

# **The Virginia Tech–USDA Forest Service Housing Commentary: Section II July 2025**



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Virginia Polytechnic Institute and State University

VCE-ANR

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# Table of Contents

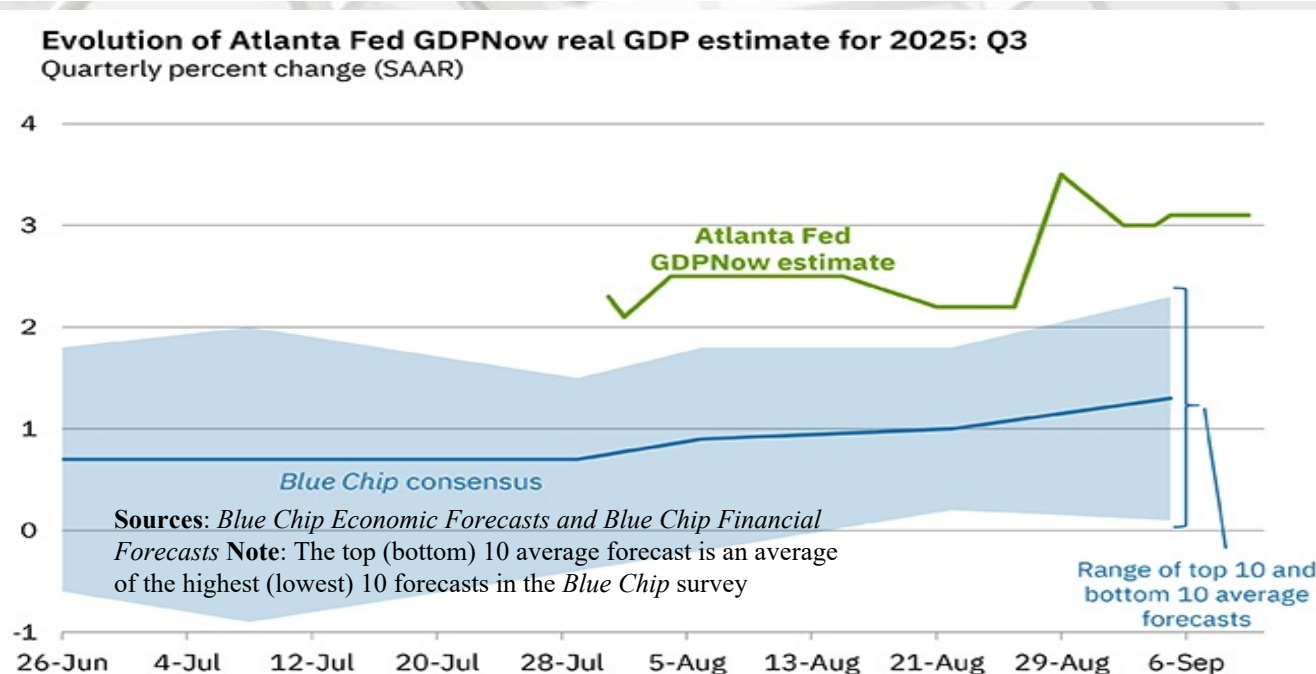
Slide 3: [Federal Reserve System Indicators](#)

Slide 37: [Private Indicators](#)

Slide100: [Virginia Tech Disclaimer](#)

Slide101: [USDA Disclaimer](#)

# U.S. Economic Indicators



## Atlanta Fed GDPNow™

**Latest estimate: 3.1 percent — September 10, 2025**

“The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2025 is **3.1 percent** on September 10, up from 3.0 percent on September 4. After recent releases from the US Bureau of Labor Statistics and the US Census Bureau, increases in the nowcasts of real personal consumption expenditures growth and real gross private domestic investment growth from 2.1 percent and 6.0 percent, respectively, to 2.3 percent and 6.2 percent, were partly offset by a decline in the nowcast of the contribution of net exports to GDP growth from 0.28 percentage points to 0.23 percentage points.” — Pat Higgins, Economist, Federal Reserve Bank of Atlanta

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

## Index Suggests Economic Growth Decreased in July

*“The Chicago Fed National Activity Index (CFNAI) decreased to  $-0.19$  in July from  $-0.18$  in June. One of the four broad categories of indicators used to construct the index decreased from June, and three categories made negative contributions in July. The index's three-month moving average, CFNAI-MA3, increased to  $-0.18$  in July from  $-0.26$  in June.*

*The CFNAI Diffusion Index, which is also a three-month moving average, increased to  $-0.31$  in July from  $-0.40$  in June. Thirty-two of the 85 individual indicators made positive contributions to the CFNAI in July, while 53 made negative contributions. Forty-two indicators improved from June to July, while 41 indicators deteriorated and two were unchanged. Of the indicators that improved, 17 made negative contributions.*

- Production-related indicators contributed  $-0.10$  to the CFNAI in July, down from  $+0.01$  in June.
- The sales, orders, and inventories category's contribution to the CFNAI was  $-0.02$  in July, up from  $-0.10$  in June.
- Employment-related indicators contributed  $-0.06$  to the CFNAI in July, up from  $-0.08$  in June.
- The personal consumption and housing category made a neutral contribution to the CFNAI in July, up from  $-0.01$  in June.” – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago



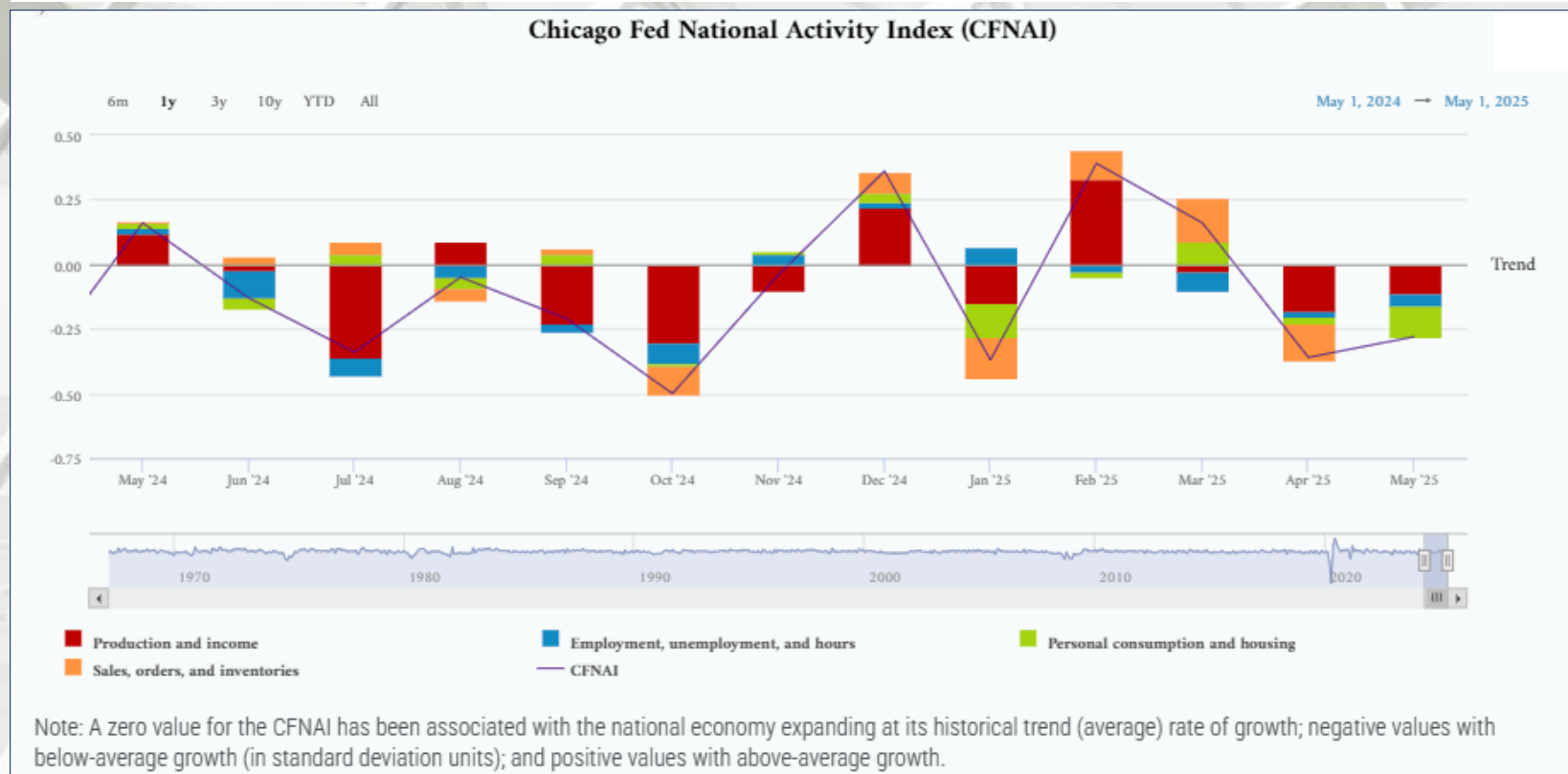
# The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

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

	Jul '25	Jun '25	May '25	Apr '25	Mar '25	Feb '25	Jul '24
<b>CFNAI</b>							
<b>Current</b>	-0.19	-0.18	-0.18	-0.41	0.16	0.36	-0.35
<b>Previous</b>	N/A	-0.10	-0.16	-0.41	0.15	0.39	-0.35
<b>CFNAI-MA3</b>							
<b>Current</b>	-0.18	-0.26	-0.14	0.04	0.04	0.11	-0.10
<b>Previous</b>	N/A	-0.22	-0.14	0.04	0.05	0.12	-0.10
<b>CFNAI Diffusion</b>							
<b>Current</b>	-0.31	-0.40	-0.31	-0.08	-0.01	0.16	-0.09
<b>Previous</b>	N/A	-0.37	-0.32	-0.08	0.00	0.16	-0.09

Notes: Current and Previous values reflect index values as of the August 25, 2025, release and July 24, 2025, release, respectively. N/A indicates not applicable.

# The Federal Reserve Bank of Chicago



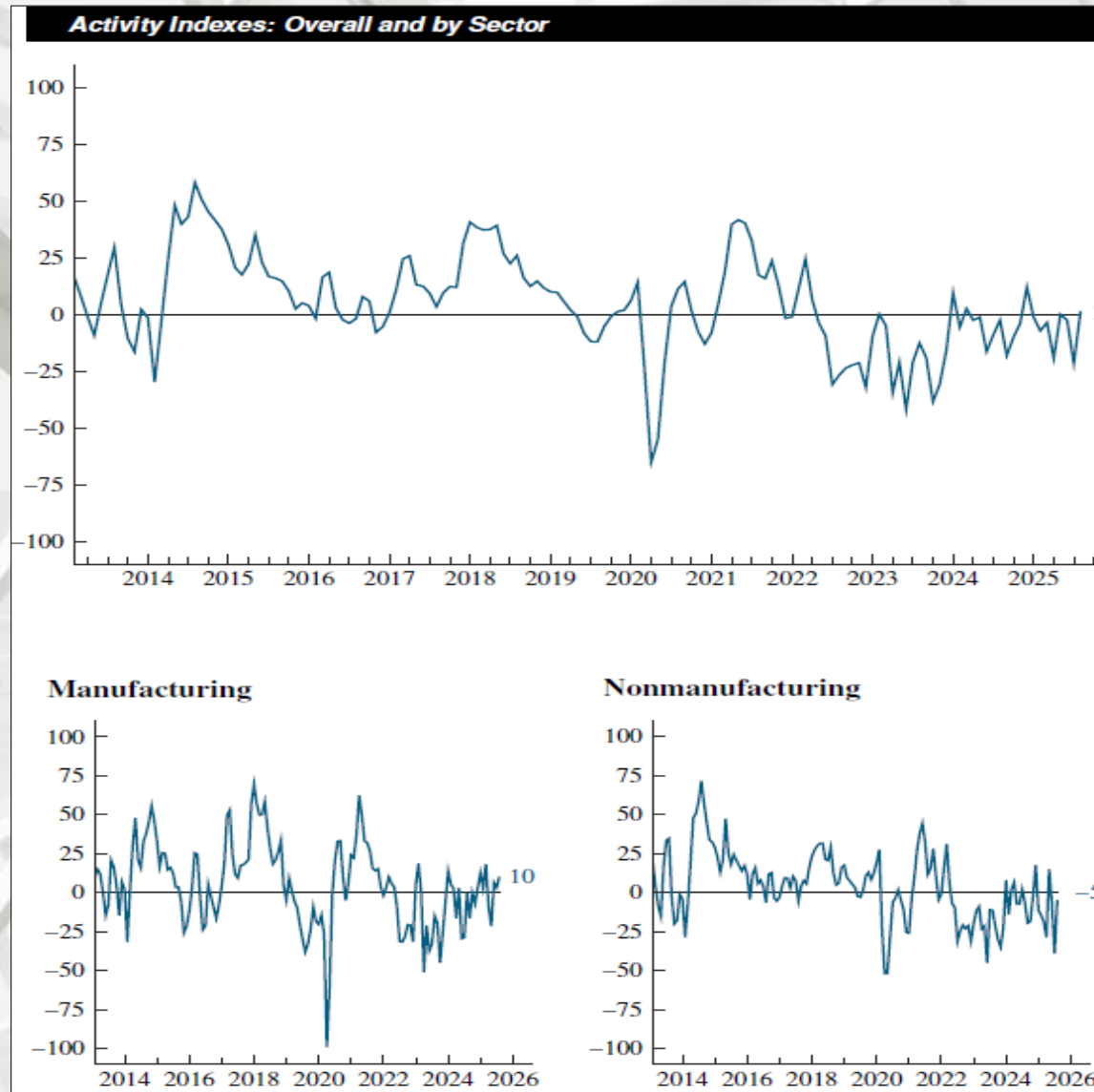
# The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)

## Survey Suggests Growth Moved Up In August

“The *Chicago Fed Survey of Economic Conditions* (CFSEC) Activity Index increased to +1 in August from –22 in July, suggesting that economic growth was near trend. The CFSEC Manufacturing Activity Index increased to +10 in August from +3 in July, and the CFSEC Nonmanufacturing Activity Index increased to –5 in August from –39 in the previous month.

- Respondents’ outlooks for the U.S. economy for the next 12 months improved slightly, turning optimistic on balance. Thirty-five percent of respondents expected an increase in economic activity over the next 12 months.
- The pace of current hiring increased, as did respondents’ expectations for the pace of hiring over the next 12 months. The hiring index remained negative, but the hiring expectations index moved into positive territory.
- Respondents’ expectations for the pace of capital spending over the next 12 months decreased, and the capital spending expectations index remained negative.
- The labor cost pressures index decreased, but the nonlabor cost pressures index increased. 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 continues in the Texas manufacturing sector

“Texas factory activity continued to expand in August, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, came in at 15.3, down from July’s reading of 21.3 but still well above average.

Other measures of manufacturing activity also indicated solid growth this month. The new orders index turned positive for the first time since January, rising to 5.8 from -3.6. The capacity utilization index remained elevated but slipped to 13.7 from 17.3. The shipments index shot up 12 points to 14.2, its highest reading in more than three years.

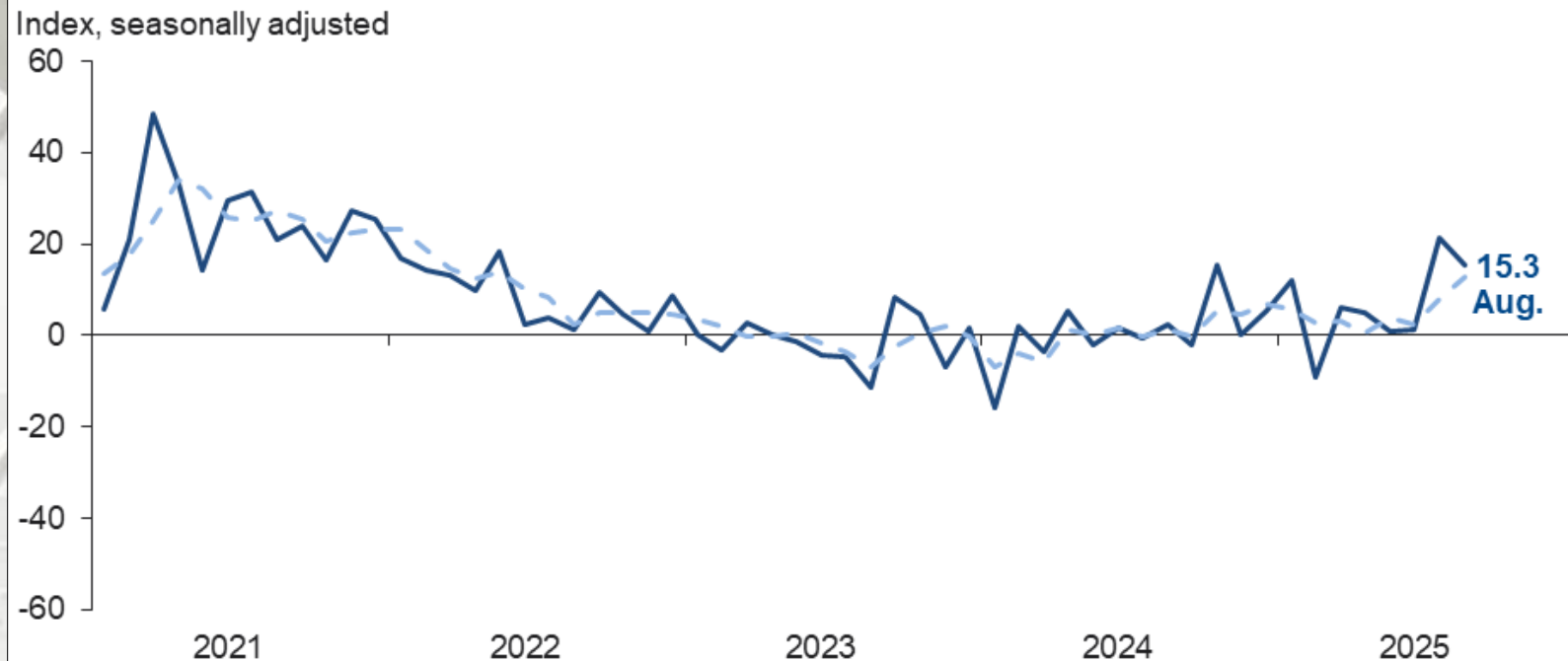
Perceptions of broader business conditions remained largely unchanged, and outlooks improved slightly. The general business activity index held near zero for a second month in a row, indicating little change in activity. The company outlook index remained slightly positive at 3.3. The outlook uncertainty index rose seven points to 18.3.

Labor market measures suggested increases in employment and work hours. The employment index held steady at 8.8, with 20 percent of firms noting net hiring and 11 percent noting net layoffs. The hours worked index climbed seven points to 15.0, its highest reading in more than three years.

Price and wage pressures picked up slightly. The raw materials prices index edged up to 43.7, well above its average reading of 27.4. The finished goods prices index moved up four points to 15.1, also an elevated reading. The wages and benefits index remained lower than average but inched up to 15.4.” – 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 10 points to 40.4, while the future general business activity index rose six points to 24.8. Other indexes of future manufacturing activity also increased, with most now residing above 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 in Texas service sector activity continues**

“Texas service sector activity expanded at a slightly faster pace in August, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, increased to 8.6 in August from 6.3 last month.

Labor market measures indicated flat employment and a modest increase in hours worked in August. The employment index edged down to 1.2 from 2.8 in July. The near-zero reading signals little change in employment over the period. The part-time employment index edged up to -2.7 from -3.8, while the hours worked index increased two points to 5.1.

Perceptions of broader business conditions improved in August. The general business activity index increased five points to 6.8, and the company outlook index rose six points to 4.3, its first positive reading in six months. The outlook uncertainty index fell two points to 11.2.

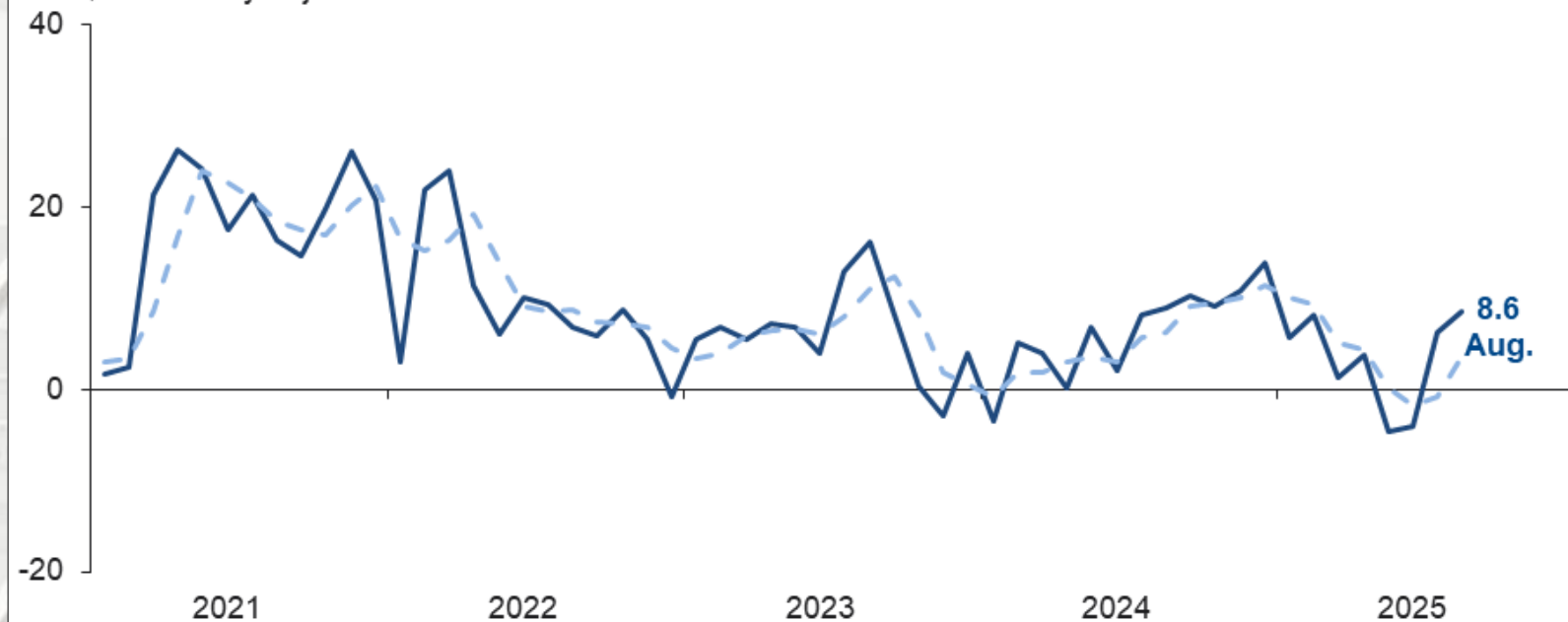
Input price and wage pressures increased slightly, while selling price growth was stable. The input prices index increased to 27.9 from 25.3, and the wages and benefits index rose two points to 15.7. The selling prices index was relatively unchanged at 2.7.

Respondents’ expectations regarding future business activity improved. The future general business activity index was relatively unchanged at 10.7, while the future revenue index increased three points to 33.8. Other future service sector activity indexes such as employment and capital expenditures, remained in positive territory, reflecting expectations for continued growth in the next six months.” – Jesus Cañas, Senior Business Economist; The Federal Reserve Bank of Dallas

# 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 dip again

“Texas retail sales declined in August, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, fell three points to -2.1. Retailers’ inventories fell for the seventh consecutive month, with the index remaining in negative territory at -2.7 in August.

Labor market indicators reflected a contraction in retail employment and hours worked. The employment index dipped to -2.0 from -0.8, while the part-time employment index dropped 18 points to -15.5. The hours worked index retreated four points to -3.6.

Perceptions of broader business conditions improved in August while company outlooks stabilized. The general business activity index moved back into positive territory to 1.9 from -4.0, while the company outlook index moved up four points to 0.7 in August, with the near-zero reading indicating little change in company outlooks from July. The outlook uncertainty index fell eight points to a below-average reading of 8.2.

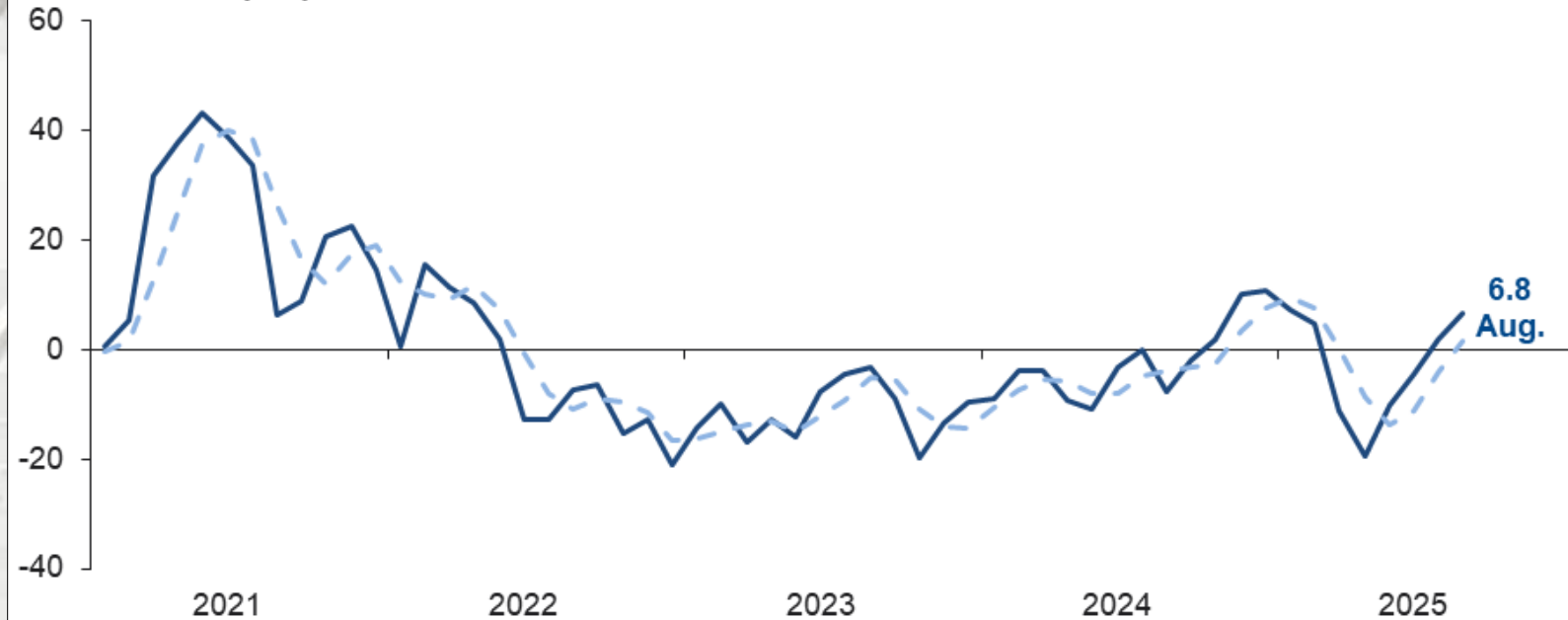
Input prices, selling prices and wage pressures eased this month. The input prices index fell nine points to 22.4, while the selling prices index dipped five points to 4.1. The wages and benefits index fell three points to 11.5.

Expectations for future retail activity improved in August. The future general business activity index ticked down two points but remained in positive territory at 13.4, while the future sales index moved sideways to 29.6. 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 General Business Activity

Index, seasonally adjusted



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 Was Mostly Unchanged in August**

Tenth District manufacturing activity was mostly unchanged, and expectations for future activity remained expansionary. Price increases for raw materials eased modestly this month, while finished product prices edged up slightly.

#### **Factory Activity Was Mostly Unchanged**

“The month-over-month composite index was 1 in August, unchanged from 1 in July and up slightly from -2 in June. The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The durable manufacturing sector was mostly flat, while nondurable manufacturing activity declined slightly driven by printing activities and paper and chemical manufacturing. Most month-over month indexes were positive, except for the backlog of orders, new export orders, and inventories. Production ticked up from -3 to 0 and the employment index increased modestly from -11 to 0.” – 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 Was Mostly Unchanged**

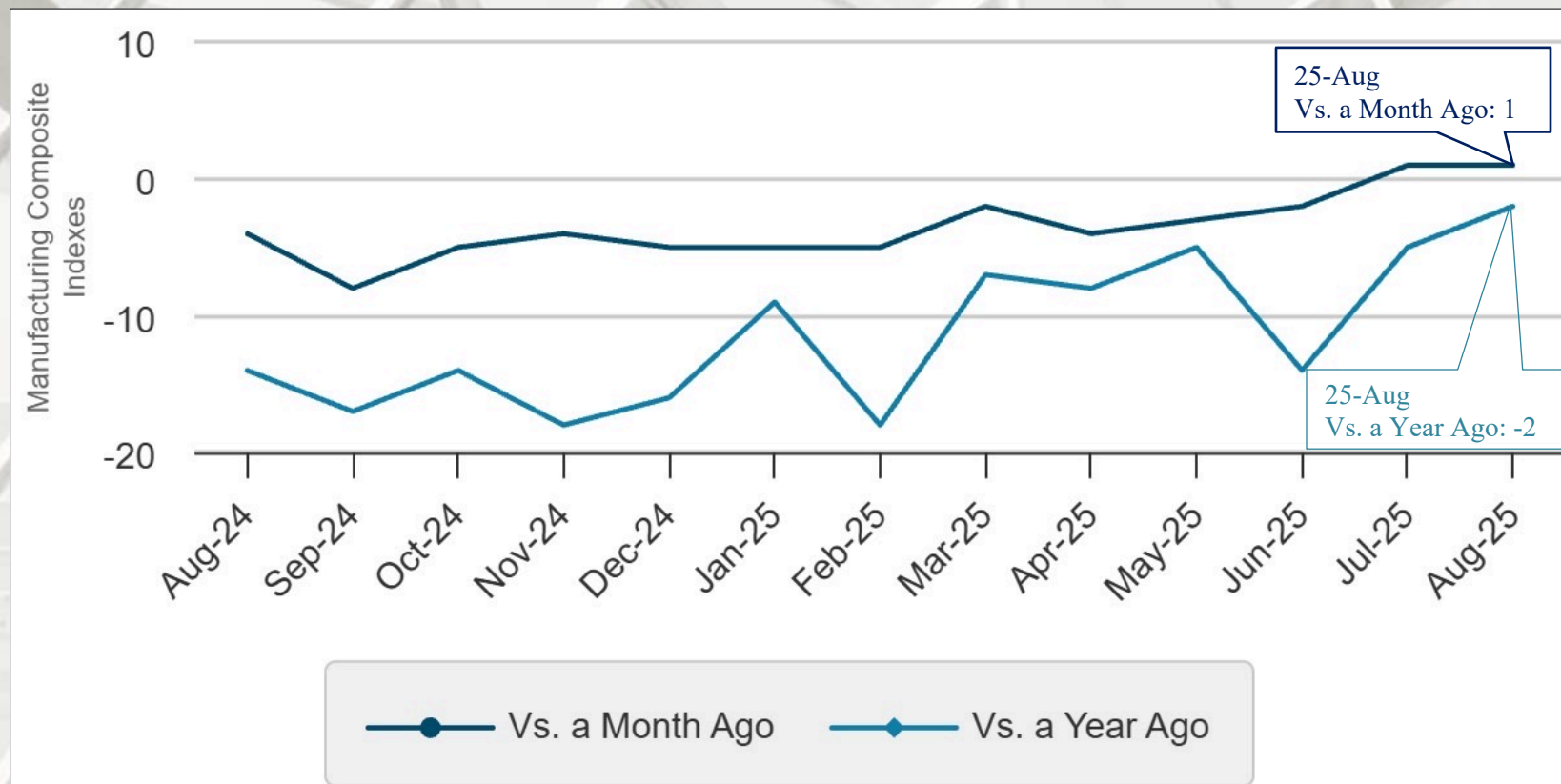
“Most year-over-year indexes were negative, but most were higher than last month. Production, backlogs, and employee workweek indexes increased slightly, while the employment index declined moderately. Expectations for future activity remained positive, with the composite index rising from 8 to 11, as firms anticipate an improvement in production and new orders.

### **Special Questions**

“This month, contacts were asked special questions about changes in purchasing activity and product demand expectations. Approximately 36% of firms reported customers’ purchase volumes decreased slightly compared to last quarter, 9% reported a significant decrease, 17% reported no change, 34% reported a slight increase, and 3% reported a significant increase in purchase volumes. Compared to last quarter, over a third (34%) of firms reported customer purchases/services decreased slightly, 13% reported a significant decrease, 27% reported no change, 24% reported a slight increase, and 2% reported they increased significantly. For the remainder of 2025, almost half of firms (46%) expect demand for their products will be slightly higher than the prior quarter and 2% expect it will be significantly higher, 18% expect no change, while 22% expect it will be slightly lower, and 12% expect it will be significantly lower.” – 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 Activity Rose Somewhat in August**

Tenth District services activity rose somewhat in August, and expectations for future activity remained positive. Input prices accelerated from last month, while growth in selling prices cooled slightly.

#### **Business Activity Rose Somewhat in August**

“The month-over-month services composite index 4 in August, up from -5 in July, and 3 in June. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in real estate, wholesale trade, and health services sectors grew, while growth in tourism cooled. Most month-over-month indexes were positive, except access to credit, employee hours worked, and part-time/temporary employment. General revenue/sales jumped from -8 to 5, and employment grew from -6 to 2. Year-over-year growth increased from 1 to 12, and revenues rose from -2 to 16. Capital expenditures inched higher from 6 to 8. Expectations for future services activity remained positive, as firms anticipate increasing revenue.” – 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**

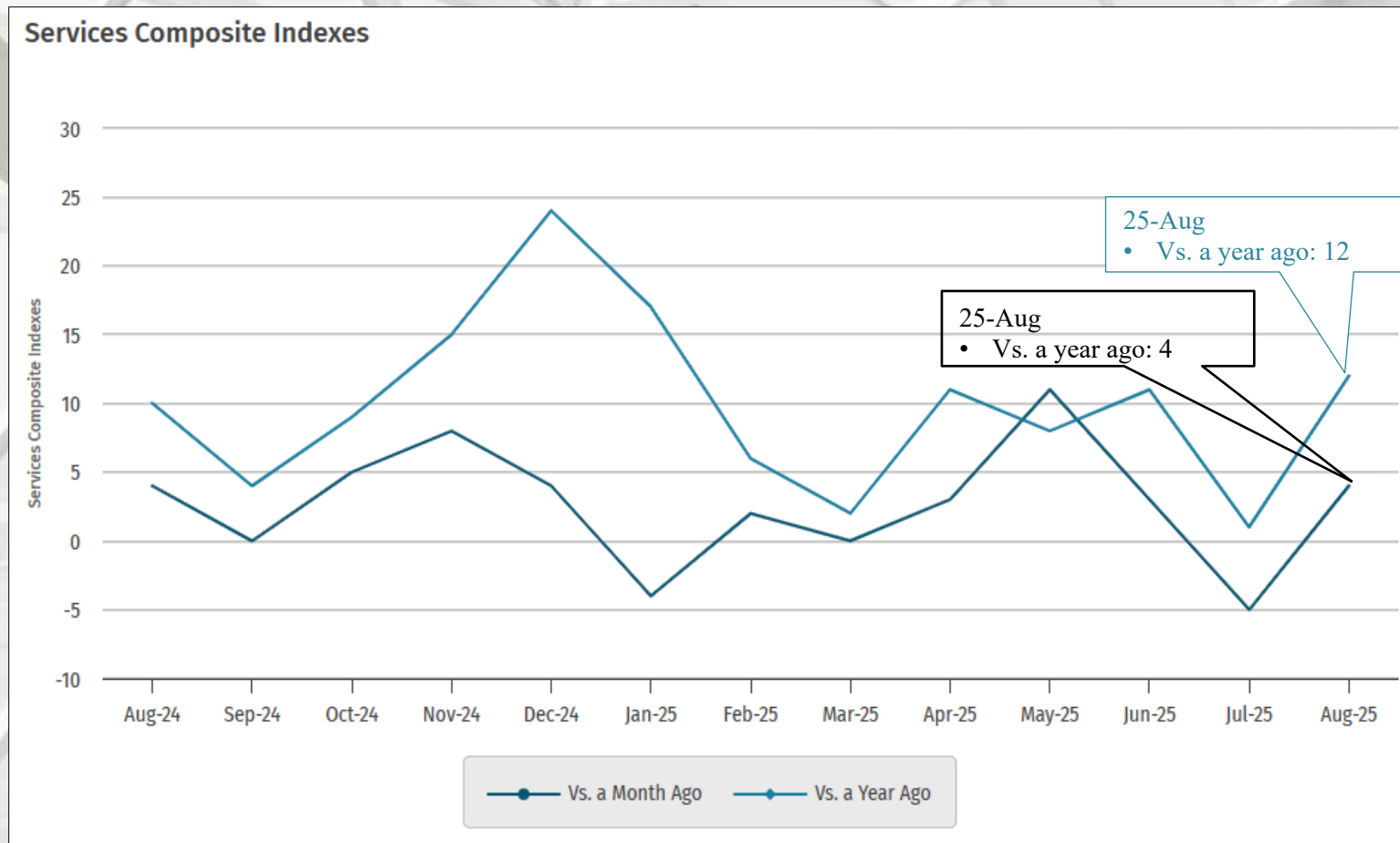
## **The Federal Reserve Bank of Kansas City**

### **Business Activity Rose Somewhat in August**

#### **Special Questions**

“This month contacts were asked special questions about changes in purchasing activity and product demand expectations. Over a third (36%) of firms reported customers’ purchase volumes decreased slightly compared to last quarter, 8% reported a significant decrease, 32% reported no change, 23% reported a slight increase, and 1% reported a significant increase in purchase volumes. Compared to last quarter, approximately 33% of firms reported the count of customer purchases decreased slightly, 8% reported a significant decrease, 34% reported no change, 23% reported a slight increase, 1% reported they increased significantly. Approximately 37% of firms expect demand for their products to be slightly higher than the prior quarter for the remainder of 2025 and 2% expect it will be significantly higher, 28% expect no change, while 23% expect it will be slightly lower, and 10% expect it will be significantly lower” – 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 Philadelphia

## August 2025 Manufacturing Business Outlook Survey

### Current Indicators Weaken

“Manufacturing activity in the region weakened this month, according to the firms responding to the August *Manufacturing Business Outlook Survey*. The current general activity index fell to a near-zero reading, the new orders index dipped into negative territory, and the shipments index also declined but remained positive. The employment index continued to suggest overall increases. Both price indexes remained elevated. The firms continued to expect growth over the next six months, and expectations were somewhat more widespread.

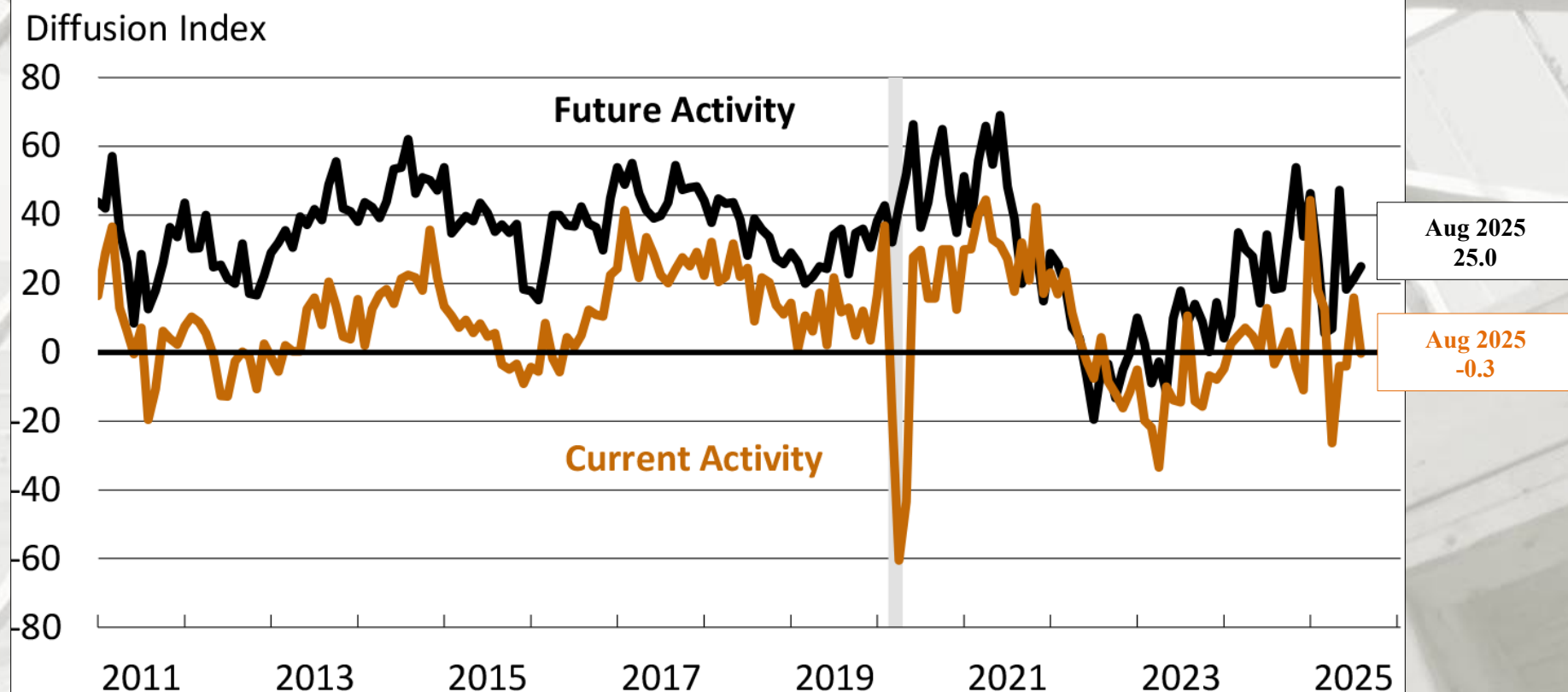
The diffusion index for current general activity declined from 15.9 to -0.3 in August, mostly undoing its rise from last month (see Chart). The share of responses indicating increases and decreases were evenly split (30 percent), and 36 percent reported no change. The new orders and shipments indexes both declined, more than erasing their increases from last month. The new orders index fell 20 points to -1.9, its first negative reading since April, and the shipments index declined to 4.5.

The firms continued to report overall increases in employment, but the employment index moved down 4 points to 5.9. Most firms continued to report no change in employment levels (74 percent), while the share of firms reporting increases (16 percent) exceeded the share reporting decreases (10 percent). The average workweek index rose from 0.4 to 4.7.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

# The Federal Reserve Bank of Philadelphia

## Chart. Current and Future General Activity Indexes

January 2011 to August 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

## August 2025 Manufacturing Business Outlook Survey

### Firms Expect Higher Growth for Own Prices

“In this month’s [special questions](#), the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters. Regarding their own prices over the next year, the firms’ median forecast was for an expected increase of 4.1 percent, up from 3.8 percent when this question was last asked in May. The firms reported a median increase of 3.5 percent in their own prices over the past year, up from 3.0 percent last quarter. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 3.5 percent over the next four quarters, down from 4.0 percent in May. The firms’ median forecast for the rate of inflation for U.S. consumers over the next year edged down from 3.8 percent to 3.6 percent.

The firms were also asked about changes in customer price sensitivity and anticipated cost changes. Half of the firms reported their core customers were more price sensitive since last quarter, while 46 percent reported customers were about the same. Almost 54 percent of the firms indicated they can anticipate changes in their industry’s costs in the near term, and over 71 percent of those firms expected their competitors to raise prices in response. Regarding when these price changes will occur, the firms’ median expectation was for competitors to change prices in the next three months.

# **The Federal Reserve Bank of Philadelphia**

## **August 2025 Manufacturing Business Outlook Survey**

### **Firms Continue to Expect Growth**

“Both price indexes remained elevated. The prices paid index increased 8 points to 66.8, its highest reading since May 2022. The current prices received index ticked up 1 point to 36.1. Most firms (64 percent) reported no change in prices received, 36 percent of the firms reported increases, and none reported decreases.

### **Price Increases Remain Widespread**

Both price indexes remained elevated. The prices paid index increased 8 points to 66.8, its highest reading since May 2022. The current prices received index ticked up 1 point to 36.1. Most firms (64 percent) reported no change in prices received, 36 percent of the firms reported increases, and none reported decreases.

### **Summary**

Responses to the August *Manufacturing Business Outlook Survey* suggest regional manufacturing activity weakened this month. The indicators for current activity and new orders dipped into negative territory, while the shipments index declined but remained positive. On balance, the firms indicated an increase in employment, and the price indexes rose further above their long-run averages. The survey’s broad indicators for future activity suggest that firms continue to expect growth over the next six months.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia



# The Federal Reserve Bank of Philadelphia

## August 2025 Nonmanufacturing Business Outlook Survey

### Most Current Indicators Strengthen

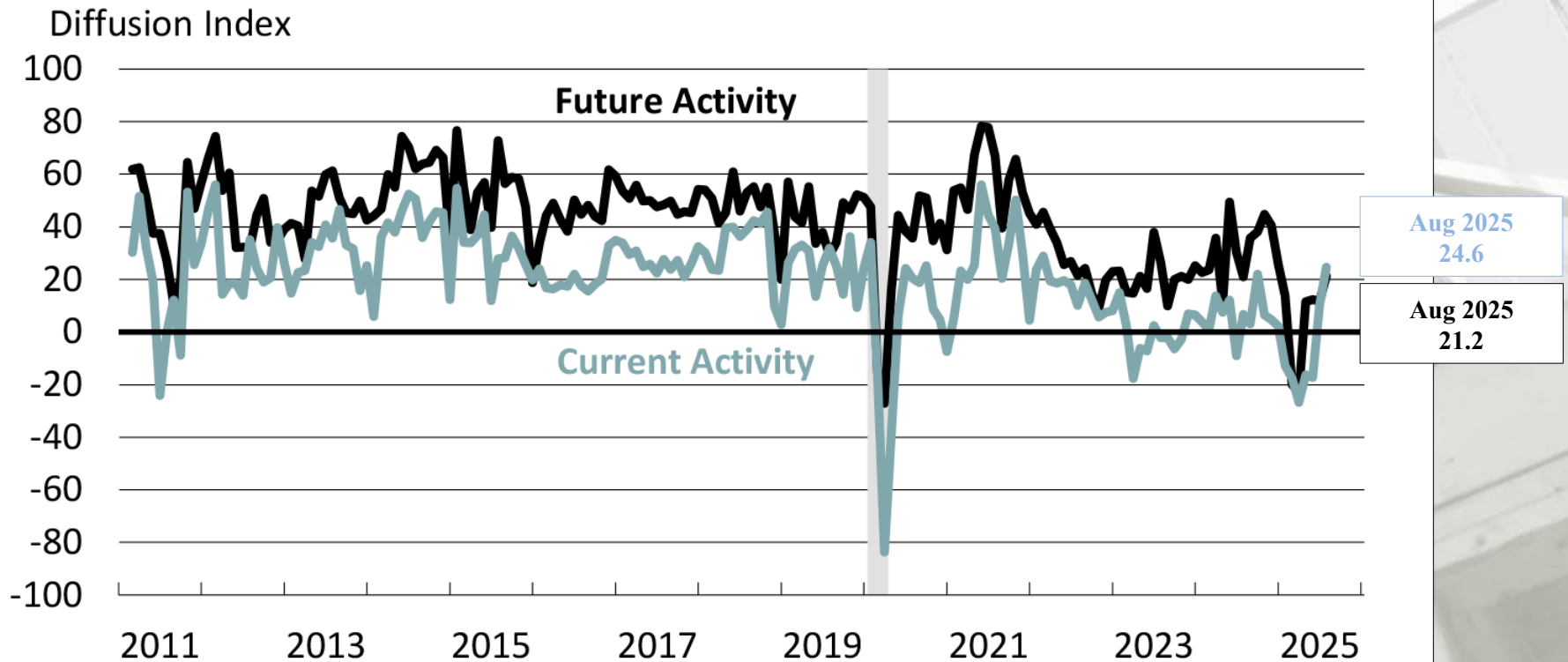
“Nonmanufacturing activity continued to expand this month, according to the firms responding to the August *Nonmanufacturing Business Outlook Survey*. The indexes for general activity at the firm level, new orders, and sales/revenues rose further. However, on balance, the firms reported decreases in employment. The price indexes moved up to elevated readings. The respondents’ expectations for future growth at their firms were more widespread this month.

The diffusion index for current general activity at the firm level rose from 10.2 to 24.6 in August, its second consecutive positive reading and highest reading since March 2022 (see Chart). Forty-six percent of the firms reported increases in activity, 21 percent reported decreases, and 30 percent reported no change. The new orders index rose 12 points to 21.5, also its highest reading since March 2022, and the sales/revenues index moved up 6 points to 17.5, its highest reading since October. The indicator for current regional activity remained negative and declined 7 points to -17.5.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

# The Federal Reserve Bank of Philadelphia

## Chart. Current and Future General Activity Indexes

January 2011 to August 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**

## **August 2025 Nonmanufacturing Business Outlook Survey**

### **Employment Indicators Move Slightly Negative**

“The full-time employment index continued its recent pattern of alternating between positive and negative readings, declining 8 points to -3.8 this month. Nineteen percent of the firms reported decreases in full-time employment, exceeding the 15 percent that reported increases; most firms (62 percent) reported no change. The part-time employment index ticked down 1 point to -2.8. The average workweek index rose 5 points to 17.3, its third consecutive positive reading.

### **Price Indexes Exceed Long-Run Averages**

The price indicators suggest widespread increases in prices for inputs and for the firms’ own goods and services overall. The prices paid index rose 11 points to 43.2 this month, its highest reading since April. Regarding prices for the firms’ own goods and services, the prices received index increased from 12.4 to 20.1, its second consecutive increase and highest reading since December.”  
– Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

# The Federal Reserve Bank of Philadelphia

## August 2025 Nonmanufacturing Business Outlook Survey

### Firms Expect Higher Growth for Own Prices

“In this month’s [special questions](#), the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters. Regarding their own prices, the firms’ median forecast was for an increase of 2.5 percent, up from 2.0 percent when the question was last asked in May. The firms’ reported own price change over the past year was also 2.5 percent, up from 2.0 percent last quarter. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 3.0 percent over the next four quarters, down from 4.0 percent last quarter. When asked about the rate of inflation for U.S. consumers over the next year, the firms’ median forecast moved down to 3.3 percent from 4.8 percent.

The firms were also asked about changes in customer price sensitivity and anticipated cost changes. Over 58 percent of the firms reported that their core customers were more price sensitive compared with last quarter, while 39 percent reported customers’ price sensitivity was about the same, and 2 percent indicated that customers were less price sensitive. More than 57 percent of the firms anticipated changes in their industry’s costs in the near term, and 63 percent of those firms expected their competitors to raise prices in response. Regarding when these prices changes will occur, the firms’ median expectation was for competitors to change prices in the next three months.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia



# The Federal Reserve Bank of Philadelphia

## August 2025 Nonmanufacturing Business Outlook Survey

### Firms Expect Growth over the Next Six Months

“Expectations for growth over the next six months were more widespread at the firm level. The diffusion index for future activity at the firm level rose 9 points to 21.2, its highest reading since January (see Chart). The future regional activity index rose from -3.9 to 1.3, its first positive reading since January.

### Summary

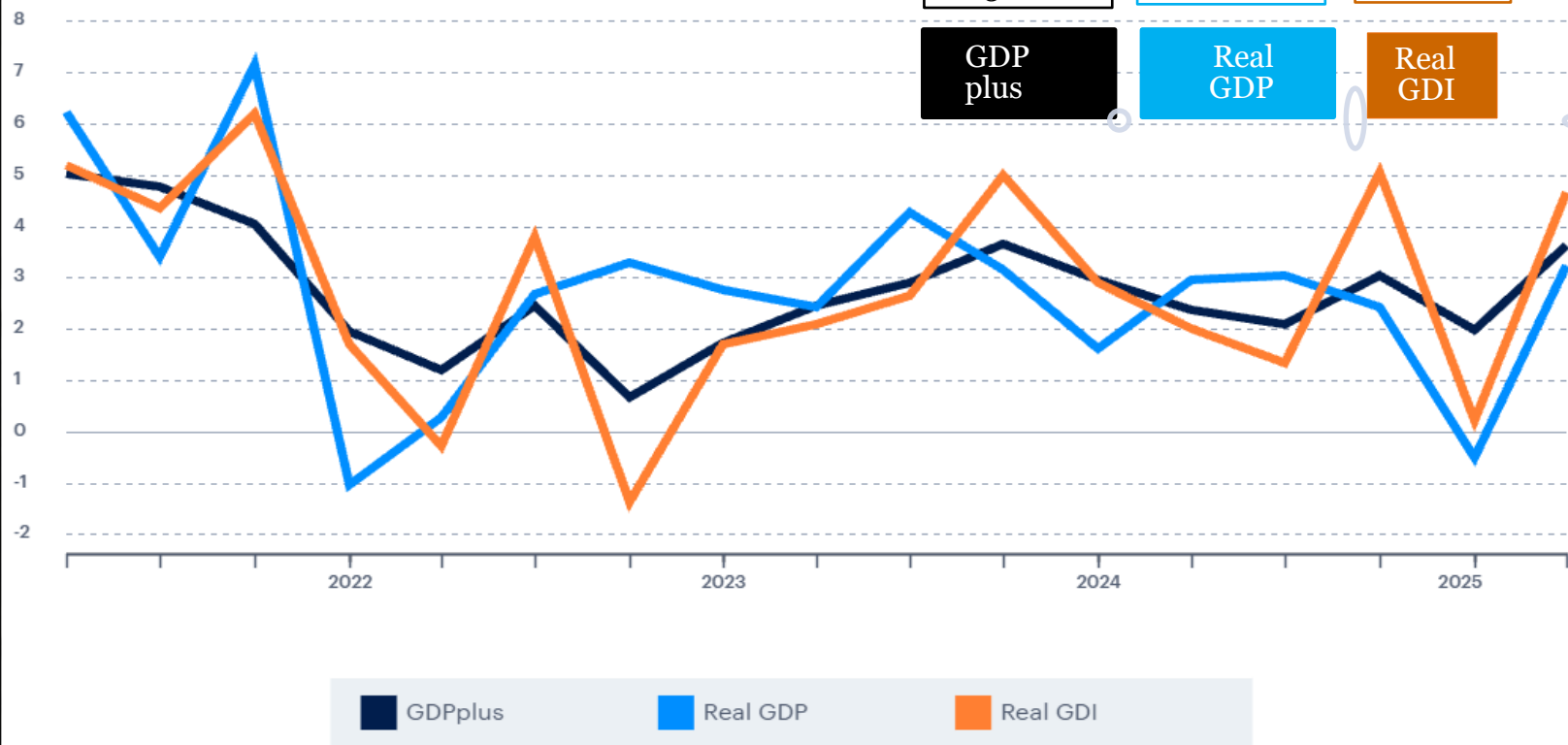
Responses to this month’s *Nonmanufacturing Business Outlook Survey* suggest activity continued to expand in the region. The indicators for firm-level general activity, new orders, and sales/revenues all rose further. However, the full-time employment index dipped into negative territory. The firms reported increases in prices paid for inputs and for their own goods and services. The respondents’ expectations for future growth at their own firms were more widespread this month.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

# The Federal Reserve Bank of Philadelphia: GDPplus

## GDPplus: An Alternative Measure of Real U.S. Output Growth

28 Aug '25

PERCENTAGE (%)



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

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

Source: <https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/gdpplus>; 8/28/25

[Return to TOC](#)

# **The Federal Reserve Bank of Richmond**

## **August 2025 Fifth District Survey of Manufacturing Activity**

### **Fifth District Manufacturing Activity Remained Soft in August**

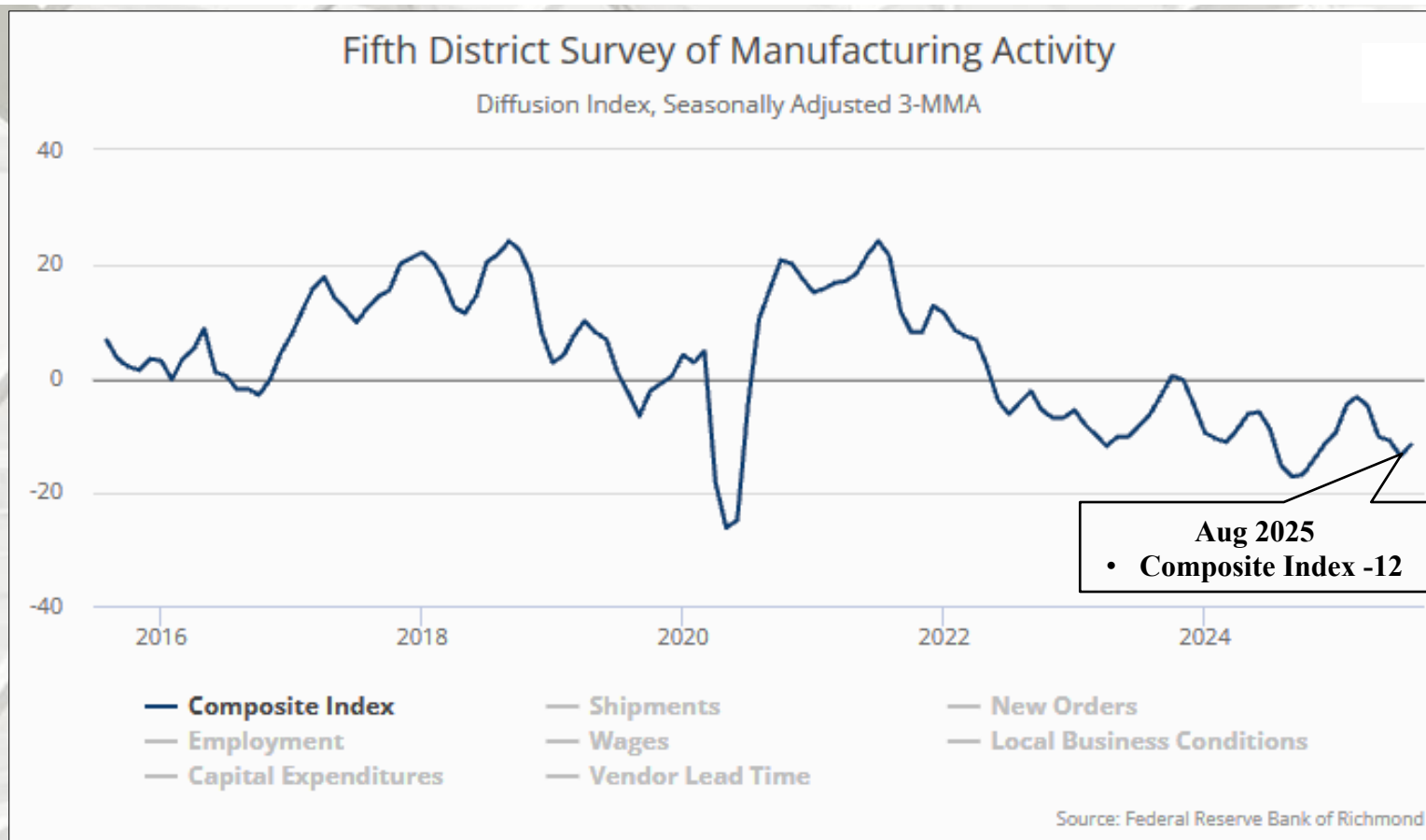
Fifth District manufacturing activity remained soft in August, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index rose to  $-7$  in August from  $-20$  in July, remaining in negative territory. All three of its component indexes increased but remained negative. Shipments increased to  $-5$  from  $-18$ , new orders rose to  $-6$  from  $-25$ , and employment increased to  $-11$  from  $-16$ .

The local business conditions index increased to  $0$  in August. The index for future local business conditions fell to  $-10$  from  $-2$ . The future index for shipments increased to  $13$  from  $11$ , while the future index for new orders remained unchanged at  $9$ . The future index for employment increased to  $3$  from  $-10$ .

The vendor lead time index increased to  $11$  in August, while the backlog of orders index rose to  $-12$  from  $-30$ .

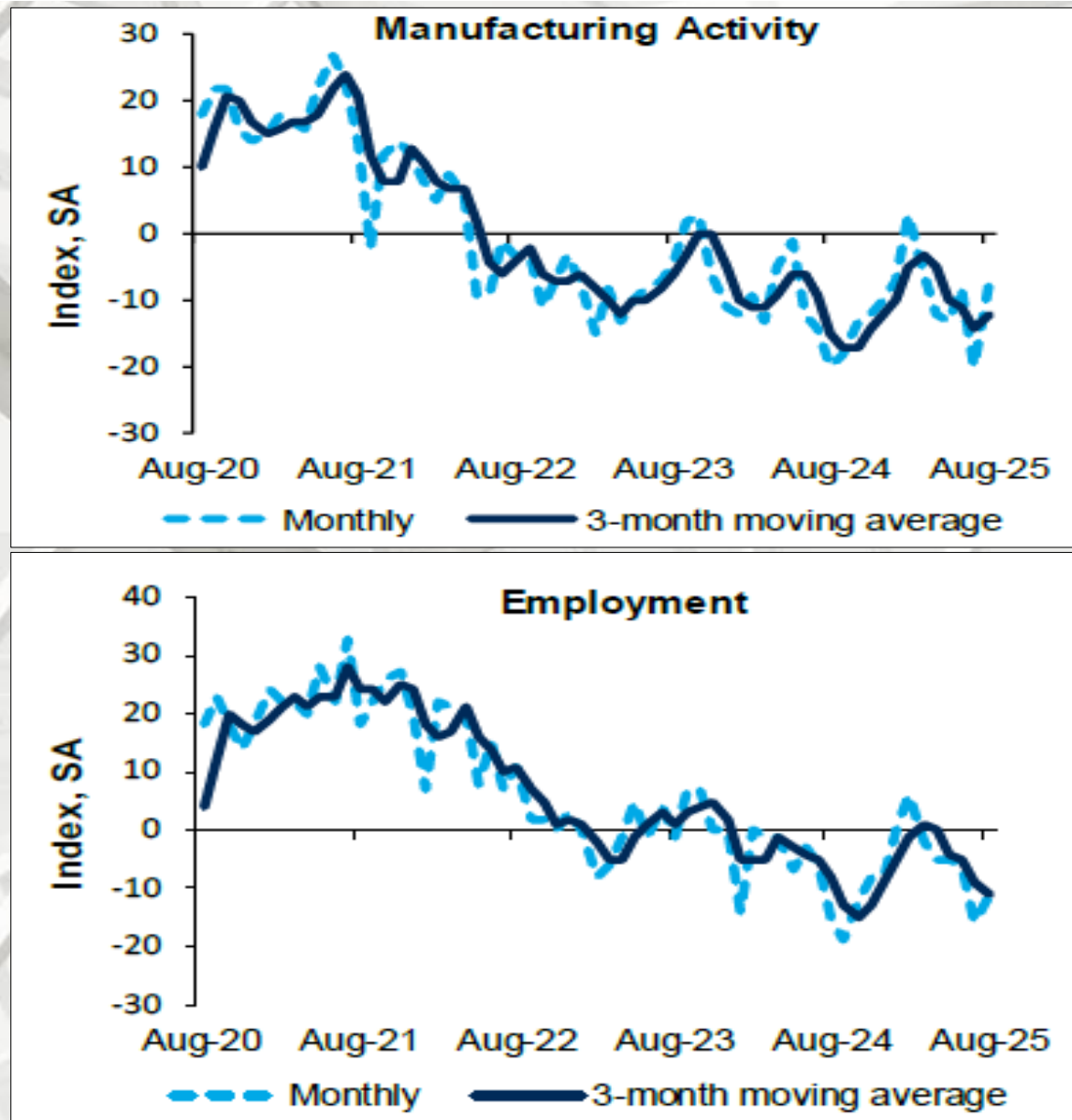
The average growth rate of prices paid increased notably, while growth in prices received was nearly unchanged in August. Firms expected growth in prices paid to remain elevated and expected growth in prices received to increase over the next 12 months.” – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

# The Federal Reserve Bank of Richmond

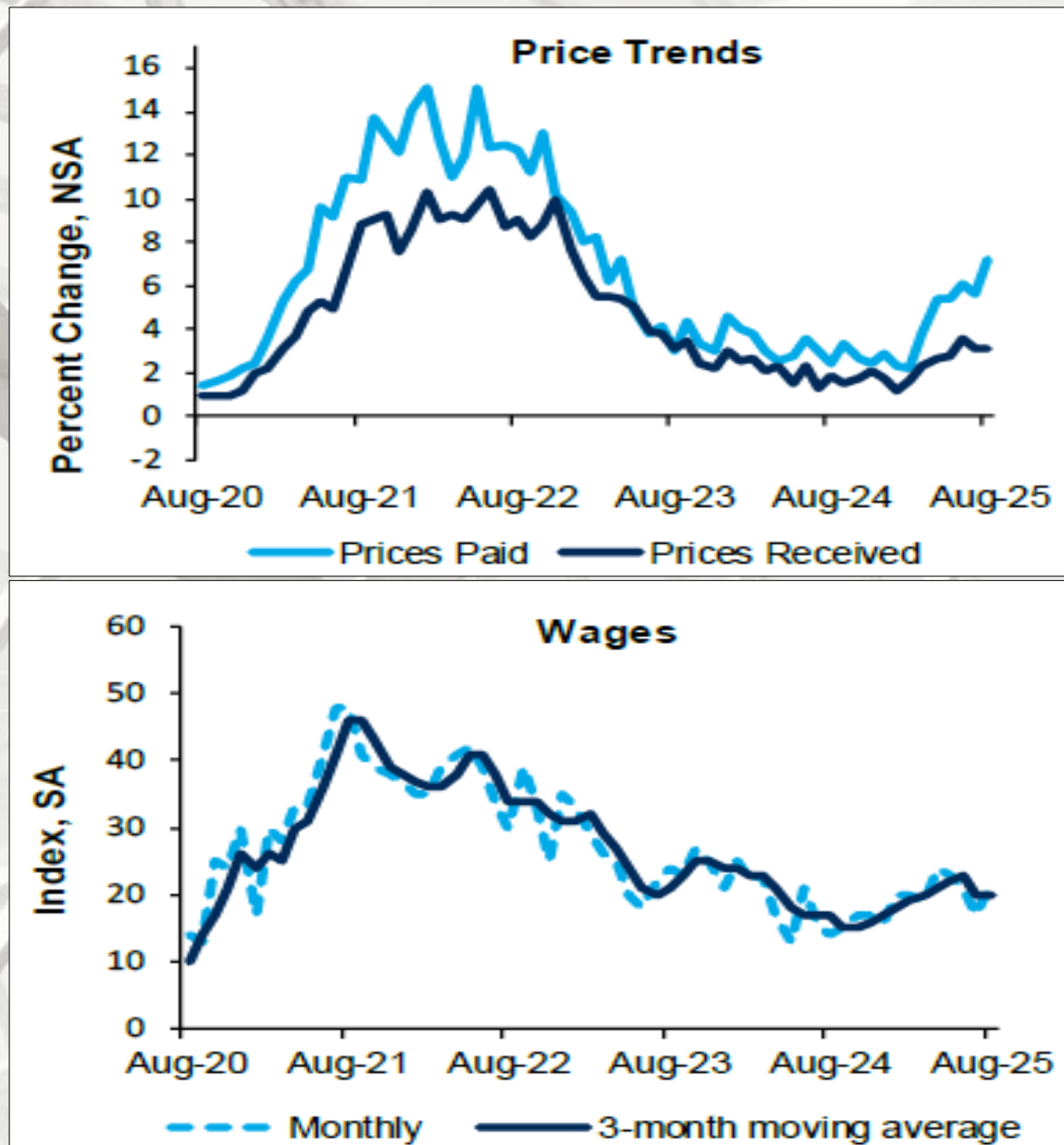




# The Federal Reserve Bank of Richmond



# The Federal Reserve Bank of Richmond



# **The Federal Reserve Bank of Richmond**

## **August Fifth District Survey of Service Sector Activity**

### **Fifth District Service Sector Activity Improved Slightly in August**

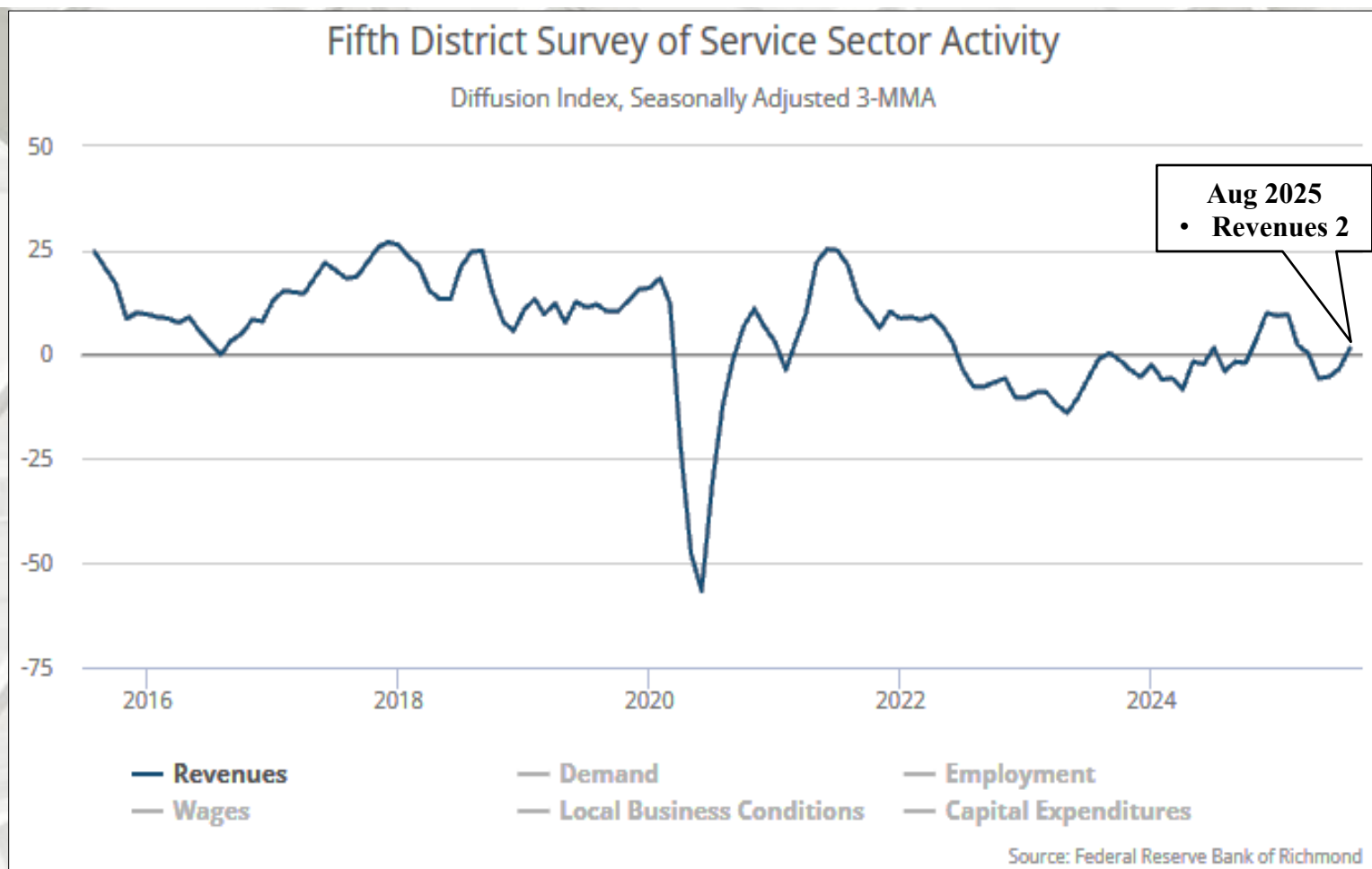
“Fifth District service sector activity improved slightly in August, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index edged up to 4 from 2 and the demand index increased to 13 from 5 in August. The indexes for future revenues and demand increased further into positive territory in August.

The local business conditions index rose to 6 from –8 in August. The future local business conditions index increased to 11 from 6.

The current employment index inched down to –1 in August from 0 in July, while the forward-looking index increased notably to 20 from 4. The wages index increased to 24 and firms continued to expect to increase wages over the next six months.

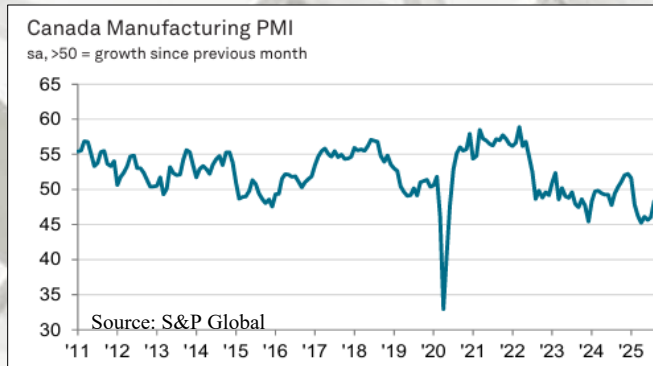
The average growth rate of prices paid was nearly unchanged while average growth in prices received increased slightly in August. Firms expected little change in the growth rates of prices over the next 12 months.” – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

# The Federal Reserve Bank of Richmond





# Private Indicators: Global



## S&P Global Canada Manufacturing PMI®

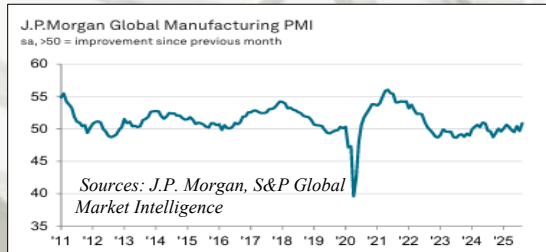
“The S&P Global Canada Manufacturing Purchasing Managers’ Index® (PMI®), a composite index designed to provide an overview of the health of the manufacturing sector, recorded 48.3 in August. That was up from 46.1 in July and the highest PMI reading since January. However, by remaining below the critical 50.0 no-change mark for a seventh successive month, the PMI signalled continued sector contraction

### Downturn in manufacturing sector continues to ease during August

“Canada’s manufacturing sector economy remained inside contraction territory during August, with output, new orders and employment all declining since July albeit at noticeably slower rates compared to earlier in the year. A lack of demand, especially from international markets due to tariffs, was again widely noted by manufacturers. Tariffs also continued to underpin inflationary pressures, with prices rising to a stronger degree than in July, whilst custom delays and logistical challenges led to a further lengthening of lead times. Confidence in the future meanwhile improved but remained well below trend. Continued uncertainty in the outlook, plus present sales weakness, led firms to make further cuts to employment and purchasing activity. ...

Canada’s manufacturing economy continued to struggle in the face of tariffs and uncertainty in August although, somewhat positively, to a noticeably lesser degree than earlier in the year. Although continuing to decline, output, new orders and employment all recorded slower falls compared to July. Hopefully, the manufacturing economy will continue this broad underlying path towards stabilisation, but the outlook remains extremely uncertain, with confidence remaining way below its typical trend level – resulting in a significant downside risk to sector performance going forward. Moreover, adapting to the new international trading environment remains a challenge, with costs continuing to rise sharply, and customs and logistical challenges leading to further supply-side constraints.” – 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 – rose to 50.9 in August, from 49.7 in July, to signal a slight improvement in operating conditions.

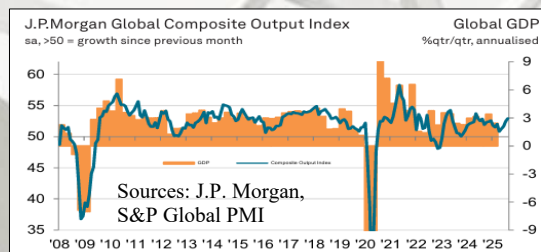
### Global manufacturing output, new orders and employment all return to growth in August

Global manufacturing operating conditions improved to the greatest extent since June 2024 in August, as levels of output, new orders and employment all returned to growth. Production increased for the second time in the past three months in August, with the rate of expansion accelerating to a 14-month high. The consumer, intermediate and investment goods sectors all returned to growth, with solid increases seen in the consumer and investment goods categories (growth was milder, in comparison, at intermediate goods producers). ...

Manufacturing new orders rose for the only the second time in the past five months in August, with mild expansions registered across the consumer, intermediate and investment goods sub-sectors. Panel members reported that tariff concerns continued to weigh on international trade flows, with new export business contracting for the fifth month in a row. The outlook for the global manufacturing sector remained relatively downbeat in August. Although business optimism edged higher, the overall degree of positive sentiment remained below its long-run survey average for the seventeenth successive month.

The J.P. Morgan global output PMI rebounded 2.0-points in August, fully unwinding a July drop. The index has been volatile in recent months, but at 51.7 the PMI challenges our forecast for a stall in global factory output in the second half of the year. The rise was broad-based across economies, and there were encouraging recoveries in the consumer and investment goods PMIs. That said, forward-looking indicators are more downbeat. Both the future output and new orders PMIs remain depressed despite ticking up last month, and a surge in the finished goods inventory PMI suggests much of the recent rebound is going into stock building rather than final sales. We continue to see building industry headwinds stemming from US tariffs.” – 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 – posted 52.9 in August, up from 52.5 in July. The headline index has signalled expansion in each of the past 31 months.

### Global economic growth at 14-month high in August but future optimism wanes further

The rate of global economic expansion accelerated for the fourth month in a row in August, with output rising at the quickest pace since June 2024. However, business confidence dipped to one of its lowest levels since the 2020 pandemic, stymieing jobs growth and placing downside risk to output growth during the months ahead.

August saw the global service sector outperform manufacturing for the sixth successive month. Growth of services business activity remained close to July's seven month high, with expansions signalled across the business, consumer and financial services categories. The steepest rate of increase was at financial service providers and the slowest in the consumer services sector. There were renewed signs of vigour from the manufacturing sector, with production and new order volumes both returning to growth. Output expanded across the consumer, intermediate and investment goods industries, all of which had seen contractions during the prior survey month. ...

The J.P. Morgan global all-industry output PMI increased for a fourth consecutive month in August, rising 0.4 point to 52.9. The index now sits at its highest level since June 2024, and suggests significant upside risk to our forecast for global growth to moderate this quarter. The upbeat output PMI signal was reinforced by a gain in the new orders index. That said, other components of the survey were less positive. Both the future output and employment PMIs moved sideways at depressed levels, highlighting ongoing headwinds to business sentiment and downside risks from the recent pullback in global labor demand.” – Maia 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
<b>Total</b>	<b>8.8</b>	<b>8.7</b>	<b>8.4</b>	<b>0.1</b>	<b>0.4</b>
<i><b>Industry</b></i>					
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
<i><b>Region</b></i>					
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
<i><b>Company Size</b></i>					
<\$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)

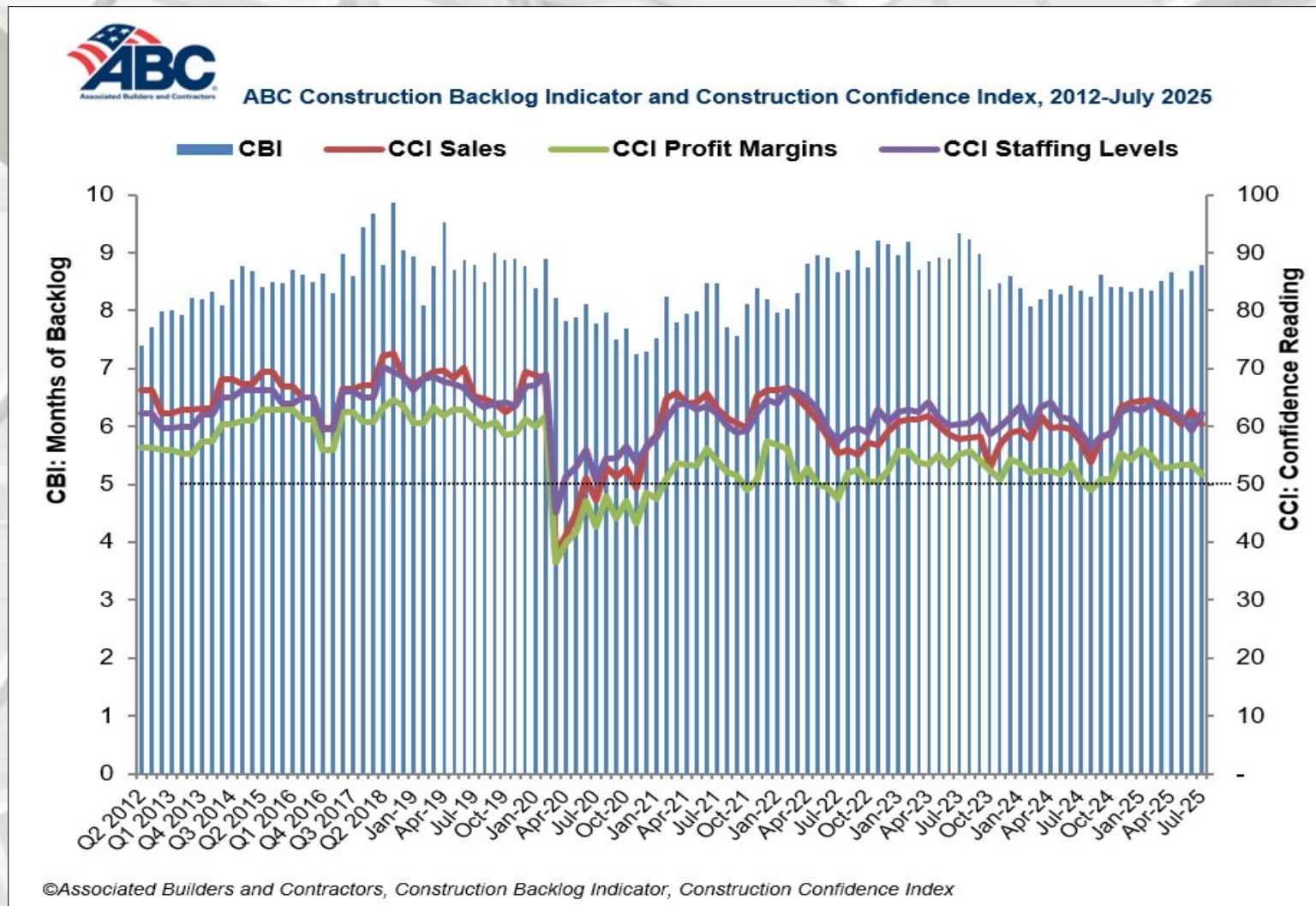
### Construction Confidence Index

Response	July 2025	June 2025	July 2024
<b>CCI Reading</b>			
Sales	60.4	62.8	57.4
Profit margins	51.8	53.5	50.6
Staffing	62.4	59.4	58.8
<b>Sales Expectations</b>			
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%
<b>Profit Margin Expectations</b>			
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%
<b>Staffing Level Expectations</b>			
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 Falls Sharply in July**

“National nonresidential construction spending decreased 0.2% in July, according to an Associated Builders and Contractors analysis of data published today by the U.S. Census Bureau. On a seasonally adjusted annualized basis, nonresidential spending totaled \$1.24 trillion.

Spending was down on a monthly basis in 7 of the 16 nonresidential subcategories. Private nonresidential spending was down 0.5%, while public nonresidential construction spending was up 0.3% in July.

“Nonresidential construction spending fell for a third consecutive month in July and is now down 2.5% from the December 2023 record high,” said ABC Chief Economist Anirban Basu. “Of course, that’s in nominal terms. With construction materials prices rising rapidly in recent months and set to continue as higher tariff rates go into effect, the recent decline in construction activity is even larger than this data series suggests.

“Private nonresidential activity has declined at a particularly concerning pace over the past several months and fell another 0.5% in July,” said Basu. “With the exception of the religious category, which represents less than 1% of private nonresidential construction activity, and the power category, which is surging due to data centers and their considerable energy needs, no private subsegment has retained momentum through the first half of 2025.

““Nearly 1 in 4 ABC members reported having a project interrupted or canceled due to tariffs in July, according to [ABC’s Construction Backlog Indicator](#) survey, and that predates the particularly large import tax increases put into effect in early August,” said Basu. “With economic uncertainty still elevated, labor shortages reemerging and materials prices rising, it may be a bleak second half of the year for the construction industry.”” – Erika Walter, Director of Media Relations, ABC



# Private Indicators

## Associated Builders and Contractors

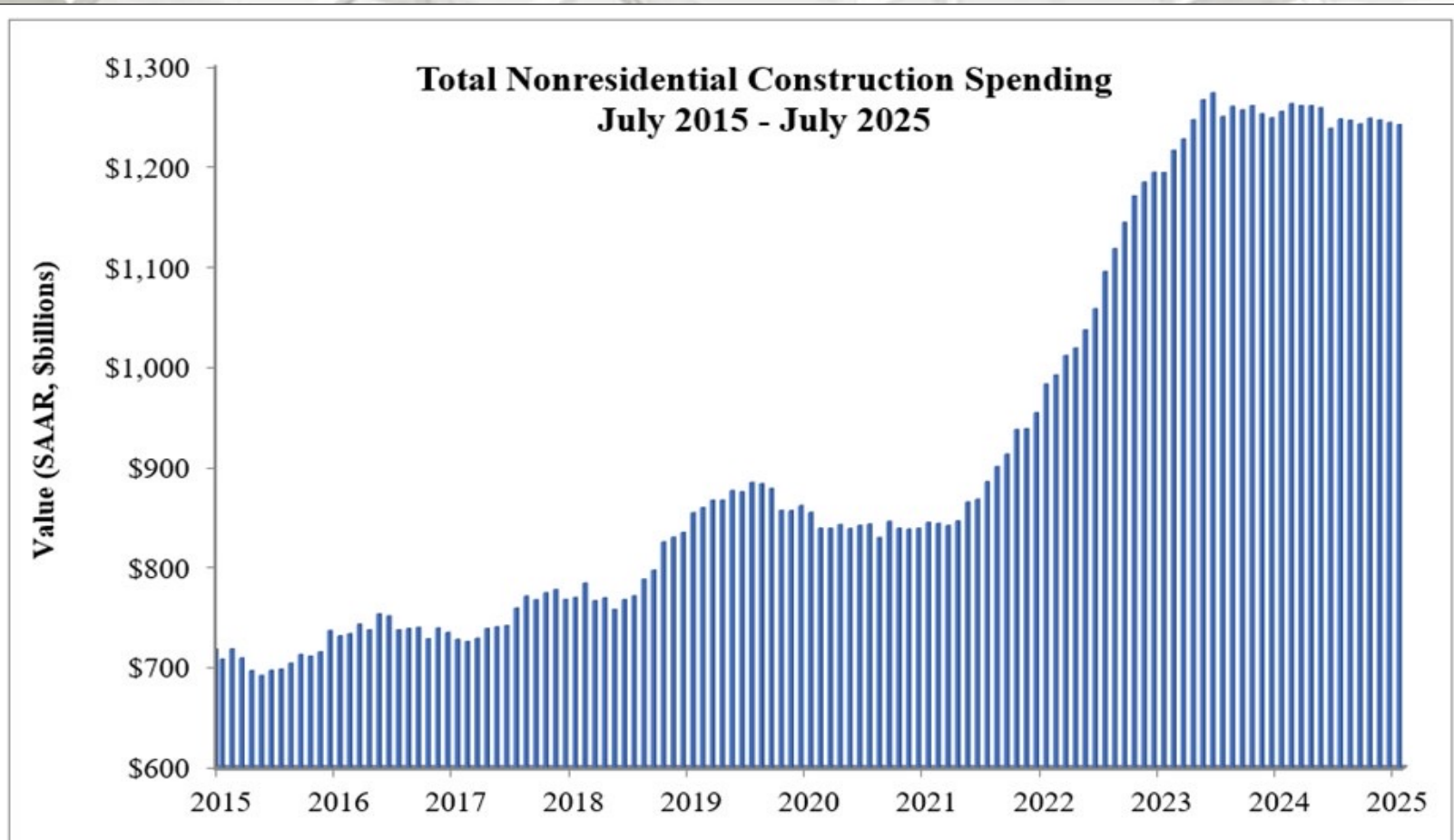
Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate

	July 2025	June 2025	July 2024	1-Month % Change	12-Month % Change
Total Construction	\$2,139,110	\$2,140,546	\$2,200,746	-0.1%	-2.8%
Residential	\$898,686	\$897,878	\$946,982	0.1%	-5.1%
Nonresidential	\$1,240,425	\$1,242,668	\$1,253,764	-0.2%	-1.1%
Conservation and development	\$12,188	\$11,970	\$11,516	1.8%	5.8%
Water supply	\$35,014	\$34,622	\$33,883	1.1%	3.3%
Lodging	\$23,946	\$23,736	\$24,439	0.9%	-2.0%
Health care	\$69,432	\$69,057	\$68,114	0.5%	1.9%
Transportation	\$68,598	\$68,328	\$66,268	0.4%	3.5%
Public safety	\$19,347	\$19,322	\$18,819	0.1%	2.8%
Office	\$105,493	\$105,490	\$105,777	0.0%	-0.3%
Educational	\$136,120	\$136,135	\$138,965	0.0%	-2.0%
Communication	\$29,598	\$29,610	\$29,626	0.0%	-0.1%
Amusement and recreation	\$42,619	\$42,710	\$41,655	-0.2%	2.3%
Highway and street	\$143,705	\$144,022	\$142,695	-0.2%	0.7%
Religious	\$4,620	\$4,633	\$3,876	-0.3%	19.2%
Power	\$156,052	\$156,677	\$152,940	-0.4%	2.0%
Sewage and waste disposal	\$51,518	\$51,747	\$46,473	-0.4%	10.9%
Manufacturing	\$223,053	\$224,515	\$238,899	-0.7%	-6.6%
Commercial	\$119,122	\$120,094	\$129,822	-0.8%	-8.2%
Private Nonresidential	\$736,736	\$740,351	\$765,040	-0.5%	-3.7%
Public Nonresidential	\$503,689	\$502,317	\$488,724	0.3%	3.1%

Source: U.S. Census Bureau

# Private Indicators

## Associated Builders and Contractors



Source: U.S. Census Bureau

# **Private Indicators**

## **Associated Builders and Contractors**

### **Construction Quit Rate Plummets to 9-Year Low**

“The construction industry had 306,000 job openings on the last day of July, 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 64,000 last month and are up by 77,000 from the same time last year.

“The construction job opening rate rose to the highest level in over a year during July,” said ABC Chief Economist Anirban Basu. “Given the ongoing [decline in nonresidential construction spending](#), however, that increase is likely attributable to immigration policy and its effects on the industry’s labor force rather than any increases in the demand for construction workers.

“Indeed, other portions of this data release suggest an alarming deterioration in industrywide labor demand,” said Basu. “Fewer construction workers quit their jobs in July than in any month over the past nine years, suggesting widespread concern about job security, while layoffs jumped to the highest level since Q1 of 2023.

“That said, JOLTS data can be volatile from month to month, and it’s difficult to know the degree to which undocumented workers are or are not captured in the data,” said Basu. “More than 55% of ABC members expect to increase their staffing levels over the next six months, according to the July reading of the Construction Confidence Index. That measure will be critical to monitor in the months ahead.”” – Erika Walter, Director of Media Relations, ABC



# Private Indicators

## Associated Builders and Contractors

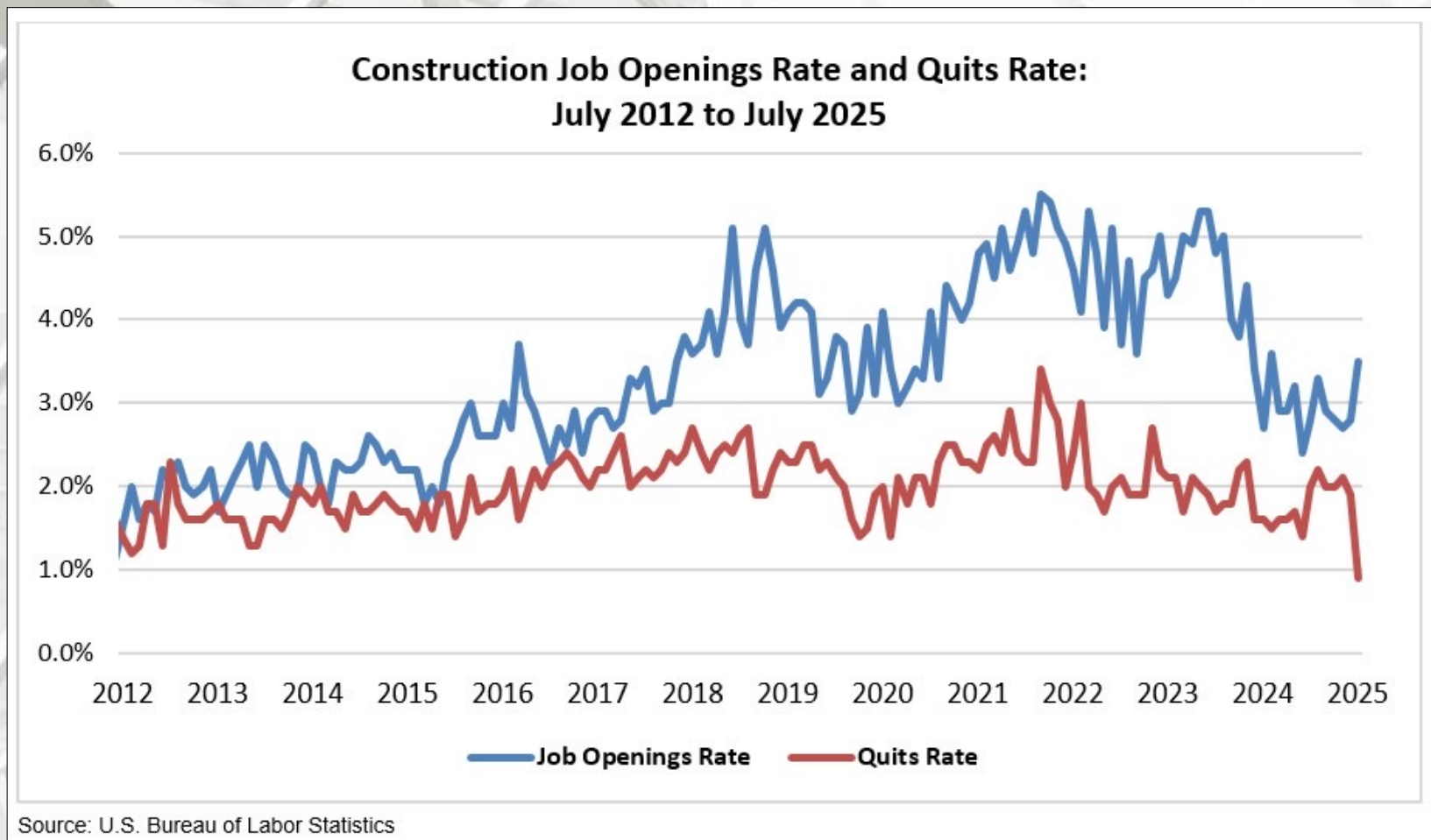
Construction Industry Job Openings and Labor Turnover Data: July 2025

	July 2025	June 2025	July 2024	1-Month Net Change	12-Month Net Change	12-Month % Change
<b>Total</b>						
Job openings	306,000	242,000	229,000	64,000	77,000	33.6%
Hires	342,000	348,000	339,000	-6,000	3,000	0.9%
Total separations	318,000	356,000	312,000	-38,000	6,000	1.9%
Layoffs & discharges	232,000	183,000	171,000	49,000	61,000	35.7%
Quits	74,000	154,000	134,000	-80,000	-60,000	-44.8%
Other separations	13,000	19,000	7,000	-6,000	6,000	85.7%
<b>Rate</b>						
Job openings	3.5%	2.8%	2.7%			
Hires	4.1%	4.2%	4.1%			
Total separations	3.8%	4.3%	3.8%			
Layoffs & discharges	2.8%	2.2%	2.1%			
Quits	0.9%	1.9%	1.6%			
Other separations	0.2%	0.2%	0.1%			

Source: U.S. Bureau of Labor Statistics



# Private Indicators Associated Builders and Contractors



# Private Indicators

## Associated Builders and Contractors

### Construction Employment Falls for Third Straight Month in August

“The construction industry lost 7,000 jobs in August, 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 grown by 58,000 jobs, an increase of 0.7%.

Nonresidential construction employment decreased by 1,200 positions on net, with losses in 2 of the 3 subcategories. Nonresidential building lost 3,300 jobs, while nonresidential specialty trade lost 200 positions. Heavy and civil engineering added 2,300 jobs for the month.

The construction unemployment rate dropped to 3.2% in August. Unemployment across all industries increased from 4.2% in July to 4.3% last month.

“The construction industry has now lost jobs in each of the past three months,” said ABC Chief Economist Anirban Basu. “Industrywide employment is up by just 6,000 positions since December, and every subsegment except for heavy and civil engineering lost jobs in August. Despite these job losses, construction labor shortages appear to be worsening as immigration policy weighs on the supply of workers; the construction unemployment rate fell to 3.2% in August, matching the lowest level ever recorded.

“Construction industry data have been particularly downbeat since March,” said Basu.

“With [materials prices rising](#) and [construction spending shrinking](#), it’s hardly a surprise that the industry’s workforce is contracting. Despite these troubling signs, contractors remain optimistic about their sales over the next six months, according to [ABC’s Construction Confidence Index](#). While that may reflect the notion that weak labor market data will translate into accelerated rate cuts, there is no guarantee that a lower federal funds rate will translate into lower borrowing costs given the current state of the bond market.”” – Erika Walter, Director of Media Relations, ABC

# Private Indicators

## Associated Builders and Contractors

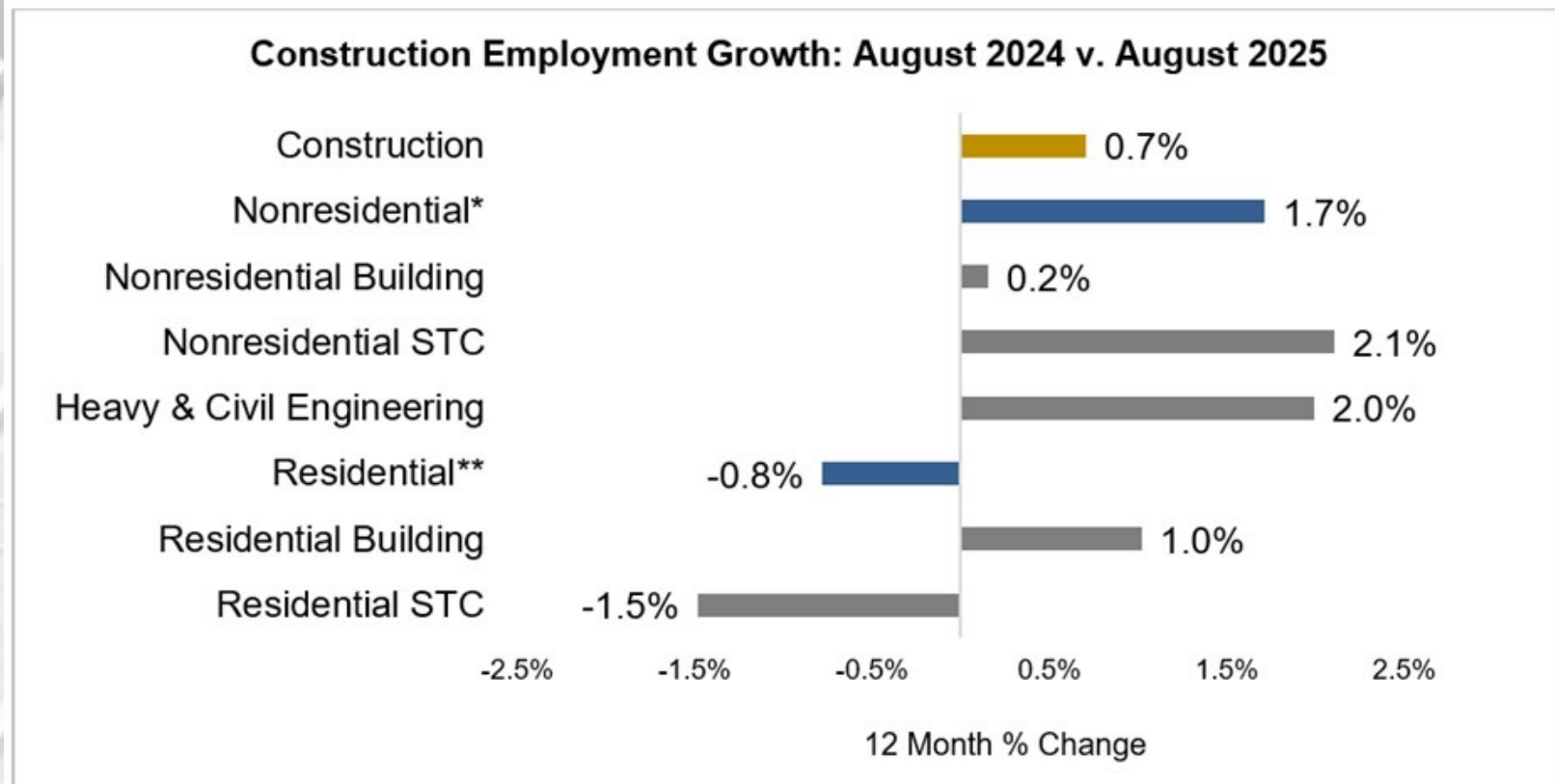
### Construction Employment Statistics: August 2025

	August 2025	July 2025	August 2024	1-Month Net Change	12-Month Net Change	12-Month % Change
<b>Employment</b>						
<b>Construction</b>	8,295,000	8,302,000	8,237,000	-7,000	58,000	0.7%
Nonresidential	4,966,900	4,968,100	4,883,400	-1,200	83,500	1.7%
Nonresidential building	918,200	921,500	916,800	-3,300	1,400	0.2%
Nonresidential specialty trade contractors	2,868,600	2,868,800	2,809,500	-200	59,100	2.1%
Heavy & civil engineering	1,180,100	1,177,800	1,157,100	2,300	23,000	2.0%
Residential	3,327,700	3,333,800	3,353,800	-6,100	-26,100	-0.8%
Residential building	954,100	955,000	944,500	-900	9,600	1.0%
Residential specialty trade contractors	2,373,600	2,378,800	2,409,300	-5,200	-35,700	-1.5%
<b>Average Hourly Earnings</b>						
All private industries	\$36.53	\$36.43	\$35.23	\$0.10	\$1.30	3.7%
Construction	\$39.98	\$39.73	\$38.37	\$0.25	\$1.61	4.2%
<b>Average Weekly Hours</b>						
All private industries	34.2	34.2	34.3	0.0	-0.1	-0.3%
Construction	39.0	39.0	39.0	0.0	0.0	0.0%
<b>Unemployment Rate</b>						
All private industries (SA)	4.3%	4.2%	4.2%	0.1pp	0.1pp	
Construction (NSA)	3.2%	3.4%	3.2%	-0.2pp	0.0pp	

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



## Private Indicators Associated Builders and Contractors



Source: U.S. Bureau of Labor Statistics

\*Includes Nonresidential Building, Nonresidential STC, and Heavy and Civil Engineering

\*\*Includes Residential Building and Residential STC





# **Private Indicators**

## **American Institute of Architects (AIA) & Deltek**

### **Architecture Billings Index July 2025**

#### **Business at architecture firms remains soft**

“The AIA/Deltek Architecture Billings Index score was below 50 for 31 out of the last 34 months, with a score of 46.2, as a majority of firms are still seeing declining billings. There are signs of hope ahead, as inquiries into new work grew slowly but steadily this month, following a brief three-month pause earlier this year. However, the value of newly signed design contracts at firms declined again in July, as firms continue to struggle to convert inquiries into contracts for new projects. This has been an issue for nearly as long as billings have been declining and reflects how soft business has been at many firms over the last two and a half years.” – The American Institute of Architects

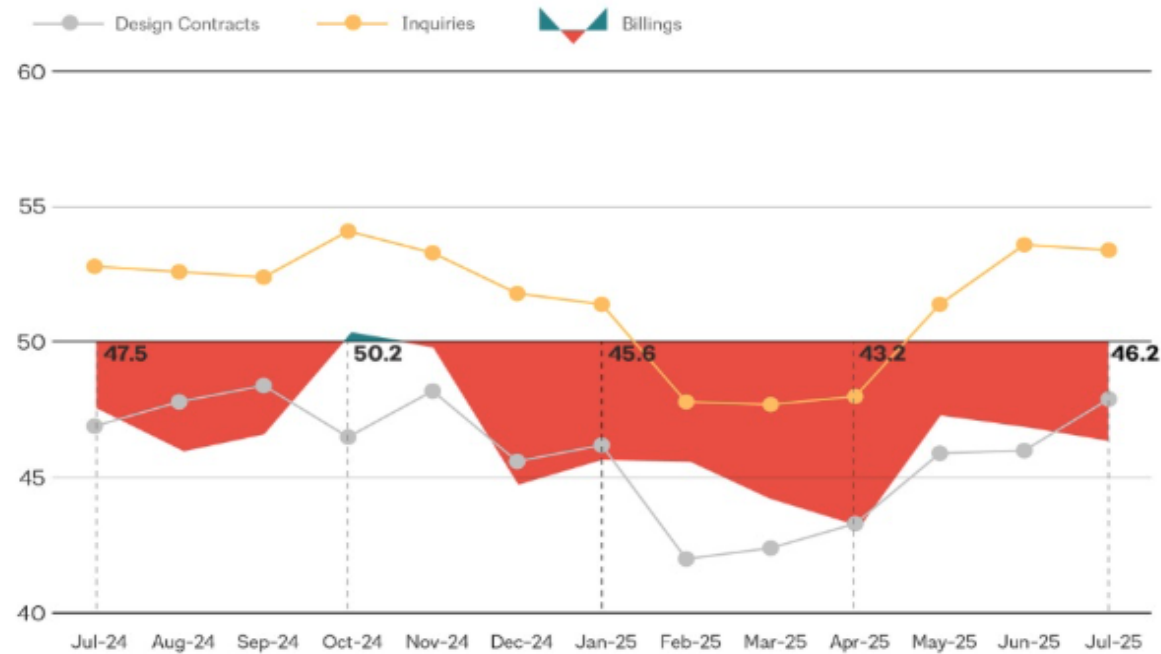
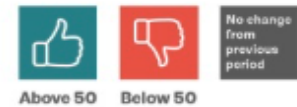
“Business conditions remain challenging for architecture firms nationwide, with billings declining across all regions in July. Client inquiries into new projects continue to build. Still, while commercial and institutional sectors show some signs of stability, the multifamily residential sector still is facing significant headwinds.” – Kermit Baker, Chief Economist, AIA

# Private Indicators

## National

Architecture firm billings continue to decline in July.

Graphs represent data from July 2024–July 2025.

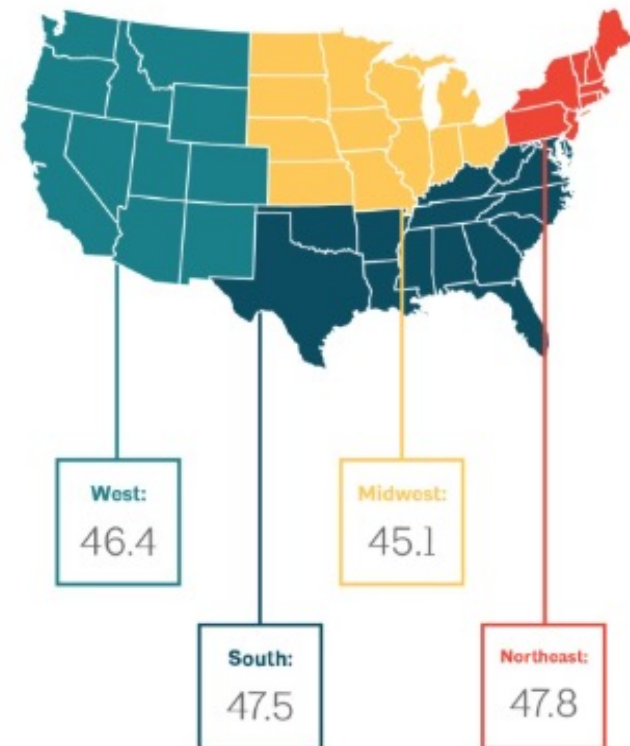
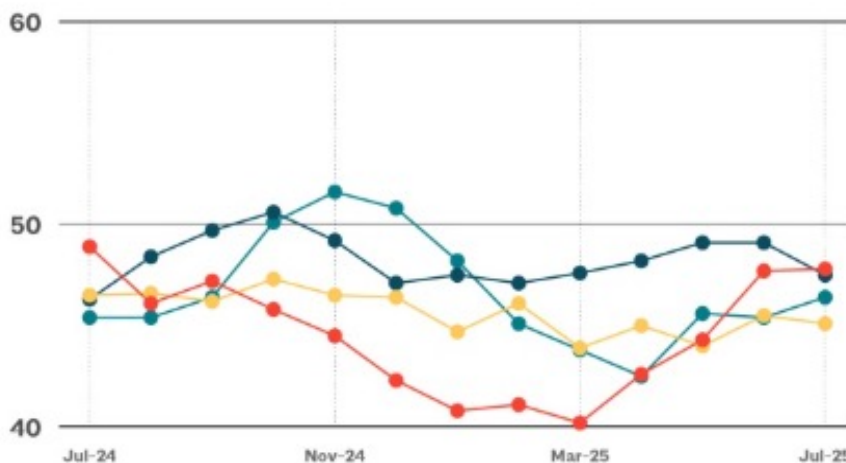


# Private Indicators: AIA & Deltek

## Regional

Firms in all regions report softening business conditions.

Graphs represent data from July 2024–July 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

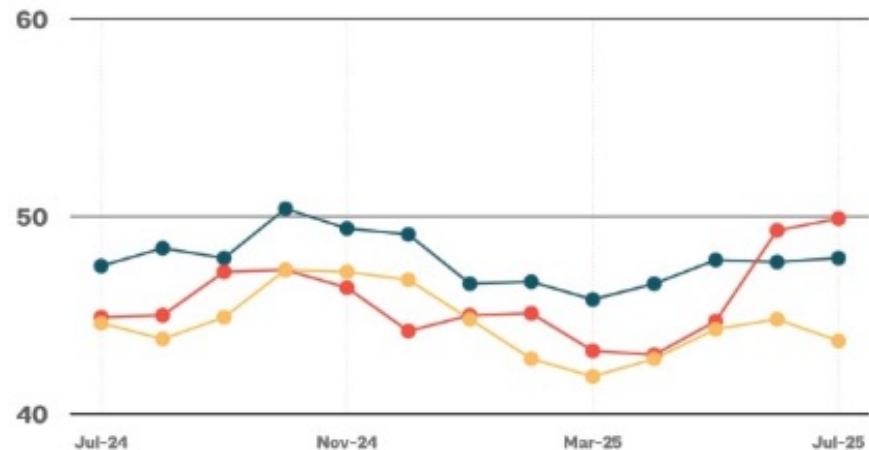
“Billings continued to decline at firms in all regions of the country in July. Although conditions in the South looked like they were improving earlier this summer, the share of firms reporting a decline in billings increased this month. Billings remained softest at firms located in the Midwest for the third consecutive month.” – The American Institute of Architects

# Private Indicators: AIA & Deltek

## Sector

Firms with a commercial/industrial specialization may return to growth soon.

Graphs represent data from July 2024–July 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: 49.9**



**Institutional: 47.9**



**Residential: 43.7**

## Sector

“Business conditions continued to improve at firms with a commercial/industrial specialization this month, where there was nearly an equal share of firms reporting an increase in billings as reporting a decline for the second consecutive month. Firms with an institutional specialization also saw some encouraging signs, although business softened further at firms with a multifamily residential specialization in July.” – The American Institute of Architects



# Private Indicators

## Dodge Data & Analytics

### Construction Starts Pull back 10% in July

### Nonresidential starts tumble over the month

“Total construction starts were down 10.2% in July to a seasonally adjusted annual rate of \$1.19 trillion, according to [Dodge Construction Network](#). Nonresidential building starts declined by 30.1%, residential starts fell 3.1%, and nonbuilding starts grew 20.4% over the month. On a year-to-date basis through July, total construction starts were up 1.6% from last year. Nonresidential starts were up 4.3%, residential starts were down 4.4% and nonbuilding starts were 5.3% higher over the same period.

For the 12 months ending July 2025, total construction starts were up 4.1% from the 12 months ending July 2024. Residential starts were down 0.7%, nonresidential starts were up 4.6%, and nonbuilding starts improved 9.3% over the same period.

“Construction starts reversed course in July, offsetting the strong gains made in June. The latest data reinforced trends we have been watching since the beginning of the year: single family building and manufacturing are struggling, but data centers continue to boom.” – Eric Gaus, Chief Economist. Dodge Construction Network

# Private Indicators

## Dodge Data & Analytics

**“Nonresidential building starts** crashed 30.1% in July to a seasonally adjusted annual rate of \$443 billion. Commercial starts were down 8.5%, due to normalizing office starts (-33.1% m/m) which equaled the 2024 average in levels. Institutional starts fell 4.6% as education construction reversed June’s gains (-13.3% m/m), other institutional categories (-5.0% m/m) pulled back, and healthcare rebounded (+13.5% m/m). The manufacturing rollercoaster plunged 84.7% over the month, following an unusually robust June. On a year-to-date basis through July, nonresidential starts are up 4.3% compared to July 2024. Commercial and industrial starts are up 5.5% and institutional starts are up 3.0% over the same period.

For the 12 months ending July 2025, total nonresidential starts were up 4.6 compared to the 12 months ending July 2024. starts were up 12.0%, institutional starts improved 10.1%, and manufacturing starts were down 27.8% over the same period. ...

**Residential building starts** declined 3.1% in July to a seasonally adjusted annual rate of \$356 billion. Single family starts increased by 1.2%, while multifamily starts fell 9.5%. On a year-to-date basis through July, residential starts are down 4.4% – with single family starts down 10.1% and multifamily starts up 8.3%.

For the 12 months ending July 2025, total residential starts fell 0.7%. Single family starts fell 3.8% compared to the 12 months ending July 2024, and multifamily starts increased 5.5% over the same period. ...

**Regionally**, total construction starts in July rose in the Northeast, but declined in the Midwest, West, South Central and South Atlantic.” – Eric Gaus, Chief Economist. Dodge Construction Network

# Private Indicators

## MONTHLY CONSTRUCTION STARTS

(Billions of Dollars, Seasonally Adjusted Annual Rate)

	Jul 2025	Jun 2025	% Change
Nonresidential Building	\$443	\$635	-30.1
Residential Building	\$356	\$367	-3.1
Nonbuilding Construction	\$395	\$328	20.4
Total Construction	\$1,194	\$1,330	-10.2

## YEAR-TO-DATE CONSTRUCTION STARTS

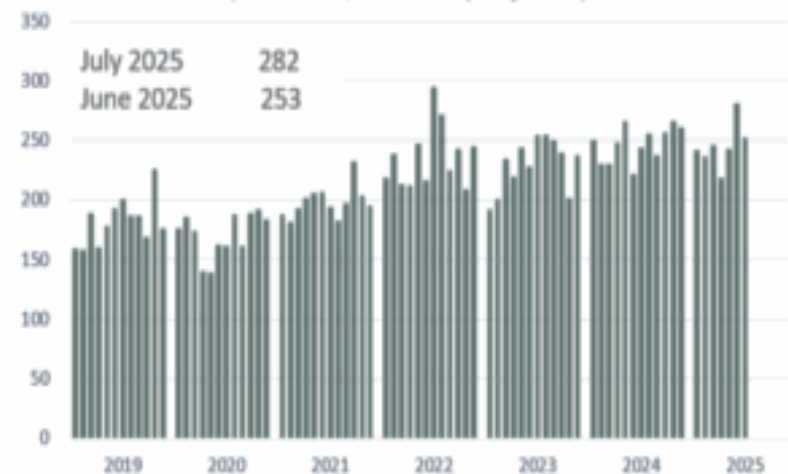
Unadjusted Totals, in Billions of Dollars

	7 Mo. 2025	7 Mo. 2024	% Change
Nonresidential Building	\$261	\$251	4.3
Residential Building	\$224	\$234	-4.4
Nonbuilding Construction	\$201	\$191	5.3
Total Construction	\$686	\$676	1.6

Source: Dodge Construction Network

## THE DODGE INDEX

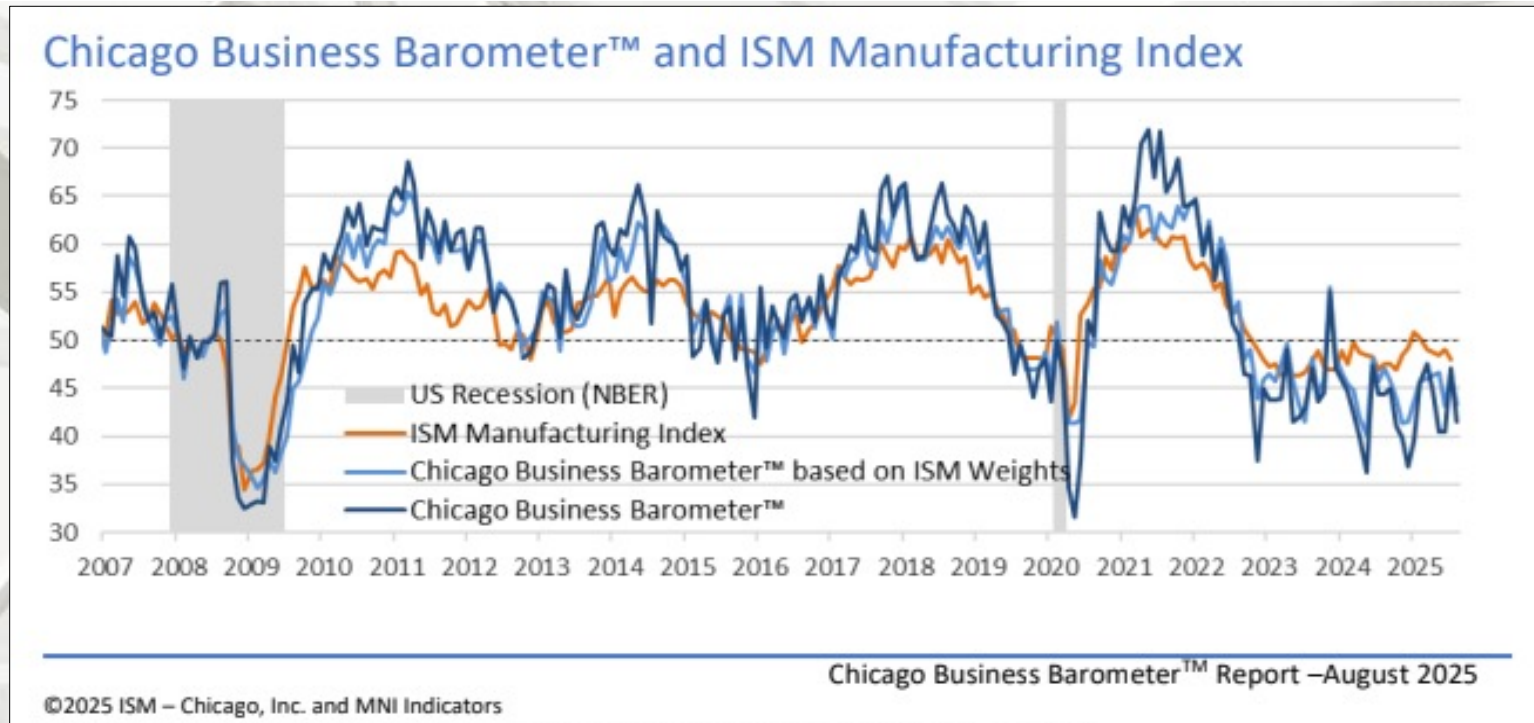
(2000=100, Seasonally Adjusted)



Source: Dodge Data & Analytics



# Private Indicators



## MNI Chicago

### August 2025 Chicago Report™ – Slows To 41.5 In August

“**The Chicago Business Barometer™**, produced with MNI, slowed 5.6 points to 41.5 in August. This almost fully unwinds the rise seen in July. The index has now been below 50 for twenty-one consecutive months.

- The decline was driven by a sharp pullback in New Orders, alongside falls in Employment, Production and Order Backlogs. This was partly offset by a rise in Supplier Deliveries.” – Tim Davis, Head of Fixed Income Research, and Amana Hussain, Junior Economic Data Analyst, MNI Indicators



# Private Indicators

## August 2025 Chicago Report™ – Slows To 41.5 In August

- “New Orders dropped 10.8 points. This was the largest fall since September 2023, and was driven by a decrease in the proportion of respondents reporting more new orders and an increase in the proportion reporting fewer new orders.
- Employment compressed 5.9 points to the lowest since June 2020. The index has now more
- than unwound the 8.3-point increase seen in May.
- Production softened 3.6 points to the weakest level since December 2024. This marks the fifth
- consecutive decline in Production.
- Order Backlogs eased 1.4 points.
- Supplier Deliveries increased 5.8 points. For the second month this year, no respondents reported faster supplier deliveries.
- Prices Paid contracted 8.3 points for the second consecutive month. However, the index remains above the 2024 average.
- Inventories weakened 2.3 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 Fell Slightly in July***

**“The Conference Board Leading Economic Index® (LEI)** for the U.S. inched down by 0.1% in July 2025 to 98.7 (2016=100), after declining by 0.3% in June. The LEI fell by 2.7% over the six months between January and July 2025, a faster rate of decline than its –1.0% contraction over the previous six-month period (July 2024 to January 2025).

“The leading economic index for the US decreased just slightly in July. Pessimistic consumer expectations for business conditions and weak new orders continued to weigh down the index. Meanwhile, stock prices remained a key positive support of the LEI. Initial claims for unemployment insurance were much lower in July than in June and were the second most positive component of the LEI, after contributing negatively to the index over the previous three months. While the LEI’s six-month growth rate remains negative, it improved slightly in July – but not enough to avoid triggering the recession signal again. Despite that, The Conference Board does not currently project a recession, though we do expect the economy to weaken in H2 2025, as the negative impacts from tariffs become more visible. Overall, real GDP is projected to grow by 1.6% year-over-year in 2025, before slowing in 2026 to 1.3%.

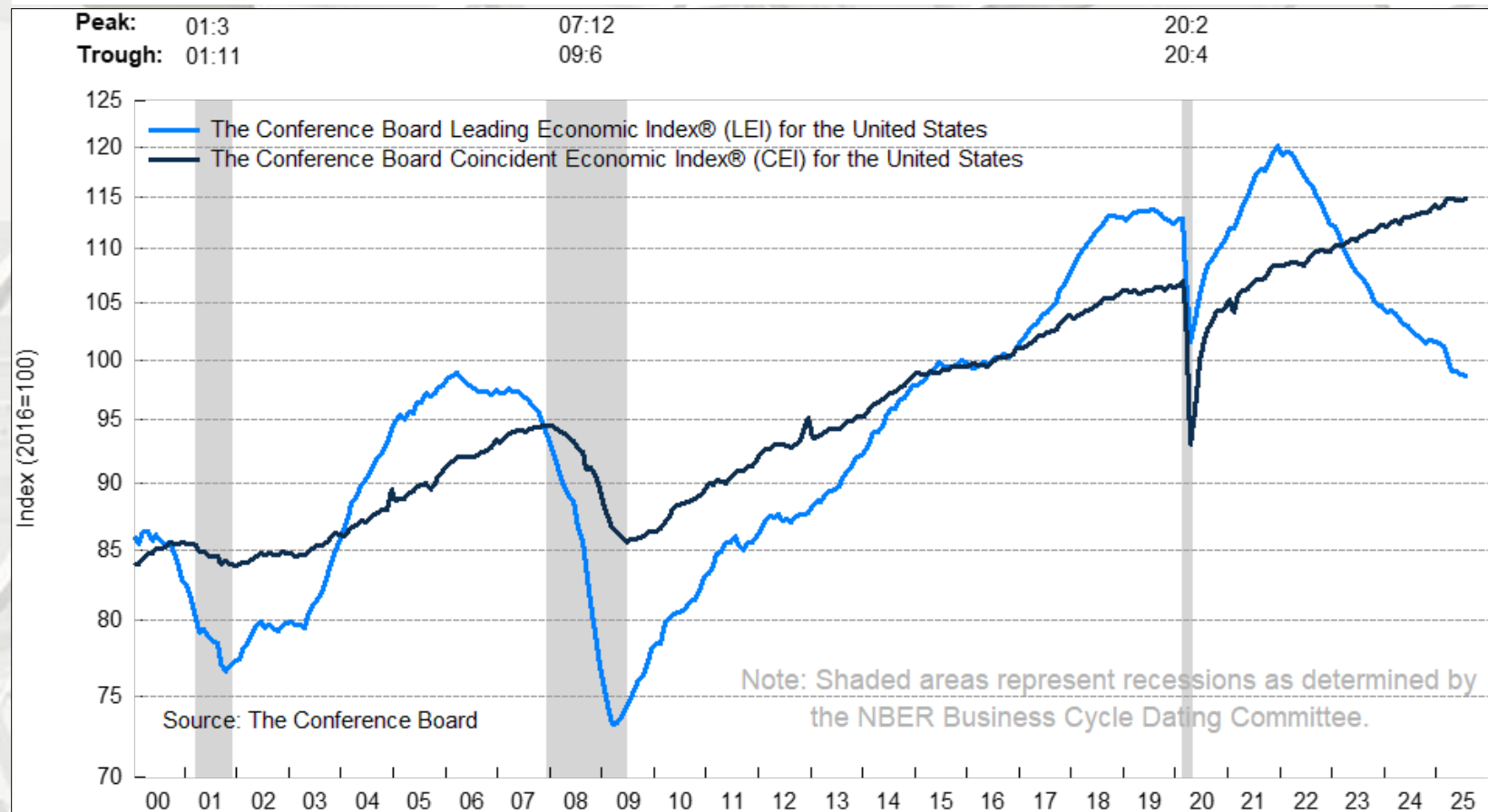
**The Conference Board Coincident Economic Index® (CEI)** for the U.S. rose by 0.2% in July 2025 to 114.9 (2016=100), no change in June (a downward revision from an initially reported increase of 0.3%). The CEI rose by 0.9% between January and July 2025, up from 0.6% over the previous six months. The 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 except industrial production improved in July.

**The Conference Board Lagging Economic Index® (LAG)** for the U.S. remained unchanged at 119.9 (2016=100) in both June and July 2025. The LAG grew by 0.9% in the six months between January and July 2025 – more than reversing its –0.1% decline over the previous six months.” – 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. Fell Slightly in July***

## The LEI continued to inch down in July



# Private Indicators

## S&P Global U.S. Manufacturing PMI™

### **Surge in production underpins strongest improvement in manufacturing performance since May 2022**

**Stronger output growth linked to higher sales and inventory building  
Tariffs again drive strong rises in prices and output charges  
Employment up markedly as confidence improves**

“The headline index from the report, the seasonally adjusted **S&P Global US Manufacturing Purchasing Managers’ Index™ (PMI®)**, posted 53.0 in August. That was up from 49.8 in July and marked the strongest improvement in operating conditions since May 2022.

US manufacturing operating conditions improved to the greatest degree in over three years during August amid a surge in production and solid growth in new order books. Firms also took on workers to a greater degree amid evidence of capacity constraints.

Inventory building in part fueled the upturn in output, with finished goods stocks rising to the greatest degree in over a year amid worries over prices and supply constraints. This was again linked to tariffs, which served to raise input costs steeply during August and, in turn, sharply drive up typical selling prices.

A surge in manufacturing production was signaled during August, with production rising to its steepest degree since May 2022. Growth reflected a combination of higher new orders and inventory building.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence



# Private Indicators

## S&P Global U.S. Manufacturing PMI™

### **Surge in production underpins strongest improvement in manufacturing performance since May 2022**

“On the demand side, new work placed at US manufacturers rose for an eighth successive month, with growth improving noticeably since July, when order book gains broadly stalled. However, the increase in new work was principally domestic focused as international sales declined marginally for a second month in a row. Tariffs and associated trade uncertainty were again reported to have weighed on foreign demand.

With output rising more quickly than new work, firms were subsequently able to build their inventories of finished goods. Growth was solid and the sharpest in 13 months. Inventory accumulation was in part reflective of worries over future price developments and possible supply constraints in the months ahead.

Indeed, on the price front, input cost inflation accelerated in August and was the second-sharpest in the past three years (surpassed only by June). Tariffs were overwhelmingly reported to have pushed up operating expenses over the month and, wherever possible, were passed on to clients PMI Input Prices through an upturn in selling prices. Although still lower than June’s near three-year record, output price inflation remained substantial and well above trend.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

# Private Indicators

## S&P Global U.S. Manufacturing PMI™

### **Surge in production underpins strongest improvement in manufacturing performance since May 2022**

“On the supply-side, average lead times improved marginally in August amid some evidence of increased vendor capacity. Delivery times shortened despite a further increase in demand from US manufacturers, with purchasing activity reported to have risen (albeit slightly) for a fourth month in a row. There remained some evidence of higher buying to help bolster input stocks, which rose in August. Growth was however marginal and noticeably slower than May’s survey record increase.

Despite survey respondents commenting on an uncertain business outlook, especially around tariffs, overall confidence about future output improved since July. Demand, especially from domestic markets, was seen as picking up in the year ahead. Plans to invest in new plants and product lines were also noted by some manufacturers.

Some positivity regarding future production, alongside a rise in present sales, led to an increase in staffing levels during August. Growth was solid and not far off June’s near three-year high. Nonetheless, capacity remained under some pressure as signaled by the steepest rise in backlogs of work since September 2022.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

# Private Indicators

## S&P Global U.S. Manufacturing PMI™

### **Surge in production underpins strongest improvement in manufacturing performance since May 2022**

#### **Comment**

“Purchasing managers reported that the US manufacturing was running hot over the summer. The past three months have seen the strongest expansion of production since the first half of 2022, with the upturn gathering pace in August amid rising sales. Hiring also picked up again in August as factories took on more staff to meet an influx of new orders and an accumulation of uncompleted work for waiting customers.

The manufacturing sector is therefore on course to provide a boost to the US economy in the third quarter.

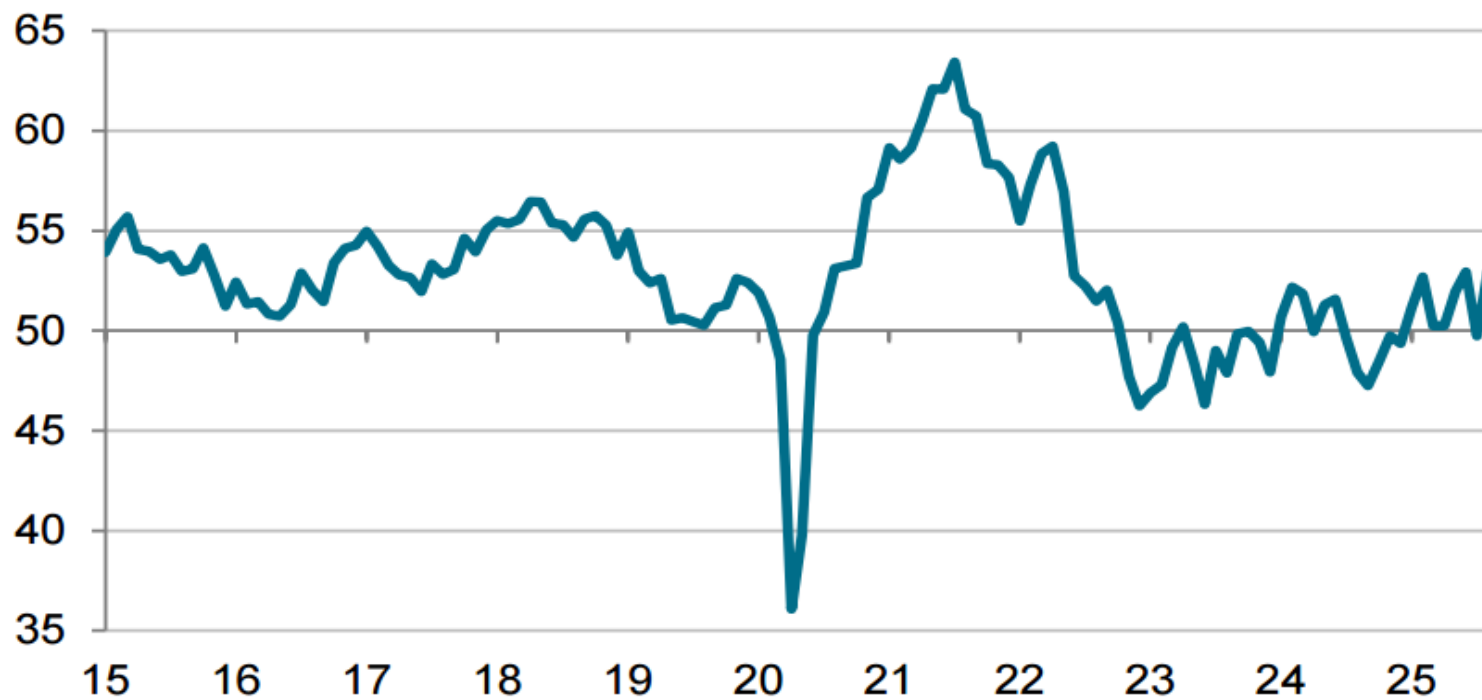
The upturn is in part being fueled by inventory building, with factories reporting a further jump in warehouse holdings in August due to concerns over future price rises and potential supply constraints. These concerns are being stoked by uncertainty over the impact of tariffs, fears which were underpinned by a further jump in prices paid for inputs by factories, linked overwhelmingly by purchasing managers to these tariffs.

Cost increases are being passed on to customers via widespread hikes to factory gate prices. The big question is the degree to which these price rises will then feed through to higher consumer price inflation in the coming months.” – 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™

### US service sector growth remains positive in August

**Growth underpinned by further solid gain in new work  
Payroll numbers increase for sixth successive month  
Tariffs continue to underpin elevated input price inflation**

“The S&P Global US Services PMI® Business Activity Index posted 54.5 in August, down from 55.7 in July and the earlier ‘flash’ reading of 55.4 to signal slower, but nonetheless still marked, growth of US service sector output. Higher levels of business activity have now been recorded on a continuous monthly basis since February 2023. Moreover, August’s index reading was the second highest of 2025 so far.

The US service sector continued to expand in August, despite growth softening slightly since July. A marked uptick in new business volumes helped to support the latest increase in activity, meaning service providers were also suitably encouraged to add to their payroll numbers. That was despite confidence in the outlook remaining relatively subdued and falling to its lowest level in four months amid ongoing worries over tariffs and associated uncertainty.

Alongside reports of higher employee costs, tariffs also served to push up service providers’ operating expenses at an elevated pace. Selling prices were increased steeply in response.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

# Private Indicators

## S&P Global U.S. Services PMI™

### US service sector growth remains positive in August

“Underpinning the latest rise in activity were increased new business volumes. Like activity, growth was the second highest of the year to date. There were reports amongst service providers of a general uplift in demand, especially amongst those operating in financial services. Conversely, worries over tariffs and an uncertain business environment limited gains for consumer service providers whilst also weighing on international demand. New export business overall was down (albeit marginally) for a fifth successive month in August.

Further rises in overall activity and new business encouraged service providers to add to their payroll numbers, with latest data signaling an increase in staffing levels for a sixth month in a row. Growth was solid and comparable to the recent trend. Capacity pressures nonetheless remained evident, with backlogs of work again rising solidly in the latest survey period.

Service providers noted that payroll expenses helped to push up their overall operating costs in August. Tariffs were also frequently mentioned as a driver of inflation, with suppliers reported to be raising their charges accordingly. Latest data showed an ongoing pass through of these higher operating expenses to clients via an increase in selling prices. Although down a little since July, output price inflation remained elevated and amongst the steepest recorded by the survey in the past three years.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

# Private Indicators

## S&P Global U.S. Services PMI™

### US service sector growth remains positive in August

“Inflation worries and ongoing uncertainty related to federal policies (again most notably around tariffs) served to weigh on business sentiment during August, with confidence about future activity down to a four-month low and amongst the weakest seen in the past three years.

That said, firms typically expect activity to rise from present levels over the next year. There are hopes amongst panelists that interest rates will fall, which should help to spur sales and demand. Planned marketing campaigns and expected new service releases should also support new business growth.” – Chris Williamson, Chief Business Economist, S&P Global Market Intelligence

# Private Indicators

## S&P Global U.S. Services PMI™

### US service sector growth remains positive in August

#### Comment

“Although weaker than signaled by the preliminary ‘flash’ PMI reading, and below that seen in July, the expansion of the service sector in August was still the second strongest recorded so far this year. Together with a robust manufacturing PMI reading, the surveys are consistent with the US economy growing at a solid 2.4% annualized rate in the third quarter.

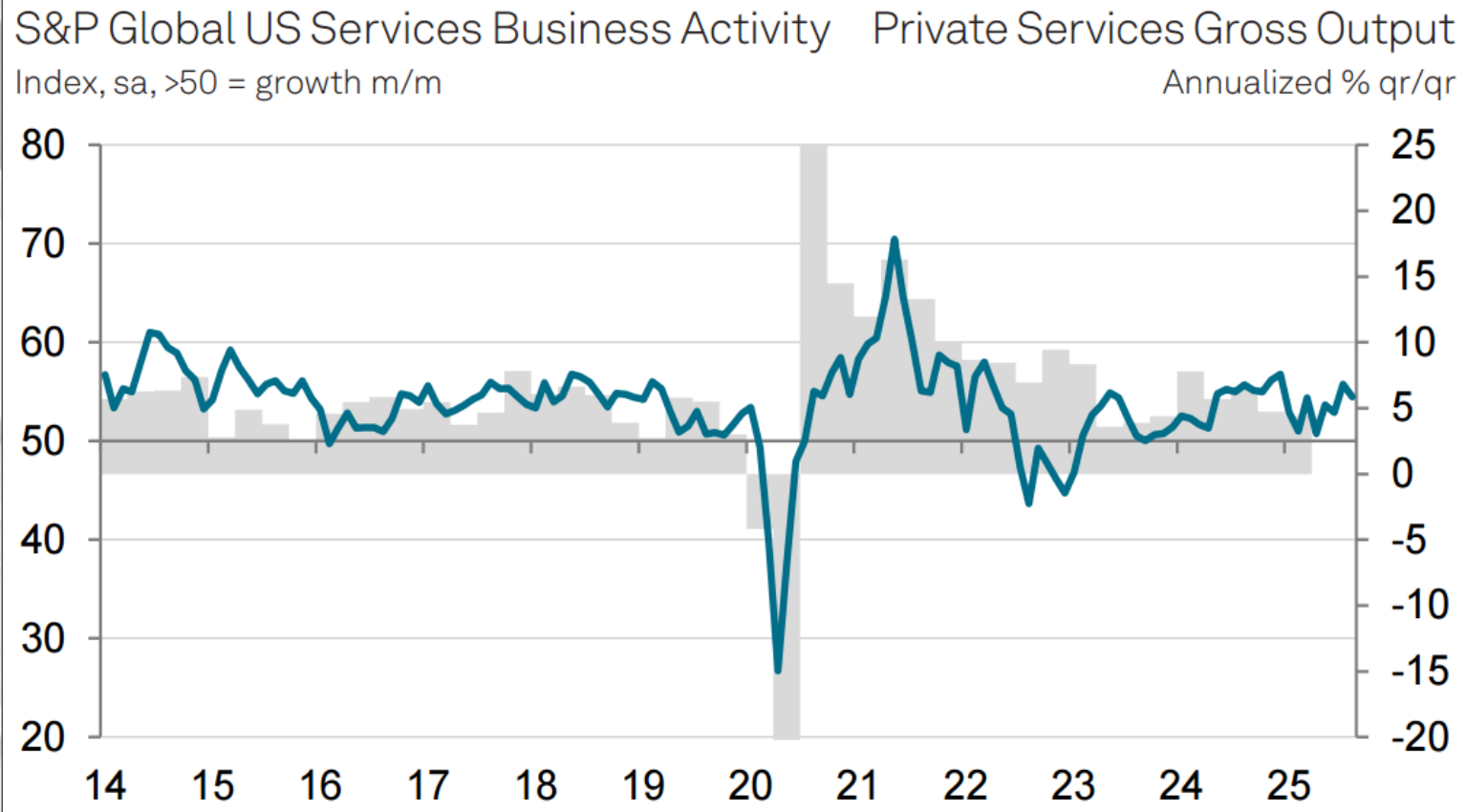
Fuller order books, reflecting a summer upturn in customer demand, has meanwhile encouraged service providers to take on additional staff in increasing numbers, accompanied by a return to hiring in the manufacturing sector. While low household confidence is reportedly keeping spending on consumer services relatively subdued, demand for financial services is showing especially strong growth amid improving financial market conditions.

However, the brighter news on current economic growth and hiring is marred by concerns over future growth prospects and inflation. Business optimism regarding the year ahead outlook has dropped to one of the lowest levels seen over the past three years amid escalating worries over the uncertainty and drop in demand caused by federal government policy, most notably tariffs, as well as the associated rise in price pressures. Inflation concerns have been fanned by a further steep rise in input costs which have fed through to another marked increase in average charges for services.

The survey data therefore point to some downside risks to growth in the coming months while signaling upside risks to inflation, as import tariffs feed through to prices charged for both goods and services.” – 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

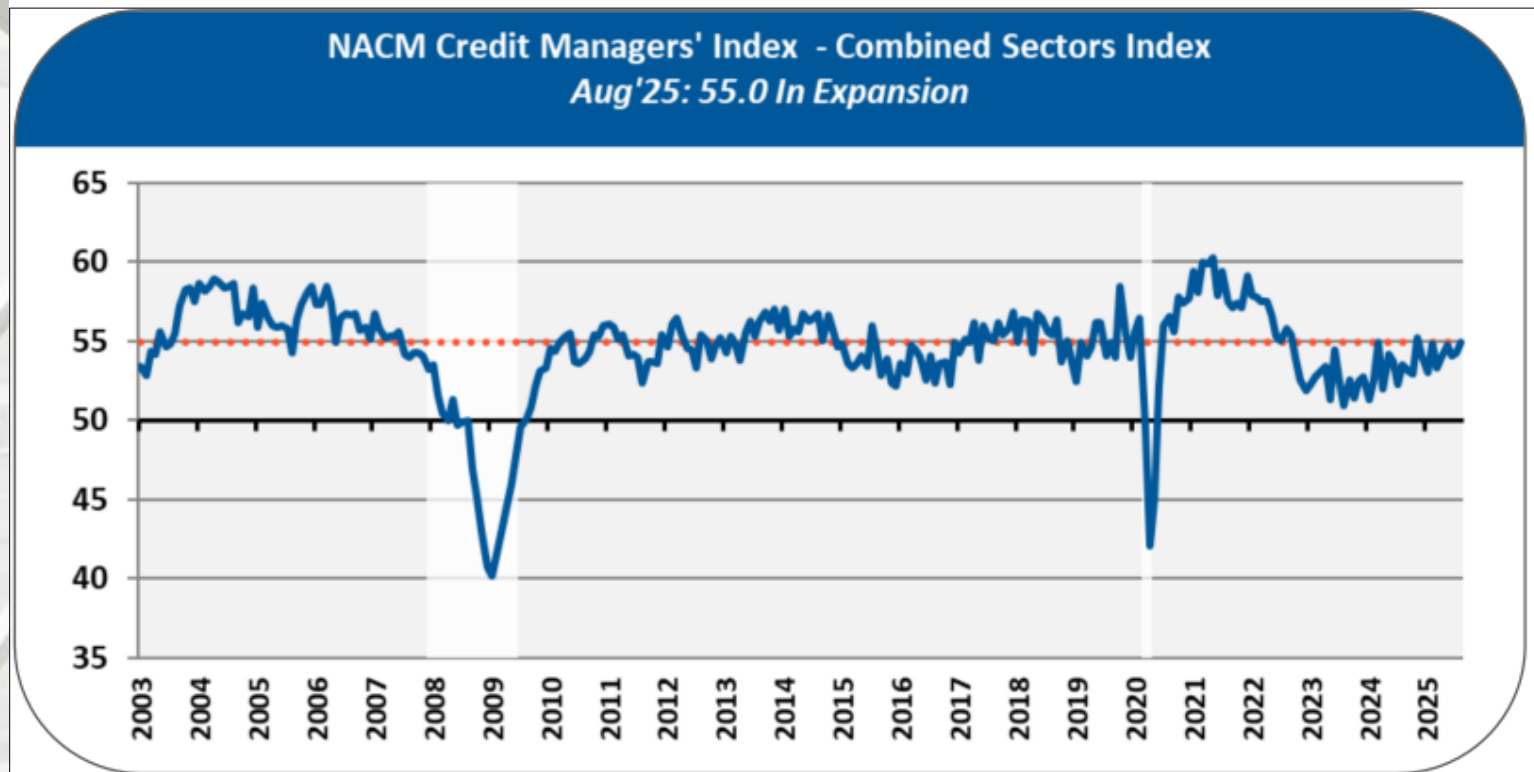
### Report for August 2025: Combined Sectors

“The National Association of Credit Management’s seasonally adjusted combined Credit Managers’ Index (CMI) for August 2025 improved 0.7 points to 55.0. “Overall, the CMI shows improvement as we hit midsummer,” said NACM Economist Amy Crews Cutts, Ph.D., CBE. “The index has not moved much over the past year but has followed a gently sloped upward trend.”

“The strength is mostly on the favorable factors side, but these factors are not as positive as we might think. For example, new credit applications are coming from growing businesses, a positive trend, but also, as indicated by respondent comments, because more applicants are being declined elsewhere. Dollar sales are similarly rising, but not because unit sales are rising – it’s coming from higher prices.”” – Sara Asomaning, Managing Editor, 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

### Key Findings:

- “The Index for Unfavorable Factors was unchanged, remaining at 50.9, marking its seventh month in expansion territory. Five of the six factors increased.
- The index for Accounts Placed for Collection not only deteriorated by 2.2 points but slid further into contraction for the second month in a row. This marks the index’s 35th month in contraction out of the last 36; the number of accounts placed for collections at respondent firms has increased every month for nearly 3 years with the exception of June 2025.
- The Index for Favorable Factors improved by 1.5 points, climbing further into expansion at 61.0 points.
- All four favorable factor indexes improved and are in expansion, with dollar sales leading the improvement, rising 2.4 points to 63.3. The weakest favorable factor index is the index for New Credit Applications, which climbed 0.6 points to 57.0.

“Respondents continue to comment about requests for extended terms,” said Cutts. One respondent reported, “Customers are dragging out payment, as their customers are delaying payments to them. It seems nobody looks at terms anymore.” Cutts summarized how respondents are feeling this way: “There is palpable frustration among credit managers being asked to approve credit for sales today and to extend terms on accounts knowing that their companies also have bills to pay. Everyone wants to preserve cash flow, but there are limits to how long this can continue.””  
– Sara Asomaning, Managing Editor, NACM



# Private Indicators

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

### CMI Combined Sectors Factor Indexes

“She continued, “We are now seeing real signs of stress in the economy. Take agriculture as an example. The trade war, particularly with large buyers of American crops, like China, and the cancellation of global aid programs mean farmers don’t have a market for the crop they are about to harvest. According to a recent [Bloomberg.com](https://www.bloomberg.com) article, not one cargo ship has been booked for soybeans to China. Prices are depressed but the costs of fertilizer and machinery are rising fast. The ag sector is a large part of our economy and it is in trouble.”

### CMI Manufacturing versus CMI Service Sectors Indexes

“The Manufacturing Sector CMI climbed 1.0 point in August to 55.4. The Service Sector CMI improved by 0.3 points to 54.5.

“The Federal Reserve Bank of Cleveland just released the results of its Survey of Regional Conditions and Expectations which asks firms in its district what their plans are for capital investment and business conditions,” said Cutts. “Fifty-seven percent of respondents said that uncertainty is the main factor influencing their capital investment for the rest of the year and its potential impact on demand. Less than a third estimated that a significant portion of their current inventory been subject to additional duties as a result of changes to trade policy in 2025.

“The Cleveland Fed survey shows that nonlabor costs for manufacturers are rising fast – this covers everything from new machines, to parts, to raw materials, to energy. One CMI respondent noted that the tariffs on steel have allowed domestic sourced steel prices to rise faster than imported prices. Another noted that electric utilities are struggling in some areas to keep up with the demand from data centers, making the grid less reliable and electric prices to rise though not fast enough to keep a rising number of power utilities from declaring bankruptcy.”” – Sara Asomaning, Managing Editor, NACM

# Private Indicators

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

### CMI Combined Sectors Factor Indexes

“Among the CMI Manufacturing Sector Factor Indexes, favorable factors rose 0.9 points to 59.3 and the Unfavorable Factor Index increased 1.1 points to 52.8.

### Key Findings:

- All of the favorable factors were in expansion this month and showed improvement. The Index for the Amount of Credit Extended had the biggest gain, rising 2.5 points to 59.1.
- Two unfavorable factor indexes deteriorated, with one falling back into contraction. The Index for Accounts Placed for Collection slipped 4.5 points to 47.3. This was its first month in contraction since February. The index for Filings for Bankruptcies fell 1.2 points, but remains in expansion at 53.0.

“Credit managers are in an ever more challenging position. One noted this month that ‘Collections are more challenging with more follow ups and more demand letters,’” said Cutts. “Another said, ‘We have had a lot of projects that started early this year and customer balances that have gone from current and 31 to 60 ... [to unexpectedly high], which has put us on high alert. We make sure all jobs are pre-liened, that we have a current credit application on file and have a signed personal guarantee, etc. We are calling on accounts at 31 days this year.’”

Cutts added, “Some of the new trade policies seem like they would be good for manufacturing, but it often takes years to build new factories from scratch and finding the right labor in the right place is always a challenge. The changes have come so fast and random, and the tariffs are also affecting the costs of new machines and building materials to expand capacity. In this environment it is hard to see how firms can make any meaningful progress in the near term on domestic production, and that also assumes demand remains strong.”” – Sara Asomaning, Managing Editor, NACM

# Private Indicators

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

<b>Manufacturing Sector (seasonally adjusted)</b>	<b>Aug '24</b>	<b>Sep '24</b>	<b>Oct '24</b>	<b>Nov '24</b>	<b>Dec '24</b>	<b>Jan '25</b>	<b>Feb '25</b>	<b>Mar '25</b>	<b>Apr '25</b>	<b>May '25</b>	<b>Jun '25</b>	<b>Jul '25</b>	<b>Aug '25</b>
Dollar Sales	58.3	55.4	52.2	63.0	49.8	53.4	53.4	54.5	56.4	59.3	53.1	59.1	59.4
New Credit Applications	55.4	55.1	56.5	57.9	56.6	57.1	59.0	55.4	56.9	52.1	53.2	55.7	56.6
Dollar Collections	62.7	54.8	58.9	63.4	57.1	62.7	59.2	50.6	63.3	59.3	60.2	62.1	62.3
Amount of Credit Extended	57.8	56.6	54.6	64.7	60.1	53.9	58.6	59.9	56.9	59.5	54.5	56.6	59.1
<b>Index of Favorable Factors</b>	<b>58.5</b>	<b>55.5</b>	<b>55.6</b>	<b>62.2</b>	<b>55.9</b>	<b>56.8</b>	<b>57.5</b>	<b>55.1</b>	<b>58.3</b>	<b>57.6</b>	<b>55.2</b>	<b>58.4</b>	<b>59.3</b>
Rejections of Credit Applications	53.2	54.8	52.3	52.3	51.4	51.1	51.5	50.5	51.6	53.8	52.1	50.1	52.2
Accounts Placed for Collection	49.7	50.4	51.4	51.2	47.6	52.2	49.5	50.8	52.4	52.0	52.9	51.8	47.3
Disputes	51.6	51.3	52.1	55.4	52.7	52.4	51.6	51.5	48.4	52.0	55.2	50.1	52.5
Dollar Amount Beyond Terms	54.4	52.1	53.1	53.1	49.4	51.4	53.4	53.2	48.9	53.6	52.4	52.5	58.6
Dollar Amount of Customer Deductions	52.9	51.2	52.4	52.3	53.5	52.9	52.4	50.3	50.8	50.3	55.3	51.5	53.1
Filings for Bankruptcies	52.1	50.3	50.8	47.7	49.7	50.4	52.7	53.6	53.7	53.4	54.0	54.2	53.0
<b>Index of Unfavorable Factors</b>	<b>52.3</b>	<b>51.7</b>	<b>52.0</b>	<b>52.0</b>	<b>50.7</b>	<b>51.7</b>	<b>51.9</b>	<b>51.6</b>	<b>51.0</b>	<b>52.5</b>	<b>53.6</b>	<b>51.7</b>	<b>52.8</b>
<b>NACM Manufacturing CMI</b>	<b>54.8</b>	<b>53.2</b>	<b>53.4</b>	<b>56.1</b>	<b>52.8</b>	<b>53.7</b>	<b>54.1</b>	<b>53.0</b>	<b>53.9</b>	<b>54.5</b>	<b>54.3</b>	<b>54.4</b>	<b>55.4</b>

# Private Indicators

## National Federation of Independent Business (NFIB)

### August 2025 Report

#### Small Business Optimism Improves Again

“The **NFIB Small Business Optimism Index** rose 0.5 points in August to 100.8, nearly 3 points above the 52-year average of 98. Of the 10 Optimism Index components, four increased, four decreased, and two were unchanged. The increase in those expecting real sales to be higher contributed the most to the rise in the Optimism Index. The Uncertainty Index fell by 4 points to 93 but remained well above the historical average. The decline was due to a decrease in uncertainty about financing expectations and planned capital expenditures.” – Holly Wade, NFIB

“Optimism increased slightly in August with more owners reporting stronger sales expectations and improved earnings. While owners have cited an improvement in overall business health, labor quality remained the top issue on Main Street.” – Bill Dunkelberg, Chief Economist, NFIB



# Private Indicators

## National Federation of Independent Business (NFIB)

### August 2025 Report

#### Key findings include:

- ✓ “In August, there was a notable improvement in overall business health. When asked to rate the overall health of their business, 14% reported excellent (up 1 point), and 54% reported it as good (up 2 points). Twenty-seven percent reported the health of their business as fair (down 4 points), and 4% reported poor (unchanged).
- ✓ The percent of small business owners reporting labor quality as the single most important problem for their business remained at 21%, continuing to rank as the top problem.
- ✓ In August, 32% (seasonally adjusted) of all owners reported job openings they could not fill in the current period, down 1 point from July. The last time unfilled job openings fell below 32% was in July 2020.
- ✓ The net percent of owners expecting higher real sales volumes rose 6 points from July to a net 12% (seasonally adjusted). This component contributed the most to the Optimism Index’s increase.
- ✓ A net 0% (seasonally adjusted) of owners viewed current inventory stocks as “too low” in August, up 3 points from July.
- ✓ The net percent of owners raising average selling prices fell 3 points from July to a net 21% (seasonally adjusted), the lowest reading of this year.” – Holly Wade, NFIB

# Private Indicators

## National Federation of Independent Business (NFIB)

### August 2025 Report

#### Key findings include:

- ✓ “The frequency of reports of positive profit trends improved 3 points to a net negative 19% (seasonally adjusted). August’s reading was the best since March 2023.
- ✓ In August, the average rate paid on short maturity loans was 8.1%, down 0.6 points from July and the lowest reading since May 2023.
- ✓ Twenty-three percent of all owners reported borrowing on a regular basis, down 2 points from July. The last time the percent of business owners borrowing on a regular basis was below 23% was in November 2021.

As reported in [NFIB’s monthly jobs report](#), a seasonally adjusted 32% of all small business owners reported job openings they could not fill in August, down 1 point from July. The last time unfilled job openings fell below 32% was in July 2020. Twenty-eight percent had openings for skilled workers (down 1 point), and 13% had openings for unskilled labor (up 1 point).

The difficulty in filling open positions is particularly acute in the construction, manufacturing, and transportation industries. Nearly half (49%) of small businesses in the construction industry had a job opening they could not fill, down 6 points from July and 11 points below last year’s level. This suggests a softening in the job market. Openings were the lowest in the wholesale and finance industries.” – Holly Wade, NFIB

# Private Indicators

## National Federation of Independent Business (NFIB)

### August 2025 Report

“A seasonally adjusted net 15% of owners plan to create new jobs in the next three months, up 1 point from July and the third consecutive monthly increase, a positive trend but historically low.

Of the 53% of owners hiring or trying to hire in August, 81% reported few or no qualified applicants for the positions they were trying to fill. Twenty-six percent of owners reported few qualified applicants for their open positions (down 3 points), and 17% reported none (down 2 points).

In August, 21% of small business owners cited labor quality as their single most important problem, unchanged from July and remaining the top single most important problem. Labor costs reported as the single most important problem for business owners fell 1 point from July to 8%.

Seasonally adjusted, a net 29% reported raising compensation, up 2 points from July. A seasonally adjusted net 20% plan to raise compensation in the next three months, up three points from July. Fifty-six percent of small business owners reported capital outlays in the last six months, up 1 point from July, but remaining historically low.

Of those making expenditures, 37% reported spending on new equipment, 22% acquired vehicles, and 17% improved or expanded facilities. Thirteen percent spent money on new fixtures and furniture and 5% acquired new buildings or land for expansion.

A net negative 9% of all owners (seasonally adjusted) reported higher nominal sales in the past three months, unchanged from July.” – Holly Wade, NFIB

# Private Indicators

## National Federation of Independent Business (NFIB)

### August 2025 Report

“Four percent of owners reported that financing and interest rates were their top business problem in August, unchanged from July. Twenty-three percent of all owners reported borrowing on a regular basis, down 2 points from July. The last time the percent of business owners borrowing on a regular basis was below 23% was in November 2021. A net 3% reported their last loan was harder to get than in previous attempts, down 1 point from July. A net 6% reported paying a higher rate on their most recent loan, up 1 point from July. In August, the average rate paid on short maturity loans was 8.1%, down 0.6 points from July and the lowest reading since May 2023.

The net percent of owners expecting better business conditions fell 2 points from July to a net 34% (seasonally adjusted). In August, 14% (seasonally adjusted) reported that it is a good time to expand their business, down 2 points from July.

Seventeen percent of small business owners reported taxes as their single most important problem, unchanged from July 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 rose 1 point to 9%. Five percent reported competition from large businesses as their single most important problem, down 1 point from July.

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 August 2025.” – Holly Wade, NFIB



# Private Indicators

## National Federation of Independent Business (NFIB) August 2025 Report

### Small Business Optimism

Index Component	Net %	From Last Month	
Plans to Increase Employment	15%	▲	1
Plans to Make Capital Outlays	21%	▼	-1
Plans to Increase Inventories	1%	—	0
Expect Economy to Improve	34%	▼	-2
Expect Real Sales Higher	12%	▲	6
Current Inventory	0%	▲	3
Current Job Openings	32%	▼	-1
Expected Credit Conditions	-4%	—	0
Now a Good Time to Expand	14%	▼	-2
Earnings Trends	-19%	▲	3



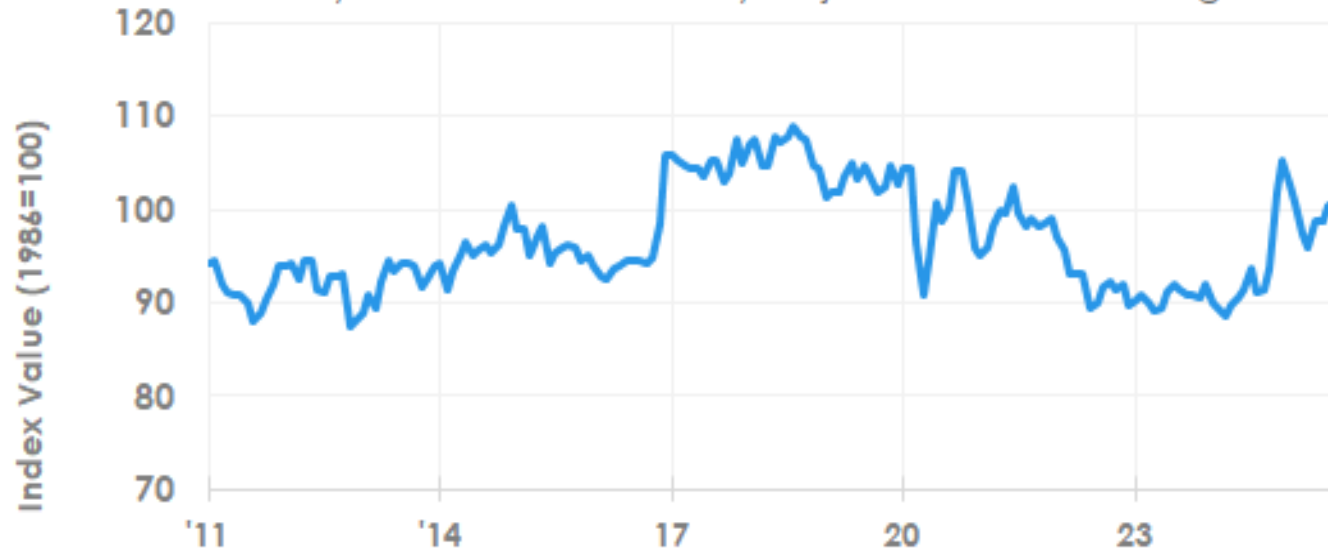
NFIB.com/sboi

# Private Indicators

## National Federation of Independent Business (NFIB) August 2025 Report

### Small Business Optimism Index at 100.8

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



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

# Private Indicators

## The Paychex | IHS Markit Small Business Employment Watch

### Hourly Wage Growth Among U.S. Small Business Workers Near Five-Year Low

#### *Small business job growth remains flat in August*

“According to the Paychex Small Business Employment Watch for August, job growth among U.S. small businesses with fewer than 50 employees remained flat, consistent with trends observed for the last year, while national hourly earnings growth for workers reached its lowest level since December 2020 at 2.58%, continuing to trend below three percent for the 10th consecutive month.”

– Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

“Our latest employment data once again underscores the stability and resilience of the small business labor market. Although job growth has remained flat over the last year, the continued decline in wage inflation should create a more favorable environment for small business owners seeking to hire and compete for talent. All regions across the country have experienced hourly earnings growth below three percent since April.” – 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 for August (99.83) was 0.06 percentage points off the pace set in August 2024 (99.89).
- Though modest, the national jobs index has reported consecutive month-over-month gains for the first time since June 2023.
- The Midwest (100.29) has led all regions in small business employment growth for the past 15 months.
- Texas’ jobs index rose by 1.13 percentage points from the previous month in August (101.80), ranking first among states and marking its highest pace of job growth since March 2024 (102.63). Leading the way, Dallas (101.04) reclaimed the top spot among metros in August, while neighboring Houston (100.90) trailed closely behind at No. 2.
- Education and Health Services (101.28) was the strongest sector across all four regions in August and has led all sectors in small business job growth nationally for the 15th consecutive month.
- Education and Health Services leads sectors for small business job growth for the 14th-straight month.
- The Manufacturing jobs index (99.20) increased 0.58 percentage points in August from July. It is the only sector with a 2025 year-to-date average pace of job growth (98.72) that surpasses its average pace in 2024 (98.65).” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.



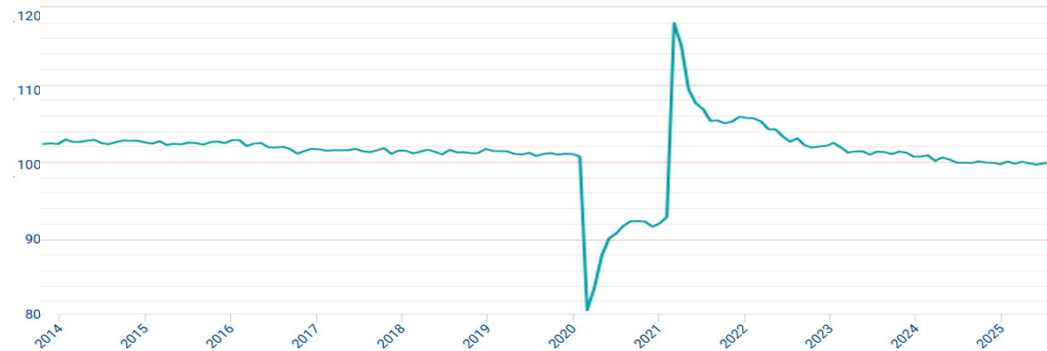
# Private Indicators

## The Paychex | IHS Markit Small Business Employment Watch

### Small Business Jobs Index

Index  
**99.83**

### Historical Jobs Index Trend

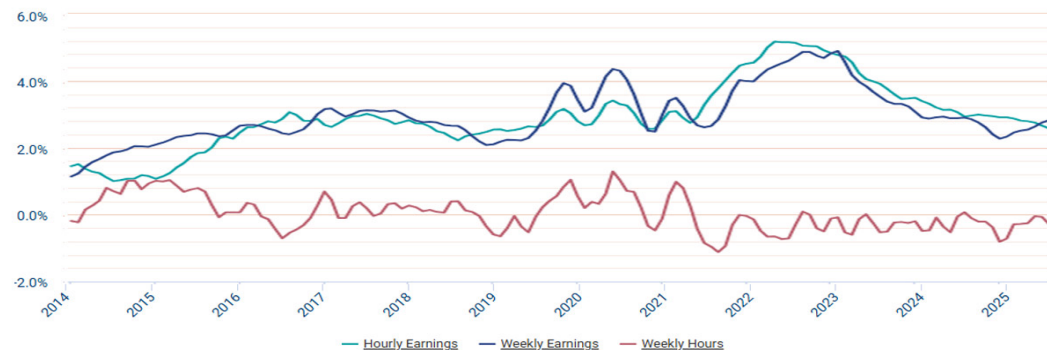


### Small Business Wage Data

Hourly Earnings  
**\$33.51**

12-Month Growth  
**2.58%**

### Historical 12-Month Growth Trend



# Housing Demographics

## 2025 Harvard Joint Center for Housing Studies

### A Decade of Slowing Household Growth Ahead for Both Owners and Renters

“Our new ten-year projections reflect a general slowing of growth in both homeowner and renter households. According to [our new paper](#), between 2025 and 2035, annual growth in homeowner households is expected to range from 337,000 to 685,000, while annual growth in renter households ranges from 174,000 to 523,000. The low range across both tenures is because the projections extend [our subdued household growth projections published in January](#), which call for a total household growth rate of just 859,000 per year in 2025–2035.

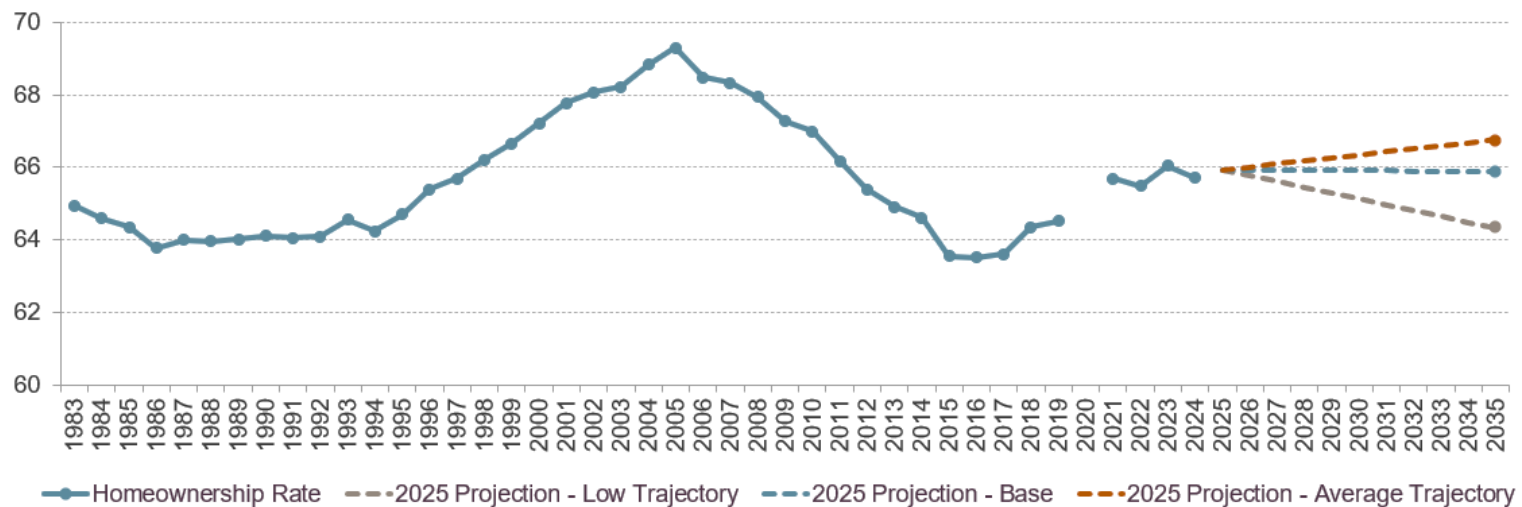
The projections also incorporate relatively modest changes in homeownership rates in 2025–2035 under three different scenarios (Figure 1), ranging from a 0.8 percentage-point increase (to 66.8 percent) to a 1.6 percentage point decrease (to 64.3 percent), with the base scenario leaving rates unchanged (at 65.9 percent). These small swings are because the projections are driven by demographics and therefore do not account for unpredictable changes in financial conditions, such as a sudden rise or fall in interest rates, that could easily lead to larger movements in homeownership rates. As such, the projections offer a “baseline” look at likely trends in homeownership under stable financial conditions.” – Daniel McCue, Senior Research Associate at the Center; Harvard Joint Center for Housing Studies

# Housing Demographics

## 2025 Harvard Joint Center for Housing Studies A Decade of Slowing Household Growth Ahead for Both Owners and Renters

Figure 1: Three Projected Scenarios for Homeownership Rates in 2025–2035

Homeownership Rate (Percent)



Notes: Data for 2020 are excluded due to data quality reasons. Base scenario holds homeownership rates by age and race/ethnicity constant. Average trajectory scenario assumes cohorts follow historical average growth rates as they age. Low-trajectory scenario assumes cohorts younger than 45 years old follow lowest historical homeownership rate trajectories as they age, while older cohorts follow average trajectories.

Source: JCHS tabulations of US Census Bureau, Current Population Surveys via IPUMS-CPS, University of Minnesota.

# Housing Demographics

## 2025 Harvard Joint Center for Housing Studies A Decade of Slowing Household Growth Ahead for Both Owners and Renters

### Three Scenarios for the Future Direction of Homeownership Rates

“The projections offer three scenarios for changes in homeownership rates in the next 10 years. The scenarios differ according to assumptions about the extent to which today’s younger households will be able to become homeowners at rates similar to previous generations as they age, or if persistent barriers like high housing costs hold down homeownership rate trajectories of younger cohorts in a lasting way.

### The Base Scenario

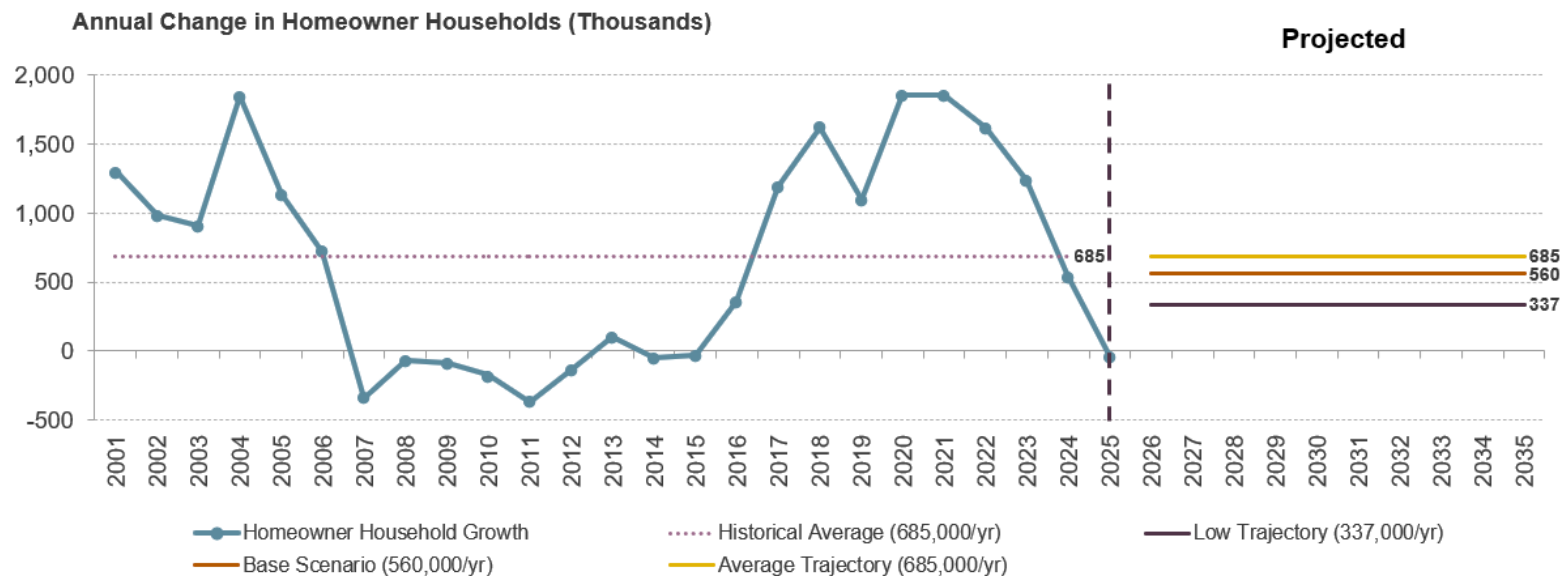
The base projection scenario holds homeownership rates constant by age and race/ethnicity, so that any change in the overall homeownership rate is due to changes in the underlying age and racial/ethnic mix of households. Results from the base projection show that these two forces of aging and increased racial diversity will offset each other in 2025–2035 and leave the overall homeownership rate unchanged during that time at 65.9 percent. Average annual homeowner growth in 2025–2035 is 560,000 per year under this scenario, which is 18 percent less than the 685,000 per year historical average annual increase in owners since 2000 (Figure 2). Average annual growth in renter households is also just 299,000, which is roughly 50 percent less than the 524,000 per year historical average annual increase in renters since 2000 (Figure 3).” – Daniel McCue, Senior Research Associate at the Center; Harvard Joint Center for Housing Studies



# Housing Demographics

## 2025 Harvard Joint Center for Housing Studies A Decade of Slowing Household Growth Ahead for Both Owners and Renters

Figure 2: Past and Projected Annual Change in Homeowner Households 2025–2035



Notes: Historical average is for the period from year 2000 to 2025. Annual change in 2025 is the year-over-year change in the second quarter.

Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys, Current Population Surveys via IPUMS-CPS, and JCHS Household Projections (McCue 2025).

# Housing Demographics

## 2025 Harvard Joint Center for Housing Studies

### **The Average-Trajectory Scenario (the highest homeownership rate projection)**

“The average-trajectory scenario assumes that today’s younger cohorts will experience historically average increases in homeownership rates as they age in 2025–2035. This results in a 0.8 percentage point increase in the homeownership rate between 2025 and 2035, which is the highest scenario for homeownership rates. It also results in the highest growth in homeowner households over the next ten years of 685,000 per year, which is roughly equal to historical average annual homeowner growth since 2000. On the other hand, expected renter growth under this scenario is just 174,000 per year, which is the lowest of the three scenarios and fully 67 percent below historical average annual renter growth since 2000.

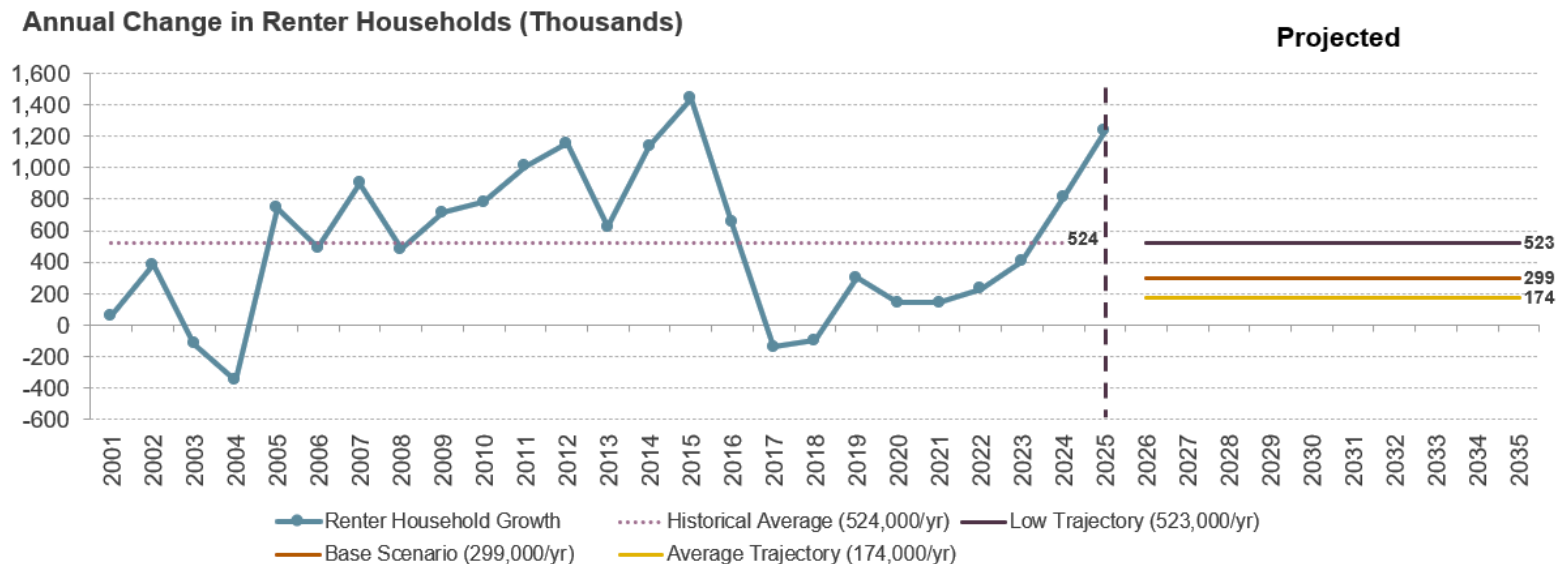
### **The Low-Trajectory Scenario (the lowest homeownership rate projection)**

The base projection scenario holds homeownership rates constant by age and race/ethnicity, so that any change in the overall homeownership rate is due to changes in the underlying age and racial/ethnic mix of households. Results from the base projection show that these two forces of aging and increased racial diversity will offset each other in 2025–2035 and leave the overall homeownership rate unchanged during that time at 65.9 percent. Average annual homeowner growth in 2025–2035 is 560,000 per year under this scenario, which is 18 percent less than the 685,000 per year historical average annual increase in owners since 2000 (Figure 2). Average annual growth in renter households is also just 299,000, which is roughly 50 percent less than the 524,000 per year historical average annual increase in renters since 2000.” – Daniel McCue, Senior Research Associate at the Center; Harvard Joint Center for Housing Studies

# Housing Demographics

## 2025 Harvard Joint Center for Housing Studies A Decade of Slowing Household Growth Ahead for Both Owners and Renters

Figure 3: Past and Projected Annual Change in Renter Households 2025–2035



Notes: Historical average is for the period from year 2000 to 2025. Annual change in 2025 is the year-over-year change in the second quarter.

Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys, Current Population Surveys via IPUMS-CPS, and JCHS Household Projections (McCue 2025).

# Housing Demographics

## 2025 Harvard Joint Center for Housing Studies

### A Decade of Slowing Household Growth Ahead for Both Owners and Renters

#### The Bottom Line

“In the context of slowing household growth overall, the three projection scenarios produce increases in both homeowner and renter households that are historically average at best and well below average in others. Given that high home prices and interest rates continue to be a barrier to first-time buyers and homeownership rates are still falling through mid-2025, the low-trajectory projection scenario may be the most likely one, which would mean historically low levels of growth in homeowner households but sustained growth in rental demand. However, a sudden decline in mortgage interest rates or other impacts to affordability could support a higher scenario for homeownership rates and a drop in rental demand. As such, any projections of tenure should be viewed within a wide margin of error because of their sensitivity to sudden changes in unpredictable financial conditions. Still, these projections provide a picture of how demographic change and the projected slowing of household growth over the next ten years could affect both homeowner and renter households under a range of future movements in homeownership rates.” – Daniel McCue, Senior Research Associate at the Center; Harvard Joint Center for Housing Studies



# Economics

## U.S. Census Bureau *NEW* Business Formation Statistics August 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 August 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%°

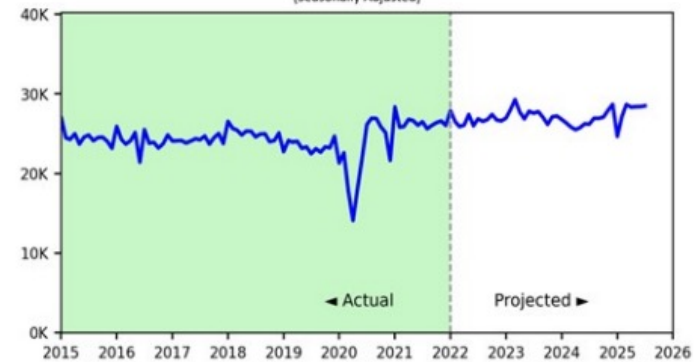
Next release: September 11, 2025

(\*) 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%

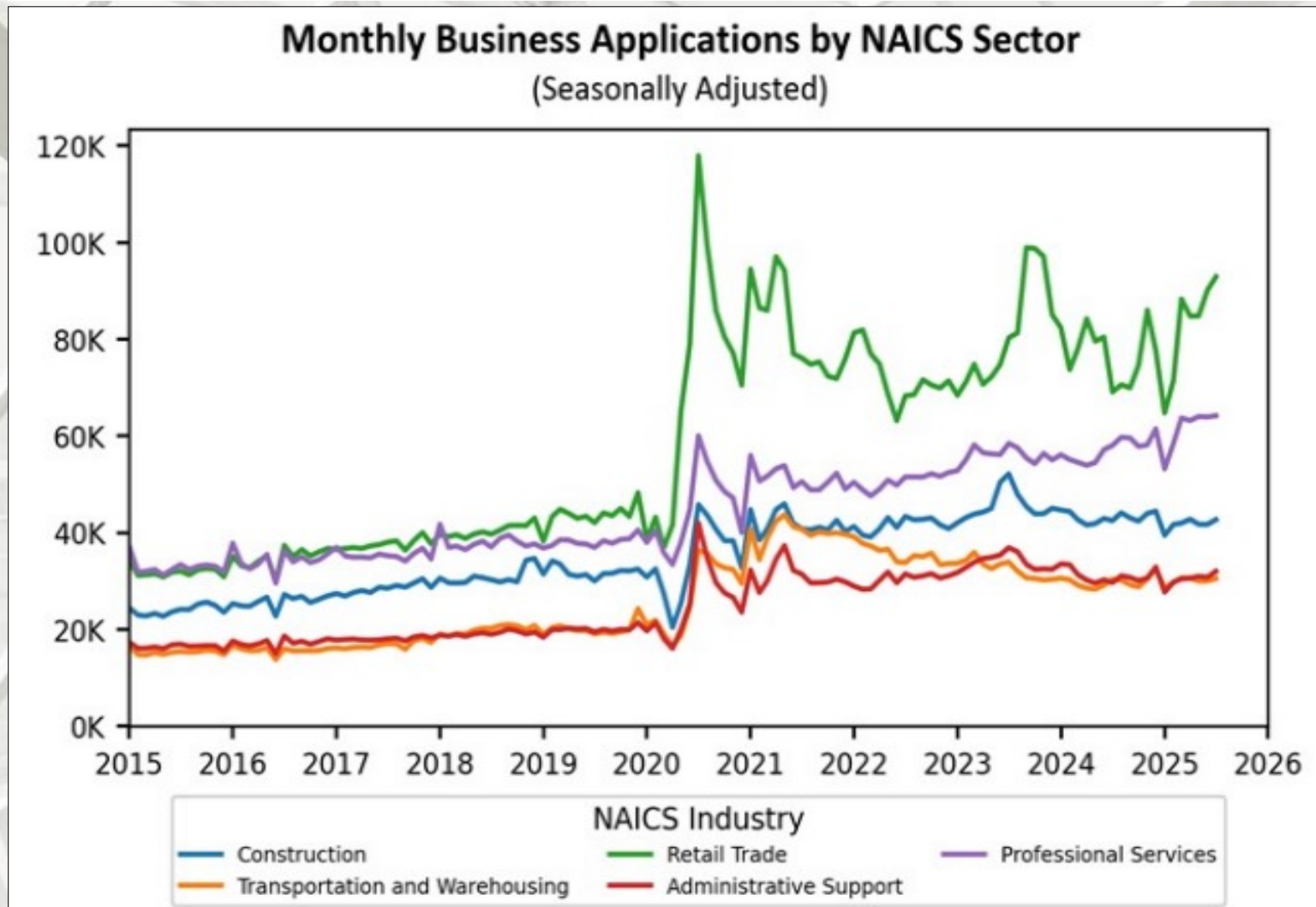
Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.

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

August 2025



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



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