INSTITUTE FOR SUPPLY MANAGEMENT®

ISM® Manufacturing PMI® Report

AUGUST 2026

Analysis by
Susan Spence, MBA
Chair of the Institute for Supply Management®
Manufacturing Business Survey Committee

MANUFACTURING PMI® at 54.6%

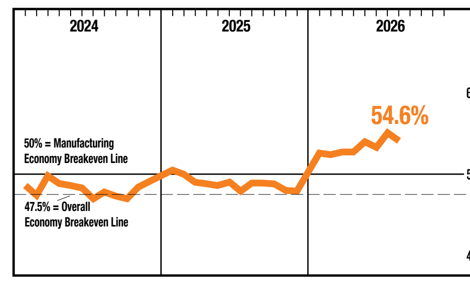
Economic activity in the manufacturing sector expanded in August for the eighth consecutive month, say the nation's supply executives in the latest ISM® *Manufacturing PMI® Report*.

The Manufacturing PMI® registered 54.6 percent. The overall economy continued in expansion for the 22nd month in a row. (A Manufacturing PMI® above 47.5 percent, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index expanded for the eighth consecutive month after four straight readings in contraction, registering 53.7 percent, down 3 percentage points compared to July's figure of 56.7 percent. The August reading of the Production Index (58.3 percent) is 0.2 percentage point lower than the 58.5 percent recorded in July. The Prices Index remained in expansion (or "increasing" territory), registering 71.1 percent, the same reading as July. The Backlog of Orders Index registered 51.8 percent, down 3.2 percentage points compared to the 55 percent recorded in July. The Employment Index reading of 51.2 percent is down 1.6 percentage points from July's figure of 52.8 percent.

The 15 manufacturing industries reporting growth in August — listed in order — are: Primary Metals; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing‡; Textile Mills; Furniture & Related Products; Nonmetallic Mineral Products; Paper Products; Transportation Equipment; Fabricated Metal Products; Petroleum & Coal Products; Printing & Related Support Activities; Computer & Electronic Products; Plastics & Rubber Products; Machinery; and Food, Beverage & Tobacco Products. ISM

*‡**Miscellaneous Manufacturing** (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).*

The U.S. manufacturing sector expanded in August for the eighth straight month following a 10-month period of contraction, registering 54.6 percent, a decrease of 1 percentage point compared to July. Of the five subindexes that directly factor into the Manufacturing PMI® — the New Orders, Production, Employment, Supplier Deliveries and Inventories indexes — all were in expansion territory, the same as in July.



Manufacturing at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	54.6	55.6	-1.0	Growing	Slower	8
New Orders	53.7	56.7	-3.0	Growing	Slower	8
Production	58.3	58.5	-0.2	Growing	Slower	10
Employment	51.2	52.8	-1.6	Growing	Slower	2
Supplier Deliveries	59.3	58.9	+0.4	Slowing	Faster	9
Inventories	50.6	51.2	-0.6	Growing	Slower	3
Customers' Inventories	42.8	40.7	+2.1	Too Low	Slower	23
Prices	71.1	71.1	0	Increasing	Same	23
Backlog of Orders	51.8	55.0	-3.2	Growing	Slower	8
New Export Orders	53.2	53.0	+0.2	Growing	Faster	2
Imports	52.5	55.7	-3.2	Growing	Slower	7
Overall Economy				**Growing**	**Slower**	**22**
Manufacturing Sector				**Growing**	**Slower**	**8**

*Number of months moving in current direction. ISM® *Manufacturing PMI® Report* data have been seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.

Commodities Reported

Commodities Up in Price: Aluminum* (33); Chemicals; Copper (14); Copper Products; Corrugated Products (5); Diesel Fuel; Electrical Components (3); Electronic Components (8); Freight (6); Fuel (6); Memory Components (6); Metal Products (5); Oil Based Products (5); Plastic Based Products (5); Printed Circuit Boards (2); Resin Based Products (2); Resins (7); Semiconductors (3); Steel (10); Steel — Cold Rolled (2); Steel — Hot Rolled (8); Steel — Stainless (7); Steel Products (9); and Wire.

Commodities Down in Price: Aluminum*(3); and Solvents.

Commodities in Short Supply: Copper (2); Electrical Components (14); Electronic Components (18); Labor; Memory (8); Printed Circuit Boards (2); Steel (2); and Tungsten Products (2).

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Note: To view the full report, visit the ISM® PMI® Reports website at ismrob.org.
*The number of consecutive months the commodity is listed is indicated after each item. *Indicates both up and down in price.*

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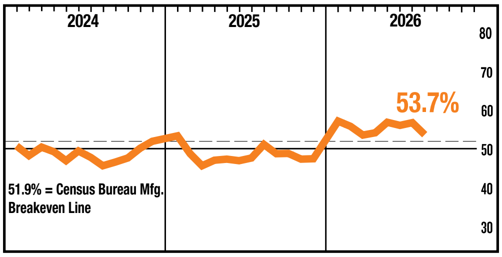
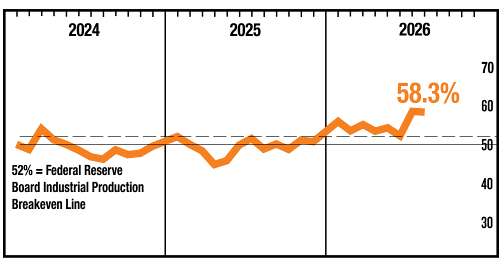


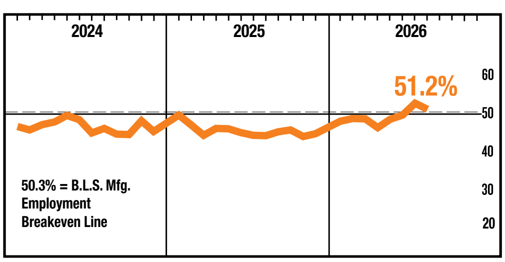
New Orders

ISM's New Orders Index registered 53.7 percent. The 11 manufacturing industries that reported growth in new orders in August, in order, are: Textile Mills; Miscellaneous Manufacturing‡; Primary Metals; Furniture & Related Products; Nonmetallic Mineral Products; Computer & Electronic Products; Machinery; Electrical Equipment, Appliances & Components; Transportation Equipment; Fabricated Metal Products; and Plastics & Rubber Products.



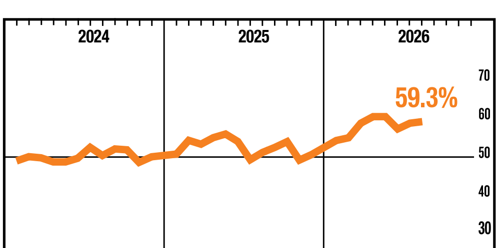
Production

The Production Index registered 58.3 percent. The 12 industries reporting growth in production during the month of August — listed in order — are: Petroleum & Coal Products; Primary Metals; Miscellaneous Manufacturing‡; Textile Mills; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Furniture & Related Products; Transportation Equipment; Paper Products; Machinery; Chemical Products; and Fabricated Metal Products.



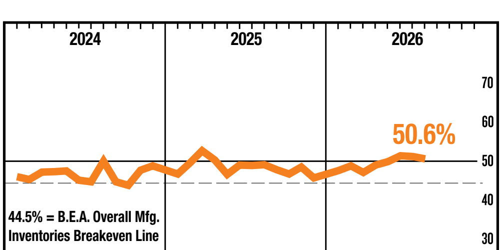
Employment

ISM's Employment Index registered 51.2 percent. Of the 18 manufacturing industries, seven reported employment growth in August, in the following order: Printing & Related Support Activities; Primary Metals; Electrical Equipment, Appliances & Components; Paper Products; Miscellaneous Manufacturing‡; Transportation Equipment; and Fabricated Metal Products.



Supplier Deliveries

The Supplier Deliveries Index registered 59.3 percent. The 14 manufacturing industries reporting slower supplier deliveries in August, in order, are: Nonmetallic Mineral Products; Computer & Electronic Products; Textile Mills; Wood Products; Plastics & Rubber Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Primary Metals; Machinery; Fabricated Metal Products; Paper Products; Miscellaneous Manufacturing‡; Chemical Products; and Transportation Equipment.



Inventories

The Inventories Index registered 50.6 percent. Of 18 manufacturing industries, the seven reporting higher inventories in August — in the following order — are: Textile Mills; Furniture & Related Products; Transportation Equipment; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Primary Metals; and Computer & Electronic Products.

‡Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

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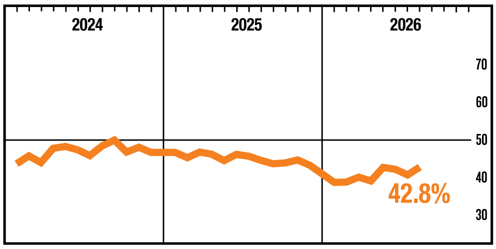
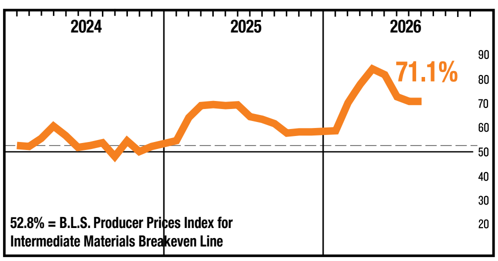


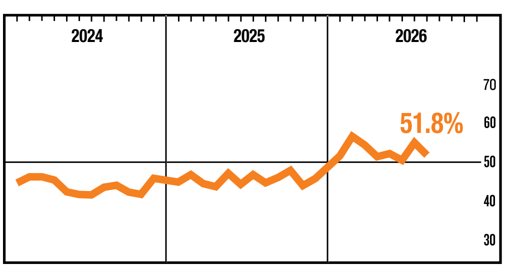
Customers' Inventories

ISM's Customers' Inventories Index registered 42.8 percent. The two industries that reported that customers' inventories were too high in August are: Wood Products; and Miscellaneous Manufacturing‡.



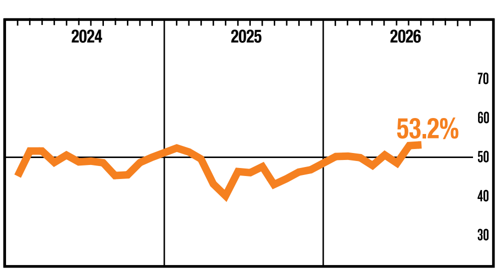
Prices

The ISM Prices Index registered 71.1 percent. In August, the 15 industries that reported paying increased prices for raw materials, in order, are: Textile Mills; Wood Products; Primary Metals; Furniture & Related Products; Fabricated Metal Products; Paper Products; Electrical Equipment, Appliances & Components; Miscellaneous Manufacturing‡; Machinery; Transportation Equipment; Computer & Electronic Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Food, Beverage & Tobacco Products; and Chemical Products.



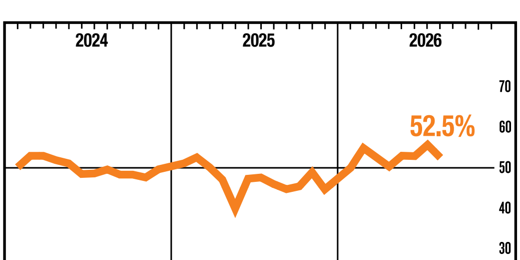
Backlog of Orders

ISM's Backlog of Orders Index registered 51.8 percent. The 11 industries reporting higher backlogs in August — listed in order — are: Textile Mills; Miscellaneous Manufacturing‡; Furniture & Related Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Nonmetallic Mineral Products; Primary Metals; Plastics & Rubber Products; Computer & Electronic Products; Transportation Equipment; and Machinery.



New Export Orders

ISM's New Export Orders Index registered 53.2 percent. Of the 18 manufacturing industries, the nine that reported growth in new export orders in August — listed in order — are: Furniture & Related Products; Paper Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing‡; Primary Metals; Transportation Equipment; Food, Beverage & Tobacco Products; Chemical Products; and Computer & Electronic Products.



Imports

ISM's Imports Index registered 52.5 percent. The seven industries reporting higher imports in August — in the following order — are: Textile Mills; Transportation Equipment; Electrical Equipment, Appliances & Components; Plastics & Rubber Products; Machinery; Food, Beverage & Tobacco Products; and Chemical Products.

‡Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies).

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **ISM®** ***Manufacturing PMI® Report*** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Panel is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Computer & Electronic Products; Machinery; and Petroleum & Coal Products.

The **ISM®** ***Services PMI® Report*** (formerly the Non-Manufacturing ISM® *Report On Business®*) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Panel (formerly Non-Manufacturing Business Survey Committee) is diversified by the North American Industry Classification System (NAICS), based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Panel responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and 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). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest services sectors are: Real Estate, Rental & Leasing; Public Administration; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing PMI® above 47.5 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 47.5 percent, it is generally declining. The distance from 50 percent or 47.5 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 48.1 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.1 percent, it is generally declining. The distance from 50 percent or 48.1 percent is indicative of the strength of the expansion or decline. With some of the indicators within the ISM® Manufacturing PMI® Report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The ISM® *PMI® Report* surveys are sent out to Manufacturing and Services Business Survey Panel respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

About Institute for Supply Management® (ISM®)

ISM is the world's first professional association for supply chain — founded in 1915, before the term 'supply chain' was widely used. We didn't enter this profession. We helped shape it. Today, we're a community of 200,000-plus professionals in more than 100 countries — early-career practitioners building credentials, experienced leaders seeking strategic insight, and organizations developing their procurement teams that drive their business forward. What connects us is a shared belief that supply chain is strategic work that deserves world-class support. For more information, please visit: www.ismworld.org.