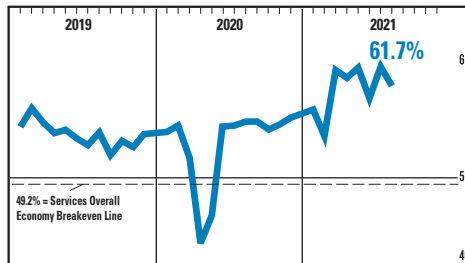


# SERVICES PMI® at 61.7%

In August, the Services PMI® registered 61.7 percent, a 2.4-percentage point decrease compared to the July figure of 64.1 percent, the composite index's highest reading since its debut in 2008. This reading indicates the services sector grew for the 15th consecutive month after two months of contraction and 122 months of growth before that.



Economic activity in the services sector grew in August for the 15th month in a row, say the nation's purchasing and supply executives in the latest Services ISM® Report On Business®.

The Services PMI® registered 61.7 percent. The August reading indicates the 15th straight month of growth for the services sector, which has expanded for all but two of the last 139 months. There was a pull-back in the rate of expansion in the month of August; however, growth remains strong for the services sector. The tight labor market, materials shortages, inflation and logistics issues continue to cause capacity constraints. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates the services sector is generally contracting. The past relationship between the Services PMI® and the overall economy indicates that the Services PMI® for August (61.7 percent) corresponds to a 4.4-percent increase in real gross domestic product (GDP) on an annualized basis.

The 17 services industries reporting growth in August — listed in order — are: Accommodation & Food Services; Retail Trade; Construction; Educational Services; Information; Mining; Other Services; Utilities; Public Administration; Transportation & Warehousing; Health Care & Social Assistance; Wholesale Trade; Management of Companies & Support Services; Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Real Estate, Rental & Leasing; and Professional, Scientific & Technical Services. **ISM**

**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).

## Services at a Glance

| INDEX                  | Aug Index | Jul Index | % Point Change | Direction      | Rate of Change | Trend* (months) |
|------------------------|-----------|-----------|----------------|----------------|----------------|-----------------|
| Services PMI®          | 61.7      | 64.1      | -2.4           | Growing        | Slower         | 15              |
| Business Activity      | 60.1      | 67.0      | -6.9           | Growing        | Slower         | 15              |
| New Orders             | 63.2      | 63.7      | -0.5           | Growing        | Slower         | 15              |
| Employment             | 53.7      | 53.8      | -0.1           | Growing        | Slower         | 2               |
| Supplier Deliveries    | 69.6      | 72.0      | -2.4           | Slowing        | Slower         | 27              |
| Inventories            | 46.9      | 49.2      | -2.3           | Contracting    | Faster         | 3               |
| Prices                 | 75.4      | 82.3      | -6.9           | Increasing     | Slower         | 51              |
| Backlog of Orders      | 61.3      | 63.5      | -2.2           | Growing        | Slower         | 8               |
| New Export Orders      | 60.6      | 65.8      | -5.2           | Growing        | Slower         | 7               |
| Imports                | 48.7      | 51.6      | -2.9           | Contracting    | From Growing   | 1               |
| Inventory Sentiment    | 41.4      | 40.3      | +1.1           | Too Low        | Slower         | 5               |
| <b>Overall Economy</b> |           |           |                | <b>Growing</b> | <b>Slower</b>  | <b>15</b>       |
| <b>Services Sector</b> |           |           |                | <b>Growing</b> | <b>Slower</b>  | <b>15</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.

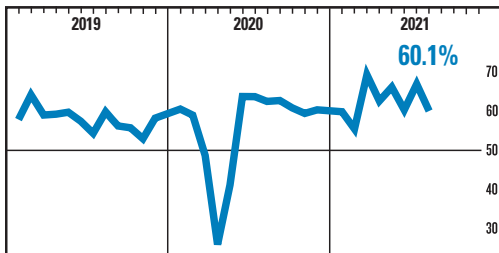
## Commodities Reported

**Commodities Up in Price:** Aluminum (2); Computer Hardware; Construction Contractors (2); Construction Materials; Copper Products (2); Diesel (9); Electrical Components (7); Fiber-Optic Cable (2); Freight (4); Freight — Less-Than-Truckload (LTL); Food and Beverages; Fuel (8); Gasoline (9); Labor (9); Labor — Construction; Labor — Temporary (8); Labor Benefits; Machinery Components; Metal Products (4); Packaging Materials (4); Pallets; Paper Products; Plastic Products; Plumbing Products (2); Polyvinyl Chloride (PVC) Conduit; Polyvinyl Chloride (PVC) Pipe and Fittings; Resin-Based Products (2); Steel (12); Steel — Hot Rolled; Steel — Stainless; Steel Products (8); Transportation Rates (2); and Wire and Cable.

**Commodities Down in Price:** Lumber (2).

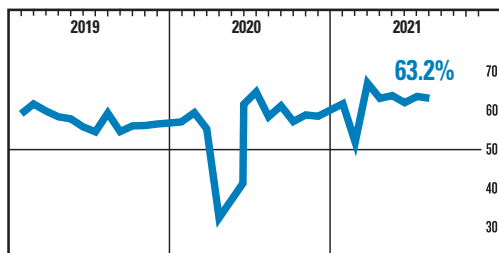
**Note:** To view the full list, visit the ISM website at [ismworld.org](http://ismworld.org).

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



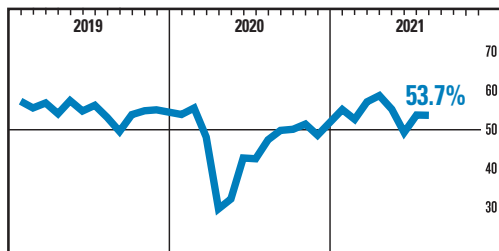
## Business Activity

ISM's Business Activity Index registered 60.1 percent. The 15 industries reporting an increase in business activity for the month of August — listed in order — are: Public Administration; Accommodation & Food Services; Educational Services; Other Services<sup>†\*</sup>; Retail Trade; Health Care & Social Assistance; Utilities; Construction; Information; Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Transportation & Warehousing; Mining; Wholesale Trade; and Professional, Scientific & Technical Services.



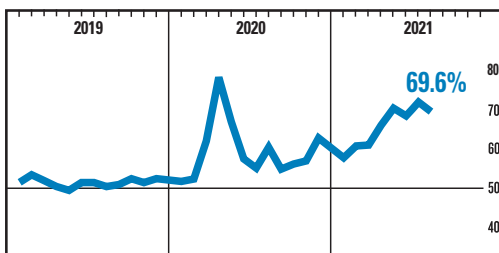
## New Orders

ISM's New Orders Index registered 63.2 percent. The 13 industries that reported growth of new orders in August — listed in order — are: Information; Accommodation & Food Services; Retail Trade; Educational Services; Construction; Other Services<sup>†\*</sup>; Mining; Health Care & Social Assistance; Finance & Insurance; Public Administration; Utilities; Transportation & Warehousing; and Professional, Scientific & Technical Services.



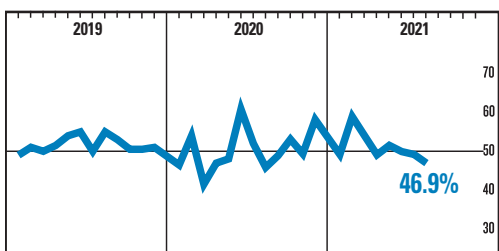
## Employment

ISM's Services Employment Index registered 53.7 percent. The nine industries reporting an increase in employment in August — listed in order — are: Arts, Entertainment & Recreation; Educational Services; Real Estate, Rental & Leasing; Retail Trade; Transportation & Warehousing; Utilities; Wholesale Trade; Construction; and Professional, Scientific & Technical Services.



## Supplier Deliveries

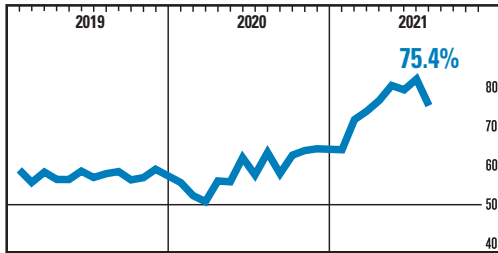
The Supplier Deliveries Index registered 69.6 percent. The 17 industries reporting slower deliveries in August — listed in order — are: Accommodation & Food Services; Mining; Real Estate, Rental & Leasing; Construction; Management of Companies & Support Services; Agriculture, Forestry, Fishing & Hunting; Other Services; Information; Public Administration; Utilities; Wholesale Trade; Retail Trade; Transportation & Warehousing; Educational Services; Health Care & Social Assistance; Professional, Scientific & Technical Services; and Finance & Insurance.



## Inventories

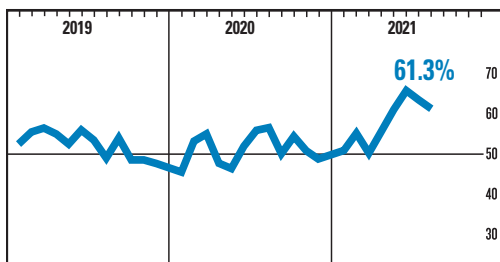
The Inventories Index registered 46.9 percent. The seven industries reporting an increase in inventories in August — listed in order — are: Arts, Entertainment & Recreation; Accommodation & Food Services; Other Services<sup>†\*</sup>; Health Care & Social Assistance; Construction; Wholesale Trade; and Utilities.

<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).



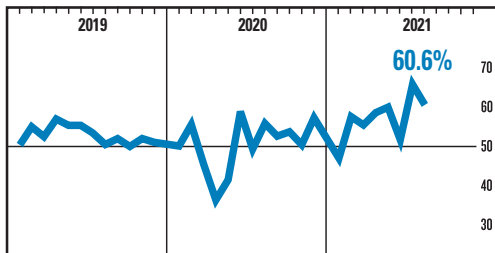
## Prices

Prices paid by services organizations for materials and services increased in August registered 75.4 percent. All 18 services industries reported an increase in prices paid during the month of August, listed in order: Retail Trade; Management of Companies & Support Services; Wholesale Trade; Utilities; Construction; Mining; Public Administration; Information; Educational Services; Agriculture, Forestry, Fishing & Hunting; Other Services<sup>†\*</sup>; Accommodation & Food Services; Professional, Scientific & Technical Services; Transportation & Warehousing; Health Care & Social Assistance; Arts, Entertainment & Recreation; Real Estate, Rental & Leasing; and Finance & Insurance.



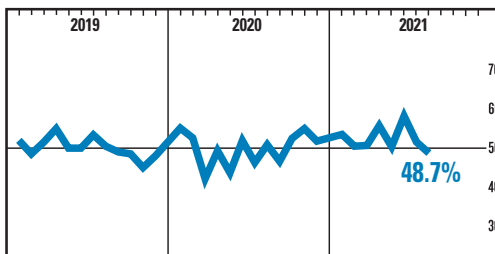
## Backlog of Orders

The ISM Services Backlog of Orders Index registered 61.3 percent. The 12 industries reporting an increase in order backlogs in August — listed in order — are: Other Services<sup>†\*</sup>; Transportation & Warehousing; Retail Trade; Public Administration; Information; Educational Services; Wholesale Trade; Accommodation & Food Services; Health Care & Social Assistance; Utilities; Construction; and Professional, Scientific & Technical Services. The three industries that reported a decrease in backlogs in August are Arts, Entertainment & Recreation; Management of Companies & Support Services; and Mining.



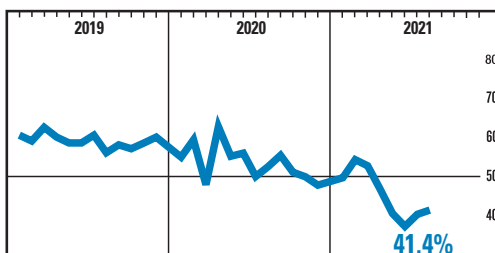
## New Export Orders

The New Export Orders Index registered 60.6 percent. The 10 industries reporting an increase in new export orders in August — listed in order — are: Accommodation & Food Services; Information; Real Estate, Rental & Leasing; Utilities; Construction; Finance & Insurance; Retail Trade; Wholesale Trade; Professional, Scientific & Technical Services; and Transportation & Warehousing.



## Imports

The Imports Index contracted in August, as it registered 48.7 percent. The four industries reporting an increase in imports for the month of August are: Transportation & Warehousing; Real Estate, Rental & Leasing; Wholesale Trade; and Construction.



## Inventory Sentiment

The ISM Services Inventory Sentiment Index contracted in August for the fifth consecutive month, registering 41.4 percent. The seven industries reporting sentiment that their inventories were too high in August — listed in order — are: Arts, Entertainment & Recreation; Finance & Insurance; Accommodation & Food Services; Mining; Utilities; Information; and Health Care & Social Assistance.

<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).