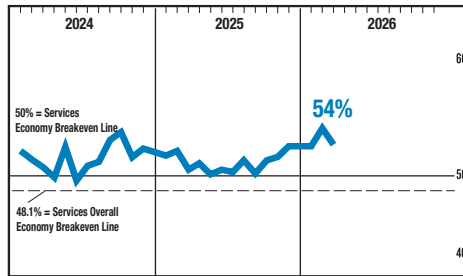


# SERVICES PMI® at 54%

In March, the Services PMI® registered 54 percent, 1.7 percentage points above its 12-month moving average. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting. A Services PMI® above 48.1 percent, over time, generally indicates an expansion of the overall economy. Therefore, the March Services PMI® indicates the overall economy is expanding for the 70th straight month.



Economic activity in the services sector continued to expand in March, say the nation's purchasing and supply executives in the latest ISM® Services PMI® Report.

The Services PMI® registered 54 percent, the 21st consecutive month in expansion territory. The Business Activity Index remained in expansion territory in March but dropped from February's reading of 59.9 percent to 53.9 percent, its lowest reading since September 2025 (50.2 percent). The New Orders Index registered 60.6 percent, 2 percentage points above February's figure of 58.6 percent and its highest level since February 2023 (61 percent). The Employment Index contracted for the first time in four months with a reading of 45.2 percent, a 6.6-percentage point decrease from the 51.8 percent recorded in February. The Prices Index registered 70.7 percent in March, a 7.7-percentage point increase over February's figure of 63 percent and its highest reading since October 2022 (70.7 percent). The index has exceeded 60 percent for 16 straight months but is only 3.5 percentage points above its 12-month average of 67.2 percent.

The 13 services industries reporting growth in March — listed in order — are: Wholesale Trade; Management of Companies & Support Services; Finance & Insurance; Accommodation & Food Services; Transportation & Warehousing; Educational Services; Mining; Construction; Utilities; Other Services<sup>‡</sup>; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; and Information. **ISM**

<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).

## Services at a Glance

| INDEX                  | Mar Index | Feb Index | % Point Change | Direction      | Rate of Change | Trend* (months) |
|------------------------|-----------|-----------|----------------|----------------|----------------|-----------------|
| Services PMI®          | 54.0      | 56.1      | -2.1           | Growing        | Slower         | 21              |
| Business Activity      | 53.9      | 59.9      | -6.0           | Growing        | Slower         | 21              |
| New Orders             | 60.6      | 58.6      | +2.0           | Growing        | Faster         | 10              |
| Employment             | 45.2      | 51.8      | -6.6           | Contracting    | From Growing   | 1               |
| Supplier Deliveries    | 56.2      | 53.9      | +2.3           | Slowing        | Faster         | 16              |
| Inventories            | 54.8      | 56.4      | -1.6           | Growing        | Slower         | 2               |
| Prices                 | 70.7      | 63.0      | +7.7           | Increasing     | Faster         | 106             |
| Backlog of Orders      | 53.6      | 55.9      | -2.3           | Growing        | Slower         | 2               |
| New Export Orders      | 50.7      | 57.2      | -6.5           | Growing        | Slower         | 2               |
| Imports                | 55.2      | 51.8      | +3.4           | Growing        | Faster         | 2               |
| Inventory Sentiment    | 55.3      | 55.3      | -1.0           | Too High       | Slower         | 35              |
| <b>Overall Economy</b> |           |           |                | <b>Growing</b> | <b>Slower</b>  | <b>70</b>       |
| <b>Services Sector</b> |           |           |                | <b>Growing</b> | <b>Slower</b>  | <b>21</b>       |

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

## Commodities Reported

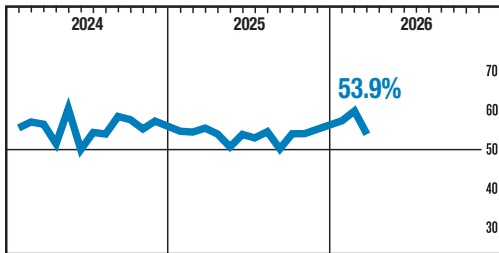
**Commodities Up in Price:** Aluminum; Asphalt Shingles; Beef; Computers (2); Copper (4); Diesel; Electrical Equipment; Energy; Food Products; Fuel (2); Gasoline (2); Labor (8); Lumber (3); Memory Products (3); Oil and Related Products; Paper; Servers; Software — Licensing (2); Steel; and Transportation.

**Commodities Down in Price:** None.

**Commodities in Short Supply:** Electronic Components (2); High Voltage Equipment (2); IV Equipment; Labor — Skilled; Memory Components (3); Travel; and Wire and Cable.

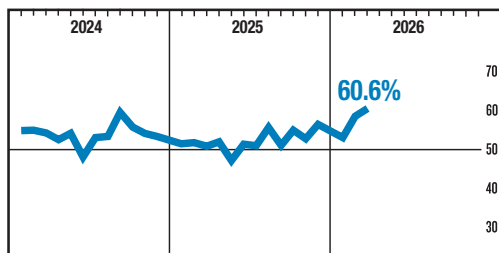
**Note:** To view the full report, visit the ISM® PMI® Reports website at [ismrob.org](http://ismrob.org)

\*The number of consecutive months the commodity has been listed is indicated after each item.



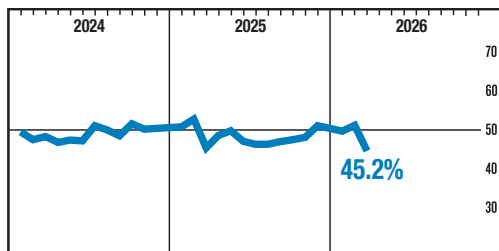
## Business Activity

ISM's Business Activity Index registered 53.9 percent. The 11 industries reporting an increase in business activity for the month of March — listed in order — are: Transportation & Warehousing; Wholesale Trade; Educational Services; Management of Companies & Support Services; Finance & Insurance; Accommodation & Food Services; Other Services<sup>††</sup>; Information; Utilities; Professional, Scientific & Technical Services; and Construction.



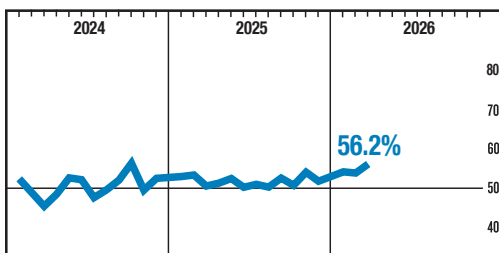
## New Orders

ISM's New Orders Index registered 60.6 percent. The 14 industries reporting an increase in new orders for the month of March — listed in order — are: Real Estate, Rental & Leasing; Wholesale Trade; Management of Companies & Support Services; Transportation & Warehousing; Finance & Insurance; Educational Services; Accommodation & Food Services; Other Services<sup>††</sup>; Professional, Scientific & Technical Services; Information; Utilities; Construction; Public Administration; and Health Care & Social Assistance.



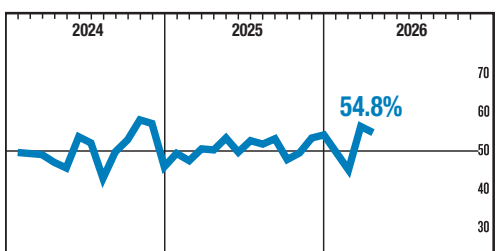
## Employment

The Employment Index registered 45.2 percent. The five industries reporting an increase in employment in March are: Wholesale Trade; Management of Companies & Support Services; Finance & Insurance; Utilities; and Construction.



## Supplier Deliveries

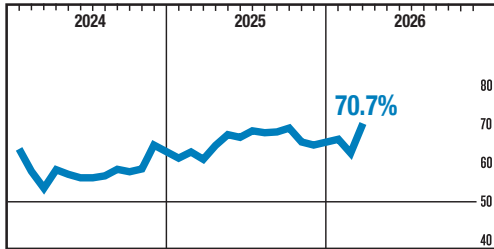
In March, the Supplier Deliveries Index registered 56.2 percent. The 11 industries reporting slower deliveries in March — in the following order — are: Mining; Accommodation & Food Services; Wholesale Trade; Construction; Information; Real Estate, Rental & Leasing; Transportation & Warehousing; Finance & Insurance; Professional, Scientific & Technical Services; Utilities; and Health Care & Social Assistance.



## Inventories

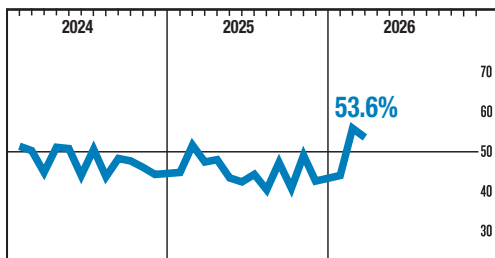
The Inventories Index registered 54.8 percent. The 11 industries reporting an increase in inventories in March — in the following order — are: Accommodation & Food Services; Mining; Real Estate, Rental & Leasing; Management of Companies & Support Services; Other Services<sup>††</sup>; Professional, Scientific & Technical Services; Transportation & Warehousing; Utilities; Wholesale Trade; Health Care & Social Assistance; and Public Administration.

<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).



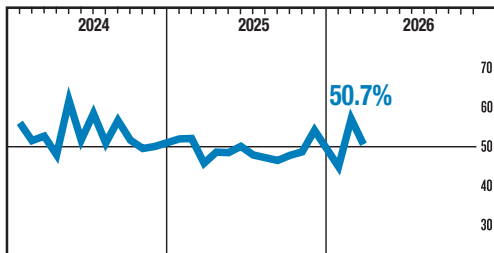
## Prices

The Prices Index registered 70.7 percent. Seventeen industries reported an increase in prices paid during the month of March, in the following order: Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Construction; Information; Public Administration; Management of Companies & Support Services; Wholesale Trade; Professional, Scientific & Technical Services; Finance & Insurance; Accommodation & Food Services; Real Estate, Rental & Leasing; Retail Trade; Educational Services; Utilities; Arts, Entertainment & Recreation; Health Care & Social Assistance; and Other Services<sup>‡</sup>.



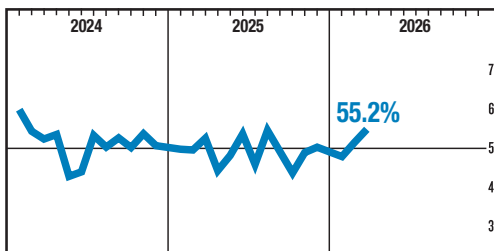
## Backlog of Orders

The ISM Services Backlog of Orders Index registered 53.6 percent. The 10 industries reporting an increase in order backlogs in March — listed in order — are: Accommodation & Food Services; Arts, Entertainment & Recreation; Agriculture, Forestry, Fishing & Hunting; Other Services<sup>‡</sup>; Professional, Scientific & Technical Services; Information; Health Care & Social Assistance; Wholesale Trade; Transportation & Warehousing; and Finance & Insurance.



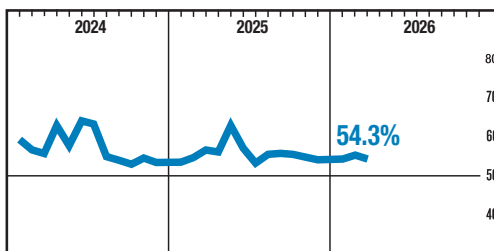
## New Export Orders

The New Export Orders Index registered 50.7 percent. The three industries reporting an increase in new export orders in March are: Information; Utilities; and Professional, Scientific & Technical Services.



## Imports

The Imports Index registered 55.2 percent. The seven industries reporting an increase in imports for the month of March, in order, are: Agriculture, Forestry, Fishing & Hunting; Management of Companies & Support Services; Information; Professional, Scientific & Technical Services; Retail Trade; Transportation & Warehousing; and Wholesale Trade.



## Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 54.3 percent. The 10 industries reporting sentiment that their inventories were too high in March — listed in order — are: Retail Trade; Accommodation & Food Services; Other Services<sup>‡</sup>; Educational Services; Wholesale Trade; Utilities; Construction; Public Administration; Health Care & Social Assistance; 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).

## 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.

## ISM PMI® Content

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Institute for Supply Management® (ISM®) is the first and leading not-for-profit professional supply management organization worldwide. Its community of more than 50,000 in more than 100 countries around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 by practitioners, ISM is committed to advancing the strategy and practice of integrated, end-to-end supply chain management through leading edge data-driven resources, community, and education to empower individuals, create organizational value and to drive competitive advantage. ISM's vision is to foster a prosperous, sustainable world. ISM empowers and leads the profession through the ISM® *PMI® Reports* (formerly *Report On Business*®), its highly-regarded certification and training programs, corporate services, events and assessments. The ISM® *PMI® Reports* — Manufacturing and Services — are two of the most reliable economic indicators available, providing guidance to supply management professionals, economists, analysts, and government and business leaders. For more information, please visit: [www.ismworld.org](http://www.ismworld.org).