



June 2025

Note: Survey responses were collected from June 9 to June 19.

Nonmanufacturing activity in the region continued to decline overall, according to the firms responding to the June *Nonmanufacturing Business Outlook Survey*. The indexes for general activity at the firm level and in the region remained negative as did the new orders index. The sales/revenues index turned positive but remained at a low reading. On balance, the firms reported a decrease in full-time employment. The prices paid index was near its long-run average, while the prices received index recorded a low, positive reading. The respondents expect increases in overall growth for their firms over the next six months.

Firms Report Declines in Activity

The diffusion index for current general activity at the firm level edged down from -16.3 to -17.3 in June (see Chart 1). Over 45 percent of the firms reported decreases in activity, 28 percent reported increases, and 26 percent reported no change. The new orders index declined 4 points to -20.1. Nearly 35 percent of the firms reported a decrease in new orders, exceeding the 15 percent that reported an increase; 24 percent reported no change. The sales/revenues index rose 9 points to 3.4, its first positive reading since January 2025. The current regional activity index jumped 16 points but remained negative at -25.0.

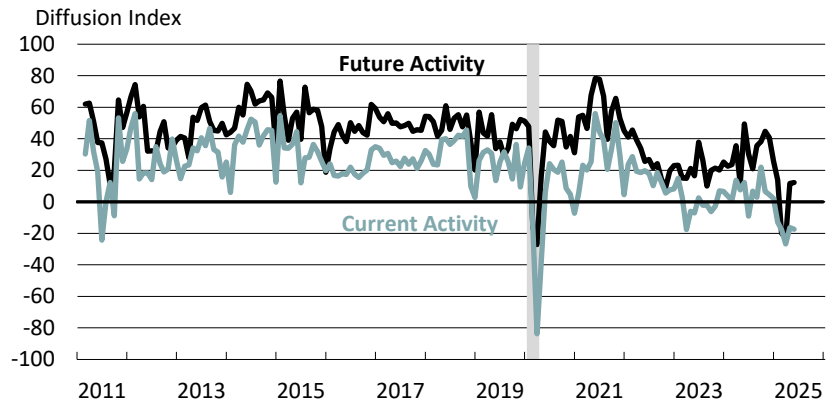
Employment Indexes Are Weak

The full-time employment index fell 13 points to -2.1 after a positive reading last month. Over 18 percent of the firms reported decreases (up from 12 percent), narrowly exceeding the 16 percent reporting increases (down from 23 percent); 55 percent of the firms reported no change (down from 59 percent). The part-time employment index rose 12 points to 0.1, and the average workweek index rose from -4.8 to 9.0.

Prices Paid Index Remains at Long-Run Average

Price indicators suggest more widespread increases in prices for inputs than for firms' own goods and services overall. The prices paid index remained essentially unchanged at 29.7 (see Chart 2). Almost 36 percent of the firms reported increases in

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

input prices, while 6 percent reported decreases; 43 percent reported steady prices. Regarding prices for the firms' own goods and services, the prices received index edged down to 2.2. Most of the firms (59 percent) reported no change in prices received, while the share reporting increases (14 percent) exceeded the share reporting decreases (12 percent).

Firms Report Higher Sales/Revenues on Balance

In this month's special questions, the firms were asked to estimate their total sales/revenues growth for the second quarter ending this month compared with that of the first quarter of 2025; they were also asked about factors constraining business operations and capital expenditure plans (see Special Questions on page 3). Over 45 percent of the firms reported expected increases in second-quarter sales, while 26 percent reported expected decreases.

More than 88 percent of the firms reported uncertainty as at least a slight constraint on business operations. Labor supply and supply chains were cited by equal shares of firms (51 percent) to be at least a slight constraint. Looking ahead over the next three months, most of the firms expect the impacts of the factors to stay the same. However, 39 percent of the

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The next *Nonmanufacturing Business Outlook Survey* will be released on July 22, 2025.

firms expect the impact of uncertainty to worsen, and 34 percent expect the impact of supply chains to worsen.

Future Indicators Are Mixed

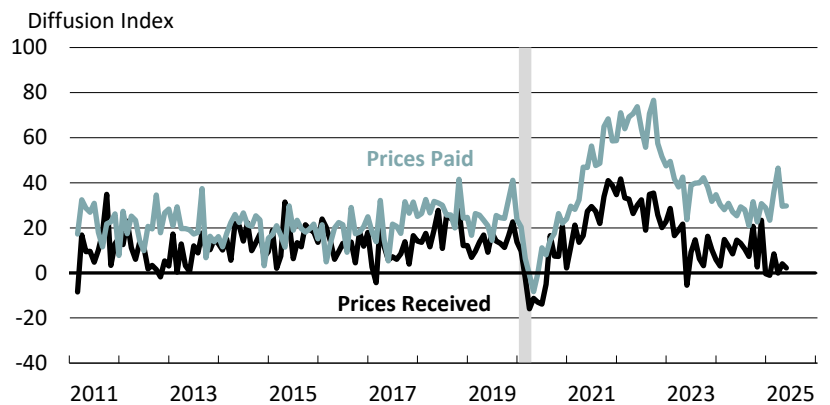
Expectations for growth over the next six months were positive at the firm level but remained negative for the region. The diffusion index for future activity at the firm level edged up to 12.3 (see Chart 1). Almost 45 percent of the firms expect increases, 33 percent expect decreases, and 22 percent expect no change over the next six months. The future regional activity index increased 22 points to -8.2.

Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest nonmanufacturing activity declined overall in the region. The indicators for firm-level general activity and new orders remained negative, while the sales/revenues index rose and turned slightly positive this month. The firms reported overall decreases in full-time employment and overall increases in prices. On balance, the firms expect improvements at their own firms over the next six months. ■

Chart 2. Current Prices Paid and Prices Received Indexes

January 2011 to June 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.

NONMANUFACTURING BUSINESS OUTLOOK SURVEY June 2025	June vs. May					Six Months from Now vs. June				
	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?	-41.9	18.4	36.2	43.4	-25.0	-30.6	38.4	11.0	46.6	-8.2
What is your assessment of general business activity for your firm?	-16.3	27.9	26.4	45.2	-17.3	11.6	44.8	21.7	32.5	12.3
Company Business Indicators										
New Orders	-16.3	14.7	24.4	34.9	-20.1	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 June 19, 2025.				
Sales or Revenues	-5.5	35.3	27.6	31.9	3.4					
Unfilled Orders	-12.1	4.8	28.9	10.6	-5.8					
Inventories	5.2	7.9	21.1	4.1	3.8					
Prices Paid	29.6	35.6	42.8	5.9	29.7					
Prices Received	4.0	13.7	59.4	11.5	2.2					
Number of Employees – Full-Time Permanent	11.3	16.0	55.1	18.1	-2.1					
Number of Employees – Part-Time, Temporary, and Contract	-11.9	12.1	58.5	12.0	0.1					
Average Employee Workweek	-4.8	17.8	68.8	8.9	9.0					
Wage and Benefit Costs	27.8	28.9	57.5	3.2	25.7					
Capital Expenditures – Physical Plant	-3.3	14.2	39.0	7.8	6.5					
Capital Expenditures – Equipment & Software	-0.7	24.4	50.1	7.0	17.3					



Special Questions (June 2025)		
1. How will your firm's total sales/revenues for the second quarter of 2025 compare with that of the first quarter of 2025 ?		
An increase of:	% of firms	Subtotals
10% or more	9.5	% of firms reporting an increase: 45.2
5–10%	11.9	
0–5%	23.8	
No change	28.6	
A decline of:		
0–5%	4.8	% of firms reporting a decrease: 26.2
5–10%	7.1	
10% or more	14.3	

2. In the current quarter , to what degree have the following factors acted as constraints on business operations?					3. Over the next three months , how do you expect the impacts of the following factors as constraints on business operations to change?		
	Not at all (%)	Slightly (%)	Moderately (%)	Significantly (%)	Worsen (%)	Stay the same (%)	Improve (%)
Energy markets	70.0	25.0	2.5	2.5	27.5	57.5	15.0
Financial capital	56.1	14.6	24.4	4.9	25.0	65.0	10.0
Labor supply	48.8	34.9	9.3	7.0	20.9	62.8	16.3
Supply chains	48.8	31.7	12.2	7.3	34.1	53.7	12.2
Uncertainty	11.6	30.2	25.6	32.6	39.0	43.9	17.1
Other factors	52.9	17.6	5.9	23.5	11.8	76.5	11.8