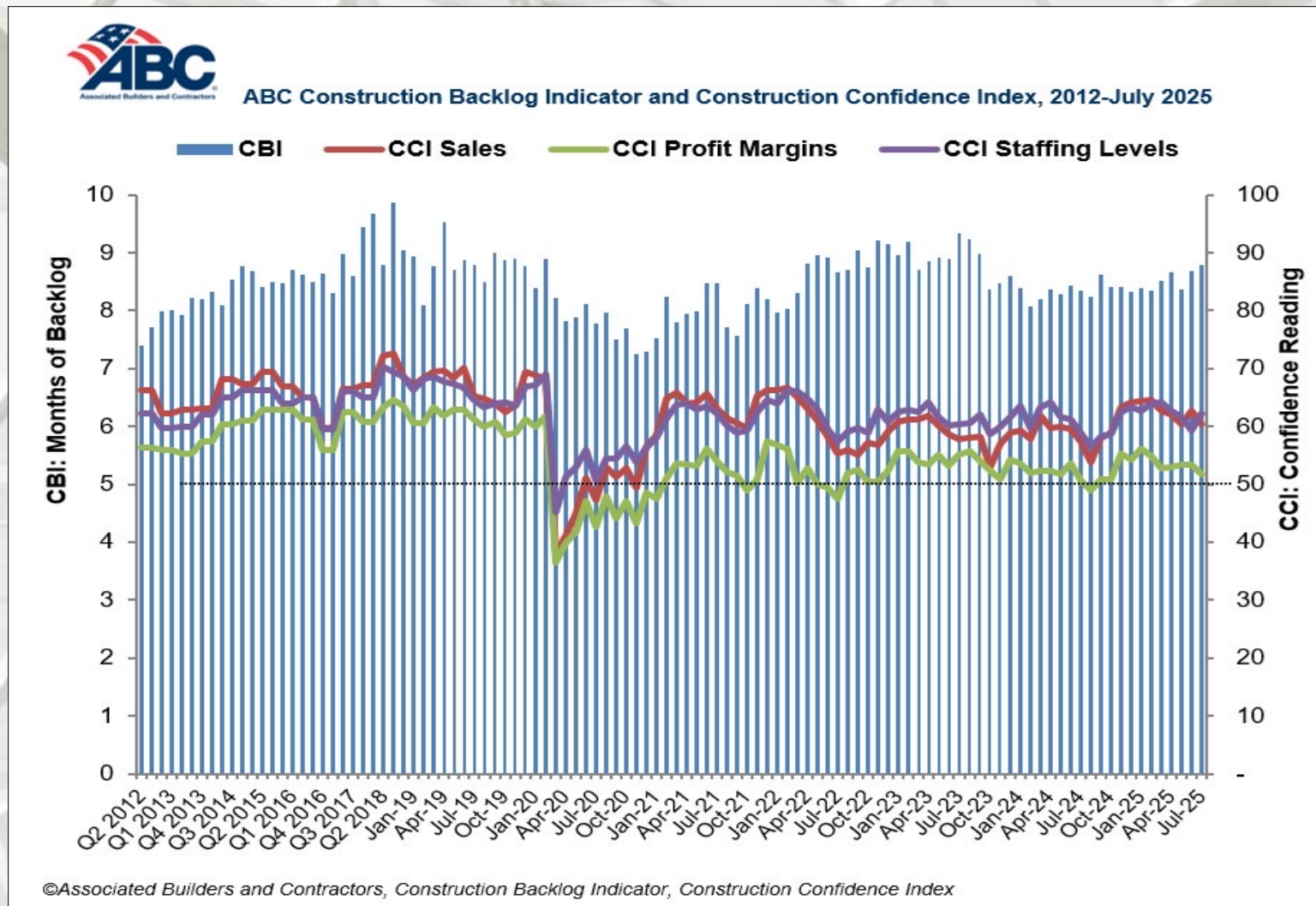
Construction Confidence Index

Response	July 2025	June 2025	July 2024
CCI Reading			
Sales	60.4	62.8	57.4
Profit margins	51.8	53.5	50.6
Staffing	62.4	59.4	58.8
Sales Expectations			
Up big	7.8%	10.3%	5.7%
Up small	49.1%	49.8%	43.1%
No change	24.4%	23.5%	29.2%
Down small	14.5%	13.6%	19.2%
Down big	4.2%	2.9%	2.8%
Profit Margin Expectations			
Up big	1.8%	4.1%	1.3%
Up small	33.6%	31.3%	28.3%
No change	38.5%	41.6%	44.7%
Down small	22.3%	20.6%	23.3%
Down big	3.9%	2.5%	2.5%
Staffing Level Expectations			
Up big	4.9%	4.9%	4.4%
Up small	51.2%	43.2%	41.5%
No change	33.6%	38.3%	39.6%
Down small	8.8%	11.5%	13.8%
Down big	1.4%	2.1%	0.6%

© Associated Builders and Contractors, Construction Confidence Index

Private Indicators

Associated Builders and Contractors (ABC)



Private Indicators

Associated Builders and Contractors

Nonresidential Construction Spending Contracts in 6 of Past 7 Months

“National nonresidential construction spending decreased 0.1% in June, 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 \$1.241 trillion.

Spending was down on a monthly basis in 9 of the 16 nonresidential subcategories. Private nonresidential spending fell 0.3% for the month, while public nonresidential construction spending inched 0.1% higher.

“Nonresidential construction spending declined in June and has now contracted in 6 of the past 7 months,” said ABC Chief Economist Anirban Basu. “Recent declines would be worse if not for ongoing increases in public nonresidential spending, which has risen 5.1% over the past year, significantly outperforming the 4.0% annual decline in private nonresidential activity. While ABC members remain optimistic about the second half of the year, according to [ABC’s Construction Backlog Indicator](#), recent data pertaining to both the construction industry and the broader economy suggest weakness could persist in the months to come.” – Erika Walter, Director of Media Relations, ABC

Private Indicators

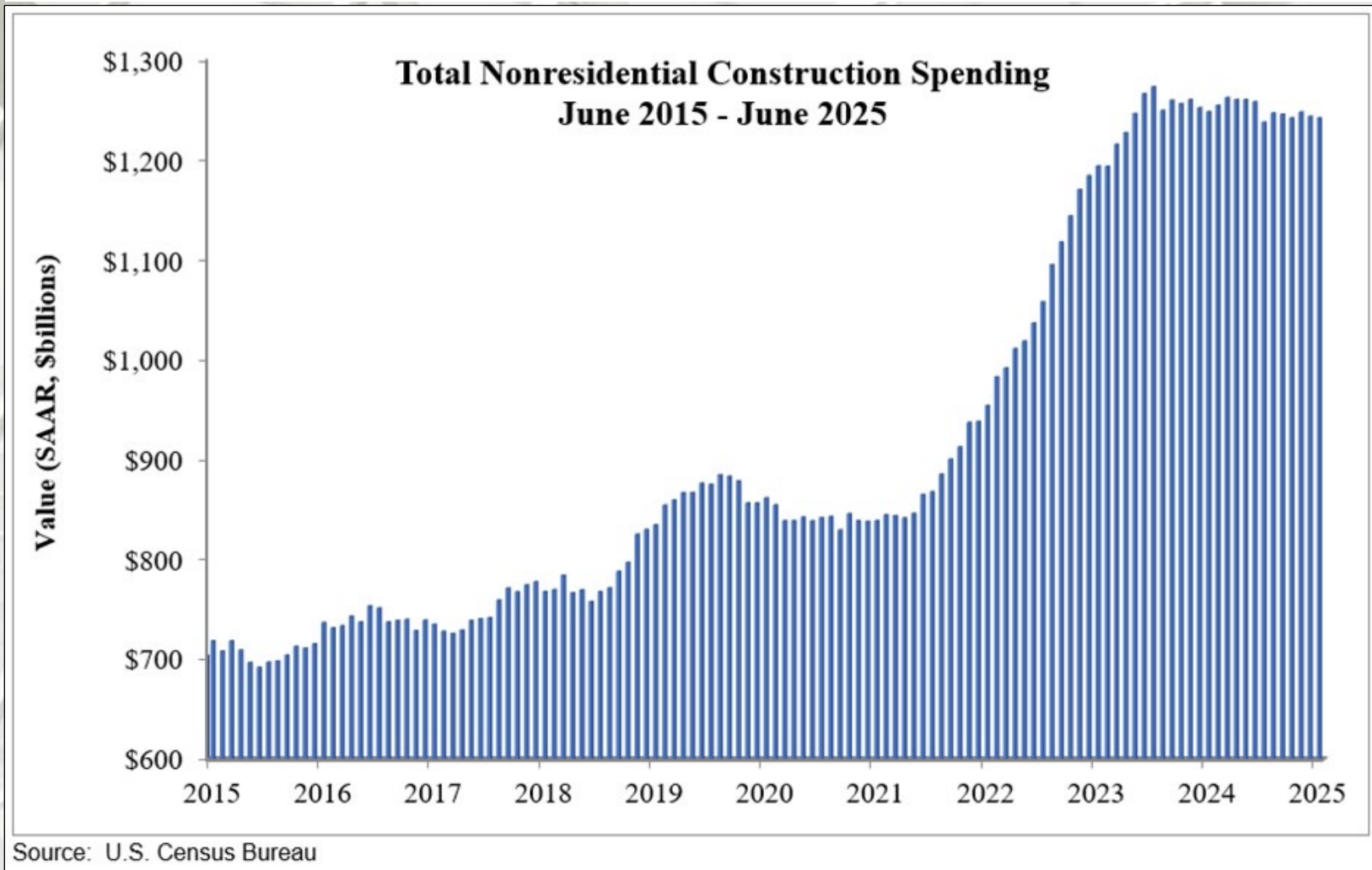
Associated Builders and Contractors

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

	June 2025	May 2025	June 2024	1-Month % Change	12-Month % Change
Total Construction	\$2,136,210	\$2,143,885	\$2,199,846	-0.4%	-2.9%
Residential	\$895,093	\$901,227	\$952,517	-0.7%	-6.0%
Nonresidential	\$1,241,117	\$1,242,658	\$1,247,329	-0.1%	-0.5%
Lodging	\$23,423	\$23,165	\$24,537	1.1%	-4.5%
Communication	\$29,473	\$29,205	\$29,539	0.9%	-0.2%
Highway and street	\$144,989	\$144,020	\$139,430	0.7%	4.0%
Transportation	\$68,465	\$68,026	\$64,819	0.6%	5.6%
Educational	\$136,959	\$136,703	\$137,159	0.2%	-0.1%
Amusement and recreation	\$42,607	\$42,533	\$40,823	0.2%	4.4%
Power	\$156,919	\$156,726	\$154,573	0.1%	1.5%
Water supply	\$34,095	\$34,120	\$31,441	-0.1%	8.4%
Sewage and waste disposal	\$50,781	\$50,886	\$45,755	-0.2%	11.0%
Health care	\$68,968	\$69,119	\$68,680	-0.2%	0.4%
Manufacturing	\$225,814	\$226,887	\$240,090	-0.5%	-5.9%
Commercial	\$119,635	\$120,493	\$132,050	-0.7%	-9.4%
Public safety	\$19,279	\$19,419	\$18,993	-0.7%	1.5%
Office	\$103,701	\$104,963	\$104,074	-1.2%	-0.4%
Religious	\$4,574	\$4,635	\$3,915	-1.3%	16.8%
Conservation and development	\$11,436	\$11,760	\$11,452	-2.8%	-0.1%
Private Nonresidential	\$738,844	\$741,098	\$769,510	-0.3%	-4.0%
Public Nonresidential	\$502,273	\$501,561	\$477,819	0.1%	5.1%

Source: U.S. Census Bureau

Private Indicators Associated Builders and Contractors



Private Indicators

Associated Builders and Contractors

Construction Hiring Remains Subdued in June

“The construction industry had 246,000 job openings on the last day of June, according to an Associated Builders and Contractors analysis of data from the U.S. Bureau of Labor Statistics’ Job Openings and Labor Turnover Survey. JOLTS defines a job opening as any unfilled position for which an employer is actively recruiting. Industry job openings increased by 14,000 last month but are down by 39,000 from the same time last year.

“While industrywide job openings increased in June, the share of all construction positions that are unfilled remains low by recent standards,” said ABC Chief Economist Anirban Basu. “More importantly, the hiring rate during the first half of 2025 was lower than during the first six months of any year since the start of the data series in 2000. Because contractors have also been laying workers off at a historically slow pace, industry wide employment continues to edge higher, but few job openings and sluggish hiring suggest weak demand for labor.

“That said, these data likely reflect the fact that the residential segment has struggled mightily this year, while nonresidential employment data have been more upbeat,” said Basu. “Fewer than 14% of ABC members expect their staffing levels to decrease during the second half of 2025, according to [ABC’s Construction Confidence Index](#). This suggests that the nonresidential side of the industry will continue to add jobs during the third and fourth quarter of 2025.’” – Erika Walter, Director of Media Relations, ABC

Private Indicators

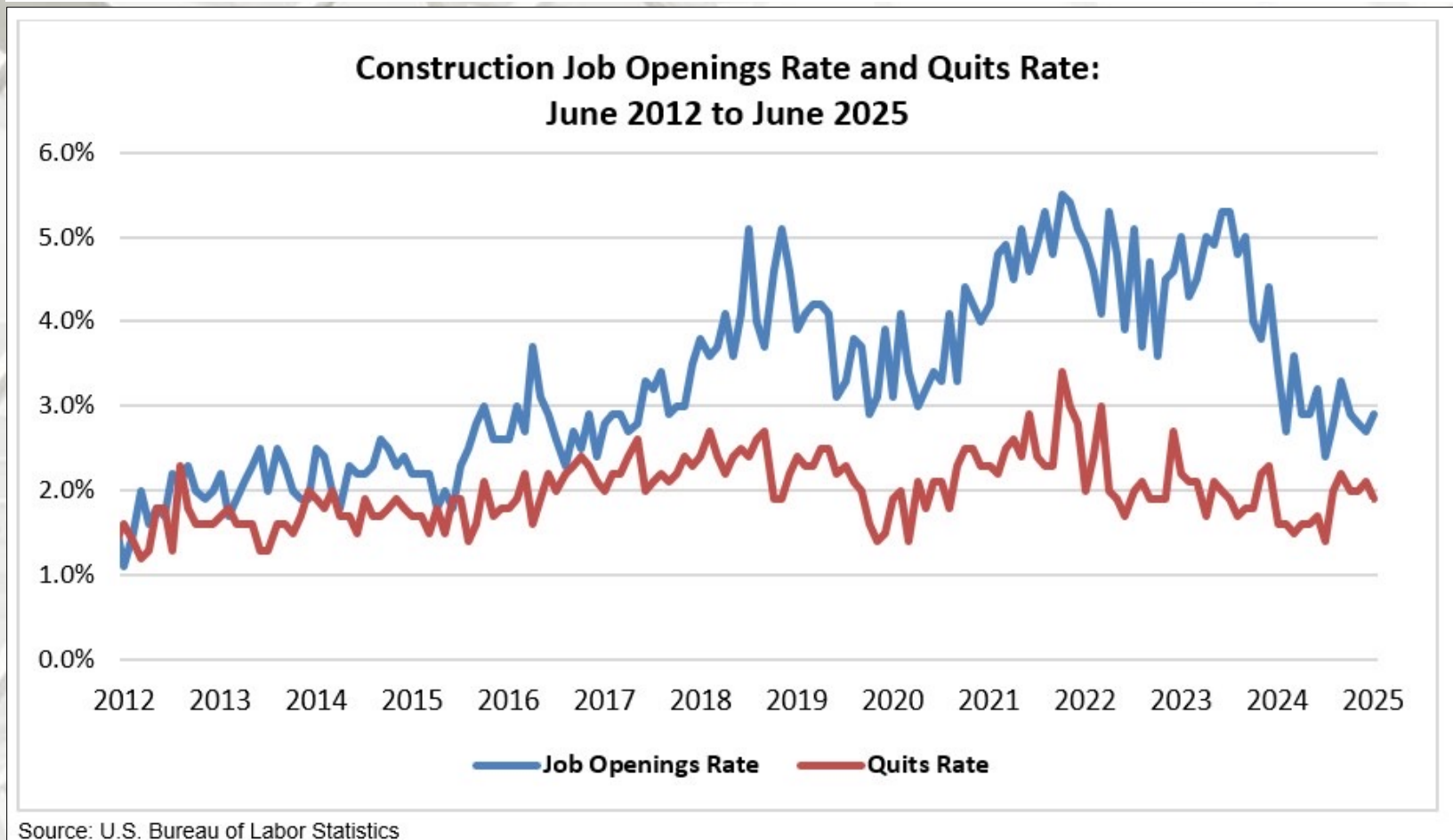
Associated Builders and Contractors

Construction Industry Job Openings and Labor Turnover Data: June 2025

	June 2025	May 2025	June 2024	1-Month Net Change	12-Month Net Change	12-Month % Change
Total						
Job openings	246,000	232,000	285,000	14,000	-39,000	-13.7%
Hires	351,000	358,000	307,000	-7,000	44,000	14.3%
Total separations	339,000	358,000	299,000	-19,000	40,000	13.4%
Layoffs & discharges	163,000	167,000	141,000	-4,000	22,000	15.6%
Quits	155,000	174,000	129,000	-19,000	26,000	20.2%
Other separations	21,000	17,000	28,000	4,000	-7,000	-25.0%
Rate						
Job openings	2.9%	2.7%	3.4%			
Hires	4.2%	4.3%	3.7%			
Total separations	4.1%	4.3%	3.6%			
Layoffs & discharges	2.0%	2.0%	1.7%			
Quits	1.9%	2.1%	1.6%			
Other separations	0.3%	0.2%	0.3%			

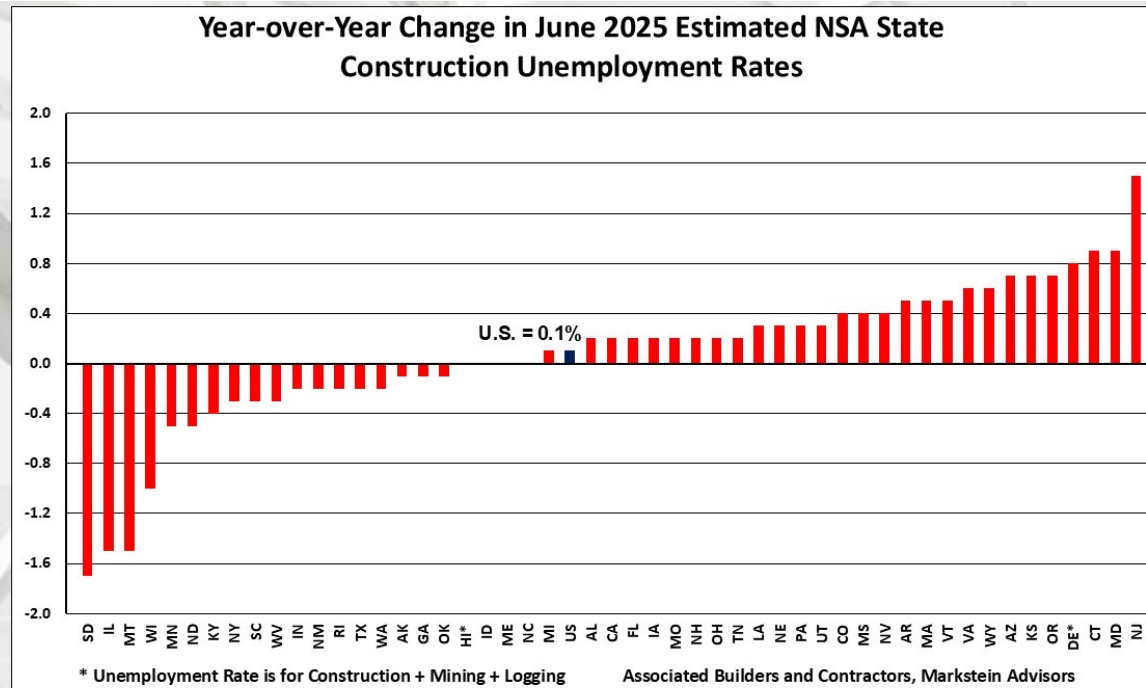
Source: U.S. Bureau of Labor Statistics

Private Indicators Associated Builders and Contractors



Private Indicators

Associated Builders and Contractors



Every State Had June Construction Unemployment Rates Below 10%

“The national June 2025 not seasonally adjusted construction unemployment rate was 3.4%, a 0.1% increase from June 2024, according to a state-by-state analysis of U.S. Bureau of Labor Statistics data released by Associated Builders and Contractors. The analysis found that 18 states had lower estimated construction unemployment rates over the same period, 28 had higher rates and four states had the same rates. All of the states had construction unemployment rates below 10%.” – Erika Walter, Director of Media Relations, ABC

Private Indicators

Associated Builders and Contractors

Construction Employment Growth Anemic in July

“The construction industry added 2,000 jobs on net in July, 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 96,000 jobs, or 1.2%.

Nonresidential construction employment increased by 6,400 positions on net, with growth in 2 of the 3 subcategories. Heavy and civil engineering added 6,000 jobs, while nonresidential specialty trade added 1,900 new positions. Nonresidential building lost 1,500 jobs for the month.

The construction unemployment rate remained unchanged at 3.4% in July. Unemployment across all industries rose from 4.1% in June to 4.2% last month.

“The construction industry has added just 7,000 jobs over the past four months,” said ABC Chief Economist Anirban Basu. “Industrywide employment is up only 1.2% over the past year, a lackluster pace of growth that historically is seen during and immediately following recessions. The good news for ABC members is that the nonresidential segment continues to outperform, growing at twice the pace of the industry at large over the past 12 months. Given that ABC member backlog remains healthy and hiring expectations remain relatively optimistic, according to [ABC’s Construction Backlog Indicator](#), it’s possible that weakness will be confined to the residential side of the industry during the second half of 2025.” – Erika Walter, Director of Media Relations, ABC

Private Indicators

Associated Builders and Contractors

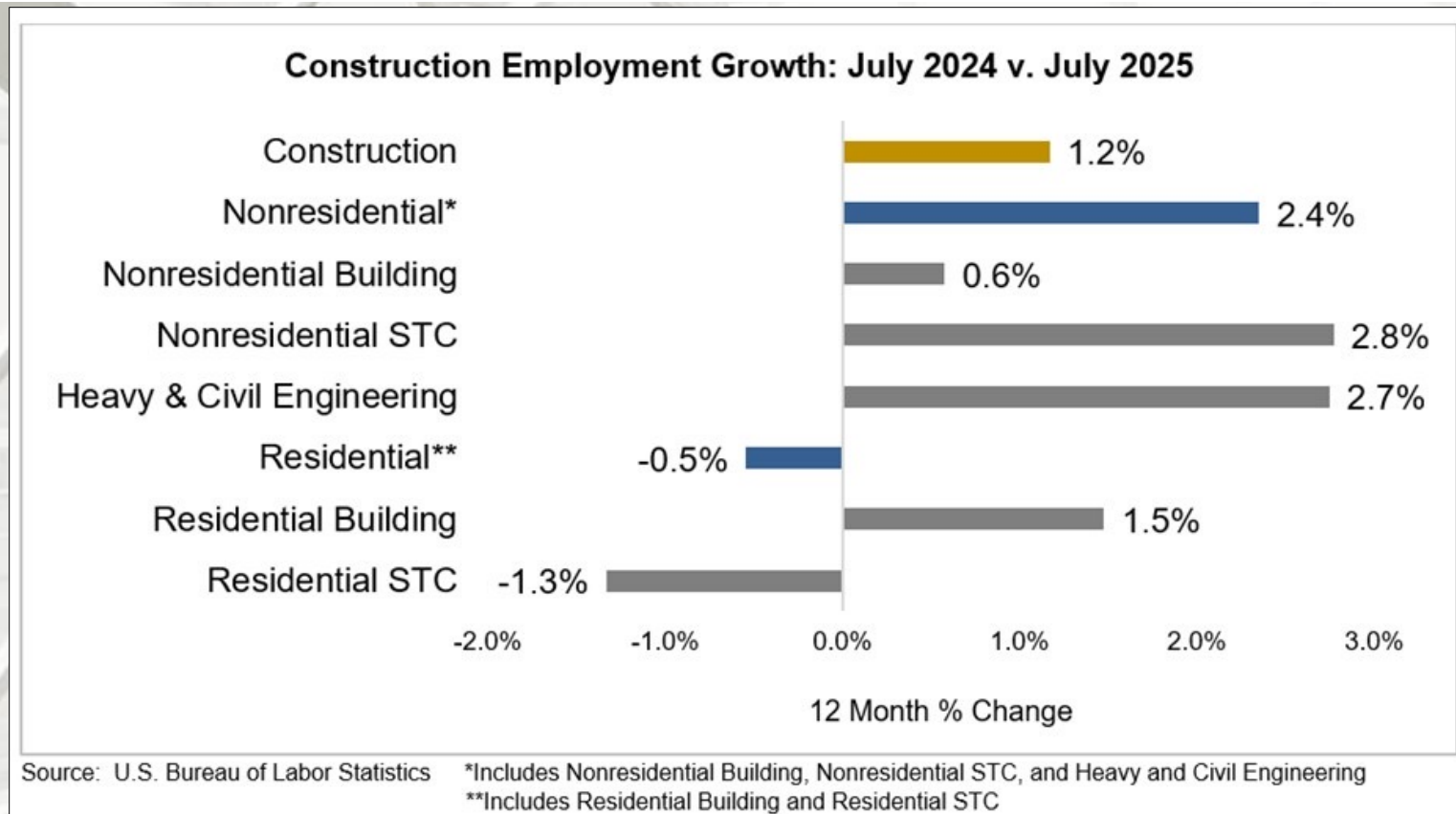
Construction Employment Statistics: July 2025

	July 2025	June 2025	July 2024	1-Month Net Change	12-Month Net Change	12-Month % Change
Employment						
Construction	8,310,000	8,308,000	8,214,000	2,000	96,000	1.2%
Nonresidential	4,977,500	4,971,100	4,863,100	6,400	114,400	2.4%
Nonresidential building	921,600	923,100	916,300	-1,500	5,300	0.6%
Nonresidential specialty trade contractors	2,877,900	2,876,000	2,800,300	1,900	77,600	2.8%
Heavy & civil engineering	1,178,000	1,172,000	1,146,500	6,000	31,500	2.7%
Residential	3,332,700	3,337,100	3,350,900	-4,400	-18,200	-0.5%
Residential building	954,700	956,100	940,800	-1,400	13,900	1.5%
Residential specialty trade contractors	2,378,000	2,381,000	2,410,100	-3,000	-32,100	-1.3%
Average Hourly Earnings						
All private industries	\$36.44	\$36.32	\$35.07	\$0.12	\$1.37	3.9%
Construction	\$39.69	\$39.60	\$38.26	\$0.09	\$1.43	3.7%
Average Weekly Hours						
All private industries	34.3	34.2	34.2	0.1	0.1	0.3%
Construction	39.1	38.9	38.9	0.2	0.2	0.5%
Unemployment Rate						
All private industries (SA)	4.2%	4.1%	4.2%	0.1pp	0.0pp	
Construction (NSA)	3.4%	3.4%	3.9%	0.0pp	-0.5pp	

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

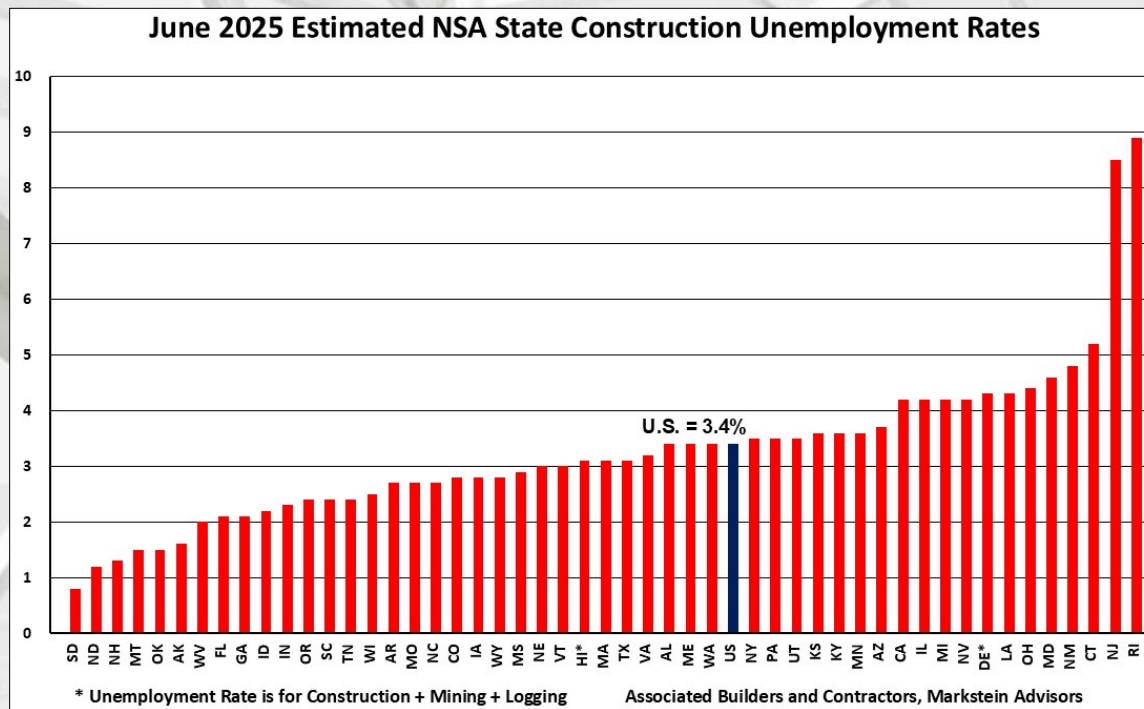
Private Indicators

Associated Builders and Contractors



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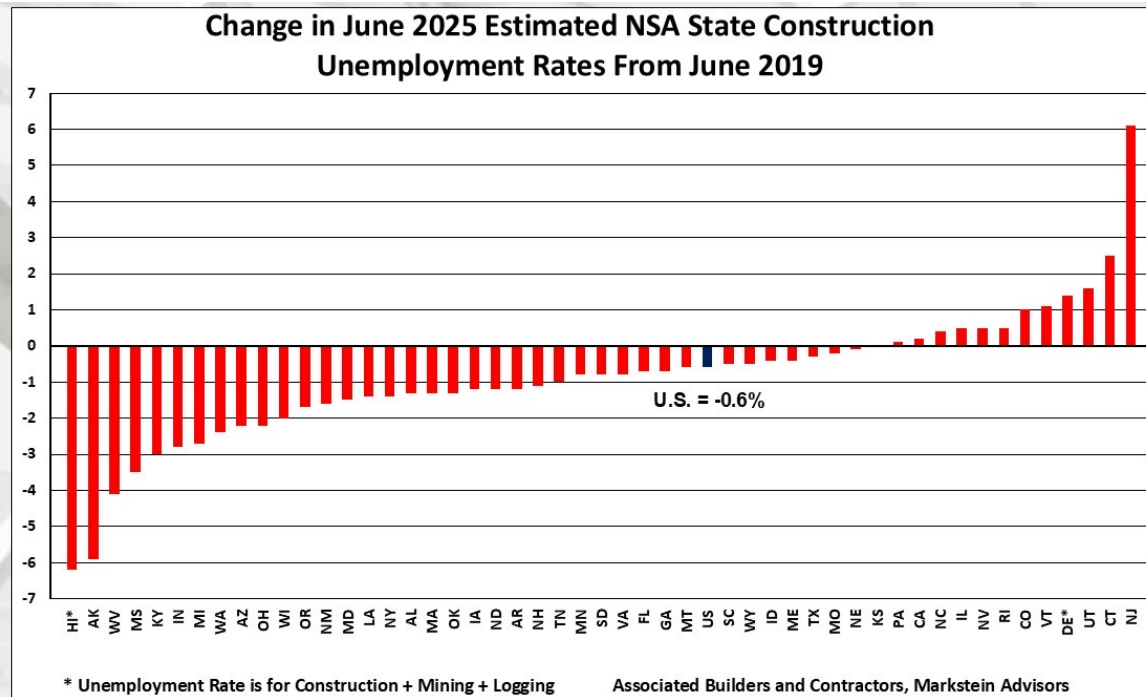


Every State Had June Construction Unemployment Rates Below 10%

“National NSA payroll construction employment was 114,000 higher than June 2024. As of June 2025, seasonally adjusted payroll construction employment was 8.3 million, or 9.4%, above its pre-pandemic peak of 7.6 million.” – Erika Walter, Director of Media Relations, ABC

Private Indicators

Associated Builders and Contractors



Every State Had June Construction Unemployment Rates Below 10%

“Estimated state construction unemployment rates were lower than their pre-pandemic level in three-quarters of states. As of June 2025, 37 states had lower construction unemployment rates compared to June 2019 while 12 states had higher rates, and one state (Kansas) had the same rate.”
 – Erika Walter, Director of Media Relations, ABC



Private Indicators Associated Builders and Contractors

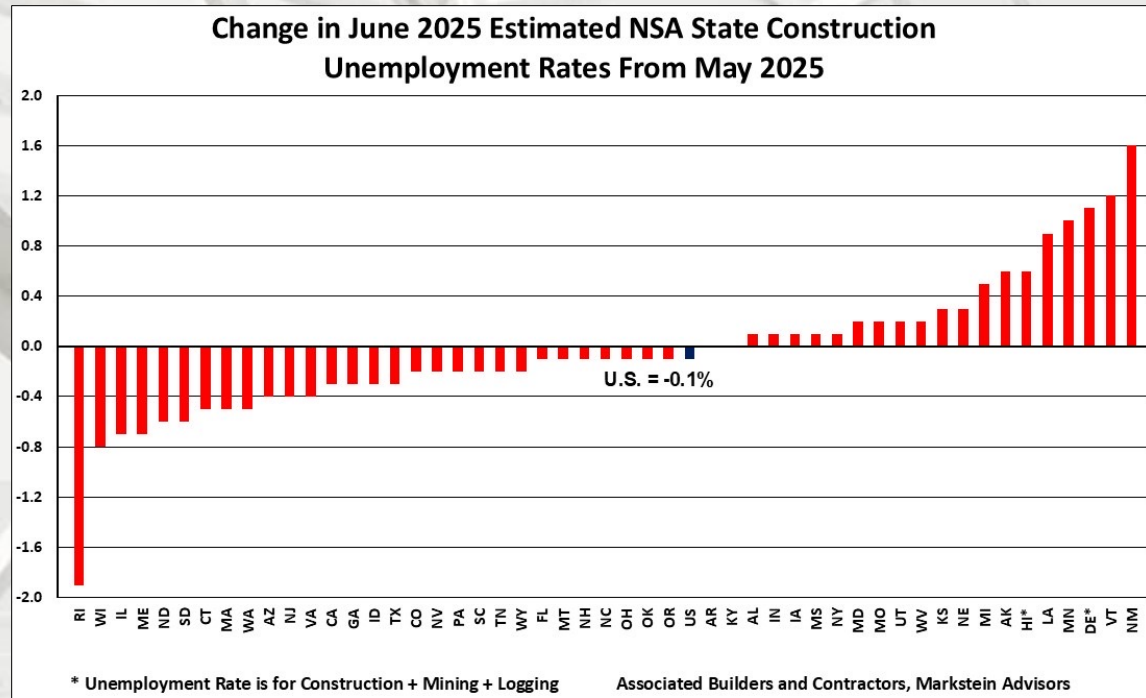
Every State Had June Construction Unemployment Rates Below 10%

““While June state construction unemployment rates continue to indicate a relatively healthy level of construction employment, uneasiness that the economy might weaken over the remainder of this year and into 2026 is producing some hesitancy among builders and developers about proceeding with new projects,” said Bernard Markstein, president and chief economist of Markstein Advisors, who conducted the analysis for ABC.

“The impact of tariffs on building materials is already showing up in some prices. Meanwhile, uncertainty surrounding the level of tariffs on building materials going forward and how long they will be in place hangs over the industry. Further, the industry continues to face elevated interest rates and higher labor costs. Although most builders are loath to lay off workers at present, they are more cautious in their hiring.”” – Erika Walter, Director of Media Relations, ABC

Private Indicators

Associated Builders and Contractors



Every State Had June Construction Unemployment Rates Below 10%

Recent Month-to-Month Fluctuations

“In June, the national NSA construction unemployment rate declined 0.1% from May. Among the states, 29 had lower rates, 19 higher rates and two states (Arkansas and Kentucky) had the same estimated construction unemployment rates as in May.” – Erika Walter, Director of Media Relations, ABC

Private Indicators

Associated Builders and Contractors

Every State Had June Construction Unemployment Rates Below 10%

The Top States

“The five states with the lowest estimated NSA construction unemployment rates for June were:

South Dakota, 0.8%

North Dakota, 1.2%

New Hampshire, 1.3%

Montana and Oklahoma (tie), 1.5%

South Dakota, North Dakota, Montana and Oklahoma each posted their lowest June NSA estimated construction unemployment rate on record. New Hampshire had its third-lowest June rate on record. This was the third time that North Dakota’s June unemployment rate fell to 1.2%, its lowest June rate on record, matching that month’s rate for 2015 and 2022. South Dakota had the largest year-over-year drop in its rate among the states, down 1.7%. Montana followed with the second biggest decrease, down 1.5% (tied with Illinois).” – Erika Walter, Director of Media Relations, ABC

Private Indicators

Associated Builders and Contractors

Every State Had June Construction Unemployment Rates Below 10%

The Bottom States

“The five states with the highest June estimated NSA construction unemployment rates were:

Maryland, 4.6%

New Mexico, 4.8%

Connecticut, 5.2%

New Jersey, 8.5%

Rhode Island, 8.9%

New Mexico recorded its second lowest June rate on record, behind June 2022’s 3.7% rate. Rhode Island had the largest decrease in its monthly NSA estimated construction unemployment rate among the states, down 1.9%.” – Erika Walter, Director of Media Relations, ABC

Private Indicators

American Institute of Architects (AIA) & Deltek

Architecture Billings Index June 2025

Soft Business Conditions Persist at Architecture Firms

“The AIA/Deltek Architecture Billings Index score was 46.8 for the month, indicating that the majority of architecture firms are still experiencing a decline in their billings. However, inquiries into new projects increased for the second consecutive month and grew at the strongest pace since last fall. This means that clients are starting to send out RFPs and initiate conversations with architecture firms about potential projects after a lull since mid-winter. However, these inquiries do not necessarily translate into actual projects, as the value of newly signed design contracts declined for the 16th consecutive month in June. It is unlikely that firm billings will return to positive territory until the value of new design contracts also starts to increase again.” – The American Institute of Architects

“It is unlikely that firm billings will return to positive territory until the value of new design contracts also starts to increase again. Business conditions were soft nationwide in June, with a slight billing increase in the South for the first time since October. Other regions saw declining billings, though at a slower pace. While all specializations experienced softer billings, the decline slowed for commercial/industrial and institutional firms. Multifamily firms faced the weakest conditions, with further declines.” – Kermit Baker, Chief Economist, AIA

Private Indicators

American Institute of Architects (AIA) & Deltek

National

Architecture firm business conditions remain generally soft in June.

Graphs represent data from June 2024–June 2025.

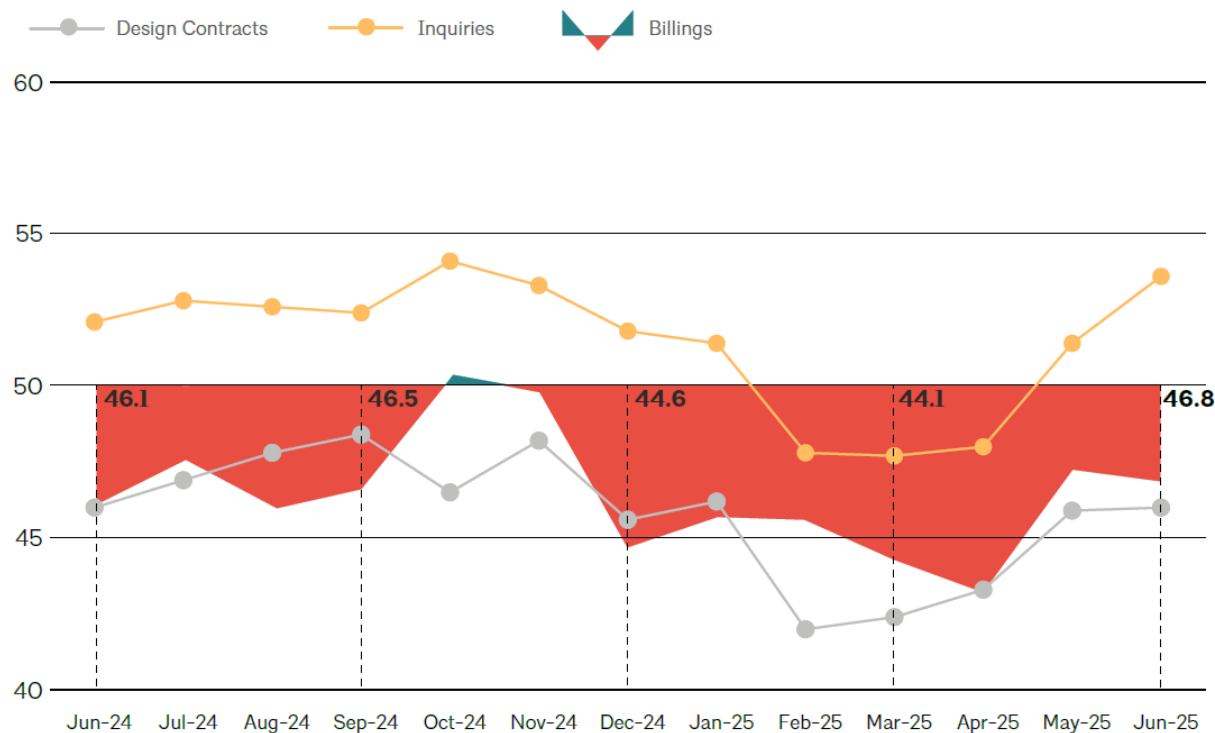


Above 50



Below 50

No change from previous period

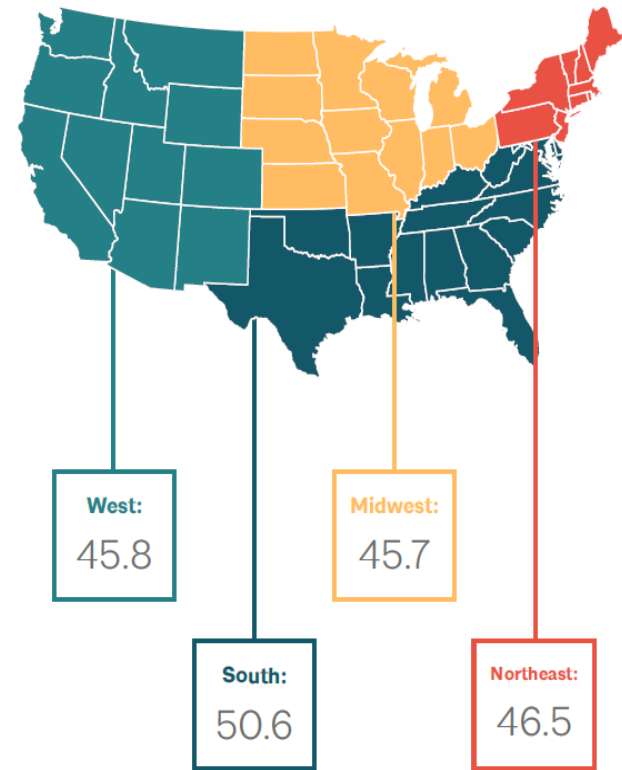
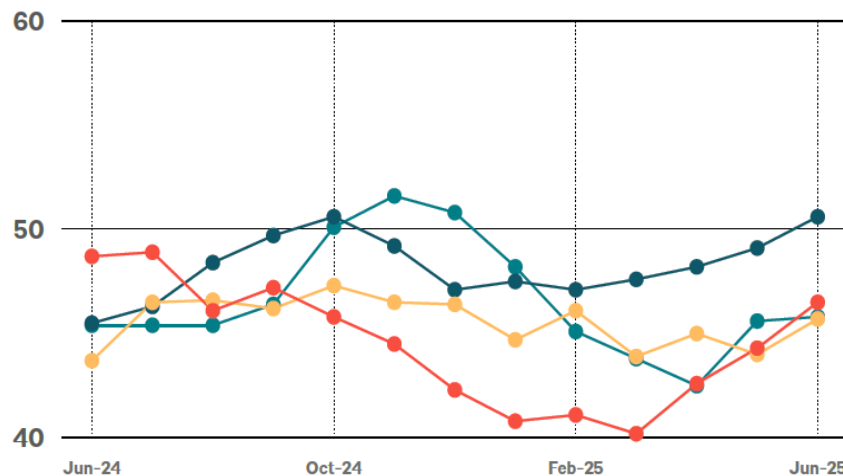


Private Indicators: AIA & Deltek

Regional

Billings increase slightly at firms located in the South.

Graphs represent data from June 2024–June 2025 across the four regions. 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.



Region

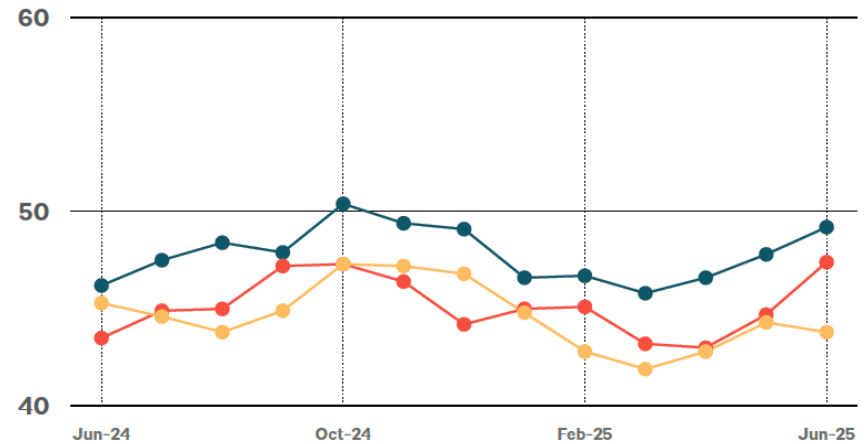
“Business conditions remained generally soft across the country in June, although firms located in the South reported a very slight increase in billings for the first time since last October. Firms in all other regions experienced a decline in billings, with the pace of the decline slowing modestly.” – The American Institute of Architects

Private Indicators: AIA & Deltek

Sector

Business conditions continue to soften at firms of all specializations.

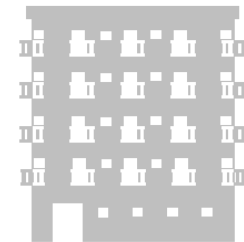
Graphs represent data from June 2024–June 2025 across the three sectors. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.



Commercial/Industrial: 47.4



Institutional: 49.2



Residential: 43.8

Sector

“Firms of all specializations also saw billings soften further in June, although the pace of the billings decline continued to slow at firms with commercial/industrial and institutional specializations. However, conditions remained weakest at firms with a multifamily specialization, where billings declined further this month.” – The American Institute of Architects

Private Indicators

Dodge Data & Analytics

Construction Starts Grew 16% in June

Construction rebounds over the month, but trails last year's levels.

“Total construction starts were up 16% in June to a seasonally adjusted annual rate of \$1.33 trillion, according to [Dodge Construction Network](#). Nonresidential building starts improved by 39%, residential starts fell 1%, and nonbuilding starts grew 2% over the month. On a year-to-date basis through June, total construction starts were up 1% from last year. Nonresidential starts were up 6%, residential starts were down 5% and nonbuilding starts were 1% higher over the same period.

For the 12 months ending June 2025, total construction starts were up 4% from the 12 months ending June 2024. Residential starts were down 1%, nonresidential starts were up 8%, and nonbuilding starts improved 3% over the same period.

“Construction starts saw solid growth in June, alongside particular strength in manufacturing and data center construction. However risks remain elevated that construction starts will be more subdued in the back half of the year – alongside ongoing uncertainty over trade policy and the broader economy.” – Sarah Martin, Associate Director of Forecasting, Dodge Construction Network

Private Indicators

Dodge Data & Analytics

“Nonresidential building starts surged 39% in June to a seasonally adjusted annual rate of \$635 billion. Commercial starts were 78% higher in June, alongside stronger office, data center and hotel starts. Institutional starts were flat last month as strong gains in education construction (+26% m/m) were offset by healthcare (-20% m/m) and other institutional categories (-13% m/m) seeing more typical levels of activity after strong growth in May. Manufacturing starts soared 304% over the month, following the start of a handful of very large projects. On a year-to-date basis through June, nonresidential starts are up 6% compared to June 2024. Commercial and industrial starts are up 9% and institutional starts are up 3% over the same period.

For the 12 months ending June 2025, total nonresidential starts were up 8% compared to the 12 months ending June 2024. Commercial starts were up 18%, institutional starts improved 12%, and manufacturing starts were down 24% over the same period.

Residential building starts declined 1% in June to a seasonally adjusted annual rate of \$366 billion. Single family starts decreased by 2%, while multifamily starts remained flat. On a year-to-date basis through June, residential starts are down 5% – with single family starts down 11% and multifamily starts up 8%.

For the 12 months ending June 2025, total residential starts were down 1%. Single family starts were down 3% compared to the 12 months ending June 2024, and multifamily starts were up 2% over the same period.

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

Private Indicators

MONTHLY CONSTRUCTION STARTS

(Billions of Dollars, Seasonally Adjusted Annual Rate)

	Jun 2025	May 2025	% Change
Nonresidential Building	\$635	\$456	39.3
Residential Building	\$366	\$370	-1.1
Nonbuilding Construction	\$330	\$323	2.2
Total Construction	\$1,331	\$1,149	15.8

YEAR-TO-DATE CONSTRUCTION STARTS

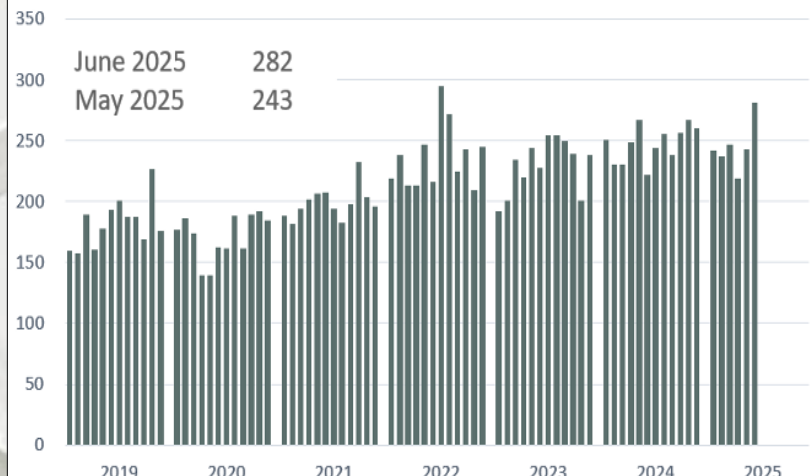
Unadjusted Totals, in Billions of Dollars

	6 Mo. 2025	6 Mo. 2024	% Change
Nonresidential Building	\$220	\$207	6.2
Residential Building	\$192	\$202	-5.1
Nonbuilding Construction	\$164	\$162	1.5
Total Construction	\$576	\$571	0.9

Source: Dodge Construction Network

THE DODGE INDEX

(2000=100, Seasonally Adjusted)



Source: Dodge Data & Analytics

Private Indicators



MNI Chicago

July 2025 Chicago Report™ – Advances to 47.1 in July

“The Chicago Business Barometer™, produced with MNI, advanced 6.7 points to 47.1 in July. This was the largest increase in thirteen months, bringing the index to the highest since March 2025. However, the index has still been below 50 for twenty consecutive months.

- The increase was driven by a sharp rise in New Orders and Order Backlogs. Meanwhile, Production, Employment and Supplier Deliveries saw small decreases.
- New Orders expanded 14.6 points, the ninth largest increase on record. The index is now at its highest since May 2022.” – Tim Davis, Head of Fixed Income Research, and Amana Hussain, Junior Economic Data Analyst, MNI Indicators

Private Indicators

July 2025 Chicago Report™ – Advances to 47.1 in July

- “Order backlogs rose 12.9 points, more than unwinding the declines seen in May and June.
- Production softened 1.2 points to the lowest level since January 2025.
- Employment idled 0.4 points. The index has now been below 50 for twenty consecutive months.
- Supplier deliveries fell 0.2 points. The index has been above 50 since February 2025.
- Prices paid reversed 8.3 points, fully unwinding June’s rise. For the fifth month in six, no respondents reported lower prices paid.
- Inventories increased 4.5 points.” – Tim Davis, Head of Fixed Income Research, and Tim Cooper, Chief Economist, MNI Indicators

Private Indicators

The Conference Board Leading Economic Index® (LEI) for the US Declined in June

“**The Conference Board Leading Economic Index® (LEI)** for the U.S. declined by 0.3% in June 2025 to 98.8 (2016=100), after no change in May (revised upward from –0.1% originally reported). As a result, the LEI fell by 2.8% over the first half of 2025, a substantially faster rate of decline than the –1.3% contraction over the second half of 2024.

“The LEI fell further in June. For a second month in a row, the stock price rally was the main support of the LEI. But this was not enough to offset still very low consumer expectations, weak new orders in manufacturing, and a third consecutive month of rising initial claims for unemployment insurance. In addition, the LEI’s six-month growth rate weakened, while the diffusion index over the past six months remained below 50, triggering the recession signal for a third consecutive month. At this point, The Conference Board does not forecast a recession, although economic growth is expected to slow substantially in 2025 compared to 2024. Real GDP is projected to grow by 1.6% this year, with the impact of tariffs becoming more apparent in H2 as consumer spending slows due to higher prices.

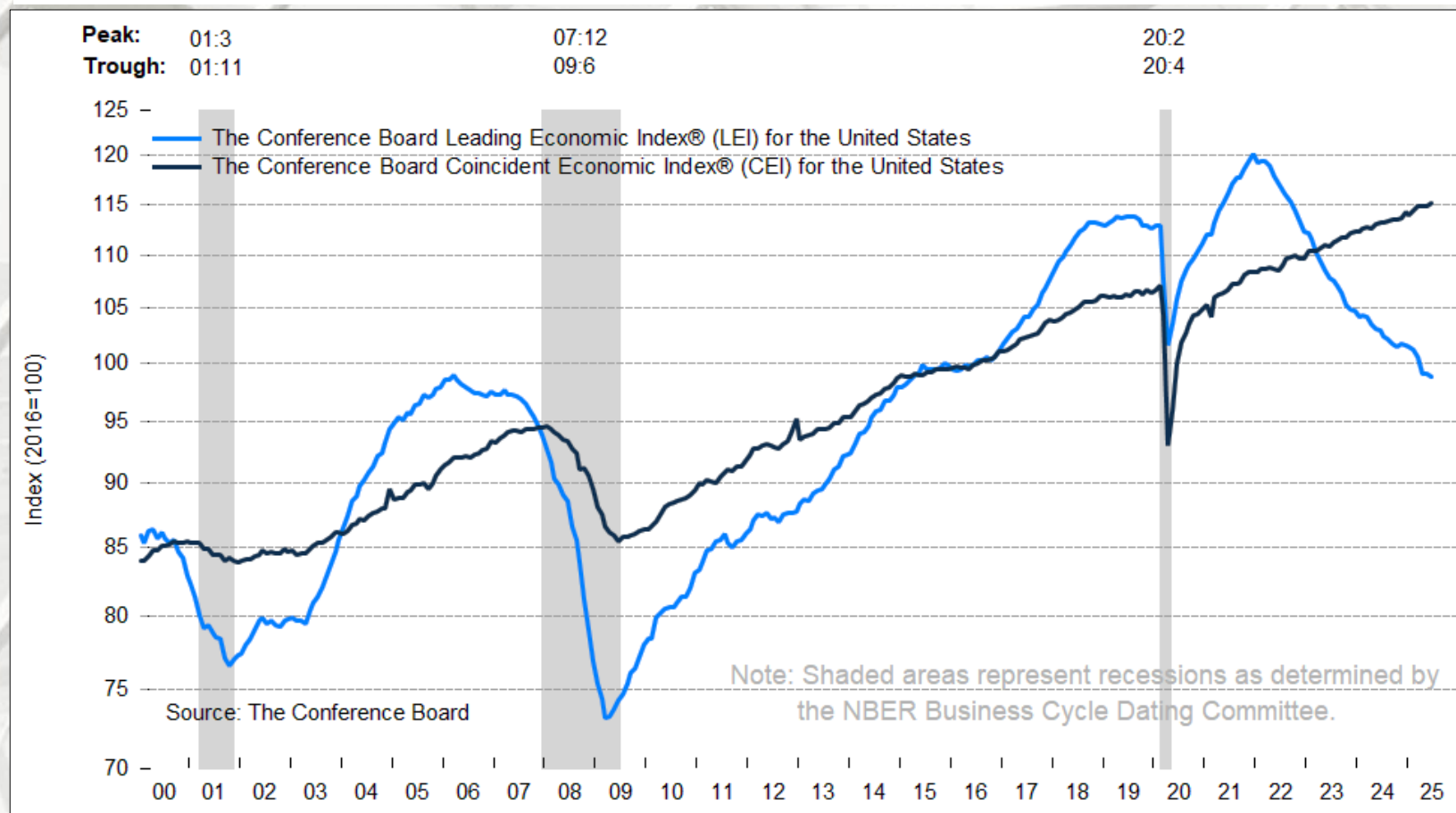
The Conference Board Coincident Economic Index® (CEI) for the U.S. rose by 0.3% in June 2025 to 115.1 (2016=100), after being unchanged in both May and April. The CEI rose by 0.8% over the first half of this year, down from 1.0% growth over the previous six months. The CEI’s four component indicators – 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. All components of the coincident index improved in June.

The Conference Board Lagging Economic Index® (LAG) for the U.S. was unchanged at 119.9 (2016=100) in June 2025, after increasing by 0.4% in May. The LAG’s six-month growth rate was also positive at 1.4% between December 2024 and June 2025 reversing a –0.8% decline over the previous six months (June–December 2024).” – Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board

Private Indicators

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

The LEI declined by a further 0.3% in June



Private Indicators

S&P Global U.S. Manufacturing PMI™

US manufacturing PMI falls below 50.0 for first time this year in July

Output rises only modestly as new orders broadly stagnate
Stocks reduced as previous front running of tariffs wanes
Selling price inflation remains historically steep

“The headline index from the report, the seasonally adjusted **S&P Global US Manufacturing Purchasing Managers’ Index™ (PMI®)**, recorded 49.8 in July. That was down noticeably on June’s 52.9 and, following six successive months of growth, represented a first overall deterioration of operating conditions in 2025 so far.

Operating conditions in the US goods producing sector worsened slightly in July as demand stagnated and tariff uncertainty continued to dominate the manufacturing landscape.

International sales were reported to have fallen and uncertainty over federal government policies weighed on sentiment. Employment declined in response, whilst inventory control also added to the deteriorating manufacturing picture with firms reducing their stock holdings as previous efforts to front run tariffs dissipated.

On the price front, input costs continued to rise steeply, again linked to tariffs, although the rate of inflation softened noticeably on June’s near three-year high. Selling prices continued to increase markedly, rising to the second greatest degree since November 2022.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators

S&P Global U.S. Manufacturing PMI™

US manufacturing PMI falls below 50.0 for first time this year in July

“Weakness in the headline PMI reflected some softness in market demand, with new orders up only fractionally and to the weakest degree of the year so far. Panelists pointed to the continuation of client uncertainty, especially in relation to tariffs. This led to ongoing hesitancy in committing to new orders, most notably amongst international clients. New export orders were down for the first time in three months according to the latest data, with manufacturers in some instances reporting lower sales with key trading partners like China, the European Union and Japan.

A weaker trend in sales weighed on output volumes in June, with production growth softening since June and only marginal overall. Sentiment related to future output also weakened, dropping to a three-month low. Federal policies and their uncertain direction continued to weigh on confidence, although firms still on average expect output to rise from present levels in a year’s time. A resolution of trade and tariff uncertainty is seen by some panelists as providing the basis for a more stable economic environment in the coming 12 months.

Some weakness in order books and signs of excess capacity – backlogs of work fell in July having risen slightly the previous month – meant firms were reluctant to replace leavers and hire additional workers. Overall employment numbers were fractionally down as a result, the first time a net reduction has been recorded since April.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators

S&P Global U.S. Manufacturing PMI™

US manufacturing PMI falls below 50.0 for first time this year in July

“Cost considerations were also a factor in employment decisions and encouraged firms to utilize their existing inventories in production wherever possible. Overall, stocks of purchases were reduced for the first time in three months, as firms signaled a preference to use existing inventories rather than source new inputs. Although purchasing activity rose, it did so only modestly as prior efforts to front run tariffs and build inventories waned.

Suppliers were widely reported to be raising charges in July, again often linked to tariffs. Although input price inflation softened sharply on June’s near three-year high, it remained historically marked and underpinned another notable increase in output charges. Despite easing, the latest increase in selling prices was the second-steepest since November 2022.

There were however some positive developments on the supply front, as average lead times for the delivery of inputs improved for the first time since September 2024 – and to the greatest degree in nearly a year-and-a-half. Panelists noted better stock availability and reduced backlogs at vendors.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators

S&P Global U.S. Manufacturing PMI™

US manufacturing PMI falls below 50.0 for first time this year in July

Comment

“July saw the first deterioration of manufacturing operating conditions since last December as tariff worries continued to dominate the business environment.

The downturn at the start of the third quarter in part reflects the passing of a busy period of tariff-related inventory accumulation in prior months. Factories reported little change in inflows of new orders and reduced stock holdings of both raw materials and finished goods in July. This comes after companies had built up inventories in May and June amid concerns over higher import prices and worsening supply availability resulting from tariff hikes.

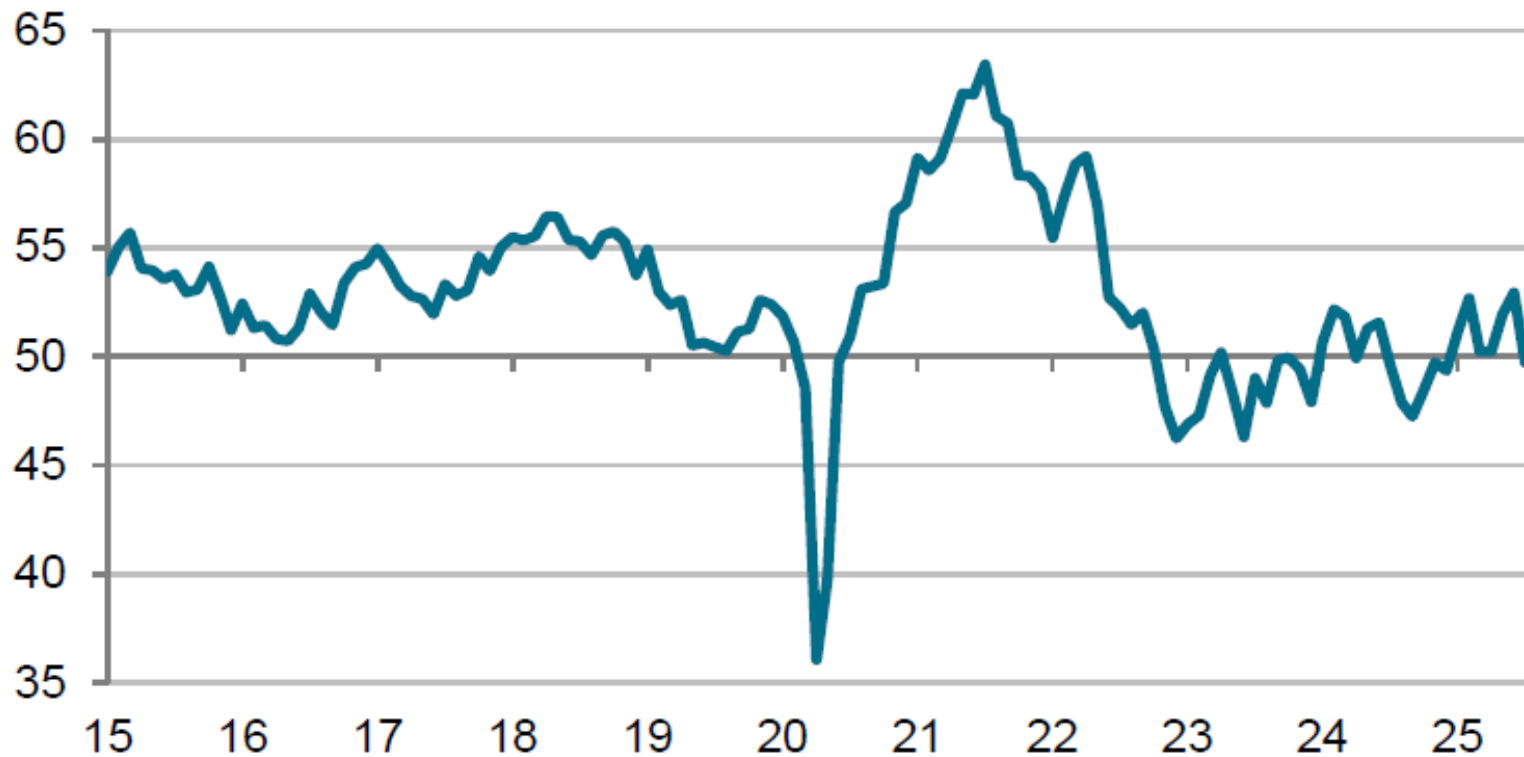
Input prices continued to rise at a steep rate, with these higher costs often being passed on to customers to drive another month of elevated selling price inflation, but there are signs that these price pressures may have peaked back in June.

Optimism about the year ahead has meanwhile taken a knock as factories worry about reduced demand from customers, especially in export markets, and the inflationary impact of tariffs. Employment consequently fell as factories trimmed headcounts amid concerns over rising costs and lower sales” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators

S&P Global US Manufacturing PMI

Index, sa, >50 = improvement m/m



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

Private Indicators

S&P Global U.S. Services PMI™

Strongest rise in business activity in year-to-date

Sharper increases in both activity and new orders

Inflationary pressures strengthen amid impact of tariffs

Modest rise in staffing levels

“The S&P Global US Services PMI® Business Activity Index rose to a seven-month high of 55.7 in July, up from 52.9 in June. The latest reading signaled a marked monthly expansion of output in the service sector, extending the current sequence of growth to two-and-a-half years.

Growth gained momentum in the US service sector during July.

Business activity increased at the sharpest pace in the year-to-date amid a solid and accelerated expansion in new business. Companies responded to higher workloads by hiring additional staff, albeit only modestly. Meanwhile, tariffs continued to add to inflationary pressures, resulting in faster increases in both input costs and output prices.

Where business activity rose, service providers often linked this to higher new orders, with anecdotal evidence also highlighting improvements in customer demand, the securing of new clients and work on new products.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators

S&P Global U.S. Services PMI™

Strongest rise in business activity in year-to-date

“New orders expanded for the fifteenth consecutive month in July. As was the case with activity, the rate of expansion in new business picked up from June. The latest rise was solid and the fastest since January.

The increase in total new business was recorded in spite of a further reduction in new export orders as tariffs – and government policy-related factors – continued to negatively impact inflows of new business from abroad. New export orders have now decreased in each of the past four months, although the latest reduction was only marginal and the slowest in this sequence.

Tariffs also had a clear impact on price pressures, according to anecdotal evidence. Companies widely linked the latest increase in input costs to the effects of tariffs, while also mentioning higher salaries. Input prices rose sharply, with the pace of inflation accelerating from June and coming in above the series average.

Similarly, the pace of output price inflation quickened over the month and was steep. Panelists reported passing on tariff related rises in input costs to their customers. Here too, the increase was marked in the context of historical data.

With new orders increasing solidly, pressure came on operating capacity in July. Backlogs of work accumulated for the fifth consecutive month, and at a solid pace that was the fastest since May 2022.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators

S&P Global U.S. Services PMI™

Strongest rise in business activity in year-to-date

“Companies responded to rising workloads by taking on extra staff, the fifth month running in which this has been the case. The pace of job creation remained only modest, however. Moreover, a number of firms reported that workers had been hired on either a part-time or temporary basis.

Looking to the future, companies remained optimistic that business activity will increase over the coming year. Positive sentiment reflected confidence in the securing of new orders amid planned marketing efforts and expected improvements in customer confidence. Optimism eased to a three-month low in July, however, and was weaker than the series average.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators

S&P Global U.S. Services PMI™

Strongest rise in business activity in year-to-date

Comment

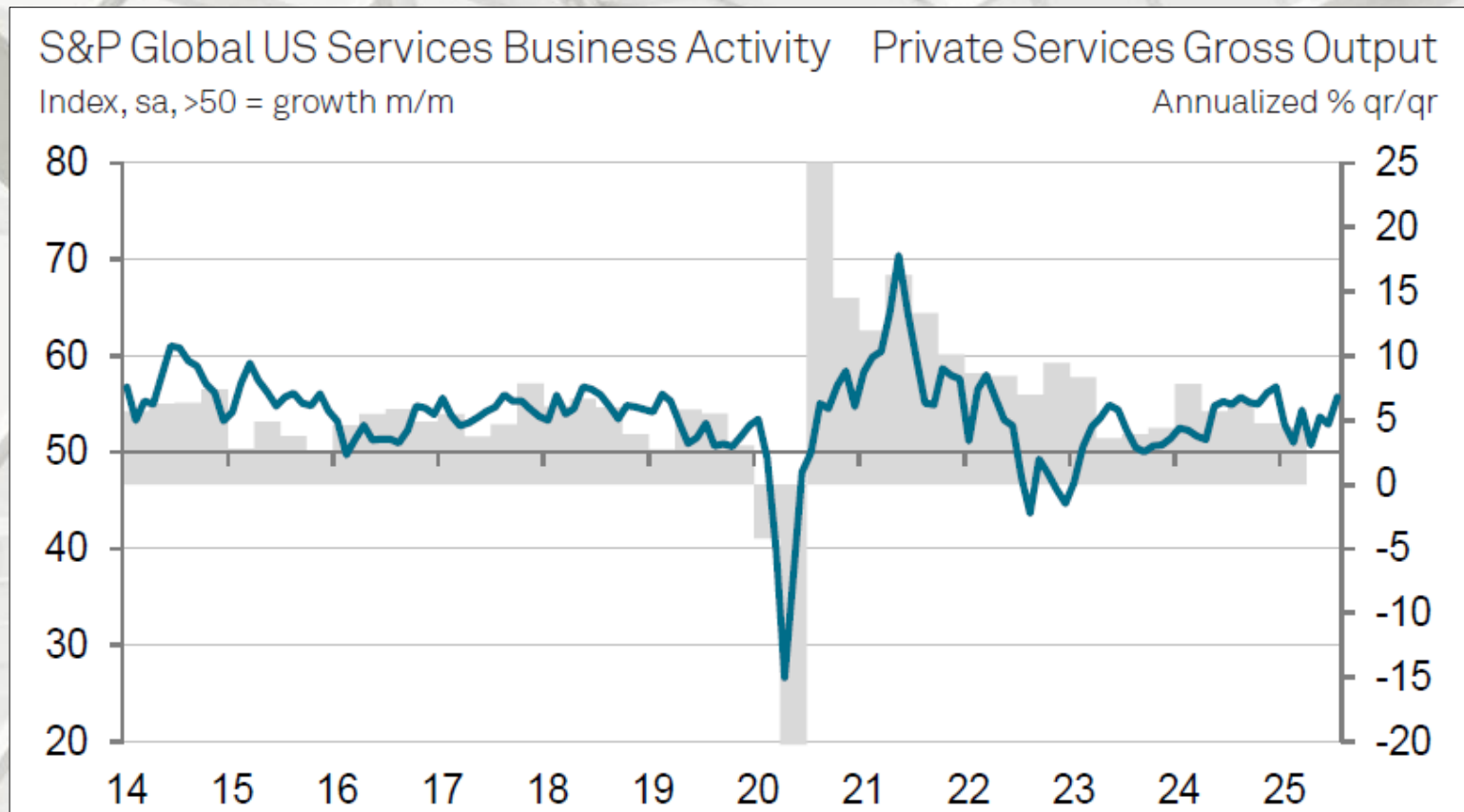
“A strong rise in service sector business activity helped offset a slowdown in the manufacturing sector in July, signaling encouragingly robust economic growth at the start of the third quarter. While GDP has risen at an average 1.25% pace over the first half of 2025, July’s PMI is indicative of growth doubling to about 2.5%.

July’s expansion was driven by surging demand in the tech sector alongside rising financial services activity, the latter linked to improving financial conditions fueled in turn by recent stock market gains. However, falling exports of services, which includes spending in the US by tourists, acted as a drag on growth alongside subdued demand from consumers more broadly.

The recent strengthening of demand has led to rising backlogs of work in the service sector, encouraging firms to take on staff again.

There was some caution seen in terms of hiring and expansion, however, linked to sharply rising costs, often attributed to tariffs, as well as reduced optimism about future prospects. Alongside a drop in optimism in the manufacturing sector, the reduced confidence in the service sector contributed to one of the gloomiest outlooks seen over the past three years, hinting at some downside risks to growth in the coming months.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

Private Indicators



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

Private Indicators

National Association of Credit Management – Credit Managers' Index

Report for June 2025: Combined Sectors

“The National Association of Credit Management’s seasonally adjusted combined Credit Managers’ Index (CMI) for July 2025 improved 0.2 points to 54.3. “By the numbers, based on what has already occurred, the NACM Credit Managers’ Index is showing continued resilience,” said NACM Economist Amy Crews Cutts, Ph.D., CBE. “However, a consistent message in the comments supplied by survey respondents was that the third and fourth quarters of this year are likely to be much slower.”

“The Credit Managers’ Index is based on a survey of credit managers regarding their companies’ experiences in the month just completed, so this month’s survey is asking about June activity. Bankruptcies were top of mind for respondents this month, with several commenting on the larger than expected number of customers filing for bankruptcies this month,”” said NACM Economist Amy Crews Cutts, Ph.D., CBE.

Private Indicators

National Association of Credit Management – Credit Managers' Index

Key Findings:

- “The Index for Unfavorable Factors deteriorated to 50.9 and marked its sixth month in expansion territory.
- Two unfavorable factors are in contraction: the index for Accounts Placed for Collection deteriorated 2.4 points to 47.7, retreating into contraction. This marks the index’s 34th month in contraction out of the last 35. This means the number of accounts placed for collections at respondent firms has increased every month for nearly 3 years with the exception of last month (June 2025). The other unfavorable factor in contraction is the index for Disputes, which declined 2.1 points to reach 49.7.
- The Index for Favorable Factors improved by 1.6 points in this month’s survey, climbing further into expansion to 59.5 points. Three of the four of the favorable factor indexes improved, with the Dollar Sales gain of 5.1 points leading the improvement.
- The new credit applications index is the only favorable factor index that deteriorated this month, signaling a decline in new demand.

“Normally we would view increases in dollar sales favorably, but this assumes essentially more unit sales at constant or rising prices,” said Cutts. “But tariff price increases are starting to impact this value and much of the recent strength in sales has been from customers trying to bring in orders before the full impact of the tariffs is felt. The average effective tariff rate today is 19.73% according to the Budget Lab at Yale, the highest it’s been since 1932 under the Smoot-Hawley tariff regime. In 2024 the effective tariff rate was 2.42% - companies that depend on imported parts or finished goods won’t be able to carry this burden for long before they have to raise prices.”” – Andrew Michaels, Editorial Associate, NACM

Private Indicators

National Association of Credit Management – Credit Managers' Index

CMI Combined Sectors Factor Indexes

“She continued, “As companies announce second quarter earnings, we are seeing the direct impact of tariffs. Automakers especially have been affected, taking billions in tariff expenses. On the flip side, US-based steel producers are able to raise their prices given the protection from competition that the 50% steel tariff provides. This means US made steel won’t necessarily be a cheaper option than imported.”

“Some firms have delayed raising prices until they were more certain about how they might be affected by tariffs,” said Cutts. “There are still many trade agreements yet to be negotiated with major trading partners, so we may not get tariff certainty for a while yet.”

“Steel tariffs, though, are having a big impact on NACM member steel producers (in the manufacturing group) and those that make their products from intermediate steel products like coils and bars (in the service sector group), with many of them commenting negatively on their industry conditions. A top concern is that that sales will slow in the third and fourth quarters as orders were pulled forward, though some also noted a decline in construction related activity having an impact on orders too.”” – Andrew Michaels, Editorial Associate, NACM

Private Indicators

National Association of Credit Management – Credit Managers' Index

CMI Combined Sectors Factor Indexes

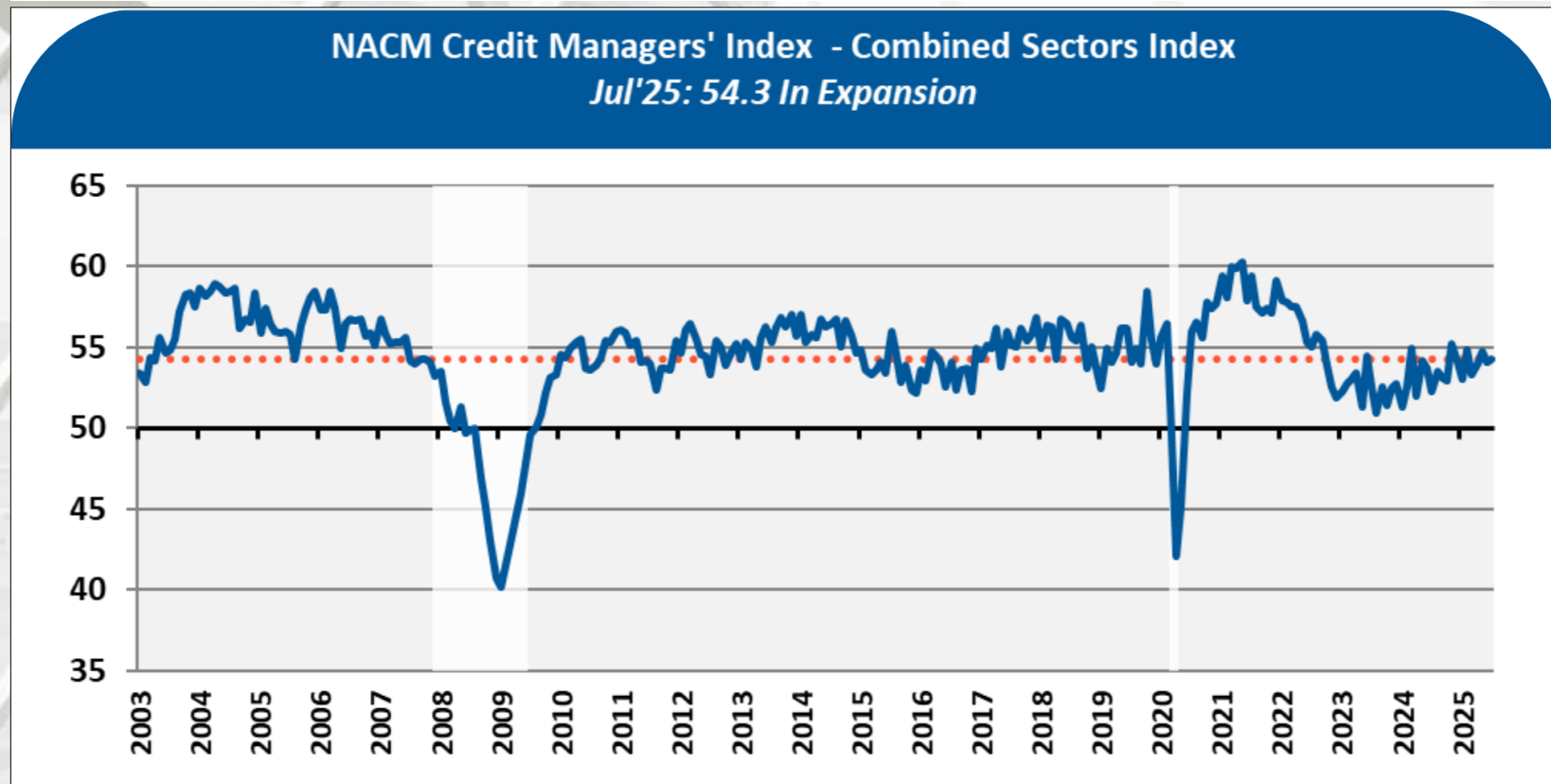
“‘The Credit Managers’ Index was built to mirror, from the financial or credit side, the information collected by the Institute for Supply Management® (ISM®) Manufacturing PMI® on the business side,” said Cutts. “Although the CMI manufacturing index has been showing resilience, the ISM Manufacturing PMI® tells a different story: ‘Economic activity in the manufacturing sector contracted in June for the fourth consecutive month, following a two-month expansion preceded by 26 straight months of contraction, say the nation's supply executives in the latest Manufacturing ISM® Report On Business®’ (emphasis included in the report). Cutts added, “It seems unusual that the two surveys are showing such different trends for such a long period. However, the sentiments expressed by the respondents in the survey comments are very much on track.”

“Service sector respondents were decidedly more negative in their comments this month,” said Cutts. “Two respondents specifically referenced rising bankruptcies saying, ‘[We] saw more bankruptcies in the first week of July than we have seen in the first half of the year,’ and ‘Bankruptcies are beginning to trend upwards in South/Southwest ... Hearing anecdotal references to money being tight from customers (owners delaying projects and/or lenders pulling back).’”

Cutts added, “Another emerging theme from comments was customers were requesting payment plans and term extensions in greater numbers and that credit managers are getting more stringent in account management. One respondent summed this sentiment as, ‘Larger dollar delinquencies [are] generally coming down with paydown agreements and/or settlement agreements but we have [had] an increase in the utilization of 3rd party collections for smaller accounts. Requests for extended terms and extra time to pay continue to escalate and thus we are requesting more information, including financial statements, more often from our customers.’” – Andrew Michaels, Editorial Associate, NACM

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.

Private Indicators

National Association of Credit Management – Credit Managers' Index

Combined Manufacturing and Service Sectors (seasonally adjusted)	Jul '24	Aug '24	Sep '24	Oct '24	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25	Jul '25
Dollar Sales	55.1	58.5	55.3	55.8	63.4	53.6	56.1	59.5	54.9	58.0	61.9	55.8	60.9
New Credit Applications	58.2	57.1	55.6	57.5	58.9	59.2	57.2	61.4	56.8	58.8	56.5	57.4	56.4
Dollar Collections	55.3	62.0	57.5	58.2	63.4	60.0	61.3	59.8	54.8	62.6	61.8	59.8	60.8
Amount of Credit Extended	60.8	58.6	57.6	58.2	63.7	62.0	56.8	60.7	59.6	59.5	62.1	58.4	59.9
Index of Favorable Factors	57.4	59.1	56.5	57.4	62.3	58.7	57.9	60.3	56.5	59.7	60.6	57.9	59.5
Rejections of Credit Applications	49.9	50.5	52.1	50.0	50.6	50.6	50.9	51.1	50.2	50.8	50.4	50.7	50.2
Accounts Placed for Collection	46.4	45.7	48.9	47.0	47.1	49.6	47.8	49.4	49.7	49.2	47.9	50.1	47.7
Disputes	49.1	49.8	51.0	50.6	52.6	51.5	51.1	51.0	51.3	49.1	51.3	51.8	49.7
Dollar Amount Beyond Terms	46.1	49.7	50.9	49.6	52.6	50.2	46.9	51.7	52.1	48.3	52.0	50.7	52.9
Dollar Amount of Customer Deductions	51.1	51.8	51.3	52.0	51.8	53.0	51.3	52.5	51.1	50.4	51.3	52.0	51.7
Filings for Bankruptcies	50.9	51.7	50.9	50.3	48.5	51.5	50.6	51.6	53.0	52.9	52.0	54.2	52.8
Index of Unfavorable Factors	48.9	49.9	50.8	49.9	50.5	51.1	49.8	51.2	51.2	50.1	50.8	51.5	50.9
NACM Combined CMI	52.3	53.5	53.1	52.9	55.3	54.1	53.0	54.9	53.3	54.0	54.7	54.1	54.3

Private Indicators

National Federation of Independent Business (NFIB)

July 2025 Report

Small Business Optimism Rises

“The **NFIB Small Business Optimism Index** rose 1.7 points in July to 100.3, slightly above the 52-year average of 98. Contributing most to the rise in the Optimism Index were respondents reporting better business conditions and reporting that it is a good time to expand. In contrast to the Optimism Index, the Uncertainty Index increased by eight points from June to 97. Twenty-one percent of small business owners reported labor quality as their single most important problem, up five points from June and ranking as the top problem.” – Holly Wade, NFIB

“Optimism rose slightly in July with owners reporting more positive expectations on business conditions and expansion opportunities. While uncertainty is still high, the next six months will hopefully offer business owners more clarity, especially as owners see the results of Congress making the 20% Small Business Deduction permanent and the final shape of trade policy. Meanwhile, labor quality has become the top issue on Main Street again.” – Bill Dunkelberg, Chief Economist, NFIB

Private Indicators

National Federation of Independent Business (NFIB)

July 2025 Report

Key findings include:

- ✓ “In July, there was a notable improvement in overall business health. When asked to rate the overall health of their business, 13% reported excellent (up five points), and 52% reported good (up three points). Thirty-one percent reported the health of their business was fair (down four points), and 4% reported poor (down three points).
- ✓ The percent of small business owners reporting poor sales as their top business problem rose one point to 11%. This is the highest level of poor sales since February 2021.
- ✓ The net percent of owners expecting better business conditions rose 14 points from June to a net 36% (seasonally adjusted). This reading is comfortably above the historical average.
- ✓ In July, 16% (seasonally adjusted) reported that it is a good time to expand their business, up five points from June.
- ✓ Eleven percent of owners reported that inflation was their single most important problem in operating their business, unchanged from June’s lowest reading since September 2021.
- ✓ The net percent of owners expecting higher real sales volumes fell one point from June to a net 6% (seasonally adjusted). Though expected real sales are higher than actual sales, the current reading is also comfortably below the 52-year average.
- ✓ Twenty-two percent (seasonally adjusted) plan capital outlays in the next six months, up one point from June, but seven points below the historical average of 29%.”– Holly Wade, NFIB

Private Indicators

National Federation of Independent Business (NFIB) July 2025 Report

Key findings include:

“As reported in [NFIB’s monthly jobs report](#), a seasonally adjusted 33% of all small business owners reported job openings they could not fill in July, down three points from June and the lowest level since December 2020, though still well above its monthly historical average of 25%. Of the 57% of owners hiring or trying to hire in June, 84% reported few or no qualified applicants for the positions they were trying to fill. A seasonally adjusted net 14% of owners plan to create new jobs in the next three months, up one point from June.

The percent of business owners reporting labor costs as the single most important problem fell one point from June to 9%.

Seasonally adjusted, a net 27% reported raising compensation, down six points from June. A seasonally adjusted net 17% plan to raise compensation in the next three months, down two points from June.

Fifty-five percent of small business owners reported capital outlays in the last six months, up five points from June’s lowest reading since August 2020.

Of those making expenditures, 38% reported spending on new equipment, 23% acquired vehicles, and 15% improved or expanded facilities. Twelve percent spent money on new fixtures and furniture and 5% acquired new buildings or land for expansion.” – Holly Wade, NFIB

Private Indicators

National Federation of Independent Business (NFIB) July 2025 Report

“A net negative 9% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, down four points from June.

The net percent of owners reporting inventory gains remained at a net negative 8%, seasonally adjusted. Not seasonally adjusted, 12% reported increases in stocks, and 17% reported reductions. A net negative 3% (seasonally adjusted) of owners viewed current inventory stocks as “too low” in July, two points higher than June’s negative 5% reading.

Seasonally adjusted, a net 28% plan to increase prices, down four points from June. As with actual price changes, this is well above its historical average and is a signal of continued inflation. The net percent of owners raising average selling prices fell five points from June to a net 24%, seasonally adjusted. Unadjusted, 12% of owners reported lower average selling prices, and 37% reported higher average prices.

The frequency of reports of positive profit trends remained at a net negative 22% (seasonally adjusted) in July. Among owners reporting lower profits, 34% blamed weaker sales, 13% cited the rise in the cost of materials, 11% cited labor costs, and 9% cited price change for their product(s) or service(s). For owners reporting higher profits, 48% credited sales volumes, 30% cited usual seasonal change, and 10% cited higher selling prices.” – Holly Wade, NFIB

Private Indicators

National Federation of Independent Business (NFIB)

July 2025 Report

“Four percent of owners reported that financing and interest rates were their top business problem in July, up one point from June. Twenty-five percent of all owners reported borrowing on a regular basis, down one point from June and a historically low reading. A net 4% reported their last loan was harder to get than in previous attempts, down one point from June. A net 5% reported paying a higher rate on their most recent loan, down four points from June and matching the monthly average.

Seventeen percent of small business owners reported taxes as their single most important problem, down two points from June and ranking as the second top problem. The percent of small business owners reporting government regulations and red tape as their single most important problem fell one point to 8%, making it the fifth most important issue overall. Six percent reported competition from large businesses as their single most important problem, down one point from June.

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 July 2025.” – Holly Wade, NFIB

Private Indicators

National Federation of Independent Business (NFIB) July 2025 Report

Small Business Optimism

Index Component	Net %	From Last Month	
Plans to Increase Employment	14%	▲	1
Plans to Make Capital Outlays	22%	▲	1
Plans to Increase Inventories	1%	▲	2
Expect Economy to Improve	36%	▲	14
Expect Real Sales Higher	6%	▼	-1
Current Inventory	-3%	▲	2
Current Job Openings	33%	▼	-3
Expected Credit Conditions	-4%	—	0
Now a Good Time to Expand	16%	▲	5
Earnings Trends	-22%	—	0



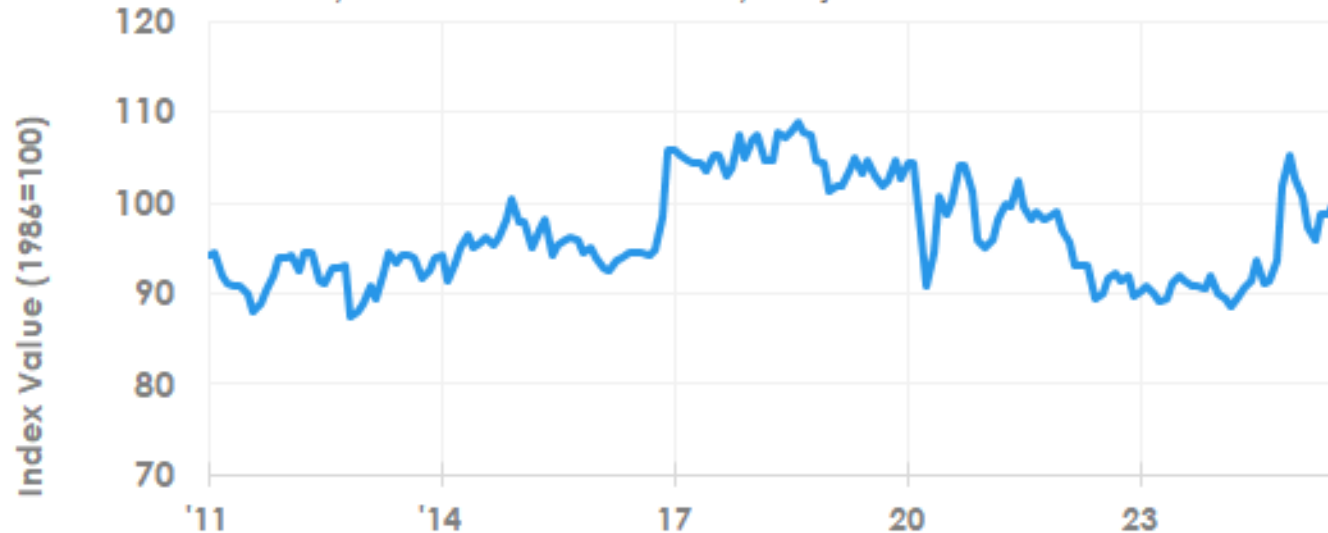
NFIB.com/sboi

Private Indicators

National Federation of Independent Business (NFIB) July 2025 Report

Small Business Optimism Index at 100.3

Based on 10 survey indicators, seasonally adjusted, Jan. '10 – Jul. '25



[NFIB.com/sboi](https://www.nfib.com/sboi)

Private Indicators

The Paychex | IHS Markit Small Business Employment Watch

U.S. Small Business Job Growth Remains Stable in July

Hourly earnings growth for workers reports below three percent for 11 of the last 12 months

“Job growth among U.S. small businesses with fewer than 50 employees is holding steady, according to the Paychex Small Business Employment Watch for July. The national Small Business Jobs Index, a primary component of the report that measures the pace of small business job growth across the country, has increased 0.17 percentage points to 99.82 in July. Meanwhile, hourly earnings growth for small business workers has maintained a consistent trend, remaining below three percent (2.74%) for the ninth consecutive month.” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

“Our latest employment data points to a small business labor market that has remained consistent, including wages continuing below three percent, while workers have begun to see an increase in hours worked in July for the first time since August 2024. We enter the back half of 2025 in a very similar position as we started, which speaks to the resiliency of small businesses given the amount of uncertainty they faced so far this year.” – John Gibson, President and CEO, Paychex

Private Indicators

The Paychex | IHS Markit Small Business Employment Watch

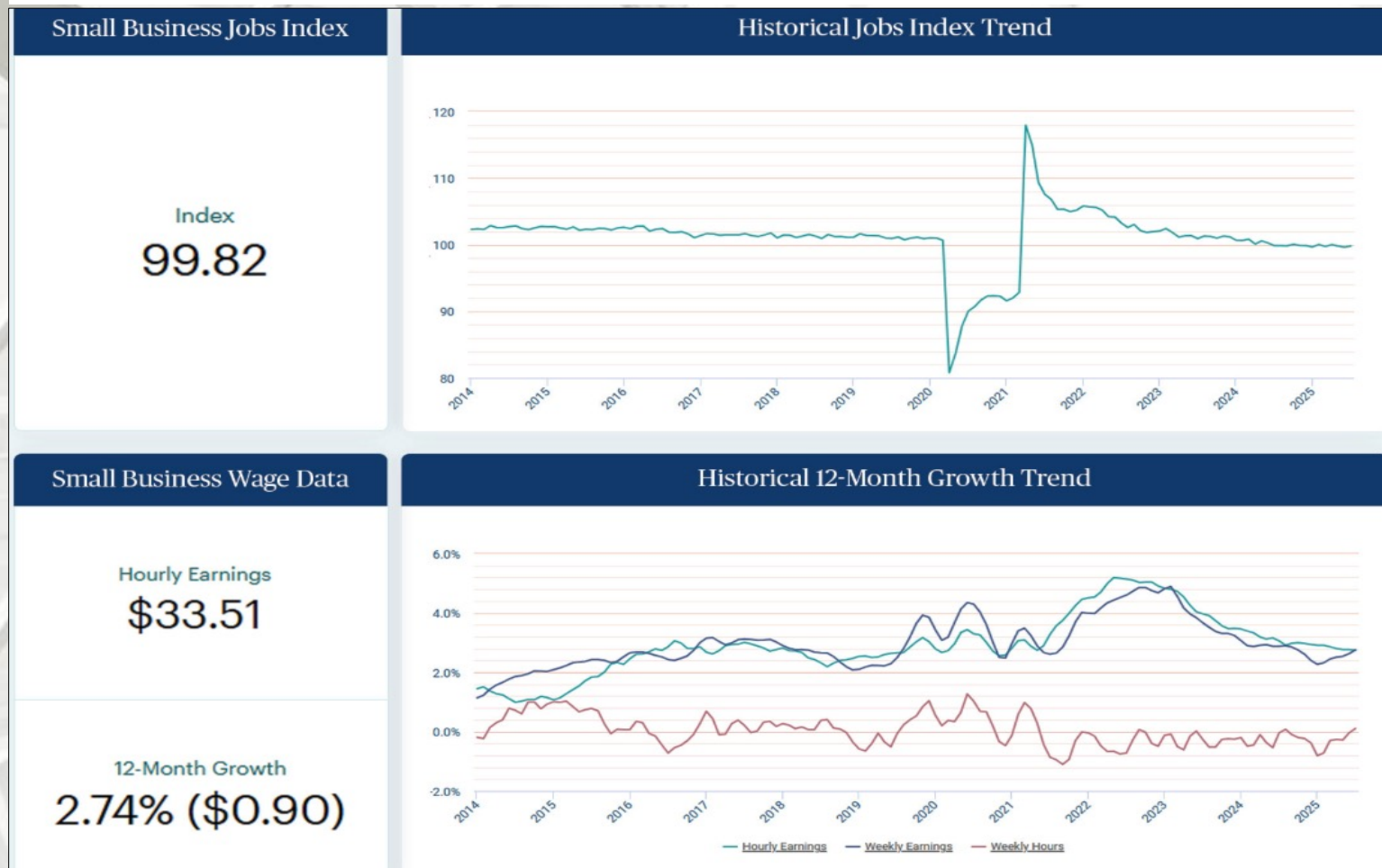
**Hourly earnings growth for workers reports below three percent
for 11 of the last 12 months**

Jobs Index and Wage Data Highlights

- “The national Small Business Jobs Index in July (99.82) matches the 2025 year-to-date index level, showing modest month-to-month movement and signaling a consistent trend of stability for U.S. small businesses.
- Hourly earnings growth has continued to trend below three percent for 11 of the last 12 months, marking a return to the historical average seen from 2014-2020.
- Since hitting a six-year low in January 2025 (2.27%), weekly earnings growth among U.S. small business workers has steadily increased during the past six months to 2.76% in July.
- Weekly hours worked have shown positive growth in July (0.11%) for the first month since August 2024, and the one month annualized weekly hours worked jumped to 2.31% in July.
- The Midwest has been the top region for small business employment growth for the past 14 months. Bolstering the region, Ohio (101.09) continues to lead states for small business job growth in July, followed closely by Indiana (100.89).
- Education and Health Services leads sectors for small business job growth for the 14th-straight month.
- Leisure and Hospitality remains last among sectors for job growth (98.35) in July, but its jobs index represents the largest one-month gain (0.59 percentage points) among industries.” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Private Indicators

The Paychex | IHS Markit Small Business Employment Watch



Housing Demographics

John Burns Research and Consulting, LLC

Home prices are falling in 35% of the country

The housing market is cooling fast. Are you ready?

- **Resale prices are down** compared to one year ago in 53 of 150 markets we track, with declines spreading beyond Texas and Florida.
- **New home prices**, including builder concessions and incentives, have fallen -1.5% versus last year as builders have been caught with too many completed, unsold homes for the first time in many years.
- **Resale prices have risen in 65% of the country over the last year**, so pay attention to local dynamics. For our clients, we produce 70-page reports and have user-friendly dashboards with just about every stat we can think of on 100+ metro areas every month.

Price drops spreading

“With new home construction exceeding job creation in most areas, the supply of newly built homes is outpacing new demand. Home builders are lowering prices and payments to find demand.

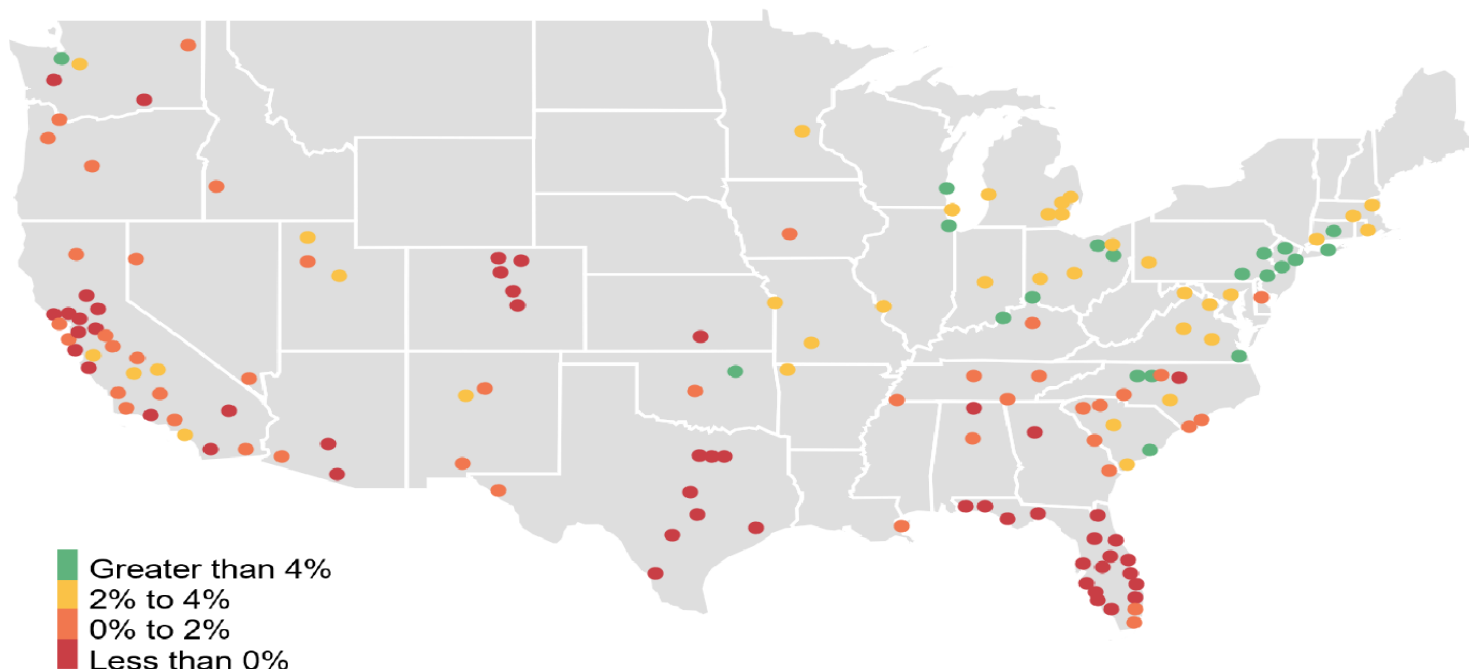
Price weakness has expanded across the Southeast, Southwest, and West Coast. Even some markets in the Midwest and Northeast, where tight supply previously supported strong pricing power, are seeing price appreciation slow rapidly. This geographic spread signals a widespread shift in pricing power.” – John Macke, Research Manager, For Sale and Danielle Nguyen, Vice President of Research; John Burns Research and Consulting, LLC

Housing Demographics

John Burns Research and Consulting, LLC

Home prices are falling in 35% of the country

Burns Home Value Index™: Resale Price Appreciation YOY % Change



Source: John Burns Research and Consulting, LLC (Data: Jun-25, Pub: Jul-25)

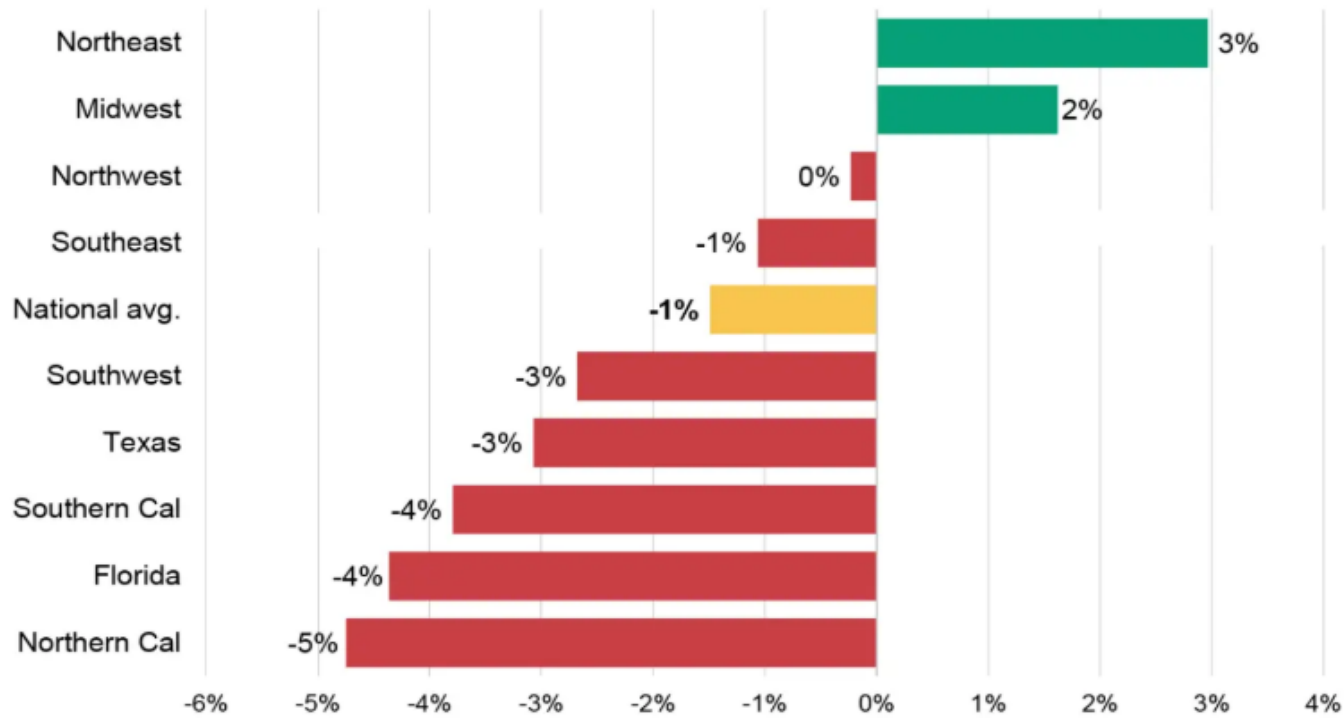


Housing Demographics

John Burns Research and Consulting, LLC

The following chart shows what has happened to new home prices, net of incentives, by region of the country in the last year. We are releasing our proprietary [Homebuilder Survey](#) to our clients this week, which will include updated new home prices for July.

Regional | Average Net New Home Price Changes YOY



Sources: John Burns Research and Consulting, LLC, independent survey of ~16% of all new home sales, NSA (Data: Jun-25, Pub: Jul-25)



Housing Demographics

John Burns Research and Consulting, LLC

Fewer jobs mean fewer home buyers and more renters

“The job market – a crucial driver of home buying – is weakening across the country. Employment growth has slowed, and some markets are losing jobs compared to last year.

Where jobs are still growing (but slower than before):

- Charlotte: +2.2% job growth YOY
- San Antonio: +2.0% job growth YOY
- Salt Lake City: +2.0% job growth YOY

Where jobs are declining:

Bay Area and other coastal markets are seeing YOY job losses.

The high-income sectors that typically drive new home purchases (Information, Financial Activities, and Professional and Business Services) are experiencing the steepest losses. When high-income workers lose jobs or face uncertainty, they're less likely to buy homes.

Our analysis shows that rental market leasing through June was strong, despite the slowing economy and job growth. We believe most of the demand right now is for rental homes.” – John Macke, Research Manager, For Sale and Danielle Nguyen, Vice President of Research; John Burns Research and Consulting, LLC

Housing Demographics

John Burns Research and Consulting, LLC

Fewer jobs mean fewer home buyers and more renters

What this means for you

“For home buyers: This shift creates opportunities for those with stable jobs. More inventory and motivated sellers mean better negotiating power and potentially lower prices. Those registered with homebuilders receive regular emails with incentives to purchase.

For home sellers: The days of quick sales at a high asking price have ended in most markets. Realistic pricing and patience will be essential.

- Entry-level home sellers must meet the payment requirements of first-time home buyers.
- Move-up and luxury home sellers must consider their buyers’ need to sell their current home.

For investors: Market conditions have created challenges for those looking to make a quick buck or earn a high rental yield, as well as opportunities for those who see home ownership as an important part of their asset diversification strategy or an opportunity to grow their rental home portfolio.” – John Macke, Research Manager, For Sale and Danielle Nguyen, Vice President of Research; John Burns Research and Consulting, LLC

Economics

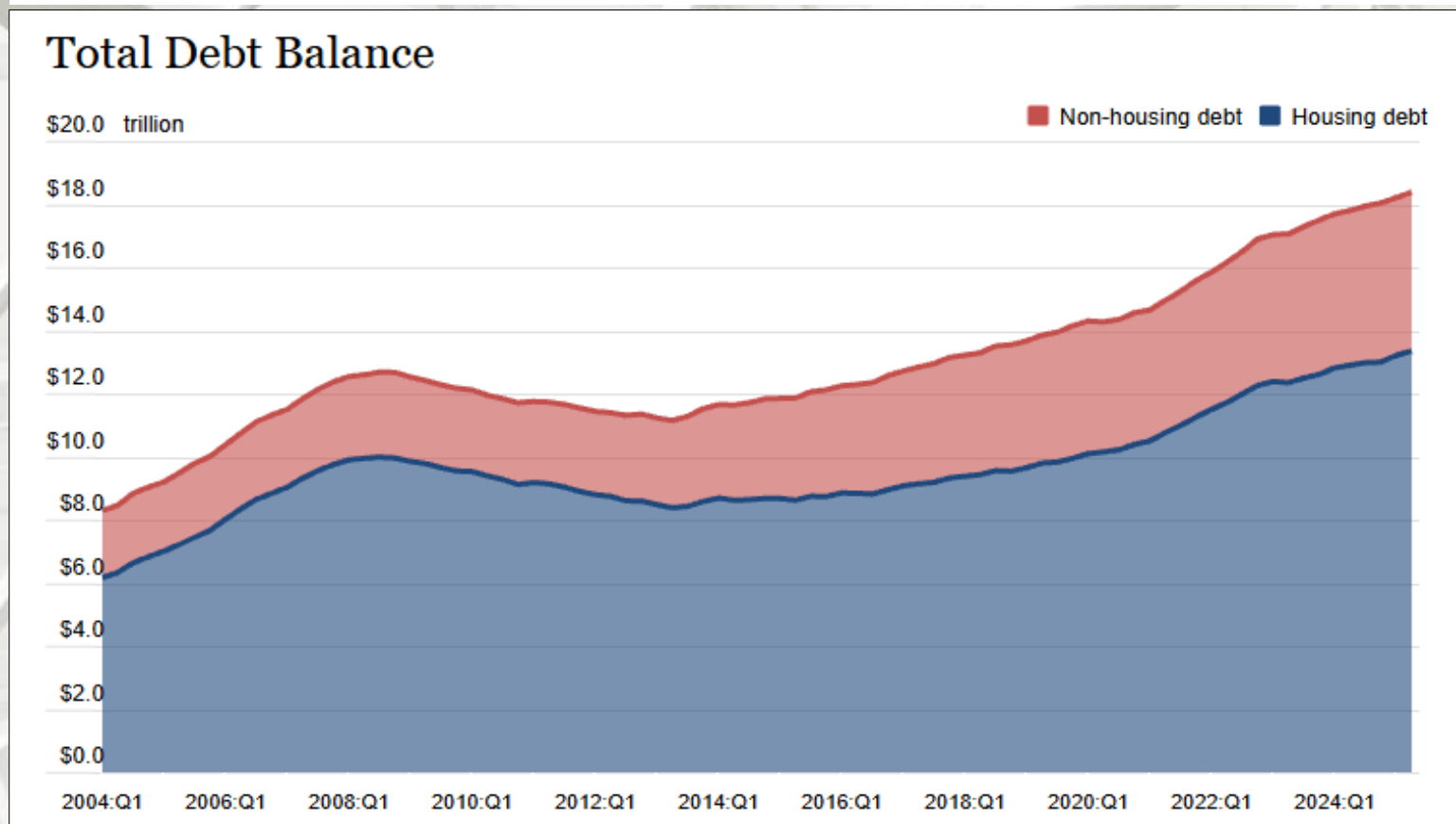
Federal Reserve Bank of New York Household Debt and Credit Report (Q2 2025)

Household Debt Reaches \$18.39 Trillion in the Second Quarter; Auto Loan Originations Increase

“Total household debt increased by \$185 billion to hit \$18.39 trillion in the second quarter, according to the latest *Quarterly Report on Household Debt and Credit*. Mortgage balances grew by \$131 billion and totaled \$12.94 trillion at the end of June. Auto loan balances also increased, rising by \$13 billion to reach \$1.66 trillion. The pace of mortgage originations increased slightly, with \$458 billion in newly originated mortgages in the second quarter. HELOC balances rose by \$9 billion to \$411 billion, representing the thirteenth consecutive quarterly increase. Student loan balances edged up by \$7 billion and stood at \$1.64 trillion, with student loans seeing another uptick in the rate at which balances moved from current to delinquent due to the resumption of reporting of delinquent student loans. Aggregate delinquency rates remained elevated in the second quarter, with 4.4 percent of outstanding debt in some stage of delinquency.” – Federal Reserve Bank of New York

Economics

Federal Reserve Bank of New York Household Debt and Credit Report (Q2 2025)



Source: FRBNY Consumer Credit Panel/Equifax

Economics

U.S. Census Bureau *NEW* Business Formation Statistics July 2025

Business Applications

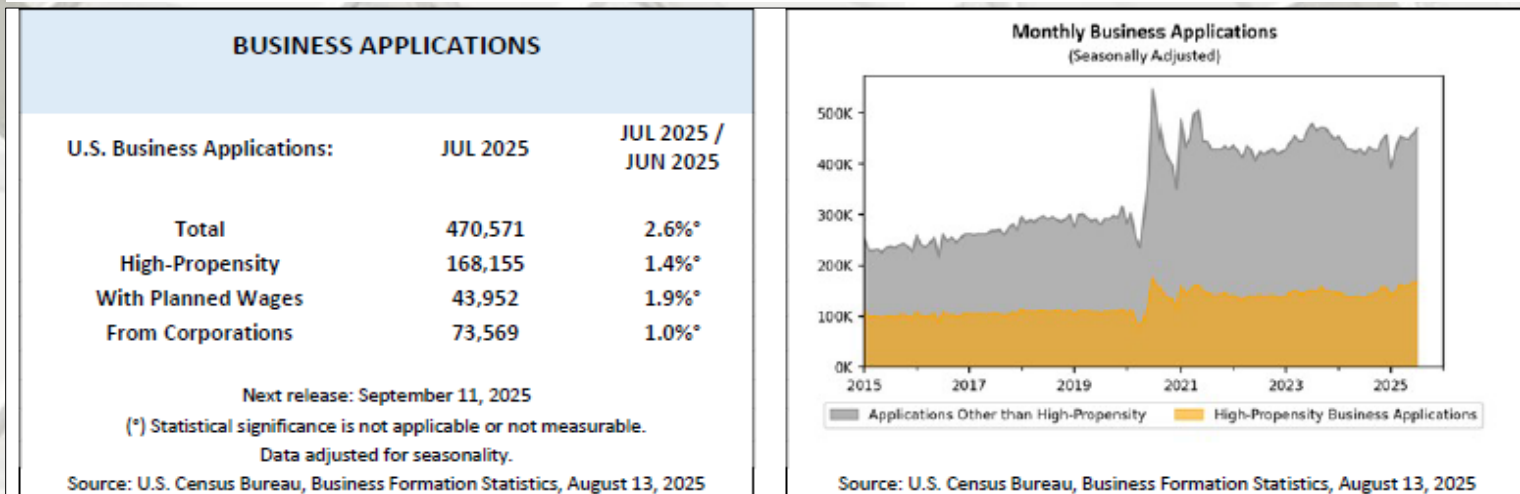
“Business Applications for July 2025, adjusted for seasonal variation, were 470,571, an increase of 2.6 percent compared to June 2025.

Business Formations






Projected Business Formations (within 4-quarters) for July 2025, adjusted for seasonal variation, were 28,494, an increase of 0.3 percent compared to June 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 28,494 new business startups with payroll tax liabilities will form within 4-quarters of application from all the business applications filed during July 2025. The 0.3 percent increase indicates that for July 2025 there will be 0.3 percent more businesses projected to form within 4-quarters of application, compared to the analogous projections for June 2025.” – Economic Indicators Division, Business Formation Statistics; U.S. Census Bureau

Economics

U.S. Census Bureau NEW Business Formation Statistics July 2025



Business Applications - At a Glance

		 US	 Northeast	 Midwest	 South	 West
Total	JUL 2025	470,571	67,136	79,514	213,300	110,621
	JUL 2025 / JUN 2025	+2.6%	-1.0%	+4.8%	+5.0%	-0.9%
High-Propensity	JUL 2025	168,155	25,317	28,444	75,162	39,232
	JUL 2025 / JUN 2025	+1.4%	-3.6%	+8.1%	+5.3%	-6.1%
With Planned Wages	JUL 2025	43,952	6,105	7,967	18,959	10,921
	JUL 2025 / JUN 2025	+1.9%	-1.0%	+3.0%	+3.4%	+0.1%
From Corporations	JUL 2025	73,569	12,913	11,519	30,536	18,601
	JUL 2025 / JUN 2025	+1.0%	-5.8%	+14.8%	+9.4%	-12.1%

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.
Data adjusted for seasonality. **Green** Percentage changes are greater than zero (+). **Red** Percentage changes are less than zero (-). Z = absolute value < 0.05.

Economics

U.S. Census Bureau July 2025

BUSINESS FORMATIONS

U.S. Total Projected Business Formations:	JUL 2025	JUL 2025 / JUN 2025
Within 4 Quarters	28,494	0.3%*
Within 8 Quarters	39,468	-0.1%*

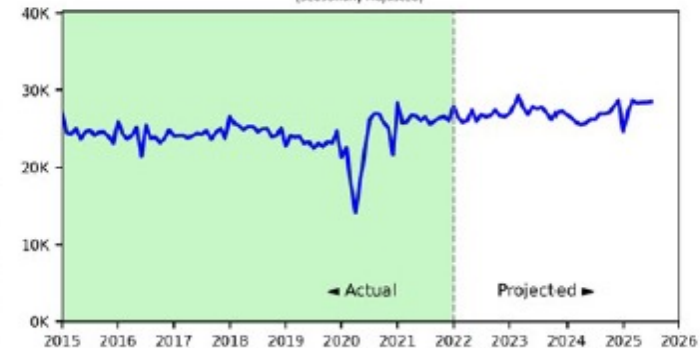
Next release: September 11, 2025

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

Spliced - Data adjusted for seasonality.






Source: U.S. Census Bureau, Business Formation Statistics, August 13, 2025

Monthly Business Formations within 4 Quarters
Spliced (Actual and Projected)
(Seasonally Adjusted)



Source: U.S. Census Bureau, Business Formation Statistics, August 13, 2025

Projected Business Formations - At a Glance

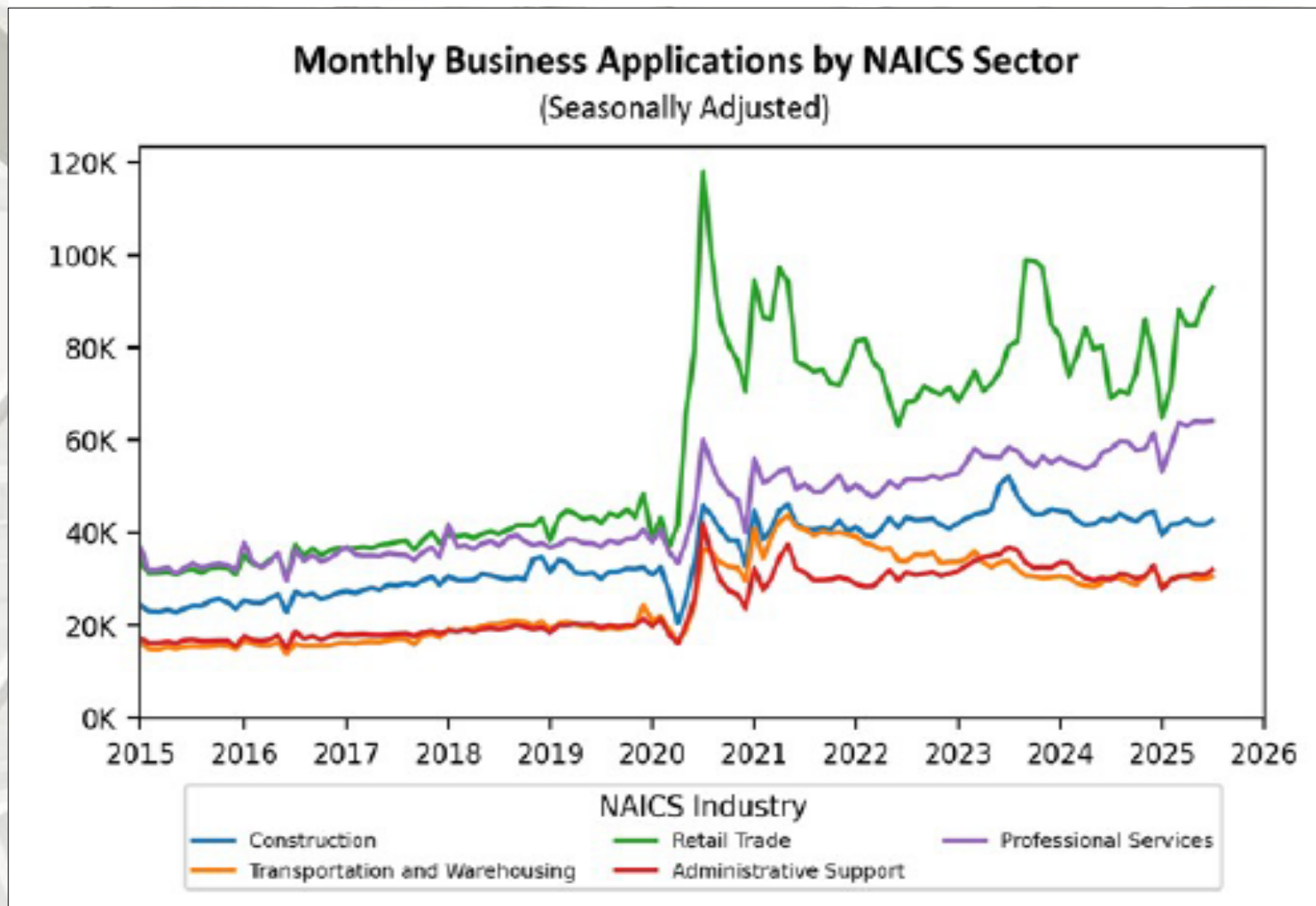
		 US	 Northeast	 Midwest	 South	 West
Within 4 Quarters	JUL 2025	28,494	4,384	4,737	11,385	7,988
	JUL 2025 / JUN 2025	+0.3%	-2.4%	+3.1%	+2.5%	-2.6%
Within 8 Quarters	JUL 2025	39,468	6,113	6,431	15,971	10,953
	JUL 2025 / JUN 2025	-0.1%	-2.6%	+2.5%	+1.5%	-2.3%

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.

Economics

NEW Business Formation Statistics July 2025



Source: U.S. Census Bureau, Business Formation Statistics, August 13, 2025

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