NBOS

FEDERAL RESERVE BANK PHILADELPHIA

Nonmanufacturing Business Outlook Survey

November 2026

Release Date: November 24, 2026

Nonmanufacturing activity in the region continued to expand on balance, according to the firms responding to the November *Nonmanufacturing Business Outlook Survey*. The index for general activity at the firm level edged higher. The new orders index dipped into negative territory, while the sales/revenues index declined but remained positive. The full-time employment index also moved lower after two months of somewhat elevated readings. Both price indexes continue to indicate increases in prices. The prices paid index rose from an already elevated reading, and the prices received index ticked higher. The respondents continue to expect growth at their own firms over the next six months.

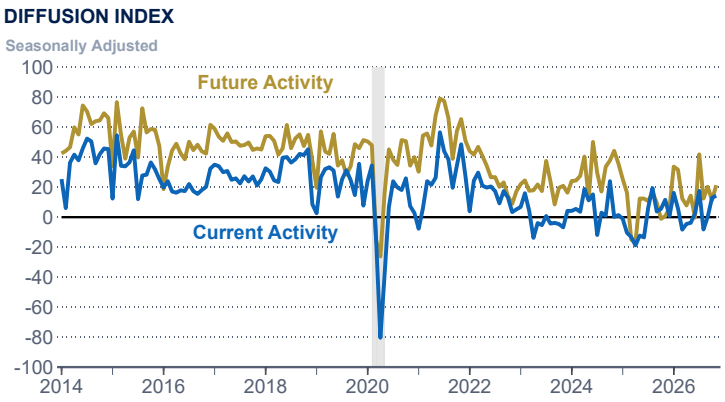
Current Indexes Are Mixed

The diffusion index for current general activity at the firm level ticked up 1 point to 14.3 in November, its third consecutive increase (see Chart 1). Nearly 35 percent of the firms reported increases, 20 percent reported decreases, and 41 percent reported no change in activity. The new orders index returned to negative territory, declining 3 points to -0.6. The sales/revenues index fell 9 points to 5.2, its lowest reading since May. More than 25 percent of the firms reported increases in sales/revenues (down from 41 percent last month) compared with 20 percent reporting decreases (down from 26 percent); 48 percent reported no change (up from 31 percent). The regional activity index rose 22 points to -1.5 after declining for three consecutive months.

Most Firms Report Steady Employment

The full-time employment index declined 9 points to 2.8 this month. Most firms (69 percent) reported steady full-time employment levels, while the share of firms reporting increases (15 percent) narrowly exceeded the share reporting decreases (13 percent). The part-time employment index rose 5 points to 6.1 this month.

Chart 1. Current and Future General Activity Indexes
January 2014 to November 2026



Notes: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease. Shaded areas indicate NBER recessions.

Firms Continue to Report Price Increases

The prices paid index remained well above its long-run average this month, rising 4 points to 45.8, its highest reading since February 2023 (see Chart 2). Nearly 48 percent of the respondents indicated higher input prices, 2 percent indicated lower input prices, and 35 percent reported no change. Regarding prices for the firms' own goods and services, the prices received index ticked up 1 point to 9.9. Almost 17 percent of the firms reported increases in prices received, 7 percent reported decreases, and 66 percent reported no change in prices received for their own goods and services.

More Than Half of the Firms Expect Near-Term Changes to Industry Costs

In this month's special questions, the firms were asked about changes in core customer price sensitivity and anticipated cost changes (see Special Questions on page 3). Almost 56 percent of the firms reported that their

Note: Survey responses were collected from November 9 to November 19.
The next *Nonmanufacturing Business Outlook Survey* will be released on December 22, 2026.

The 2026 Q4 Price and Inflation Expectations Survey will be released on Wednesday, November 25, 2026.

customers were more price sensitive compared with last quarter, while 44 percent reported customers' sensitivity was about the same. Nearly 59 percent of the firms anticipated changes in their industry's costs in the near term (unchanged from last quarter); of those, 68 percent expected their competitors to raise prices in response (up from 26 percent last quarter), none expected competitors to lower prices (down from 11 percent), and 26 percent expected competitors to hold prices steady (down from 58 percent). Regarding when these price changes will occur, the firms' median expectation was for competitors to change prices in the next three months, down from five months last quarter.

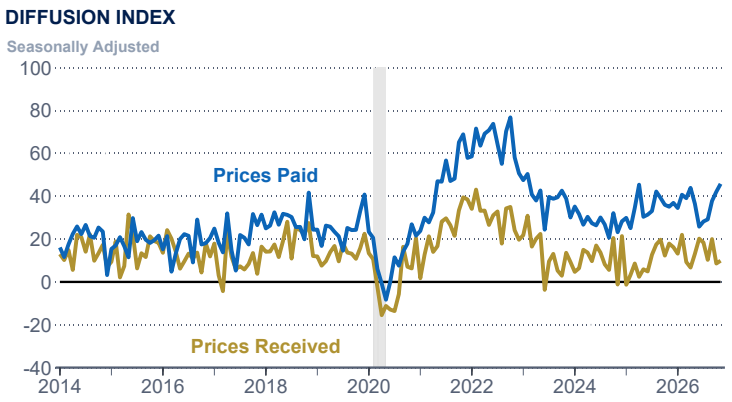
Firms Anticipate Growth

Expectations for growth over the next six months at the firm level were more widespread this month. The diffusion index for future general activity at the firm level rose 10 points to 21.3, more than offsetting the index's decline in October (see Chart 1). More than 41 percent of the firms expect an increase in activity at their firms over the next six months, 20 percent expect decreases, and 30 percent expect no change. The future regional activity index returned to positive territory, rising 22 points to 13.1.

Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest an expansion of overall activity among nonmanufacturing firms in the region. The indicator for firm-level general activity edged higher. The indexes for new orders and sales/revenues both decreased, and the former turned slightly negative while the latter remained positive. The full-time employment index declined but remained positive. Both price indexes continued to indicate increases in prices overall. The prices paid index rose from an already elevated reading, and the prices received index ticked up. Expectations for growth at the firm level and in the region over the next six months were more widespread this month. ■

Chart 2. Current Prices Paid and Prices Received Indexes
January 2014 to November 2026



Notes: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease. Shaded areas indicate NBER recessions.

NONMANUFACTURING BUSINESS OUTLOOK SURVEY November 2026	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?	-23.6	15.2	63.0	16.7	**-1.5**	-9.0	32.9	42.0	19.8	**13.1**
What is your assessment of general business activity for your firm?	12.9	34.5	40.6	20.2	**14.3**	11.3	41.3	30.3	20.0	**21.3**
Company Business Indicators										
New Orders	2.8	22.5	25.3	23.2	**-0.6**					
Sales or Revenues	14.6	25.3	47.8	20.1	**5.2**					
Unfilled Orders	-7.0	6.1	24.5	11.0	**-4.9**					
Inventories	-5.5	12.0	30.8	3.8	**8.2**					
Prices Paid	42.1	47.9	35.3	2.1	**45.8**					
Prices Received	8.6	16.6	66.2	6.7	**9.9**					
Number of Employees – Full-Time Permanent	12.0	15.4	69.1	12.6	**2.8**					
Number of Employees – Part-Time, Temporary, and Contract	1.3	11.4	71.1	5.3	**6.1**					
Average Employee Workweek	11.3	12.9	73.4	9.7	**3.2**					
Wage and Benefit Costs	48.5	46.7	53.0	0.0	**46.7**					
Capital Expenditures – Physical Plant	13.0	19.9	39.1	2.7	**17.2**					
Capital Expenditures – Equipment & Software	18.9	39.2	41.1	6.7	**32.4**					

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 November 19, 2026.

NBOS Special Questions

1. Since last quarter, have your core customers become more or less price sensitive?	
	Percent (%)
More sensitive	55.9
About the same	44.1
Less sensitive	0.0
Don't know	0.0

2. Over the near term (roughly the next six months or so), can you clearly anticipate any changes in your industry's costs?	
	Percent (%)
Yes	58.8
No	41.2
2a. How do you anticipate that your competitors will respond?*	
	Percent (%)
Raise prices	68.4
Hold prices steady	26.3
Lower prices	0.0
Don't know	5.3
*Only firms that responded "yes" to question 2 responded to question 2a.	
2b. How soon do you anticipate your competitors will change prices?**	
	Number of months
Median response	3.0
**Only firms that responded "raise prices" or "lower prices" to question 2a responded to question 2b.	