



September 2025

Note: Survey responses were collected from September 8 to September 18.

Nonmanufacturing activity in the region softened overall, according to the firms responding to the September *Nonmanufacturing Business Outlook Survey*. The indexes for general activity at the firm level and new orders fell, while the sales/revenues index held near its long-run average. The firms reported an overall increase in full-time employment. Both price indexes remained elevated. The respondents continued to expect increases in overall growth for their firms over the next six months.

Most Current Indicators Soften

The diffusion index for current general activity at the firm level fell 19 points to 5.8 in September (see Chart 1). Almost 37 percent of the firms reported increases in activity (down from 46 percent last month), 31 percent reported decreases (up from 21 percent), and 28 percent reported no change (down slightly from 30 percent). The new orders index declined 21 points to 0.5. Almost equal shares of firms (32 percent) reported increases and decreases in new orders; 14 percent reported no change. The sales/revenues index was little changed at 17.9, its highest reading since October and near its long-run average. The current regional activity index rose 5 points but remained negative at -12.3.

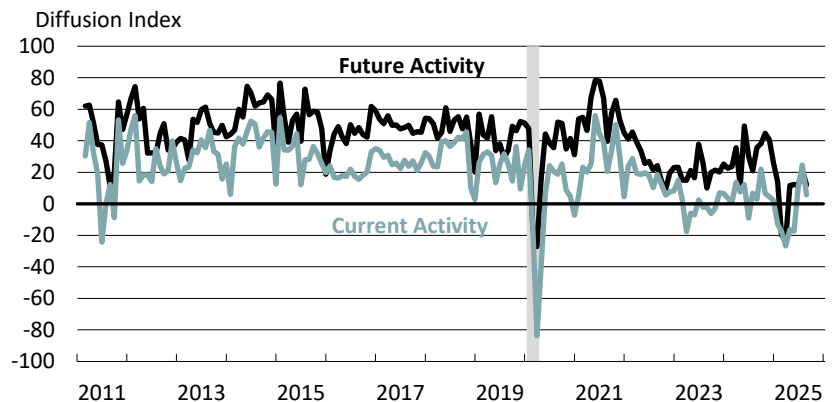
Firms Report Overall Increases in Full-Time Employment

The full-time employment index rose 13 points to 9.4, its highest reading since May. Almost 19 percent of the firms reported increases (up from 15 percent last month), while 9 percent reported decreases (down from 19 percent); 66 percent of the firms reported no change (up from 62 percent). The part-time employment index fell from -2.8 to -7.3, its third consecutive decline and lowest reading since May. The average workweek index fell 7 points to 10.5.

Firms Continue to Report Overall Price Increases

Price indicators suggest continued increases in prices for inputs and firms' own goods and services. The prices paid index decreased 4 points to 38.8 (see Chart 2). Almost 39 percent of the firms reported increases in input prices, while

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

no firm reported decreases; 51 percent reported steady prices. Regarding prices for the firms' own goods and services, the prices received index inched up to 21.8. Most of the firms (58 percent) reported no change in prices received, while the share reporting increases (25 percent) exceeded the share reporting decreases (3 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 third quarter ending this month compared with that of the second quarter of 2025; they were also asked about factors constraining business operations and capital expenditure plans (see Special Questions on page 3). Sixty percent of the firms reported expected increases in third-quarter sales, while 25 percent reported expected decreases.

In the current quarter, more than 86 percent of the firms reported uncertainty as at least a slight constraint on business operations, with 39 percent of the firms reporting it as a significant constraint. Labor supply was cited by more than 60 percent of the firms as at least a slight constraint. Looking ahead over the next three months, a majority of the firms expect the impacts of most factors to stay the same. However,

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The next *Nonmanufacturing Business Outlook Survey* will be released on October 21, 2025.

47 percent of the firms expect the impact of uncertainty to worsen, and 38 percent expect the impact of financial capital to improve.

Future Indicators Are Mixed

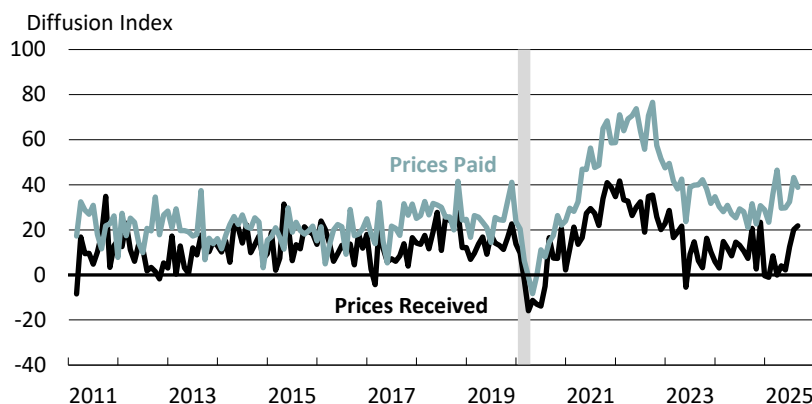
Expectations for growth over the next six months were positive at the firm level but turned negative for the region. The diffusion index for future activity at the firm level fell 9 points to 12.1, nearly undoing its increase from last month (see Chart 1). Almost 44 percent of the firms expect increases, 32 percent expect decreases, and 21 percent expect no change over the next six months. The future regional activity index fell 10 points to -8.4 after flashing positive last month.

Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest nonmanufacturing activity softened but remained positive overall in the region. The indicator for firm-level general activity fell but remained positive, and the new orders index fell to a near-zero reading. The sales/revenues index was little changed this month. The firms reported overall increases in full-time employment and

Chart 2. Current Prices Paid and Prices Received Indexes

January 2011 to September 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.

continued increases in prices. On balance, the firms expect growth at their own firms over the next six months. ■

NONMANUFACTURING BUSINESS OUTLOOK SURVEY September 2025	September vs. August					Six Months from Now vs. September				
	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?	-17.5	20.9	42.6	33.2	-12.3	1.3	28.4	34.0	36.8	-8.4
What is your assessment of general business activity for your firm?	24.6	36.7	27.5	30.9	5.8	21.2	43.5	21.4	31.5	12.1
Company Business Indicators										
New Orders	21.5	32.4	14.2	31.9	0.5	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 September 18, 2025.				
Sales or Revenues	17.5	38.8	30.9	20.9	17.9					
Unfilled Orders	9.7	6.1	28.6	7.8	-1.8					
Inventories	-0.1	10.3	25.4	5.1	5.2					
Prices Paid	43.2	38.8	50.7	0.0	38.8					
Prices Received	20.1	24.7	57.5	2.9	21.8					
Number of Employees – Full-Time Permanent	-3.8	18.5	66.3	9.1	9.4					
Number of Employees – Part-Time, Temporary, and Contract	-2.8	4.1	61.3	11.4	-7.3					
Average Employee Workweek	17.3	13.4	77.8	2.9	10.5					
Wage and Benefit Costs	37.9	28.7	62.1	0.0	28.7					
Capital Expenditures – Physical Plant	10.2	9.9	42.8	9.7	0.2					
Capital Expenditures – Equipment & Software	22.4	21.7	51.3	5.8	15.9					

NBOS

SPECIAL QUESTIONS

Special Questions (September 2025)		
1. How will your firm's total sales/revenues for the third quarter of 2025 compare with that of the second quarter of 2025 ?		
An increase of:	% of firms	Subtotals
10% or more	15.0	% of firms reporting an increase: 60.0
5–10%	17.5	
0–5%	27.5	
No change	15.0	
A decline of:		
0–5%	10.0	% of firms reporting a decrease: 25.0
5–10%	10.0	
10% or more	5.0	

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	69.0	21.4	7.1	2.4	25.6	59.0	15.4
Financial capital	67.4	14.0	4.7	14.0	14.3	47.6	38.1
Labor supply	39.5	32.6	11.6	16.3	12.2	78.0	9.8
Supply chains	56.1	19.5	14.6	9.8	26.3	65.8	7.9
Uncertainty	13.6	31.8	15.9	38.6	46.5	34.9	18.6
Other factors	66.7	0.0	16.7	16.7	23.1	69.2	7.7