



November 2024

*Note: Survey responses were collected from November 11 to November 21.*

Nonmanufacturing activity softened this month, according to the firms responding to the November *Nonmanufacturing Business Outlook Survey*. After rising last month, the indexes for general activity at the firm level and sales/revenues declined but remained positive. The new orders index returned to negative territory after a positive reading last month. The firms continued to report an increase in full-time employment. The price indexes suggested little change in the prices of firms' own good and services this month but continued to indicate overall increases in prices for inputs. Expectations for growth over the next six months were more widespread at the firm and the regional levels.

#### Most Current Indicators Soften

The diffusion index for current general activity at the firm level fell from 26.5 to 2.0 in November, reversing most of its rise from last month (see Chart). One-third of the firms reported increases in activity (down from 44 percent last month), 31 percent reported decreases (up from 18 percent), and 36 percent reported no change (unchanged from last month). After turning positive last month, the new orders index fell into negative territory, declining from 15.4 to -4.3. The sales/revenues index declined 31 points but remained positive at 3.1. The current regional activity index decreased 12 points to -5.9.

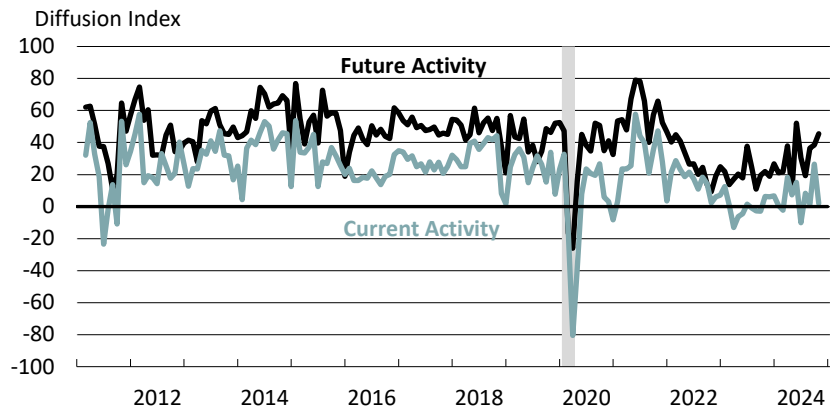
#### Firms Report Overall Increases in Employment

The full-time employment index edged down 3 points to 5.4, its second consecutive positive reading. Most firms (71 percent) reported no change, while the share of firms reporting increases in full-time employment (14 percent) exceeded the share reporting decreases (9 percent). The part-time employment index edged up from 8.2 to 11.7, and the average workweek index declined from 16.2 to 4.7.

#### Price Indexes Move Below Long-Run Averages

The price indicators suggest increases in prices for inputs but little change in prices for the firms' own goods and services

**Chart. Current and Future General Activity Indexes**  
January 2011 to November 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.*

overall. The prices paid index declined from 35.4 to 22.7 this month. Thirty percent of the firms reported increases in input prices, while 7 percent reported decreases; 53 percent reported steady prices. Regarding prices for the firms' own goods and services, the prices received index declined from 24.6 to 0.5, its lowest reading since June 2023. More than half of the firms (53 percent) reported no change in prices received, while similar shares reported increases and decreases (19 percent).

#### Firms Expect Higher Price Increases

In this month's special questions, the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters (see Special Questions). Regarding their own prices, the firms' median forecast was for an increase of 2.8 percent, up from 2.0 percent when the question was last asked in August. The firms' reported own price change over the past year was 0.5 percent, down from 2.0 percent in August. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 4.0 percent over the next four quarters, unchanged from last quarter. When asked about

Released November 26, 2024, at 8:30 a.m. ET.

The next *Nonmanufacturing Business Outlook Survey* will be released on December 24, 2024.

the rate of inflation for U.S. consumers over the next year, the firms’ median forecast was unchanged at 3.0 percent.

Future Indicators Rise

The future general activity indexes rose from last month, suggesting more widespread expectations of overall growth over the next six months. The diffusion index for future activity at the firm level rose 7 points to 45.5, its highest reading since June (see Chart). Nearly 55 percent of the firms expect increases in future activity at their firms (little changed from last month), 9 percent expect decreases (down from 16 percent), and 35 percent expect no change (up from 27 percent). The future regional activity index jumped 23 points to 47.6, its highest reading in three years.

Summary

Responses to this month’s *Nonmanufacturing Business Outlook Survey* suggest some softening among firms in the region. The indicators for firm-level general activity, new orders, and sales/revenues all declined. The index for full-time employment continues to suggest overall increases in employment. The firms reported little change in the prices of their own goods and services. The firms continue to expect growth over the next six months, with expectations for growth more widespread. ■

Special Questions (November 2024)		
Please list the annual percent change with respect to the following:		
	Current	Previous (Aug. 2024)
For your firm:		
Forecast for next year (2024Q4–2025Q4)		
1. Prices your firm will receive (for its own goods and services sold).	2.8	2.0
2. Compensation your firm will pay per employee (for wages and benefits).	4.0	4.0
Last year's price change (2023Q4–2024Q4)		
3. Prices your firm did receive (for its own goods and services sold) over the last year.	0.5	2.0
For U.S. consumers:		
4. Prices U.S. consumers will pay for goods and services over the next year.	3.0	3.0
5. Prices U.S. consumers will pay for goods and services over the next 10 years (2024–2033).	3.8	3.8
The numbers represent medians of the individual forecasts (percent changes). For question 5, firms reported a 10-year annual-average change.		

NONMANUFACTURING BUSINESS OUTLOOK SURVEY November 2024	November vs. October					Six Months from Now vs. November				
	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?	6.0	23.6	44.8	29.5	-5.9	24.5	52.6	40.1	5.0	47.6
What is your assessment of general business activity for your firm?	26.5	33.0	36.1	30.9	2.0	38.5	54.6	34.9	9.1	45.5
Company Business Indicators						<b>NOTES:</b>  (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 November 21, 2024.				
New Orders	15.4	17.6	35.4	21.9	-4.3					
Sales or Revenues	33.6	28.8	40.5	25.7	3.1					
Unfilled Orders	6.5	10.9	26.0	7.4	3.6					
Inventories	3.2	1.3	31.8	2.7	-1.5					
Prices Paid	35.4	30.0	53.1	7.2	22.7					
Prices Received	24.6	19.4	52.8	18.8	0.5					
Number of Employees – Full-Time Permanent	8.7	13.9	71.4	8.5	5.4					
Number of Employees – Part-Time, Temporary, and Contract	8.2	14.2	72.1	2.5	11.7					
Average Employee Workweek	16.2	15.2	71.5	10.5	4.7					
Wage and Benefit Costs	32.8	35.3	58.6	4.8	30.5					
Capital Expenditures – Physical Plant	4.8	11.5	58.7	1.9	9.6					
Capital Expenditures – Equipment & Software	13.7	23.1	66.2	0.1	23.0					