

*Note: Survey responses were collected from October 7 to October 17.*

Nonmanufacturing activity in the region expanded this month, according to the firms responding to the October *Nonmanufacturing Business Outlook Survey*. The indexes for general activity at the firm level, new orders, and sales/revenues all rose. The full-time employment index suggested overall increases. Both price indexes rose and continued to indicate overall increases in prices. The firms continue to expect growth over the next six months at their own firms and in the region.

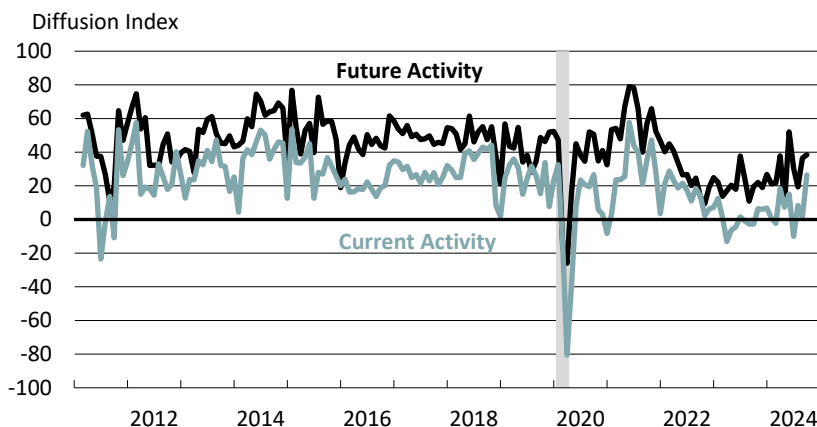
### Current Indicators Improve

The diffusion index for current general activity at the firm level rose 25 points to 26.5, its highest reading since March 2022 (see Chart 1). Over 44 percent of the firms reported increases (up from 32 percent last month), while 18 percent reported decreases (down from 30 percent); 36 percent reported no change in activity (little changed from last month). The new orders and sales/revenues indexes also rose sharply this month. The new orders index jumped from -17.8 to 15.4, its first positive reading since June and its highest reading since March 2022. More than 31 percent of the firms reported increases in new orders, while 16 percent reported decreases. The sales/revenues index increased for the third consecutive month to 33.6, its highest reading since November 2021. Half of the firms reported increases, compared with 16 percent that reported decreases. The regional activity index rose 12 points to 6.0, its first positive reading since June.

### Firms Report Overall Increase in Full-Time Employment

The full-time employment index increased from a reading of zero to 8.7 this month, its highest reading since June. Almost 14 percent of the firms reported increases, while 5 percent reported decreases; nearly 77 percent of the firms reported no change. The part-time employment index declined but remained positive at 8.2. Most firms (72 percent) reported steady part-time employment, while the share of firms reporting increases (15 percent) exceeded the share reporting decreases (7 percent). The average workweek index increased from 1.6 to 16.2.

**Chart 1. Current and Future General Activity Indexes**  
January 2011 to October 2024



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

### Price Indexes Move Above Long-Run Averages

Price indicator readings suggest continued increases in prices for both inputs and the firms' own goods and services this month. The prices paid index rose 16 points to 35.4, more than offsetting its decline from last month (see Chart 2). Over 37 percent of the respondents reported higher input prices, while 2 percent reported decreases; 47 percent reported no change. Regarding prices for the firms' own goods and services, the prices received index increased 18 points to 24.6, its highest reading since February 2023. Almost 30 percent of the firms reported increases in their own prices, while 5 percent reported decreases; 59 percent reported no change.

### Firms Anticipate Steady Capital Expenditures Overall Next Year

In this month's special question, nonmanufacturers were asked about their plans for different categories of capital spending for the upcoming year (see Special Question on page 3). The same share of firms (29 percent) expects either to increase or decrease their total capital spending this year, while the largest share (42 percent) expects to keep the level the same. When this question was asked last year, a slightly higher share of firms expected to decrease rather than increase spending (31 percent versus 22

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The next *Nonmanufacturing Business Outlook Survey* will be released on November 26, 2024.

percent). On balance, the firms expect higher capital expenditures next year for computer and related hardware, other investments, noncomputer equipment, and software, and lower expenditures on energy-saving investments and structures.

### Firms Continue to Anticipate Growth

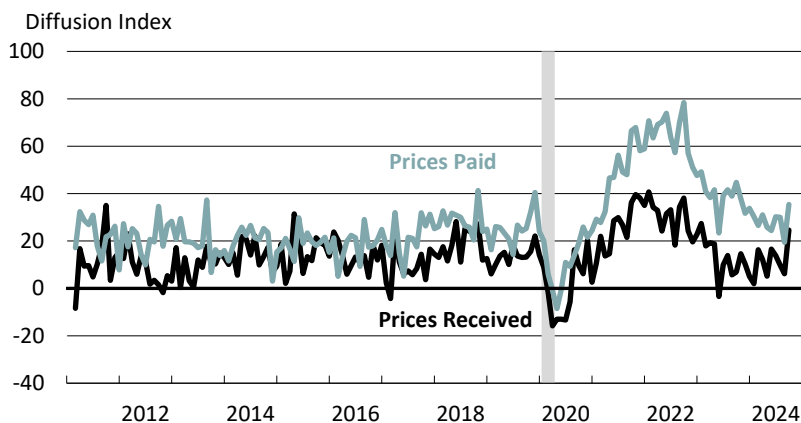
The future general activity indexes were little changed from last month and continued to suggest firms expect growth in the next six months. The index for future general activity at the firm level edged up 2 points to 38.5 this month (see Chart 1). Over 54 percent of the firms expect an increase in activity at their firms over the next six months, 16 percent expect decreases, and 27 percent of the firms expect no change. The future regional activity index ticked up to 24.5.

### Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest overall expansion in nonmanufacturing activity in the region. The indicators for firm-level general activity, new orders, and sales/revenues all rose sharply. Employment indexes suggest overall increases in full-time and part-time employment. Both price indexes continue to indicate overall price increases. On balance, the firms continue to expect growth over the next six months. ■

**Chart 2. Current Prices Paid and Prices Received Indexes**

January 2011 to October 2024



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

NONMANUFACTURING BUSINESS OUTLOOK SURVEY October 2024	October vs. September					Six Months from Now vs. October				
	Previous Diffusion Index	Increase	No Change	Decrease	Diffusion Index	Previous Diffusion Index	Increase	No Change	Decrease	Diffusion Index
What is your assessment of general business activity for the region?	-6.1	32.1	37.3	26.1	6.0	23.8	46.1	28.4	21.7	24.5
What is your assessment of general business activity for your firm?	1.5	44.3	35.9	17.7	26.5	36.5	54.3	27.0	15.8	38.5
Company Business Indicators										
New Orders	-17.8	31.3	26.2	15.9	15.4	NOTES:  (1) Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease.  (2) All data are seasonally adjusted.  (3) Percentages may not sum to 100 because of rounding, omission by respondents, or both.  (4) Survey results reflect data received through October 17, 2024.				
Sales or Revenues	13.5	49.9	33.9	16.3	33.6					
Unfilled Orders	-3.4	6.5	36.6	0.0	6.5					
Inventories	4.4	7.0	26.1	3.8	3.2					
Prices Paid	19.5	37.1	46.8	1.7	35.4					
Prices Received	6.2	29.5	58.7	4.9	24.6					
Number of Employees – Full-Time Permanent	0.0	13.6	76.6	4.9	8.7					
Number of Employees – Part-Time, Temporary, and Contract	16.1	15.2	71.7	7.0	8.2					
Average Employee Workweek	1.6	24.2	63.5	7.9	16.2					
Wage and Benefit Costs	34.6	35.7	59.1	2.8	32.8					
Capital Expenditures – Physical Plant	-2.9	11.1	57.7	6.4	4.8					
Capital Expenditures – Equipment & Software	16.4	21.3	62.2	7.6	13.7					

**Special Question (October 2024)**

Comparing 2025 with 2024, do you expect capital expenditures to be higher, the same, or lower for each of the following categories?

	<b>Higher (% of reporters)</b>	<b>Same (% of reporters)</b>	<b>Lower (% of reporters)</b>	<b>Diffusion Index</b>
Software	23.3	55.8	20.9	2.3
Noncomputer equipment	23.3	58.1	18.6	4.7
Energy-saving investments	9.1	51.2	24.2	-15.2
Computer and related hardware	33.3	51.2	14.3	19.0
Structure	14.0	46.5	25.7	-11.8
Other	11.8	82.4	5.9	5.9
<b>Total capital spending</b>	<b>29.3</b>	<b>41.5</b>	<b>29.3</b>	<b>0.0</b>