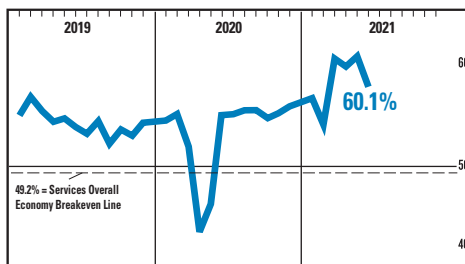


# SERVICES PMI® at 60.1%

In June, the Services PMI® registered 60.1 percent, a 3.9-percentage point decrease compared to the May figure of 64 percent. This reading indicates the services sector grew for the 13th consecutive month after two months of contraction and 122 months of growth before that. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates the services sector is generally contracting.



Economic activity in the services sector grew in June for the 13th month in a row, say the nation's purchasing and supply executives in the latest Services ISM® Report On Business®.

The Services PMI registered 60.1 percent. According to the Services PMI®, 16 services industries reported growth. The composite index indicated growth for the 13th consecutive month after a two-month contraction in April and May 2020. The rate of expansion in the services sector remains strong, despite the slight pullback in the rate of growth from the previous month's all-time high. Challenges with materials shortages, inflation, logistics and employment resources continue to be an impediment to business conditions.

The 16 services industries reporting growth in June — listed in order — are: Arts, Entertainment & Recreation; Other Services; Transportation & Warehousing; Wholesale Trade; Retail Trade; Management of Companies & Support Services; Accommodation & Food Services; Utilities; Mining; Construction; Health Care & Social Assistance; Public Administration; Information; Finance & Insurance; Educational Services; and Professional, Scientific & Technical Services. [ISM](#)

## Services at a Glance

INDEX	Jun Index	May Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	60.1	64.0	-3.9	Growing	Slower	13
Business Activity	60.4	66.2	-5.8	Growing	Slower	13
New Orders	62.1	63.9	-1.8	Growing	Slower	13
Employment	49.3	55.3	-6.0	Contracting	From Growing	1
Supplier Deliveries	68.5	70.4	-1.9	Slowing	Slower	25
Inventories	49.9	51.5	-1.6	Contracting	From Growing	1
Prices	79.5	80.6	-1.1	Increasing	Slower	49
Backlog of Orders	65.8	61.1	+4.7	Growing	Faster	6
New Export Orders	50.7	60.0	-9.3	Growing	Slower	5
Imports	58.2	50.4	+7.8	Growing	Faster	9
Inventory Sentiment	37.2	40.5	-3.3	Too Low	Faster	3
<b>Overall Economy</b>				<b>Growing</b>	<b>Slower</b>	<b>13</b>
<b>Services Sector</b>				<b>Growing</b>	<b>Slower</b>	<b>13</b>

\*Number of months moving in current direction.  
Services ISM® Report On Business® data is seasonally adjusted for the Business Activity, New Orders, Prices and Employment indexes.

## Commodities Reported

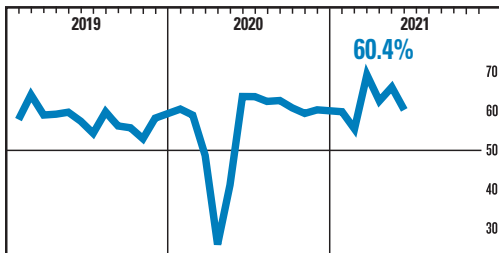
**Commodities Up in Price:** Beef (2); Chicken (2); Construction Materials (4); Copper Wire (3); Diesel (7); Electrical Components (5); Engineered Wood Products; Food (2); Freight (2); Fuel (6); Gasoline (7); Insulation; Labor (7); Labor — Temporary (6); Lobster Tails; Lodging; Lumber (6); Metal Products (2); Natural Gas; Oriented Strand Board (OSB) (7); Packaging Materials (2); Pallets (2); Paper; Personal Protective Equipment (PPE)\*; Plastic; Plastic Products (2); Polyvinyl Chloride (PVC) Products (10); Pork Products; Poultry; Stainless Steel Products; Steel (10); Steel Products (6); Tires; and Wood Pallets.

**Commodities Down in Price:** Exam Gloves; Gloves; Masks; Nitrile Gloves; and Personal Protective Equipment (PPE)\*.

**Note:** To view the full list, visit the ISM website at [ismworld.org](http://ismworld.org).

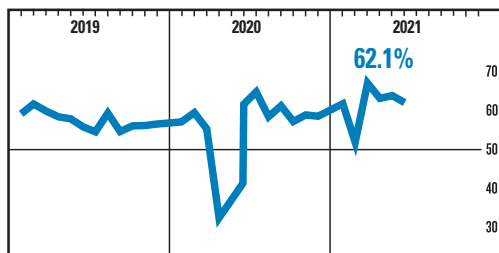
**Other Services** (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).

**Note:** The number of consecutive months the commodity is listed is indicated after each item.\*Reported as both up and down in price.



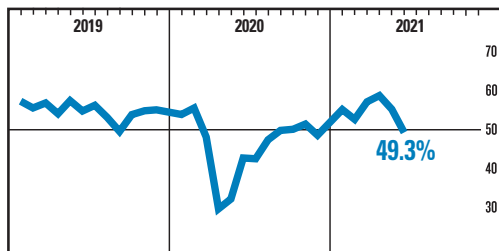
## Business Activity

ISM's Business Activity Index registered 60.4 percent. The 16 industries reporting an increase in business activity for the month of June — listed in order — are: Arts, Entertainment & Recreation; Other Services<sup>††</sup>; Management of Companies & Support Services; Utilities; Wholesale Trade; Transportation & Warehousing; Information; Retail Trade; Construction; Public Administration; Health Care & Social Assistance; Finance & Insurance; Accommodation & Food Services; Mining; Educational Services; and Professional, Scientific & Technical Services.



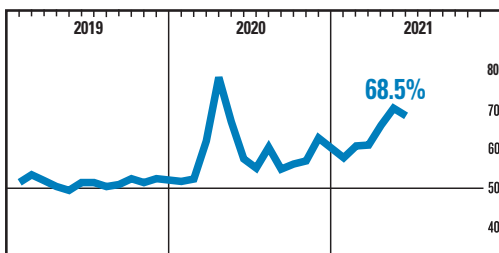
## New Orders

ISM's New Orders Index registered 62.1 percent. The 16 industries that reported growth of new orders in June — listed in order — are: Arts, Entertainment & Recreation; Management of Companies & Support Services; Transportation & Warehousing; Other Services<sup>††</sup>; Wholesale Trade; Retail Trade; Accommodation & Food Services; Mining; Utilities; Health Care & Social Assistance; Information; Finance & Insurance; Public Administration; Educational Services; Professional, Scientific & Technical Services; and Construction.



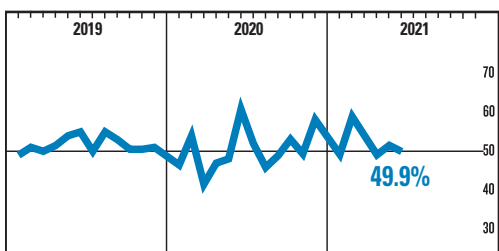
## Employment

ISM's Services Employment Index registered 49.3 percent. The 12 industries reporting an increase in employment in June — listed in order — are: Arts, Entertainment & Recreation; Retail Trade; Transportation & Warehousing; Other Services<sup>††</sup>; Utilities; Finance & Insurance; Mining; Public Administration; Wholesale Trade; Health Care & Social Assistance; Professional, Scientific & Technical Services; and Construction.



## Supplier Deliveries

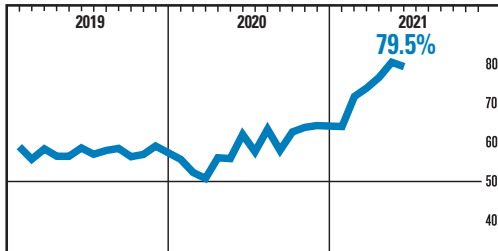
The Supplier Deliveries Index registered 68.5 percent. The 17 industries reporting slower deliveries in June — listed in order — are: Accommodation & Food Services; Wholesale Trade; Construction; Other Services<sup>††</sup>; Real Estate, Rental & Leasing; Educational Services; Retail Trade; Mining; Transportation & Warehousing; Utilities; Agriculture, Forestry, Fishing & Hunting; Management of Companies & Support Services; Health Care & Social Assistance; Public Administration; Professional, Scientific & Technical Services; Information; and Finance & Insurance.



## Inventories

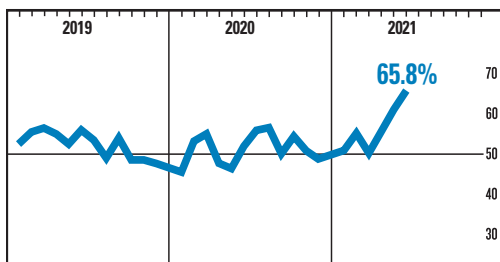
The Inventories Index contracted in June after growing in May. The reading of 49.9 percent was a 1.6-percentage point decrease from the 51.5 percent reported in May. The five industries reporting an increase in inventories in June are: Arts, Entertainment & Recreation; Wholesale Trade; Utilities; Transportation & Warehousing; and Professional, Scientific & Technical Services.

<sup>††</sup>Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).



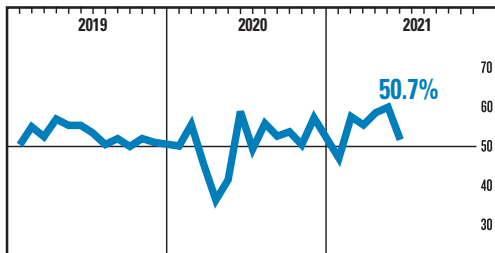
## Prices

Prices paid by service organizations for materials and services increased in June, with the index registering 79.5 percent. The 17 services industries that reported an increase in prices paid during the month of June — listed in order — are: Arts, Entertainment & Recreation; Real Estate, Rental & Leasing; Construction; Accommodation & Food Services; Wholesale Trade; Utilities; Transportation & Warehousing; Mining; Educational Services; Finance & Insurance; Management of Companies & Support Services; Retail Trade; Information; Other Services<sup>†</sup>; Public Administration; Professional, Scientific & Technical Services; and Health Care & Social Assistance.



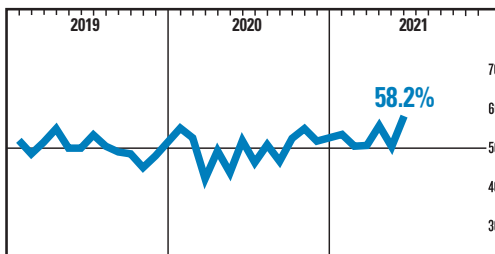
## Backlog of Orders

The ISM Services Backlog of Orders Index registered 65.8 percent. The 14 industries reporting an increase in order backlogs in June — listed in order — are: Accommodation & Food Services; Transportation & Warehousing; Other Services<sup>†</sup>; Retail Trade; Real Estate, Rental & Leasing; Wholesale Trade; Finance & Insurance; Management of Companies & Support Services; Health Care & Social Assistance; Public Administration; Utilities; Information; Professional, Scientific & Technical Services; and Educational Services.



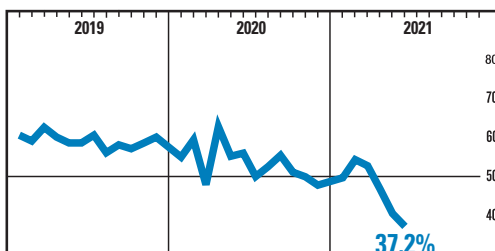
## New Export Orders

The New Export Orders Index registered 50.7 percent. The six industries reporting an increase in new export orders in June — listed in order — are: Construction; Wholesale Trade; Retail Trade; Finance & Insurance; Information; and Professional, Scientific & Technical Services.



## Imports

The Imports Index grew at a faster rate in June, as it registered 58.2 percent. The seven industries reporting an increase in imports for the month of June — listed in order — are: Retail Trade; Other Services<sup>†</sup>; Real Estate, Rental & Leasing; Agriculture, Forestry, Fishing & Hunting; Educational Services; Wholesale Trade; and Information.



## Inventory Sentiment

The ISM Services Inventory Sentiment Index contracted in June for the third consecutive month, registering 37.2 percent. The four industries reporting sentiment that their inventories were too high in June are Finance & Insurance; Utilities; Health Care & Social Assistance; and Construction.

<sup>†</sup>Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).