The Virginia Tech–USDA Forest Service Housing Commentary: Section II
April 2024

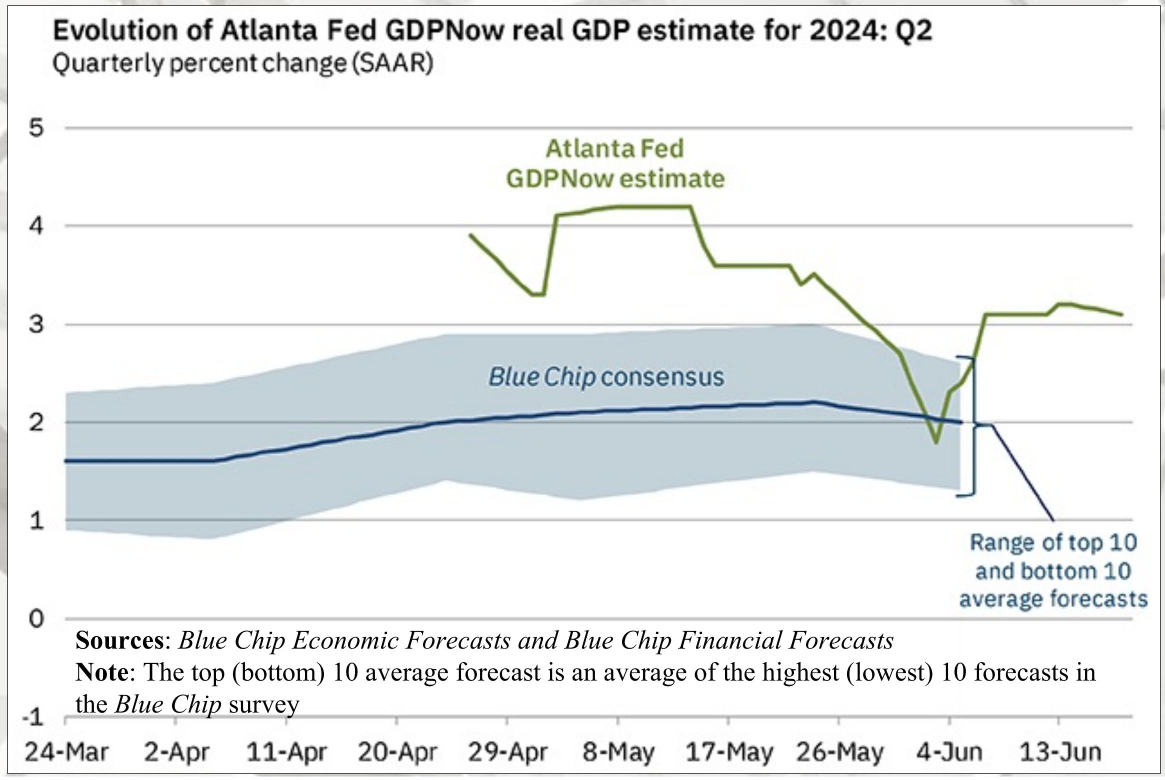
Delton Alderman
Acting Program Manager
Forest Products Business Unit
Forest Products Laboratory
USDA Forest Service
Madison, WI
608.259.6076
delton.r.alderman@usda.gov

Urs Buehlmann
Department of Sustainable Biomaterials
College of Natural Resources & Environment
Virginia Tech
Blacksburg, VA
540.231.9759
buehlmann@gmail.com

2023 Virginia Polytechnic Institute and State University VCE-ANR

Table of Contents

U.S. Economic Indicators



Atlanta Fed GDPNow™

Latest estimate: 3.1 percent — June 18, 2024

"The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2024 is **3.1 percent** on June 18, unchanged from June 7 after rounding. After recent releases from the US Department of the Treasury's Bureau of the Fiscal Service, the US Census Bureau, the US Bureau of Labor Statistics, and the Federal Reserve Board of Governors, a decrease in the nowcast of second-quarter real personal consumption expenditures growth from 2.8 percent to 2.5 percent was offset by increases in the nowcasts of second-quarter real gross private domestic investment growth and second-quarter real government spending growth from 7.7 percent and 2.4 percent, respectively, to 8.8 percent and 2.5 percent, while the nowcast of the contribution of the change in real net exports to second-quarter real GDP growth increased from 0.68 percentage points to 0.75 percentage points." – Pat Higgins, Economist, Federal Reserve Bank of Atlanta

Source: https://www.frbatlanta.org/cqer/research/gdpnow.aspx; 6/18/24

Return to TOC

The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)

Survey Suggests Little Change in Growth in May

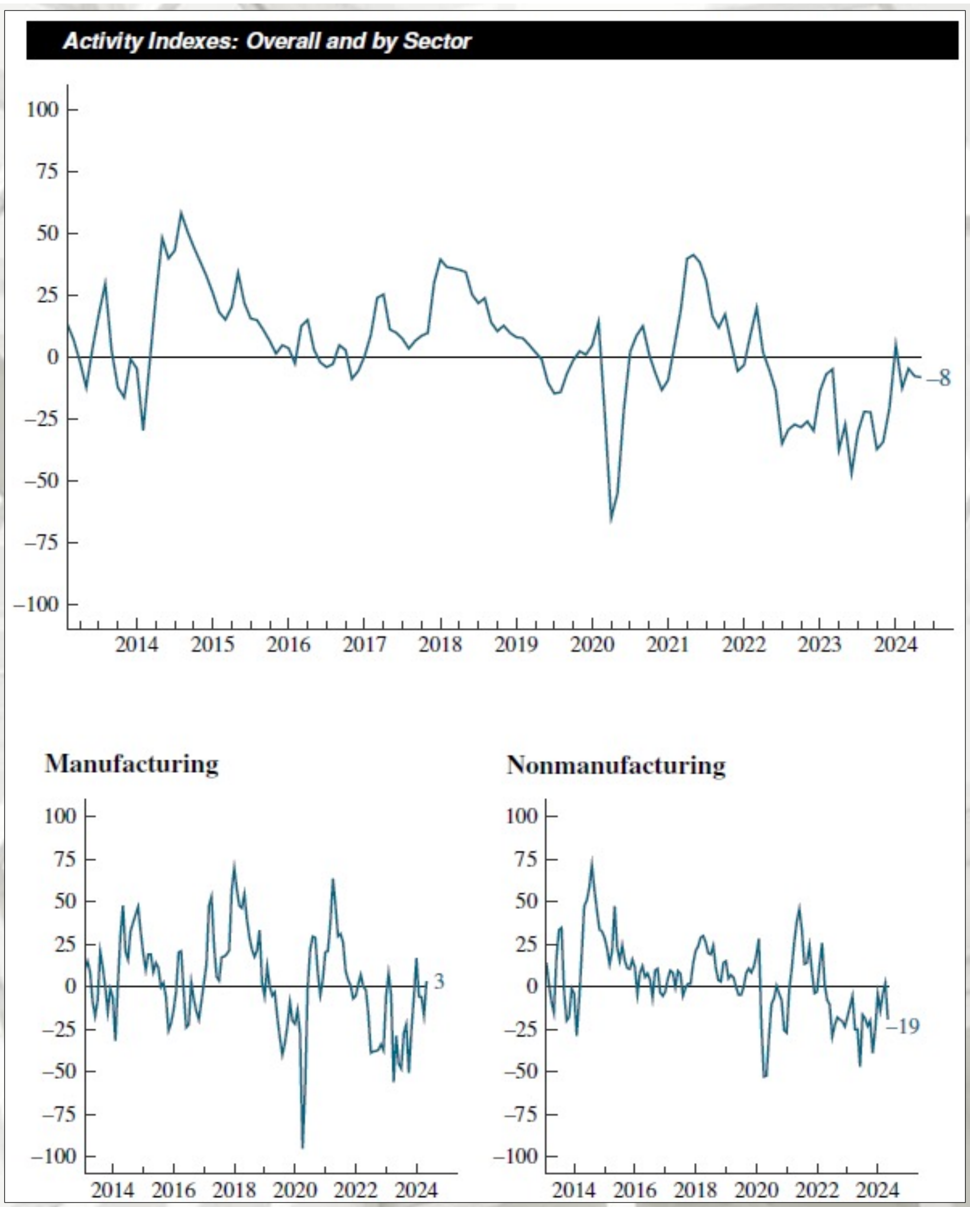
"The *Chicago Fed Survey of Economic Conditions* (CFSEC) Activity Index was unchanged at –8 in May, suggesting that economic growth was near trend. The CFSEC Manufacturing Activity Index increased to +3 in May from –17 in April, but the CFSEC Nonmanufacturing Activity Index decreased to –19 in May from +2 in the previous month.

- Respondents' outlooks for the U.S. economy for the next 12 months deteriorated, turning pessimistic on balance. Thirty-eight percent of respondents expected a decrease in economic activity over the next 12 months.
- The pace of current hiring decreased, as did respondents' expectations for the pace of hiring over the next 12 months. Both hiring indexes remained negative.
- Respondents' expectations for the pace of capital spending over the next 12 months decreased, and the capital spending expectations index remained negative.
- The labor cost pressures index decreased, as did the nonlabor cost pressures index. Both cost pressures indexes remained negative." – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfsec/current-data; 5/22/24

Return to TOC

The Federal Reserve Bank of Chicago: Survey of Economic Conditions (CFSEC)



Source: https://www.chicagofed.org/research/data/cfsec/current-data; 5/22/24

Return to TOC

The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

Index Suggests Economic Growth Decreased in April

"The *Chicago Fed National Activity Index (CFNAI)* decreased to –0.23 in April from –0.04 in March. Three of the four broad categories of indicators used to construct the index decreased from March, and all four categories made negative contributions in April. The index's three-month moving average, CFNAI-MA3, increased to +0.01 in April from –0.17 in March.

The CFNAI Diffusion Index, which is also a three-month moving average, increased to –0.07 in April from –0.08 in March. Twenty of the 85 individual indicators made positive contributions to the CFNAI in April, while 65 made negative contributions. Thirty indicators improved from March to April, while 54 indicators deteriorated and one was unchanged. Of the indicators that improved, 18 made negative contributions.

- Production-related indicators contributed –0.11 to the CFNAI in April, down from –0.01 in March.
- The sales, orders, and inventories category's contribution to the CFNAI was –0.03 in April, up from –0.06 in March.
- Employment-related indicators contributed –0.02 to the CFNAI in April, down from +0.02 in March.
- The personal consumption and housing category's contribution to the CFNAI was –0.07 in April, down from +0.01 in March." – Thomas Walstrum, Media Relations, The Federal Reserve Bank of Chicago

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 5/23/24

Return to TOC

The Federal Reserve Bank of Chicago: National Activity Index (CFNAI)

CFNAI, CFNAI-MA3, and CFNAI Diffusion for the Latest Six Months and Year-Ago Month

	Apr '24	Mar '24	Feb '24	Jan '23	Dec '23	Nov '23	Apr '23
CFNAI							
Current	−0.23	−0.04	0.31	−0.79	−0.14	0.23	0.10
Previous	N/A	0.15	0.09	−0.81	−0.12	0.22	0.09
CFNAI-MA3							
Current	0.01	−0.17	−0.21	−0.23	−0.17	−0.13	−0.24
Previous	N/A	−0.19	−0.28	−0.24	−0.17	−0.13	−0.24
CFNAI Diffusion							
Current	−0.07	−0.08	−0.10	−0.11	−0.15	−0.10	−0.23
Previous	N/A	−0.06	−0.16	−0.10	−0.14	−0.08	−0.22

Note: Current and Previous values reflect index values as of the May 23, 2024, release and April 22, 2024, release, respectively. NA indicates not applicable.

Chicago Fed National Activity Index (CFNAI)

Source: https://www.chicagofed.org/research/data/cfnai/current-data; 5/23/24

Return to TOC

The Federal Reserve Bank of Dallas

Texas Manufacturing Outlook Survey

Texas manufacturing activity weakens slightly in May

"Texas factory activity edged down in May, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, slipped from 4.8 to -2.8. The negative reading signals a slight decline in output from April.

Other measures of manufacturing activity also suggested weaker activity this month. The new orders index remained negative, though it inched up to -2.2. The capacity utilization and shipments indexes slipped back into negative territory after turning positive last month, coming in at -2.0 and -3.0, respectively.

Perceptions of broader business conditions continued to worsen in May. The general business activity index moved down five points to -19.4, and the company outlook index fell seven points to -13.4. The outlook uncertainty index was largely unchanged at 16.4 – near its historical average.

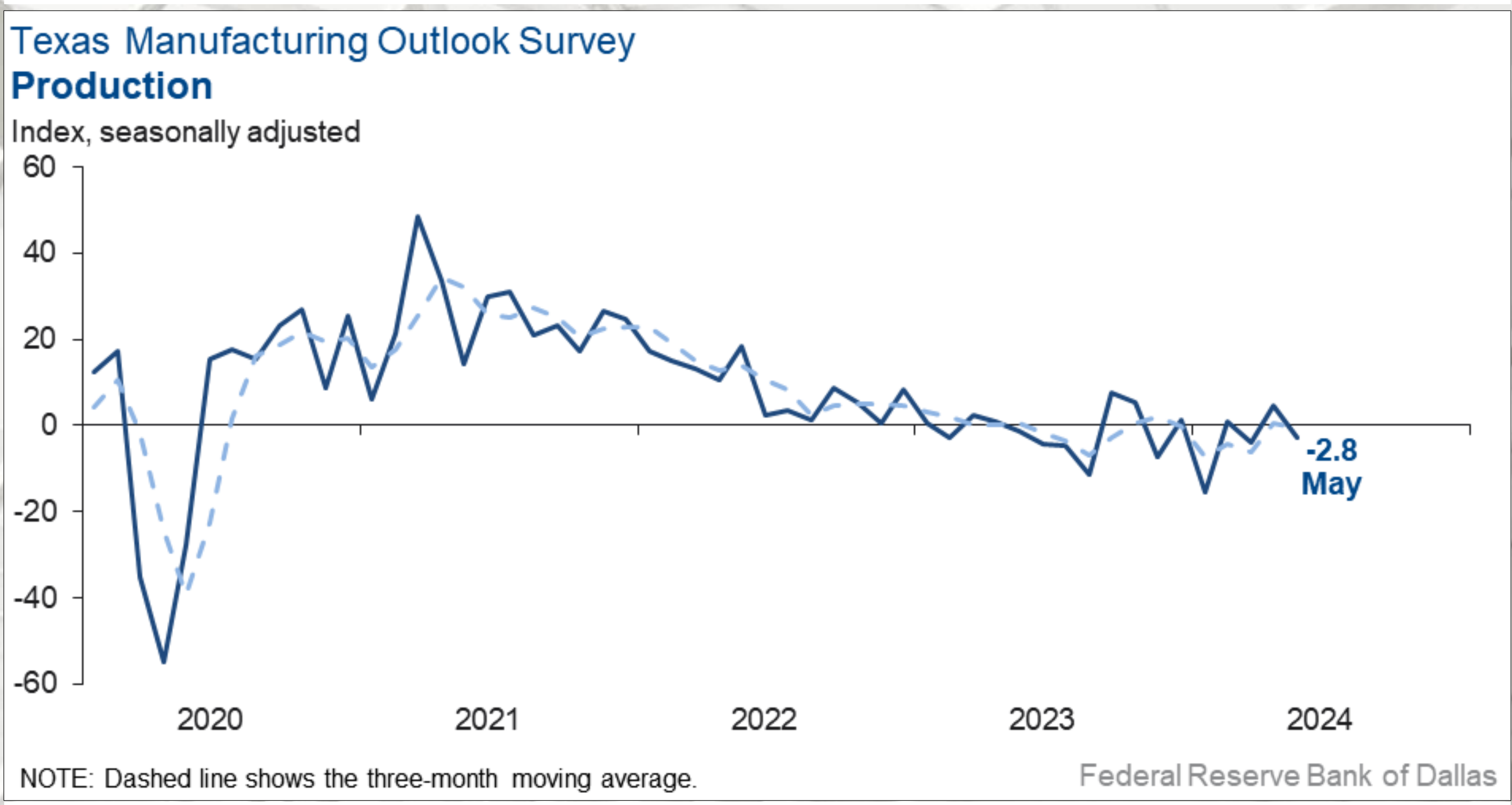
Labor market measures suggested modest employment declines and slightly shorter workweeks this month. The employment index slipped five points to -5.3. Nine percent of firms noted net hiring, while 14 percent noted net layoffs. The hours worked index held fairly steady at -3.7.

Upward pressure on prices and wages continued in May. The wages and benefits index retreated to an average level after spiking last month, coming in at 21.0. The raw materials prices index pushed up nine points to 20.4, still below its historical average. The finished goods prices index was largely unchanged at 4.1, also a below-average reading." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 5/28/24

Return to TOC

The Federal Reserve Bank of Dallas



"Expectations regarding future manufacturing activity were mixed in May. The future production index remained positive but retreated from 34.8 to 17.3. The future general business activity index slipped into negative territory, falling 11 points to -3.3. Most other measures of future manufacturing activity were slightly less positive this month." – Emily Kerr, Business Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 4/29/24

Return to TOC

The Federal Reserve Bank of Dallas

Texas Service Sector Outlook Survey

Growth resumes in Texas service sector, but outlooks continue to worsen

"Growth in the Texas service sector expanded in May after activity stalled in April, according to business executives responding to the Texas Service Sector Outlook Survey. The revenue index, a key measure of state service sector conditions, increased from 0.3 to 6.7, a reading suggestive of an increase in activity.

Labor market measures suggested a resumption of employment growth but no improvement in workweeks in May. The employment index jumped from -2.6 to 3.9. The part-time employment index fell to -2.5, while the hours worked index increased two points to -0.4, with the near-zero reading suggestive of flat growth.

Respondents in May continued to perceive worsening broader business conditions. The general business activity index remained negative and fell two points to -12.1. The company outlook index also fell, from -1.8 to -5.7. The outlook uncertainty index was mostly steady at 12.1.

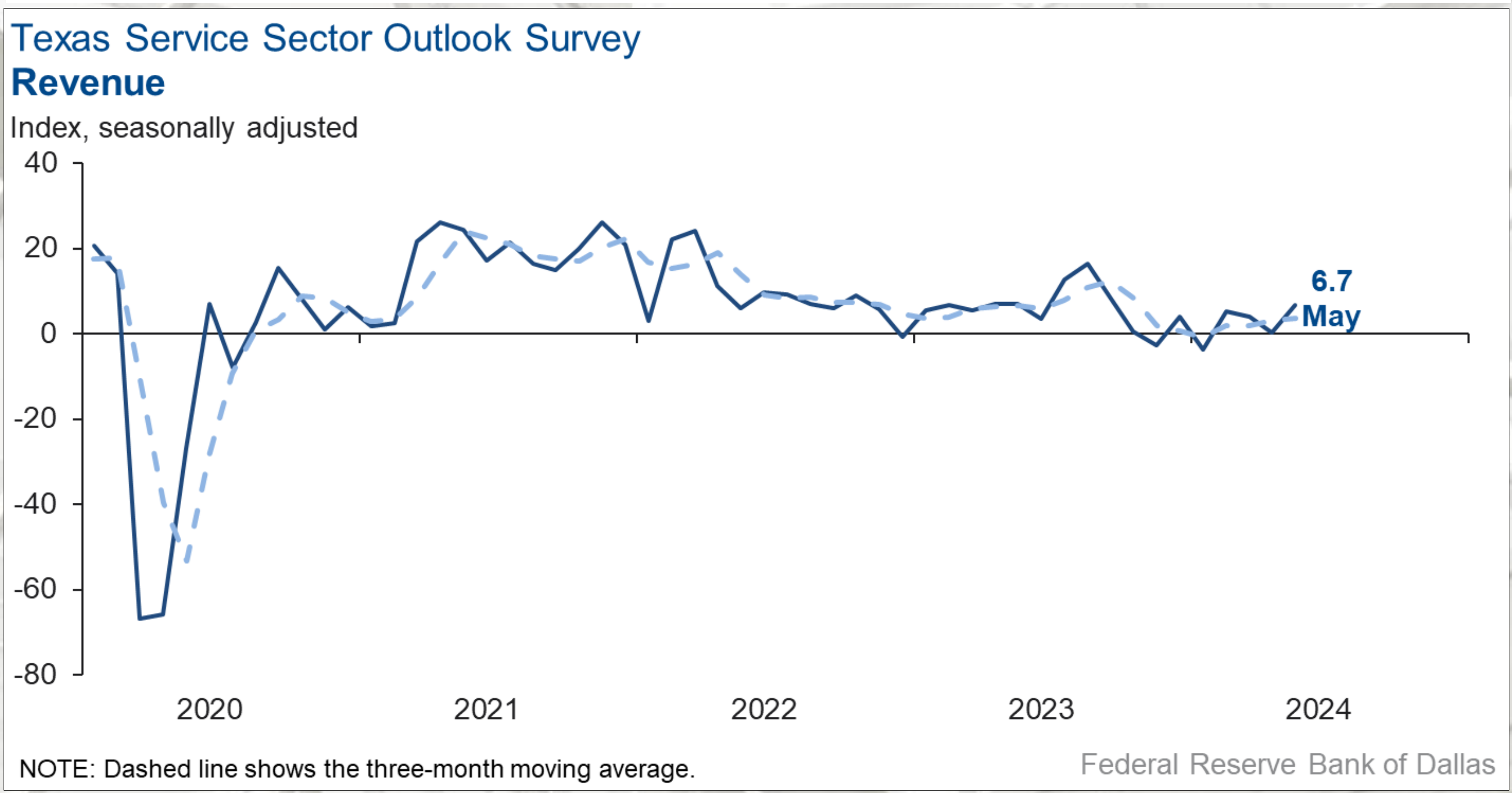
Input price pressures continued to ease, and selling price pressures remained the same in May. Wage pressures increased slightly. The input price index fell from 28.8 to 20.7, while the selling price index was unchanged at 3.9. The wages and benefits index increased two points to 16.1.

Respondents' expectations regarding future business activity reflected optimism in May. The future general business activity index improved to neutral territory, increasing from -1.9 to 1.1. The future revenue index stayed positive but fell two points to 31.1 Other future service sector activity indexes such as employment and capital expenditures remained in positive territory, reflecting expectations for continued growth in the next six months." – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 5/29/24

Return to TOC

The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 5/29/24

Return to TOC

The Federal Reserve Bank of Dallas

Texas Retail Outlook Survey

Texas retail sales weaken further

"Retail sales activity declined in May, according to business executives responding to the Texas Retail Outlook Survey. The sales index, a key measure of state retail activity, fell from -10.4 to -16.4, indicating retail sales fell at a faster rate than during the previous month. Retailers' inventories increased over the month, with the May index at 2.4.

Retail labor market indicators suggested a contraction in employment and workweeks in May. The employment index fell from -0.5 to -5.2, while the part-time employment index fell 10 points to -7.0. The hours worked index continued in negative territory at -4.2.

Retailers continued to perceive a worsening of broader business conditions in May. The general business activity index remained in negative territory and fell 11 points to -28.8, the lowest index level since December 2022. The company outlook index also fell from -6.4 to -15.7. The outlook uncertainty index increased six points to 15.1.

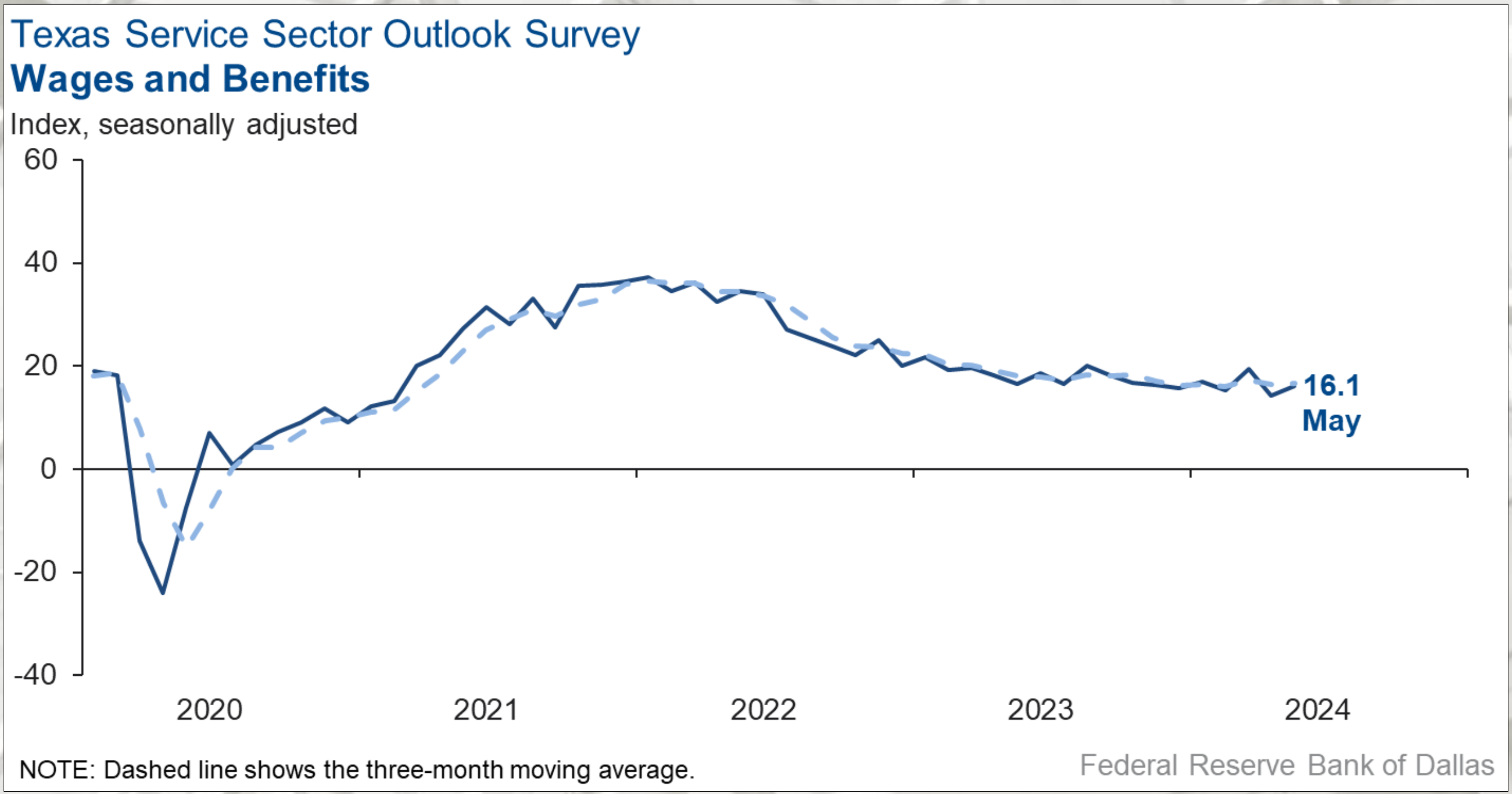
Input price pressure continued easing, while wage pressure increased slightly. Selling price growth fell in May at about the same rate as April. The input price index fell two points to 10.7, while the selling price index was mostly unchanged at -9.1. The wages and benefits index increased three points to 14.1.

Expectations for future business conditions in retail were mixed in May. The future general business activity index went back to negative territory, falling from 11.1 to -1.5. The future sales index fell 12 points but remained in positive territory at 19.6. Other indexes of future retail activity such as employment and capital expenditures fell but remained positive, reflecting expectations for continued retail sales growth in the next six months." – Amy Jordan, Assistant Economist, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/surveys; 5/29/24

Return to TOC

The Federal Reserve Bank of Dallas



Source: https://www.dallasfed.org/research/surveys; 5/29/24

Return to TOC

U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Manufacturing Activity Was Essentially Unchanged in May

Regional factory activity was basically flat in May. Employment levels increased somewhat, and many firms expect to increase wages at a similar rate to the past in the year ahead.

Factory Activity Was Essentially Unchanged

"Tenth District manufacturing activity was essentially unchanged in May, and expectations for future activity grew modestly. Price growth increased on a month-over-month basis but cooled on a year-over-year basis, and raw materials prices continue to grow at a faster pace than finished product prices (Chart 1).

The month-over-month composite index was -2 in May, up from -8 in April and -7 in March. The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The pace of decline slowed in paper, chemical, and fabricated metal manufacturing while activity expanded in printing, nonmetallic mineral, and furniture manufacturing. The month-over-month indexes were mixed, but most improved from last month. Production was flat and employment grew, while employee workweek, materials inventories, and supplier delivery time declined slightly." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/23/24

Return to TOC

U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Factory Activity Was Essentially Unchanged

"The volume of new orders fell at moderate pace, with a reading of -13. The year-over-year composite index for factory activity picked up to -6 from -12, driven mostly by rebounds in inventories and employment. Capital expenditures stayed steady after declining for three consecutive months. The future composite index increased from 2 to 6 in May, as firms anticipate significant increases in production and employment in future months.

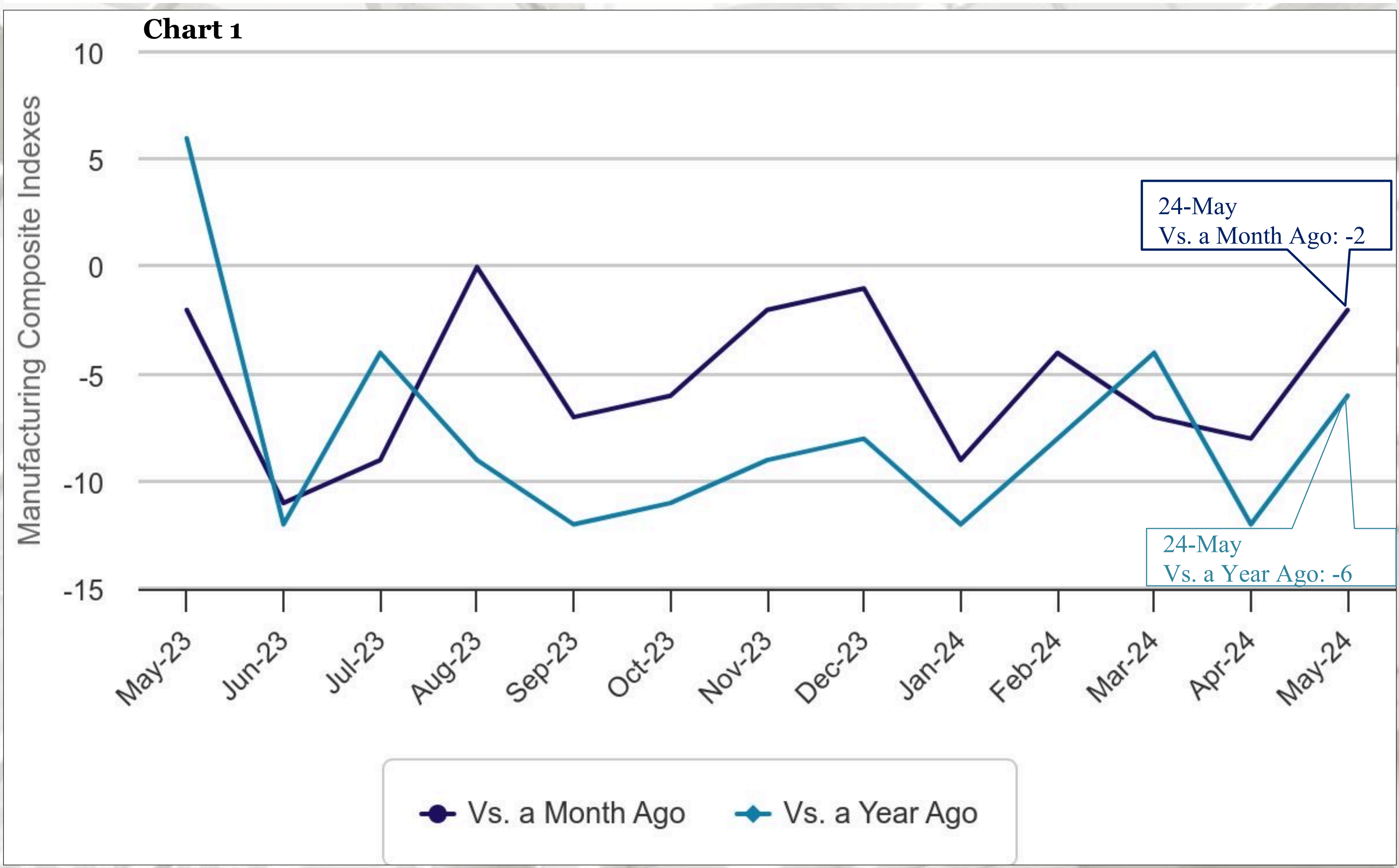
Special Questions

This month contacts were asked special questions about their ability to pass through costs to customers. 36% of District firms reported passing through 0-20% of their higher costs to their customers and another 27% report passing through 80-100%. Firms were also asked about their expectations for wage increases. 2% of firms expect wages to rise significantly faster over the next year compared to the past 12 months, 18% expect wages to rise slightly faster, 47% expect them to rise at a similar rate, 31% expect them to rise slightly slower, and 2% expect them to rise significantly slower." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/23/24

Return to TOC

The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 5/23/24

Return to TOC

U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Tenth District Services Activity Continued to Grow in May

District services activity grew moderately in May, and expectations for future activity expanded further. Employment grew at its fastest pace in nearly two years, but firms' expectations for wage growth in the coming year are mixed.

Business Activity Continued to Grow

"Tenth District services continued to grow in May and expectations for the next six months expanded further (Table 1). Price growth cooled this month but increases in selling prices cooled more than input prices, further compressing margins.

The month-over-month services composite index was 11 in May, up from 9 in April and 7 in March. The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Growth was driven by increases in activity in the wholesale, real estate, and professional services sectors. All month-over-month indexes were positive except access to credit. General revenue/sales grew further, and the employment index reached its highest level in nearly two years. The year-over-year composite index ticked down to 4 from 7, as revenues and inventories growth cooled. Capital expenditures have increased sharply from this time last year. The composite expectations index for services activity increased to 10 from 2, as firms anticipate revenues to surge in the coming months." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/24/24

Return to TOC

U.S. Economic Indicators

The Federal Reserve Bank of Kansas City

Business Activity Continued to Grow

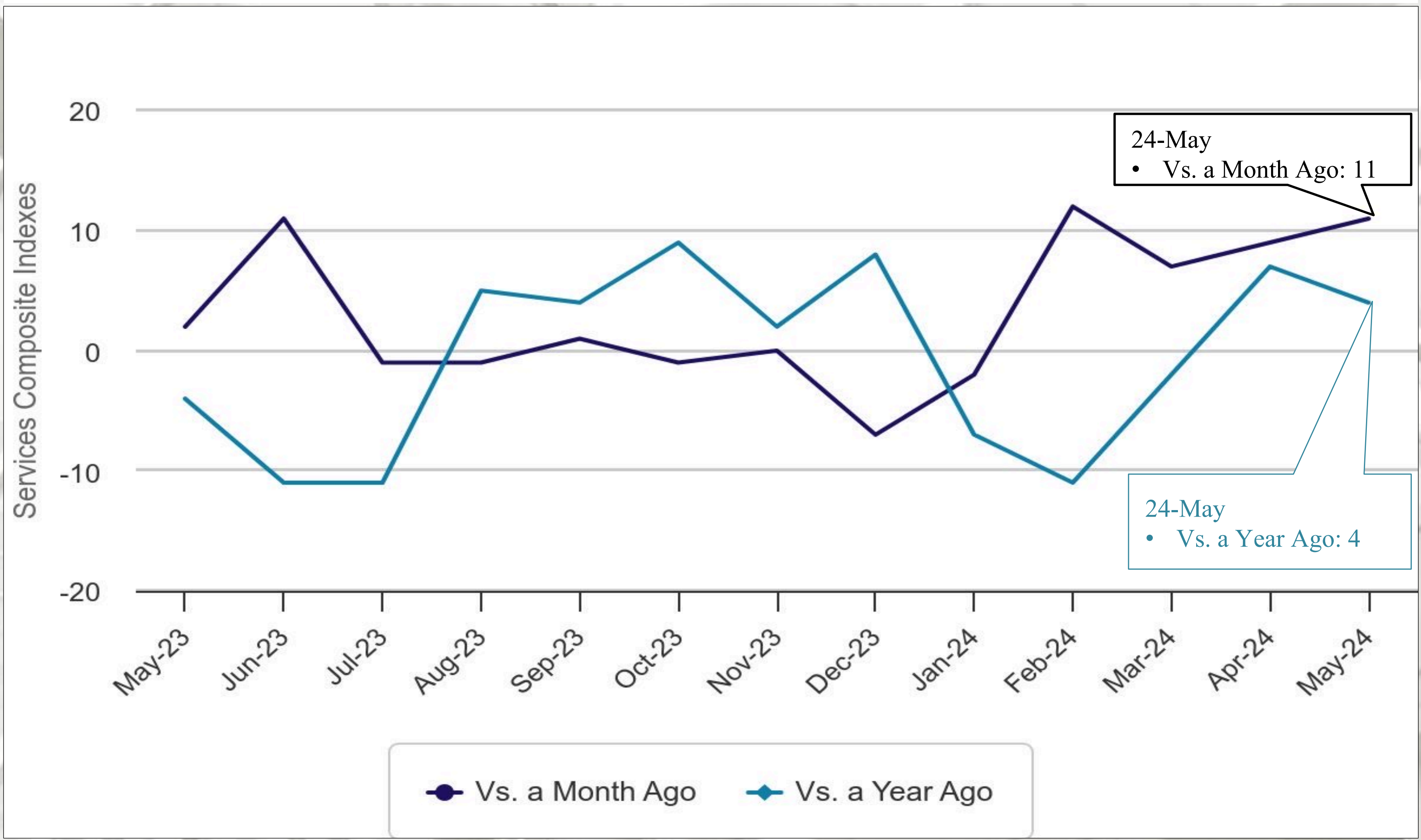
Special Questions

"This month contacts were asked special questions about their ability to pass through higher costs to customers. Nearly half (48%) of District services firms reported the ability to pass through 0-20% of their increased costs to customers. 14% (10%) of firms were able to pass through 40-60% (60-80%) of costs, 16% passed through 80-100%, and 8% of firms have decreased prices. Firms were also asked about their expectations for wage increases. 8% of firms expect wages to rise significantly faster over the next year compared to the past 12 months, 22% expect wages to rise slightly faster, 28% expect them to rise at a similar rate, 21% expect them to rise slightly slower, 16% expect them to rise significantly slower, and 5% expect wages to decline." – Chad Wilkerson, Vice President and Oklahoma City Branch Executive, Chase Farha, and Jannety Mosley; Federal Reserve Bank of Kansas City

Source: https://www.kansascityfed.org; 5/24/24

Return to TOC

The Federal Reserve Bank of Kansas City



Source: https://www.kansascityfed.org; 5/24/24

Return to TOC

The Federal Reserve Bank of New York

June 2024 Manufacturing Survey

Activity Continues To Contract

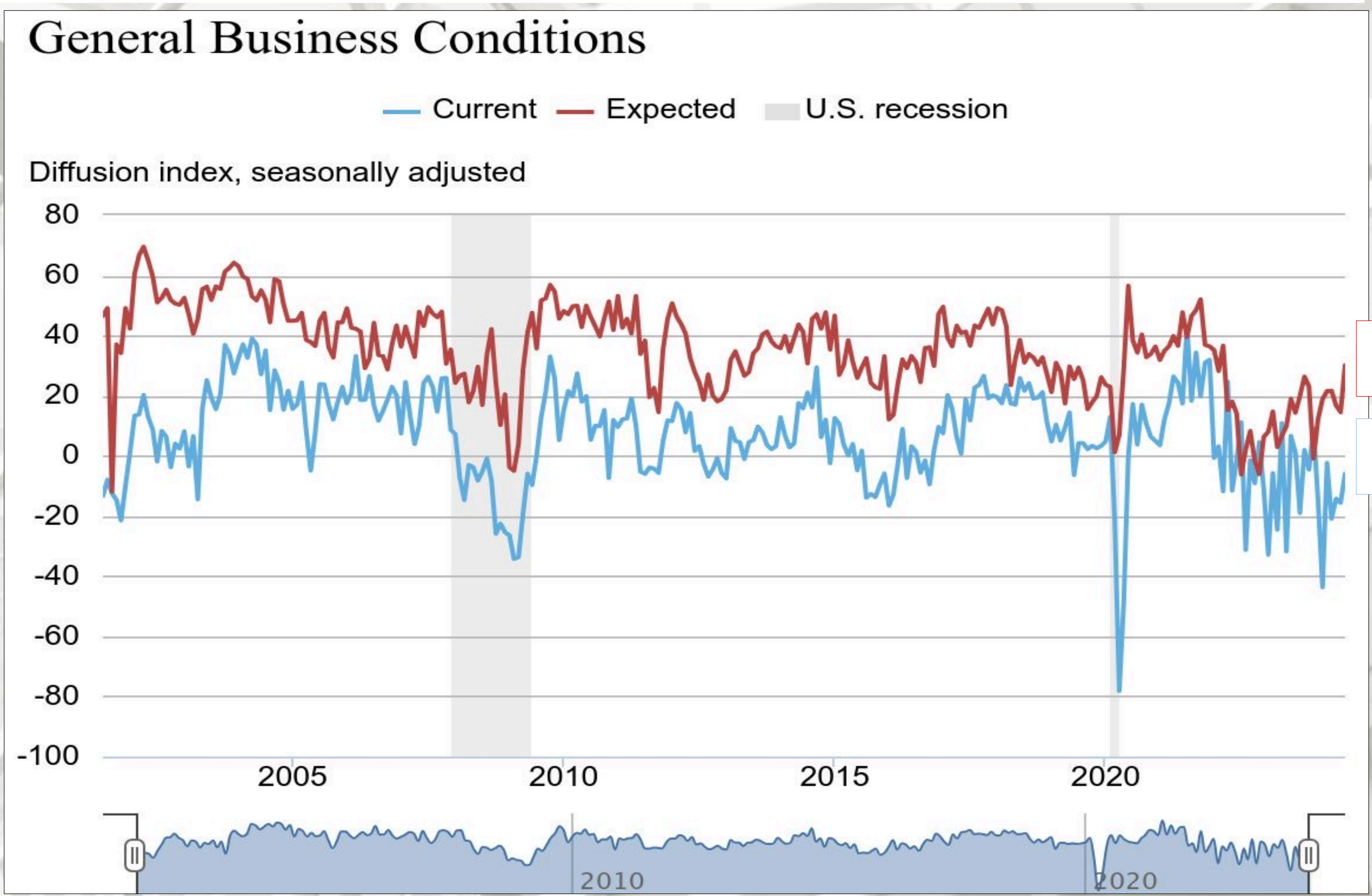
“Business activity declined modestly in New York State, according to firms responding to the June 2024 *Empire State Manufacturing Survey*. The headline general business conditions index moved up ten points but remained below zero at -6.0. New orders held steady, while shipments inched higher. Delivery times shortened somewhat, and supply availability – a new monthly indicator now included in these reports – was little changed. Inventories were flat. Labor market conditions remained weak, with employment and hours worked continuing to contract. The pace of input and selling price increases moderated slightly for a second consecutive month. Despite current activity remaining weak, optimism about the six-month outlook picked up to its highest level in more than two years.

Manufacturing activity fell modestly in New York State, according to the June survey. The general business conditions index rose ten points but was still in contractionary territory at -6.0. The new orders index climbed sixteen points to -1.0, suggesting orders were flat, while the shipments index moved up to 3.3, pointing to a small increase in shipments. Unfilled orders held steady. The inventories index came in at 1.0, indicating that inventories were level. The delivery times index remained below zero at -4.1, suggesting that delivery times shortened, while the supply availability index was -1.0, indicating supply availability was little changed.” – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 6/17/24

Return to TOC

The Federal Reserve Bank of New York



June 2024
30.1

June 2024
-6.0

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 6/17/24

Return to TOC

The Federal Reserve Bank of New York

June 2024 Manufacturing Survey

Employment Continues To Move Lower

"The index for number of employees came in at -8.7 and the average workweek index fell to -9.9, pointing to an ongoing decline in employment levels and hours worked. The prices paid index retreated four points to 24.5, and the prices received index declined seven points to 7.1, its lowest level in about a year, indicating that price increases continued to moderate.

Optimism Climbs Sharply

Firms were more optimistic about the outlook than they have been in more than two years. The index for future business conditions climbed sixteen points to 30.1, with close to half of respondents expecting conditions to be better in six months. However, the outlook for employment growth remained weak, and capital spending plans still appeared sluggish." – Jason Bram and Richard Deitz, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/empire/empiresurvey_overview; 6/17/24

Return to TOC

The Federal Reserve Bank of New York

June 2024 Empire State Business Leaders Survey (Services)

Activity Contracts

"Activity declined slightly in the region's service sector, according to firms responding to the Federal Reserve Bank of New York's June 2024 *Business Leaders Survey*. The survey's headline business activity index fell eight points to -4.7. The business climate index edged up three points but remained negative at -23.0, suggesting the business climate remains worse than normal. Employment growth picked up, and wages increased at a similar pace to the prior couple of months. Supply availability – a new monthly indicator now included in these reports – improved modestly, while input and selling price increases both moderated. Capital spending declined. Looking ahead, optimism remained subdued, with only about a third of firms expecting activity to pick up over the next six months.

Business activity fell slightly in the New York-Northern New Jersey region, according to the June survey. After poking above zero last month, the headline business activity index fell eight points to -4.7. Twenty-five percent of respondents reported that conditions improved over the month and 30 percent said that conditions worsened. The business climate index moved up three points but remained firmly negative at -23.0, pointing to an ongoing worsening of the business climate." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 6/18/24

Return to TOC

The Federal Reserve Bank of New York

June Empire State Manufacturing Survey (Services)

Employment Increases

"Despite the decline in business activity, the employment index rose six points to 9.4, suggesting that employment growth picked up. The wages index held steady at 33.0, a level similar to the prior two months, indicating that wage increases were little changed. The prices paid index moved down eight points to 50.0, and the prices received index fell five points to 17.9, indicating that price increases moderated. The capital spending index fell to -3.2, its lowest level in a year.

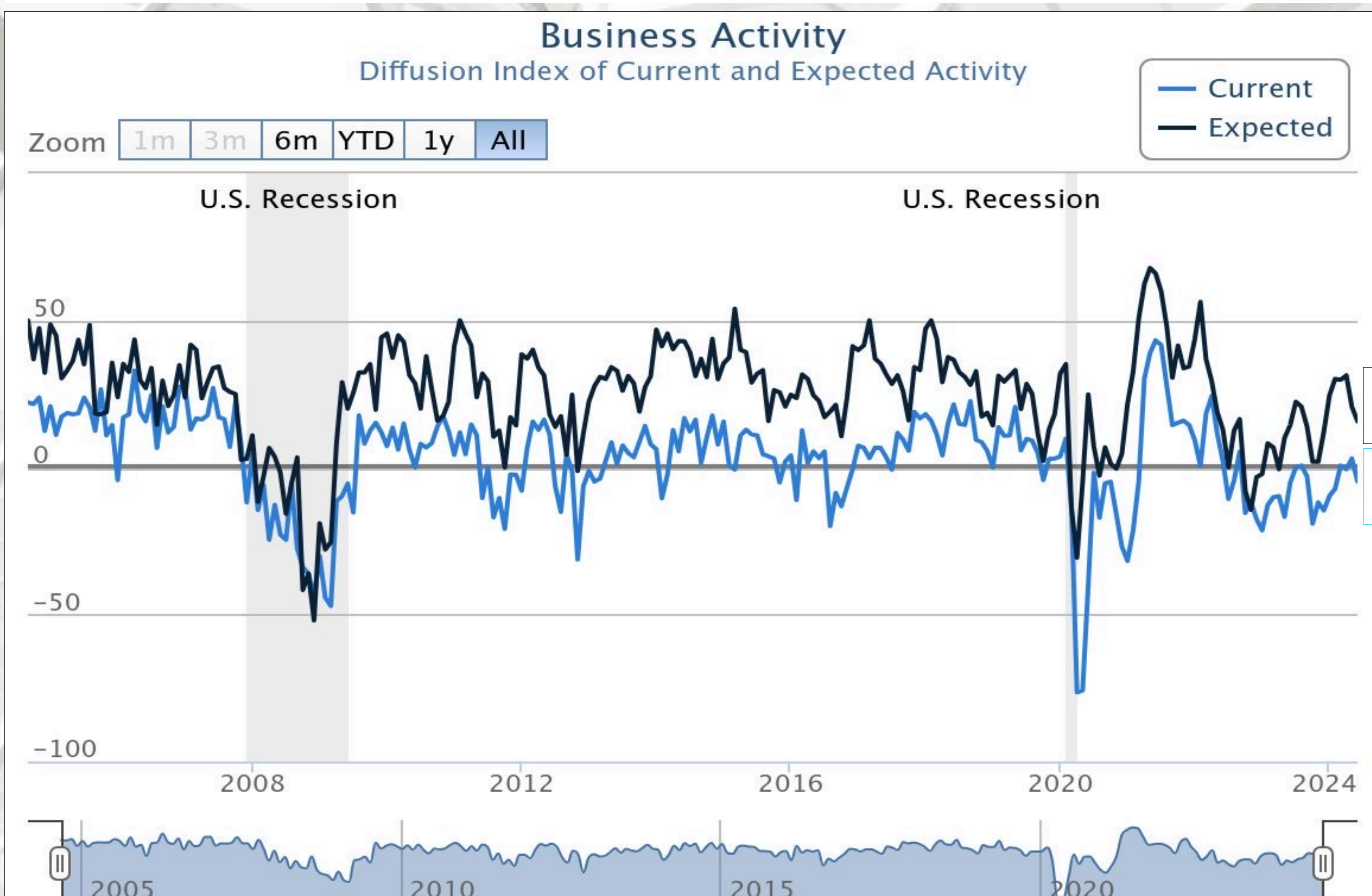
Optimism Remains Subdued

The index for future business activity fell five points to 15.7, and the index for the future business climate fell seven points to -5.8, suggesting that firms were not very optimistic about future conditions. However, employment is expected to increase in the months ahead." – Richard Deitz and Jason Bram, The Federal Reserve Bank of New York

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 6/18/24

Return to TOC

The Federal Reserve Bank of New York



June 2024
15.7

June 2024
-4.7

Source: https://www.newyorkfed.org/survey/business_leaders/bls_overview; 6/18/24

Return to TOC

The Federal Reserve Bank of Philadelphia

May 2024 Manufacturing Business Outlook Survey

Most Current Indicators Decline

“Manufacturing activity in the region weakened overall, according to the firms responding to the May *Manufacturing Business Outlook Survey*. The survey’s indicators for current general activity, new orders, and shipments all declined, with the latter two turning negative. The employment index suggests declines in employment overall. Both price indexes indicate overall increases in prices but remain below their long-run averages. The firms continue to expect growth over the next six months.

The diffusion index for current general activity remained positive but declined 11 points to 4.5 in May, mostly undoing its increase from last month (see Chart). More than 29 percent of the firms reported increases in general activity this month (down from 38 percent last month), while 25 percent reported decreases (up from 22 percent); 46 percent reported no change (up from 40 percent). The index for new orders declined from 12.2 to -7.9, its first negative reading since February, and the shipments index fell from 19.1 to -1.2, its first negative reading since January.

Although employment indicators rose, the firms continued to report a decline in employment, on balance. The employment index moved up 3 points to -7.9. Two-thirds of the firms reported no change in employment levels this month, while the share of firms reporting decreases (20 percent) exceeded the share reporting increases (12 percent). The average workweek index rose 10 points but remained negative at -8.3.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

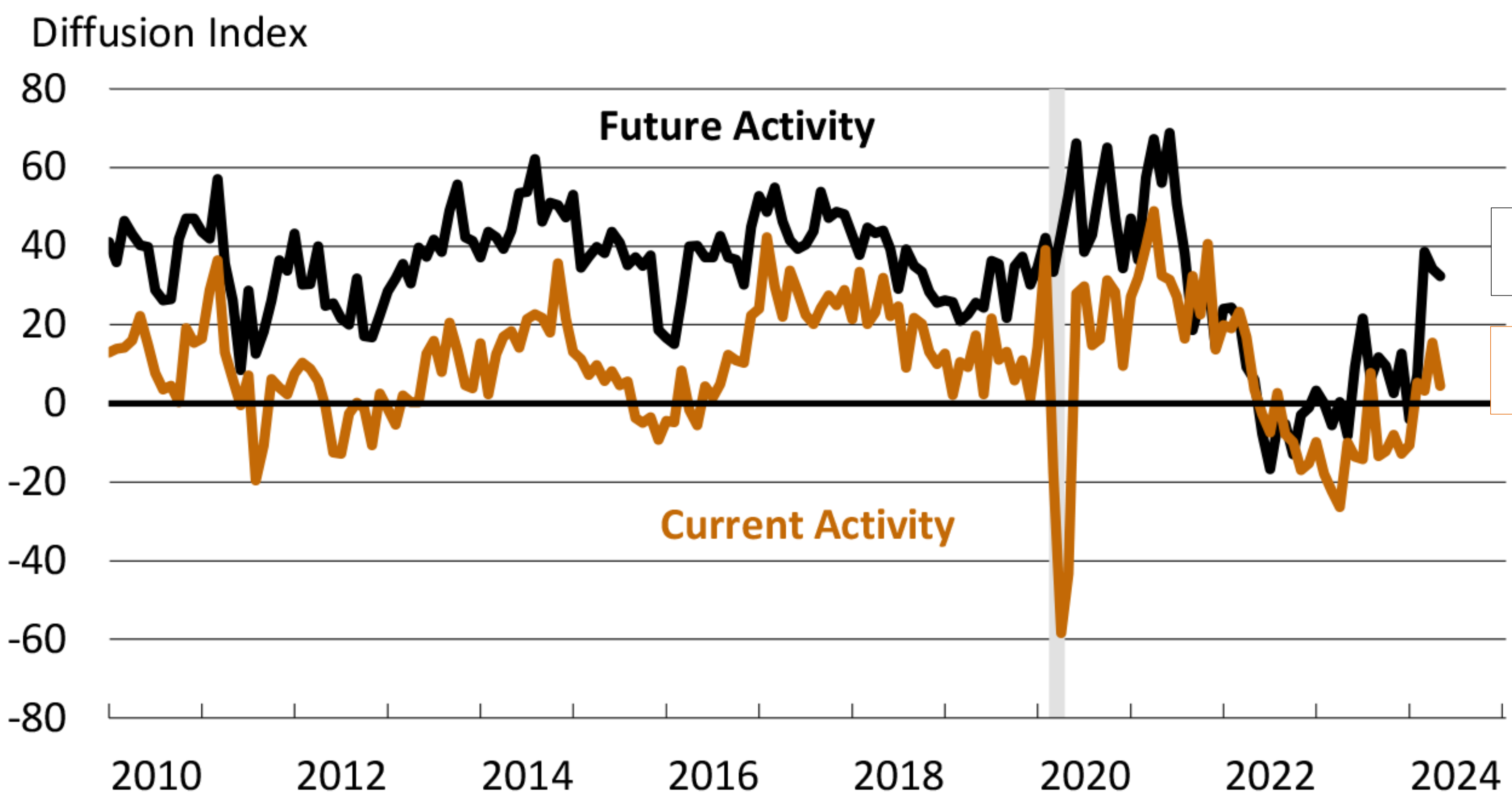
Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-05; 5/16/24

Return to TOC

The Federal Reserve Bank of Philadelphia

Chart. Current and Future General Activity Indexes

January 2009 to May 2024



May 2024
32.4

May 2024
4.5

Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-05; 5/16/24

Return to TOC

The Federal Reserve Bank of Philadelphia

May 2024 Manufacturing Business Outlook Survey

Price Indexes Remain Below Long-Run Averages

"On balance, the firms continued to report overall increases in prices. After rising 19 points last month, the prices paid index declined 4 points to 18.7 in May. Almost 19 percent of the firms reported increases in input prices, while none reported decreases; 78 percent of the firms reported no change. The current prices received index ticked up 1 point to 6.6. Almost 13 percent of the firms reported increases in prices received for their own goods, 6 percent reported decreases, and 78 percent reported no change.

Firms Expect Own Price Increases to Match Inflation

"In this month's special questions, the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters. Regarding their own prices over the next year, the firms' median forecast was for an expected increase of 3.0 percent, unchanged from when this question was last asked in February. The firms reported a median increase of 2.7 percent in their own prices over the past year, down slightly from 3.0 percent last quarter. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 3.5 percent over the next four quarters, down from 4.0 percent. The firms' median forecast for the rate of inflation for U.S. consumers over the next year was unchanged at 3.0 percent." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-05; 5/16/24

Return to TOC

The Federal Reserve Bank of Philadelphia

May 2024 Manufacturing Business Outlook Survey

Firms Remain Optimistic Overall

“The diffusion index for future general activity edged down from 34.3 in April to 32.4 in May (see Chart). The share of firms expecting increases in activity over the next six months (45 percent) exceeded the share expecting decreases (12 percent); 43 percent expect no change. The future new orders index decreased 3 points to 39.7, while the future shipments index climbed 17 points to 46.2. Expectations for overall increases in employment over the next six months were more widespread, as the future employment index rose 9 points to 21.7. The future capital expenditures index was essentially unchanged at 20.1.

Summary

Responses to the May *Manufacturing Business Outlook Survey* suggest softer regional manufacturing activity this month. The indicator for current activity remained positive but declined, and the new orders and shipments indexes turned negative. On balance, the firms indicated a decline in employment, and price indexes were below their long-run averages. The survey’s broad indicators for future activity continued to suggest widespread expectations for growth over the next six months.” – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/mbos-2024-05; 5/16/24

Return to TOC

The Federal Reserve Bank of Philadelphia

May 2024 Nonmanufacturing Business Outlook Survey

Most Current Indicators Decline

"Firms responding to the May *Nonmanufacturing Business Outlook Survey* indicated less widespread business activity than reported last month. The index for general activity at the firm level declined but remained positive. The index for sales/revenues increased, but the index for new orders turned negative. The firms continued to report an increase in full-time employment this month, on balance. Both price indexes moved lower but continued to indicate overall increases in prices. The respondents continue to expect growth over the next six months, but expectations are subdued.

The diffusion index for current general activity at the firm level decreased from 18.4 in April to 7.3 in May (see Chart). Almost 32 percent of the firms reported increases in activity (down from 44 percent last month), 24 percent reported decreases (down from 26 percent), and 44 percent reported no change (up from 29 percent). After turning positive last month, the new orders index returned to negative territory, falling 12 points -5.1. Nearly 24 percent of the firms reported decreases in new orders, while 19 percent reported increases. The sales/revenues index increased for the second consecutive month, moving up 3 points to 11.4, its highest reading since December but still below its long-run average. The current regional activity index rose 12 points to -0.6." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

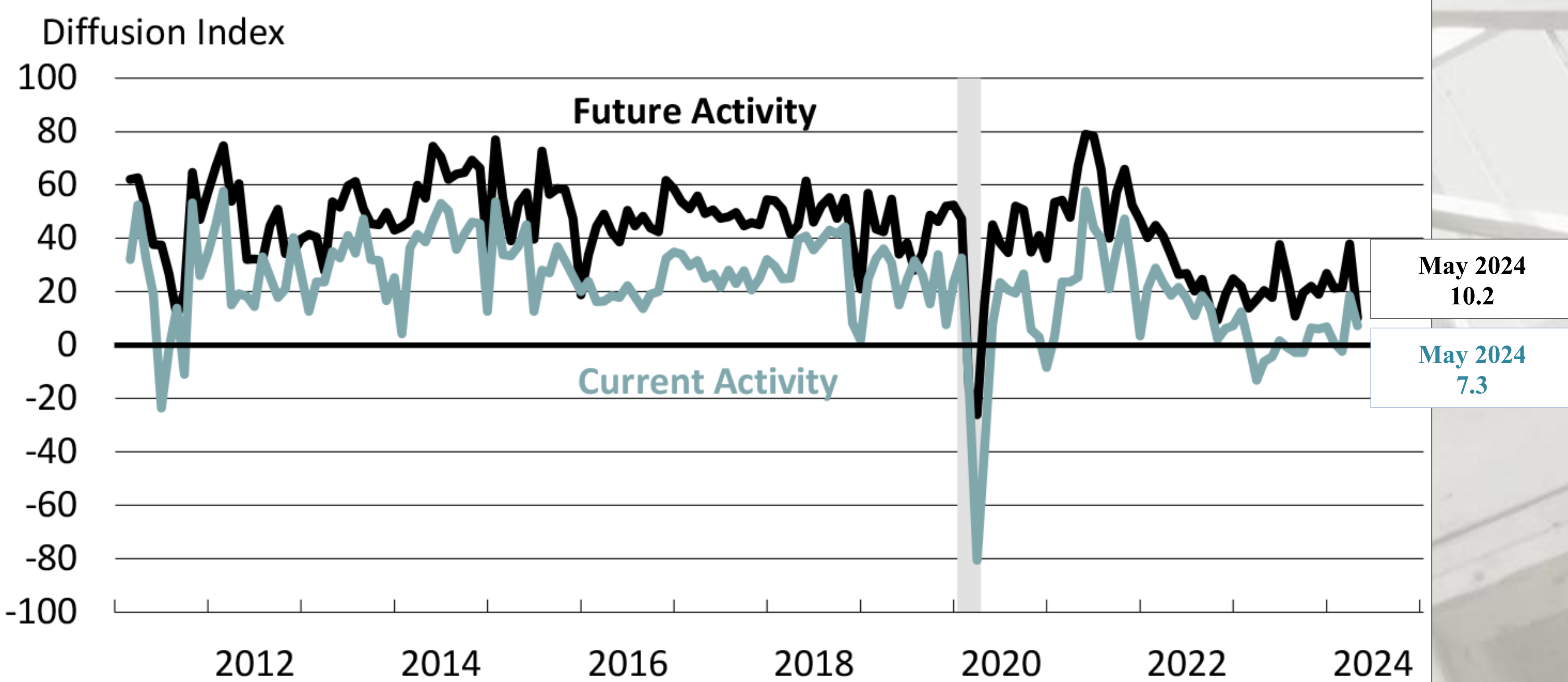
Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-05; 5/21/24

Return to TOC

The Federal Reserve Bank of Philadelphia

Chart. Current and Future General Activity Indexes

January 2011 to May 2024



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-05; 5/21/24

Return to TOC

The Federal Reserve Bank of Philadelphia

May 2024 Nonmanufacturing Business Outlook Survey

Employment Indicators Remain Positive

"The firms reported increases in full-time employment this month on balance, but the index declined 8 points to 3.5 in May, reversing its increase from March to April. The share of firms reporting increases in full-time employment (18 percent) exceeded the share reporting decreases (14 percent); most firms (58 percent) reported no change. The part-time employment index edged down from 4.5 to 1.1, and the average workweek index rose to 8.3, after turning negative last month.

Price Indexes Near Long-Run Averages

Price indicator readings suggest increases in prices for inputs and the firms' own goods and services overall. The prices paid index declined 5 points to 25.8. More than 29 percent of the firms reported increases in input prices, while 4 percent reported decreases; 55 percent reported steady prices. Regarding prices for the firms' own goods and services, the prices received index fell from 12.2 to 5.2. Most of the firms (65 percent) reported no change in prices received, while the share reporting increases (16 percent) exceeded the share reporting decreases (10 percent).

Firms Anticipate Growth

"The future activity indexes remained positive but suggest less widespread expectations of growth over the next six months. The diffusion index for future activity at the firm level fell 28 points to 10.2 in May (see Chart). Nearly 30 percent of the firms expect increases in future activity at their firms (down from 52 percent last month), 20 percent expect decreases (up from 15 percent), and 47 percent expect no change (up from 31 percent). The future regional activity index declined from 10.8 to 6.1." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-05; 5/21/24

Return to TOC

The Federal Reserve Bank of Philadelphia

May 2024 Nonmanufacturing Business Outlook Survey

Firms Expect Own Price Increases to Lag Inflation

"In this month's special questions, the firms were asked to forecast the changes in prices of their own products and for U.S. consumers over the next four quarters. Regarding their own prices, the firms' median forecast was for an increase of 2.0 percent, unchanged from when the question was last asked in February. The firms' reported own price change over the past year was 2.5 percent, up from 0.3 percent in February. The firms expect their employee compensation costs (wages plus benefits on a per employee basis) to rise 3.0 percent over the next four quarters, down from 4.0 percent. When asked about the rate of inflation for U.S. consumers over the next year, the firms' median forecast was unchanged at 3.0 percent.

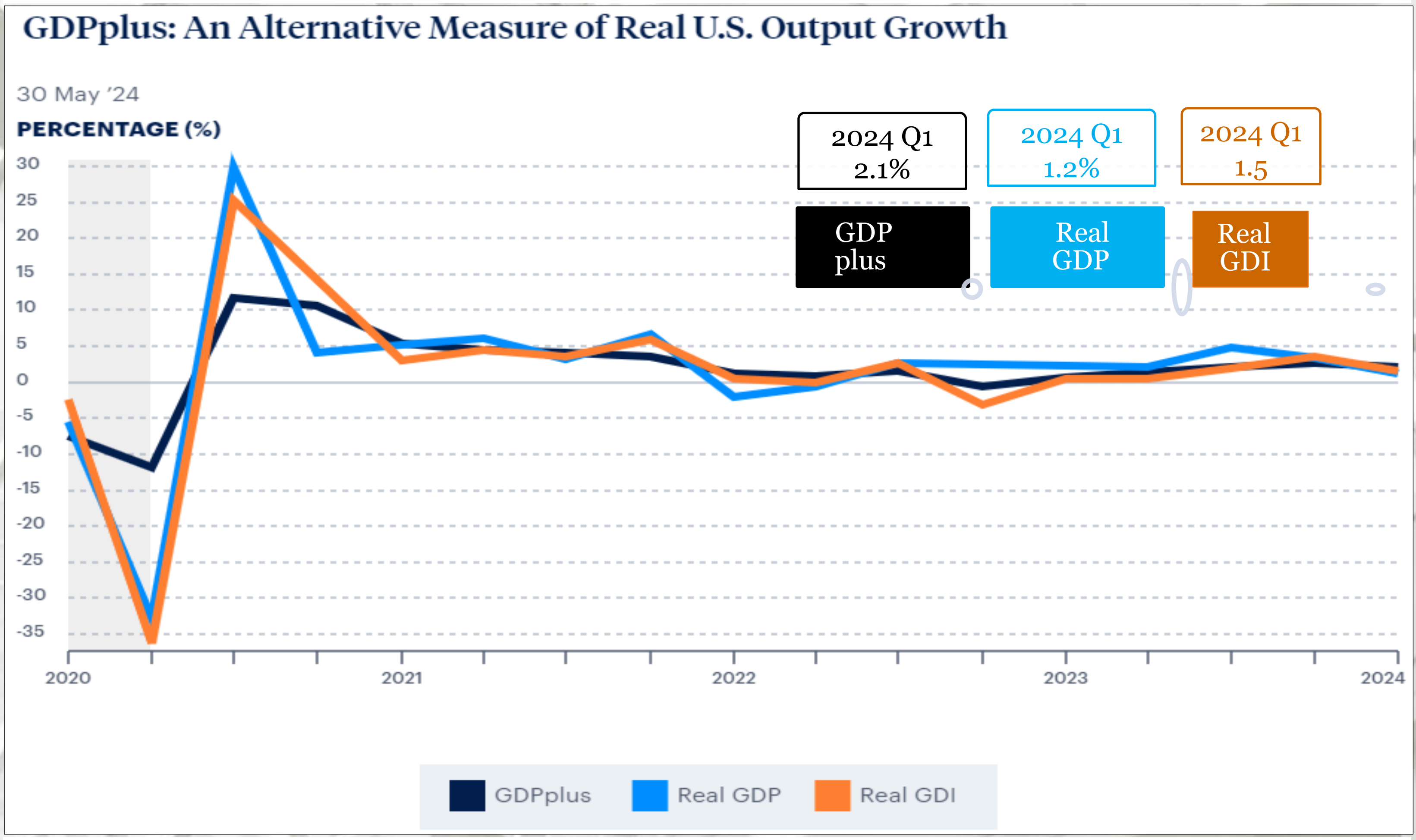
Summary

Responses to this month's *Nonmanufacturing Business Outlook Survey* suggest less widespread nonmanufacturing activity in the region. The indicator for firm-level general activity declined but remained positive. Although the sales/revenues index increased, the new orders index turned negative. The index for full-time employment suggests overall increases in employment but declined. The firms continue to expect growth over the next six months, but the future general activity indexes declined." – Elif Sen, Research Department, The Federal Reserve Bank of Philadelphia

Source: https://www.philadelphiafed.org/surveys-and-data/regional-economic-analysis/nbos-2024-05; 5/21/24

Return to TOC

The Federal Reserve Bank of Philadelphia: GDPplus



Notes: Shaded areas indicate NBER recessions. The data measure the quarter-over-quarter growth rate in continuously compounded annualized percentage points.

Sources: Bureau of Economic Analysis (BEA) and NBER via Haver Analytics. Federal Reserve Bank of Philadelphia.

Source: https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/gdpplus; 5/30/24

Return to TOC

The Federal Reserve Bank of Richmond

April 2024 Fifth District Survey of Manufacturing Activity

Manufacturing Activity Improved but Remained Sluggish in May

“Fifth District manufacturing activity improved but remained sluggish in May, according to the most recent survey from the Federal Reserve Bank of Richmond. The composite manufacturing index increased from −7 in April to 0 in May. Of its three component indexes, shipments increased from −10 to 13, new orders increased from −9 to −6, and employment fell from −2 to −6.

Firms’ optimism about local business conditions was nearly unchanged, as the index decreased slightly from 6 to 3. The index for future local business conditions decreased from 16 in April to 6 in May. The future indexes for shipments and new orders remained solidly in positive territory, suggesting that firms expect improvements in these areas over the next six months.

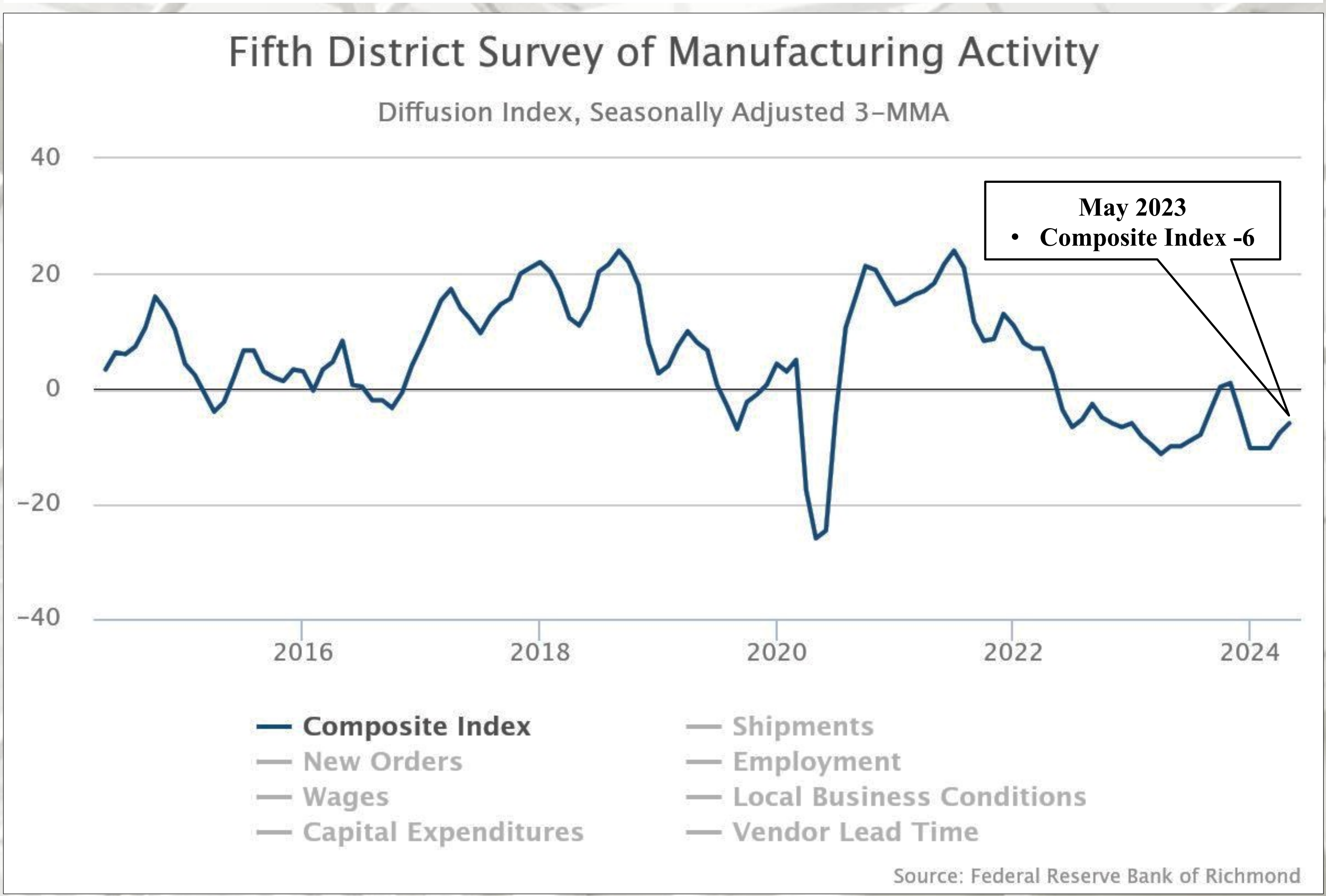
On balance, firms continued to report declining backlogs and vendor lead times in May, as those indexes both decreased and remained negative.

The average growth rate of prices paid increased slightly in May, while the average growth rate of prices received decreased. Firms expected price growth to pick up slightly over the next 12 months.” – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 5/2/24

Return to TOC

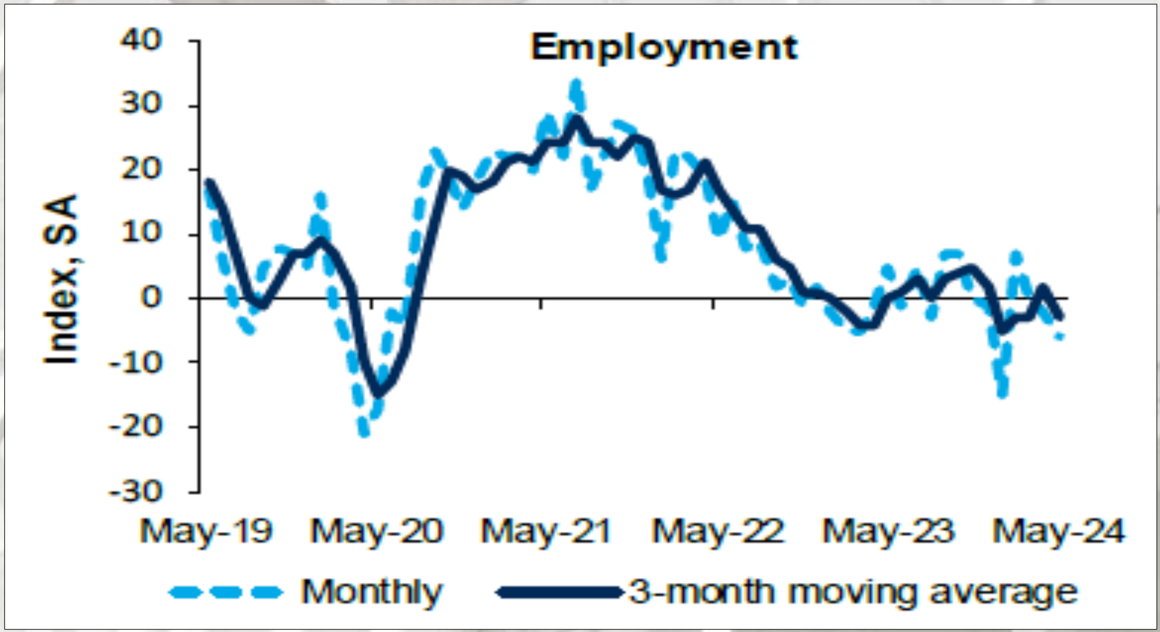
The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 5/2/24

Return to TOC

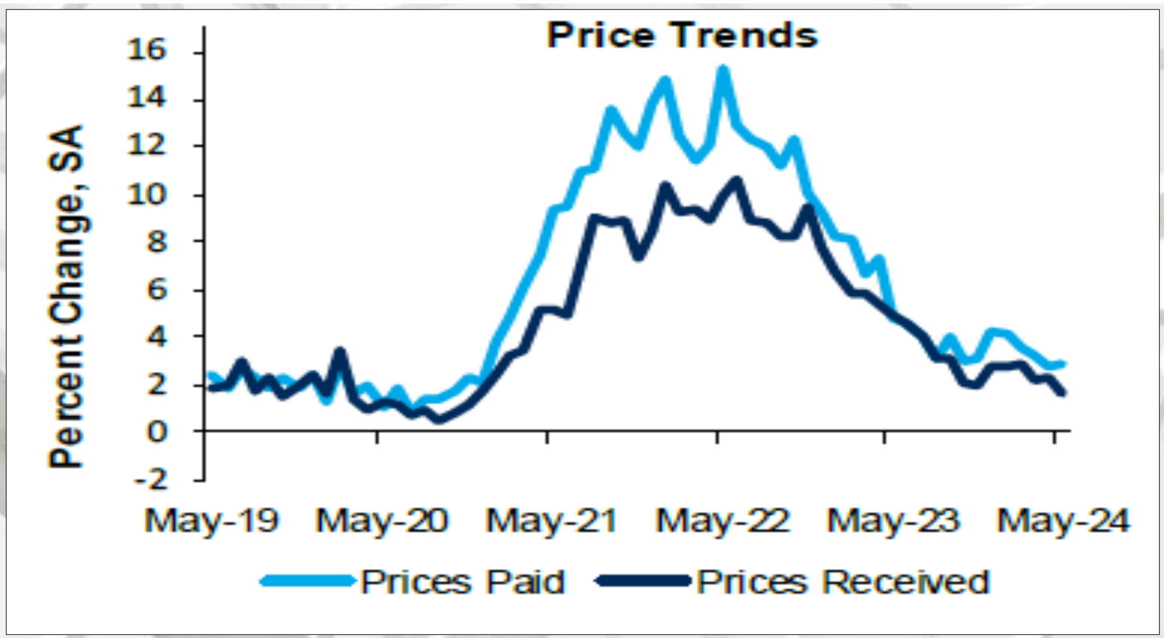
The Federal Reserve Bank of Richmond

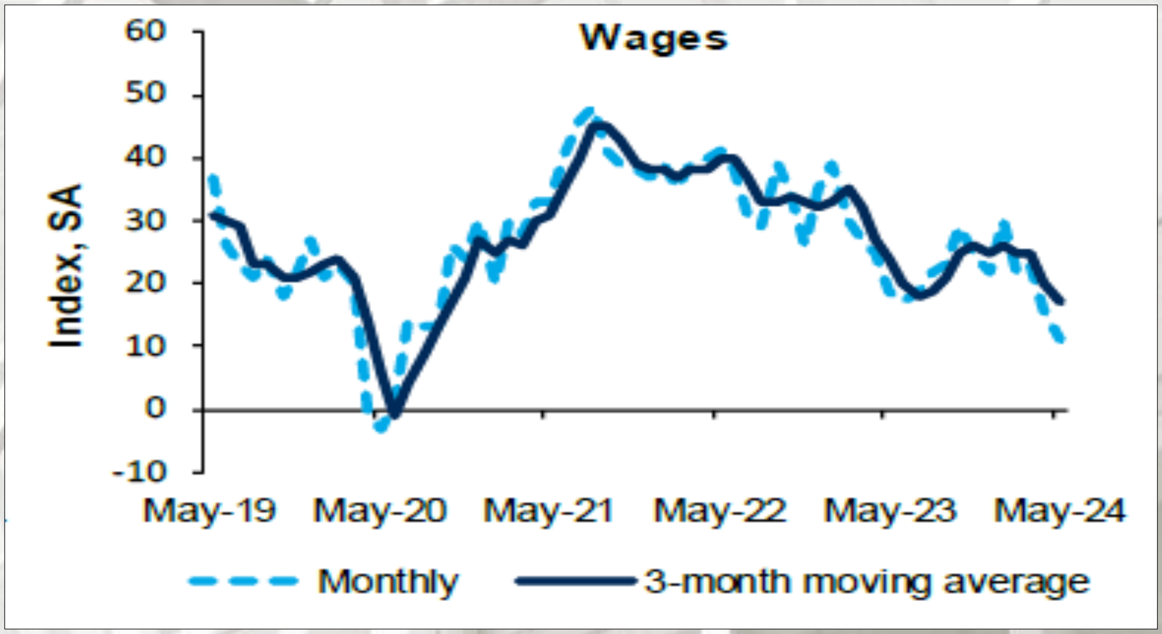


Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 5/2/24

Return to TOC

The Federal Reserve Bank of Richmond





Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/manufacturing; 5/2/24

Return to TOC

The Federal Reserve Bank of Richmond

Fifth District Survey of Service Sector Activity

Service Sector Activity Was Mixed in May

"Fifth District service sector activity was mixed in May, according to the most recent survey by the Federal Reserve Bank of Richmond. The revenues index increased from -13 to 3, while the demand index fell from 9 in April to 1 in May. The index for future revenues increased from 24 to 32, while the index for future demand decreased but remained in positive territory.

Firms' optimism about local business conditions was nearly unchanged, as that index edged down from -6 in April to -9 in May. The index for expected local business conditions also decreased, from 9 to 2 in May.

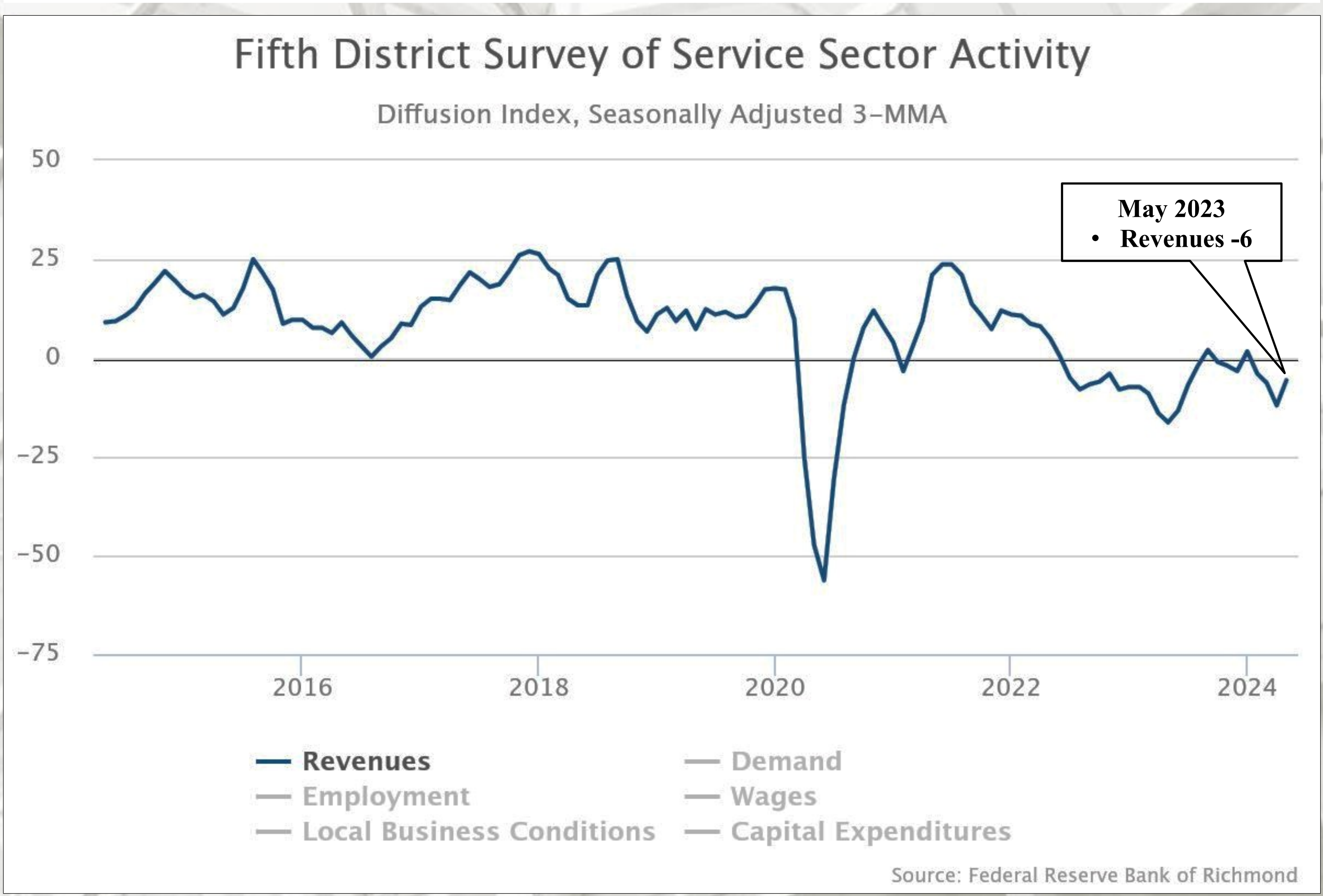
The employment index increased from 1 in April to 6 in May, while firms continued to report wage increases. The availability of skills index rose from -4 to 6 in May, suggesting some improvement in firms' ability to find workers with the necessary skills. Over the next six months, firms expect to increase hiring and anticipate little improvement in their ability to find workers with the necessary skills. Most firms plan to continue increasing wages.

The average growth in prices paid decreased slightly in May, while growth in prices received increased slightly. Firms expect both growth rates to moderate over the coming year." – Jason Kosakow, Research Department, The Federal Reserve Bank of Richmond

Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 5/29/24

Return to TOC

The Federal Reserve Bank of Richmond



Source: https://www.richmondfed.org/research/regional_economy/surveys_of_business_conditions/service_sector; 5/29/24

Return to TOC

Global Economic Indicators

The Federal Reserve Bank of Dallas

México Economic Update

México's economy improves in the first quarter of 2024

"México's economy grew 1.1 percent in the first quarter, driven by the services sector, according to the national statistics bureau. The first-quarter GDP growth implies a moderate acceleration compared to the fourth quarter of 2023, when output was flat. The consensus forecast for 2024 GDP growth (fourth quarter/fourth quarter) compiled by Banco de México remained the same at 3.1 percent in December (*Table 1*). Recent data are mixed. While industrial production, exports and employment rose, retail sales ticked down. Inflation picked up, and the peso held steady against the dollar.

Output grows in first quarter

México's first-quarter GDP grew an annualized 1.1 percent (*Chart 1*). On a nonannualized basis, the goods-producing sectors (manufacturing, construction, utilities and mining) contracted 0.5 percent after falling 0.3 percent the previous quarter. Activity in the services-providing sectors (wholesale and retail trade, transportation and business services) grew 0.6 percent, faster than the previous quarter's 0.3 percent increase. Agricultural output expanded 1.7 percent.

Industrial Production increases

The three-month-moving average of México's industrial production (IP) index, which includes manufacturing, construction, oil and gas extraction and utilities – grew 0.1 percent in March after declining the previous four months (Chart 2). Manufacturing IP grew 0.5 percent. North of the border, the three-month moving average of U.S. IP was flat in March. With the rise of intra-industry trade between the U.S. and México since the early 1990s, the correlation between Méxican and U.S. IP has increased considerably. Slowing U.S. manufacturing activity appears to be impacting Mexico's manufacturing sector." – Jesus Cañas, Senior Business Economist and Diego Morales-Burnett, Research Analyst, Research Department, The Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2403; 6/5/24

Return to TOC

Global Economic Indicators

April 2024 economic report			
GDP, real Q1 '24	Employment, formal April '24	CPI April '24	Peso/dollar April '24
1.1% q/q	123,593 jobs m/m	4.8% y/y	16.8

Table 1: Consensus Forecasts for 2024 México Growth, Inflation, and Exchange Rate

	March	April
Real GDP growth in Q4, year over year	2.1	2.2
Real GDP growth in 2024	2.4	2.2
CPI December 2024, year over year	4.1	4.2
Peso/dollar exchange rate at end of year	18.1	17.9

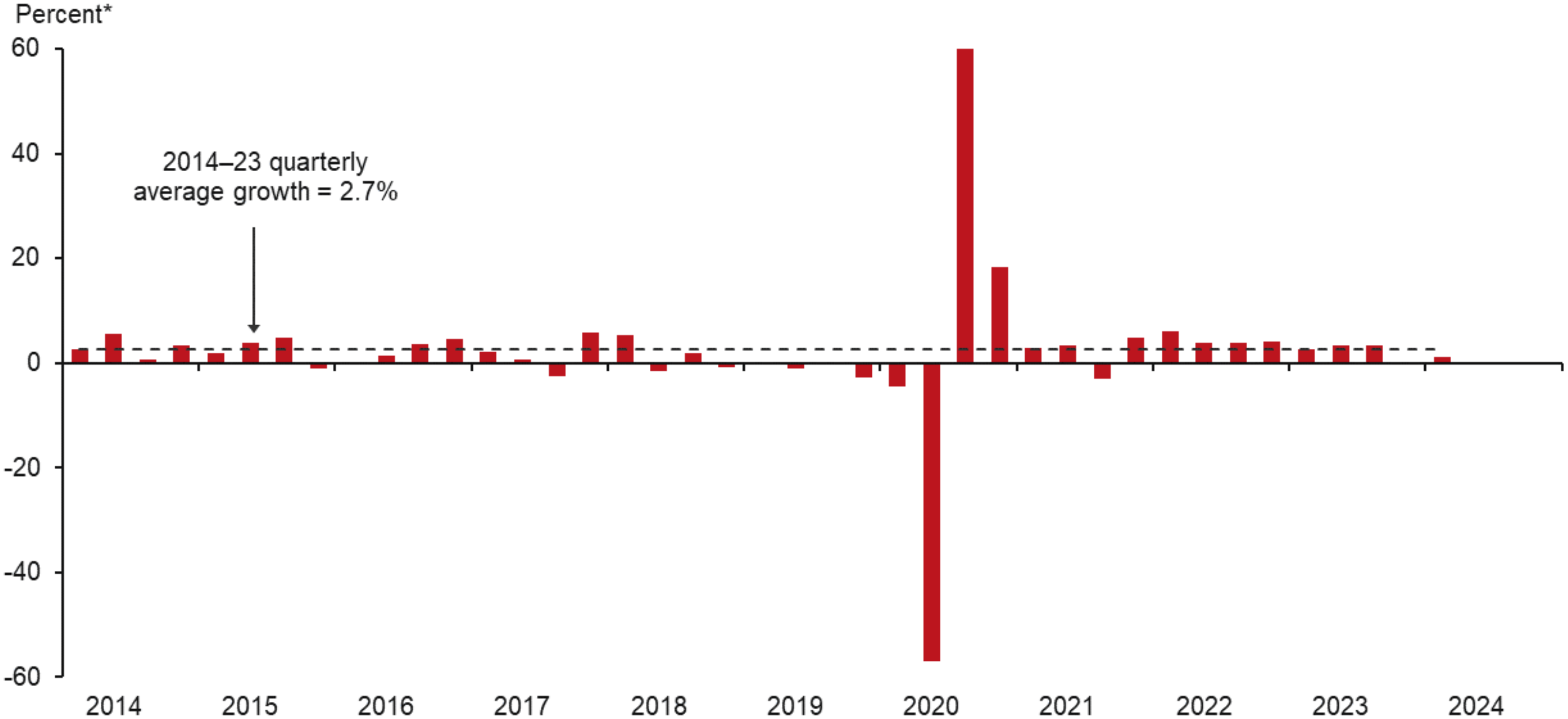
Note: CPI refers to the consumer price index. The survey period was April 19-29.
Source: Encuesta sobre las Expectativas de los Especialistas en Economía del Sector Privado: Abril de 2024 (communiqué on economic expectations, Banco de México, May 2024).

Source: https://www.dallasfed.org/research/update/mex/2024/2403; 6/5/24

Return to TOC

Global Economic Indicators

Chart 1
Mexico's 1Q GDP growth picks up slightly



*Quarter-on-quarter, seasonally adjusted, annualized rate in real pesos.
NOTES: Chart shows gross domestic produce (GDP) growth in Mexico. Data are through the first quarter of 2024.
SOURCE: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography).

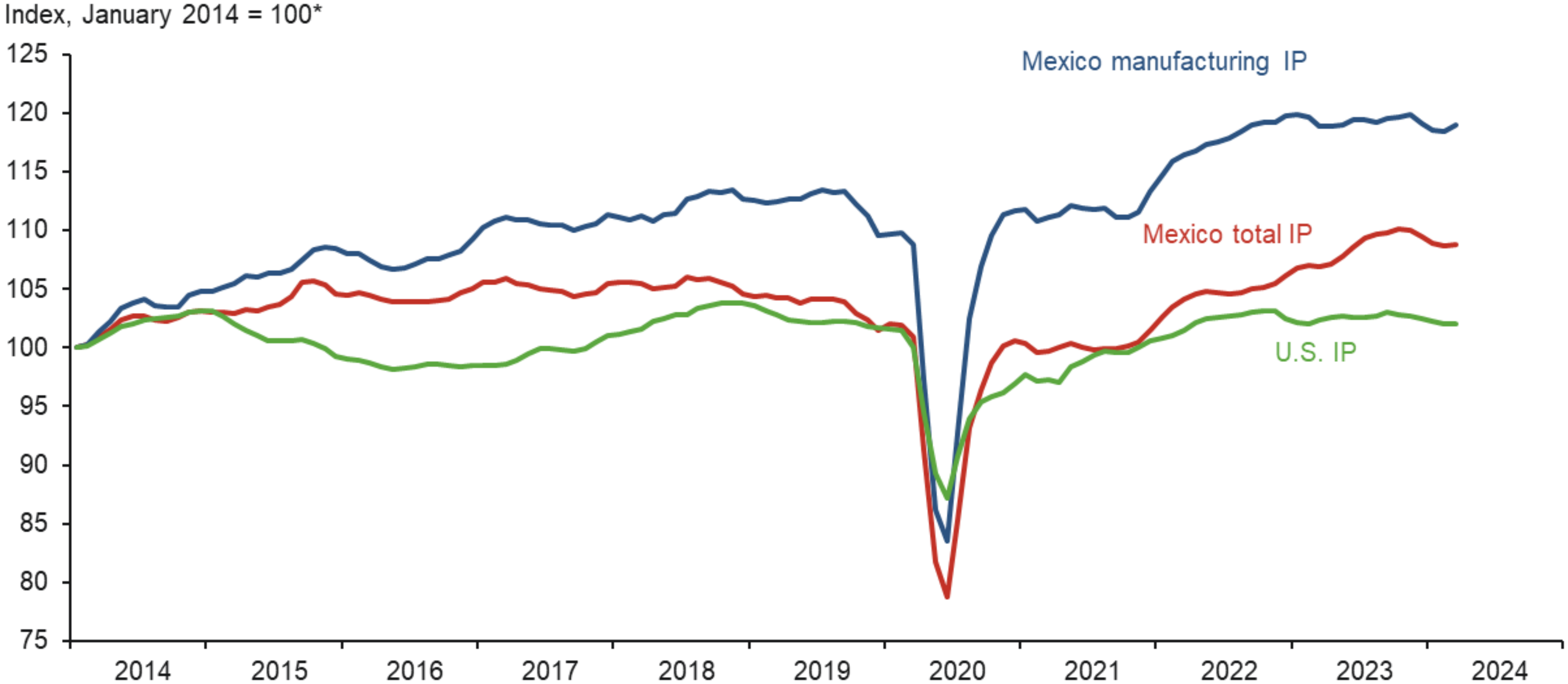
Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2403; 6/5/24

Return to TOC

Global Economic Indicators

Chart 2
Industrial production ticks up

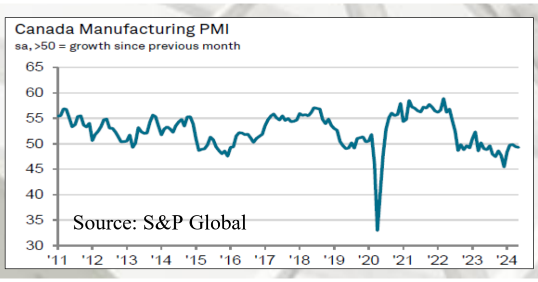


*Seasonally adjusted, three-month moving average.
NOTES: Total and manufacturing industrial production figures refer to Mexico. U.S. IP refers to total industrial production in the United States. Data are through March 2024.
SOURCES: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography); Federal Reserve Board.
Federal Reserve Bank of Dallas

Source: https://www.dallasfed.org/research/update/mex/2024/2403; 6/5/24

Return to TOC

Private Indicators: Global



S&P Global Canada Manufacturing PMI®

"The seasonally adjusted **S&P Global Canada Manufacturing Purchasing Managers' Index® (PMI®)** recorded 49.3 in May. That was little-changed on April's 49.4 and extended the current downturn in manufacturing operating conditions to 13 months.

Canada's manufacturing sector experienced another subdued performance in May. Output and new orders both continued to fall, and at faster rates, whilst firms cut their buying activity given sufficient stock at their plants. More positive however was a rise in employment and a strengthening of confidence to a ten-month high. Prices data showed another solid increase in input costs but the slowest increase in output charges for nearly four years.

The continued weakness of the headline index principally reflected ongoing falls in both output and new orders. Although modest, rates of contraction picked up since April. Production has now fallen for ten months in a row, and May's drop was the steepest of the year so far. For new orders, the decline was the sharpest in four months. Firms commented on an uncertain economic and political environment, with sales down from both domestic and international clients. New export orders fell for a ninth successive month amid reports of reduced demand from the US. …

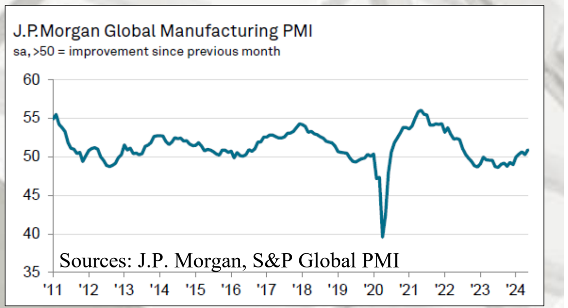
Canada's manufacturing economy remained in a mild downturn during May. Output and new orders continue to fall, and perhaps more worryingly, to stronger degrees than in April. Firms continue to report subdued market demand, characterised by uncertainty and a general unwillingness to commit to new business. Moreover, with sufficient stock noted at their plants, manufacturers saw little need to raise their own buying activity.

Supply chain frictions were again evident and continue to provide a prop to wider inflationary pressures, according to panellists. Input costs indeed rose at a marked pace, but more reassuringly to a degree that remains well below average. With competitive pressures and weak demand, output charges rose only fractionally and point to a more stable inflation environment. This may provide some reassurance to policymakers as they look to finally embark on their widely expected period of monetary policy loosening

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/05a4ed27c0904661863b67c0ca7b0567; 6/3/24

Return to TOC

Private Indicators: Global



J.P. Morgan Global Manufacturing PMI™

"The J.P. Morgan Global Manufacturing PMI™ – a composite index produced by J.P. Morgan and S&P Global in association with ISM and IFPSM – rose to a 22-month high of 50.9 in May, to remain above the neutral 50.0 mark for the fourth successive month. Three out of the five PMI sub-indices were at levels indicative of an improvement in operating conditions (output, new orders and employment).

Growth of global manufacturing production improves in May, as upturn in new work intakes accelerates

"The upturn in the global manufacturing sector gathered pace in May, with rates of expansion in output and new orders both strengthening. Signs of recovery were broad-based by nation, with output growth accelerating in the US, China, and the UK, while rates of contraction eased in Japan and the euro area.

May saw manufacturing production increase at the quickest pace since December 2021. Output has now expanded for five consecutive months. Growth accelerated to a near three-year high in the intermediate goods industry and output expanded for the third time in the past four months in the investment goods sector. Consumer goods remained the best performing category overall despite seeing growth ease slightly over the month. The latest expansion of worldwide manufacturing output was underpinned by rising intakes of new business, completion of backlogs of work and improved international trade flows.

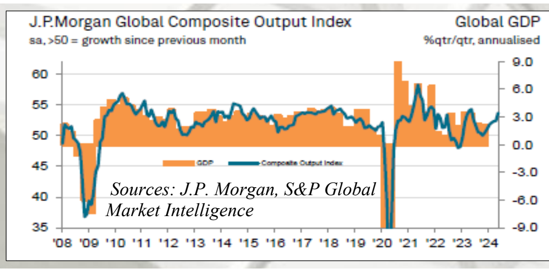
New business rose for the fourth month running and to the greatest extent since March 2022. Concurrent growth was registered across the consumer, intermediate and investment goods industries for the first time in over two years. Levels of outstanding business were reduced for the twenty-third successive month, albeit at one of the weakest rates during that sequence. …

The May global manufacturing output PMI rose 1.2 to 52.6 in May, its highest level since December 2021. At this level, the PMI is consistent with solid 2.5% growth in global factory output. Gains in the new orders and employment PMIs also point to an upturn moving ahead. The base of the revival is broadening, with the survey improving across most of the major economies." – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/f44f2dbe4a23430aad13cd8105306ea9; 6/4/24

Return to TOC

Private Indicators: Global



Sources: J.P. Morgan, S&P Global Market Intelligence

J.P. Morgan Global Composite PMI™

"The J.P. Morgan Global Composite Output Index – produced by J.P. Morgan and S&P Global in association with ISM and IFPSM – rose for the seventh successive month to post 53.7 in May, up from 52.4 in April and its highest level since May 2023.

Growth rate of global economy accelerates to fastest in a year during May

The rate of global economic growth hit a 12-month high in May, as new work intakes strengthened. The upturns in business activity and new orders also showed improved breadth, with all six of the sub-sectors covered by the survey registering expansions in both. Growth of service sector business activity accelerated to a 12-momth high in May. Moreover, the Global Services Business Activity Index posted above its manufacturing equivalent for the seventeenth month in a row. That said, the trend in manufacturing production also strengthened, with growth hitting a near two-and-a-half year high.

Almost all of the nations for which combined manufacturing and services PMI data are calculated registered growth of economic activity in May. The only exception was France, which saw activity fall back into contraction following April's expansion. …

Improved current conditions led to higher business confidence during May, as positive sentiment picked up after falling to a four-month low in April. Developed nations remained (on average) more optimistic about the year-ahead outlook than emerging markets. …

The global all-industry output PMI strengthened 1.3-point to 53.7 in May, posting its seventh straight monthly gain. The PMI stands at its highest level in a year, consistent with 3.4%ar growth in global GDP. Similar gains in the new orders, employment and future activity indices also bode well for sustaining the recovery in the coming months, as does a broadening of the base of the upturn. All six sub-sectors covered by the survey saw output rise and improvement was seen in key regions such as the US, Eurozone, China, and Japan" – Bennett Parrish, Global Economist, J.P. Morgan

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/0d3865a6a27f46d18ea06fa4de99f39b; 6/5/24

Return to TOC

Private Indicators
Associated Builders and Contractors (ABC)

ABC's Construction Backlog Indicator Inches Lower in May, Contractors Remain Confident

"Associated Builders and Contractors reported that its Construction Backlog Indicator fell to 8.3 months in May, according to an ABC member survey conducted May 20 to June 4. The reading is down 0.6 months from May 2023.

View the full Construction Backlog Indicator and Construction Confidence Index data series.

Backlog declined on a monthly basis for every company size except those contractors with greater than $100 million in annual revenues. On an annual basis, backlog is down for contractors of all sizes.

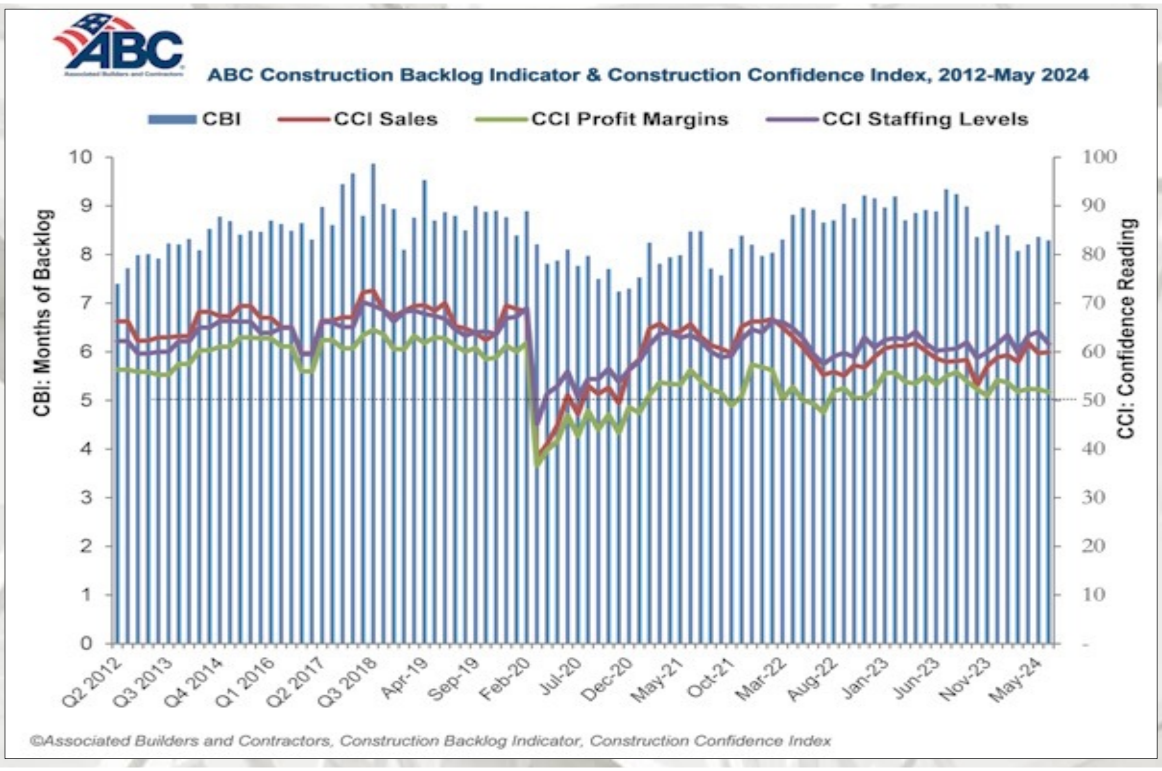
ABC's Construction Confidence Index readings for profit margins and staffing levels fell slightly in May, while the reading for sales improved. All three readings remain above the threshold of 50, indicating expectations for growth over the next six months.

"Over a year has passed since the Federal Reserve raised the target range of the federal funds rate above 5%," said ABC Chief Economist Anirban Basu. "Despite widespread expectations that rates will remain elevated through at least the end of the year, contractors remain confident about the future, with a majority of contractors expecting their sales and staffing levels to expand over the next six months."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inches-lower-in-may-contractors-remain-confident; 6/11/24

Return to TOC

Private Indicators
Associated Builders and Contractors (ABC)



ABC's Construction Backlog Indicator Inches Lower in May, Contractors Remain Confident

"""Although backlog has been lower in 2024 than it was during 2023, it has also been stable," said Basu. "While significant spending activity in manufacturing and infrastructure-related segments has kept contractors busy, input cost escalation has reemerged in recent months. As a result, contractor confidence regarding profit margins has fallen to the lowest level since November 2023."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inches-lower-in-may-contractors-remain-confident; 6/11/24

Return to TOC

Private Indicators
Associated Builders and Contractors (ABC)

Construction Backlog Indicator

	May 2024	April 2024	May 2023	1-Month Net Change	12-Month Net Change
Total	**8.3**	**8.4**	**8.9**	**-0.1**	**-0.6**
Industry					
Commercial and institutional	8.5	8.5	9.2	0.0	-0.7
Heavy industrial	8.8	7.5	7.2	1.3	1.6
Infrastructure	8.0	9.8	9.3	-1.8	-1.3
Region					
Middle States	7.6	7.9	7.5	-0.3	0.1
Northeast	7.0	6.9	8.0	0.1	-1.0
South	10.1	10.5	10.9	-0.4	-0.8
West	8.1	6.3	9.1	1.8	-1.0
Company Size					
<$30 Million	7.4	7.6	8.2	-0.2	-0.8
$30-$50 Million	7.6	10.1	9.1	-2.5	-1.5
$50-$100 Million	9.2	10.3	9.7	-1.1	-0.5
>$100 Million	12.1	9.8	14.1	2.3	-2.0

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inches-lower-in-may-contractors-remain-confident; 6/11/24

Return to TOC

Private Indicators
Associated Builders and Contractors (ABC)

Construction Confidence Index

Response	May 2024	April 2024	May 2023
CCI Reading			
Sales	59.9	59.7	60.1
Profit margins	51.7	52.3	55.1
Staffing	61.6	64.2	61.7
Sales Expectations			
Up big	5.9%	5.1%	6.9%
Up small	51.4%	52.5%	46.9%
No change	22.2%	22.0%	29.7%
Down small	17.4%	16.9%	13.1%
Down big	3.1%	3.4%	3.4%
Profit Margin Expectations			
Up big	1.7%	2.0%	6.9%
Up small	31.6%	30.5%	29.1%
No change	42.0%	45.1%	45.1%
Down small	21.2%	19.3%	15.4%
Down big	3.5%	3.1%	3.4%
Staffing Level Expectations			
Up big	4.5%	6.1%	4.6%
Up small	47.6%	51.2%	48.6%
No change	38.5%	36.9%	37.1%
Down small	8.7%	4.7%	8.6%
Down big	0.7%	1.0%	1.1%

Source: https://www.abc.org/News-Media/News-Releases/abcs-construction-backlog-indicator-inches-lower-in-may-contractors-remain-confident; 6/11/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Nonresidential Construction Spending Slips 0.3% in April, Remains Near Record High

"National nonresidential construction spending decreased 0.3% in April, according to an Associated Builders and Contractors analysis of data published by the U.S. Census Bureau.

On a seasonally adjusted annualized basis, nonresidential spending totaled $1.20 trillion. Spending was down on a monthly basis in 10 of the 16 nonresidential subcategories. Private nonresidential spending decreased 0.3%, while public nonresidential construction spending was down 0.2% in April.

"Nonresidential construction spending fell for the second consecutive month in April but remains just 0.3% below the all-time high established in February," said ABC Chief Economist Anirban Basu. "An unprecedented increase in manufacturing construction spending has pushed overall nonresidential activity 31.9% higher over the past two years. Ongoing investment in industrial facilities as well as significant infrastructure-related outlays will keep nonresidential spending elevated despite the current expectation that interest rates will stay higher for longer. This outlook is reflected in ABC's Construction Confidence Index, which shows that a majority of contractors expect their sales to increase over the next two quarters."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-slips-03-in-april-remains-near-record-high; 6/3/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate

	April 2024	March 2024	April 2023	1-Month % Change	12-Month % Change
Total Construction	$2,099,039	$2,101,511	$1,907,837	-0.1%	10.0%
Residential	$902,292	$901,438	$834,713	0.1%	8.1%
Nonresidential	$1,196,747	$1,200,074	$1,073,124	-0.3%	11.5%
Conservation and development	$11,487	$11,256	$12,044	2.1%	-4.6%
Manufacturing	$228,441	$226,396	$194,818	0.9%	17.3%
Transportation	$66,412	$66,087	$62,841	0.5%	5.7%
Water supply	$30,820	$30,678	$25,208	0.5%	22.3%
Office	$101,641	$101,361	$96,482	0.3%	5.3%
Power	$135,650	$135,540	$118,185	0.1%	14.8%
Public safety	$17,800	$17,860	$11,946	-0.3%	49.0%
Highway and street	$150,551	$151,444	$129,324	-0.6%	16.4%
Amusement and recreation	$36,135	$36,353	$31,258	-0.6%	15.6%
Educational	$128,656	$129,620	$110,685	-0.7%	16.2%
Communication	$25,383	$25,588	$24,540	-0.8%	3.4%
Commercial	$128,646	$130,084	$128,809	-1.1%	-0.1%
Sewage and waste disposal	$42,167	$42,726	$38,848	-1.3%	8.5%
Lodging	$22,508	$22,871	$22,988	-1.6%	-2.1%
Health care	$66,504	$68,122	$62,128	-2.4%	7.0%
Religious	$3,946	$4,089	$3,021	-3.5%	30.6%
Private Nonresidential	$721,470	$723,796	$665,887	-0.3%	8.3%
Public Nonresidential	$475,277	$476,278	$407,238	-0.2%	16.7%

Source: U.S. Census Bureau

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-slips-03-in-april-remains-near-record-high; 6/3/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-spending-slips-03-in-april-remains-near-record-high; 6/3/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Construction Job Openings Decrease By 8,000 in April, Fall to Lowest Level Since March 2023

"The construction industry had 338,000 job openings on the last day of April, according to an Associated Builders and Contractors analysis of data from the U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey. JOLTS defines a job opening as any unfilled position for which an employer is actively recruiting. Industry job openings decreased by 8,000 last month and are down by 25,000 from the same time last year.

"Construction job openings fell to the lowest level since March 2023," said ABC Chief Economist Anirban Basu. "This recent decline in job openings does not necessarily signal a decline in the demand for labor. First, JOLTS data can be volatile, especially at the industry level. Second, payroll employment data show ongoing hiring, while ABC's Construction Confidence Index shows that a majority of ABC contractors intend to increase their staffing levels over the next two quarters. And third, contractors continue to lay off workers at a low rate while workers are quitting at an elevated rate, both signs of a tight labor market.

"To the extent the demand for construction workers is weakening, it's likely occurring in the residential segment," said Basu. "More new homes were completed in the first four months of 2024 than during any four-month period dating back to 2007, and the combination of ample new-home inventory, a slumping multifamily segment and high interest rates has cut the demand for new residential construction."" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-decrease-by-8000-in-april-fall-to-lowest-level-since-march-2023; 6/4/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Construction Industry Job Openings and Labor Turnover Data: April 2024

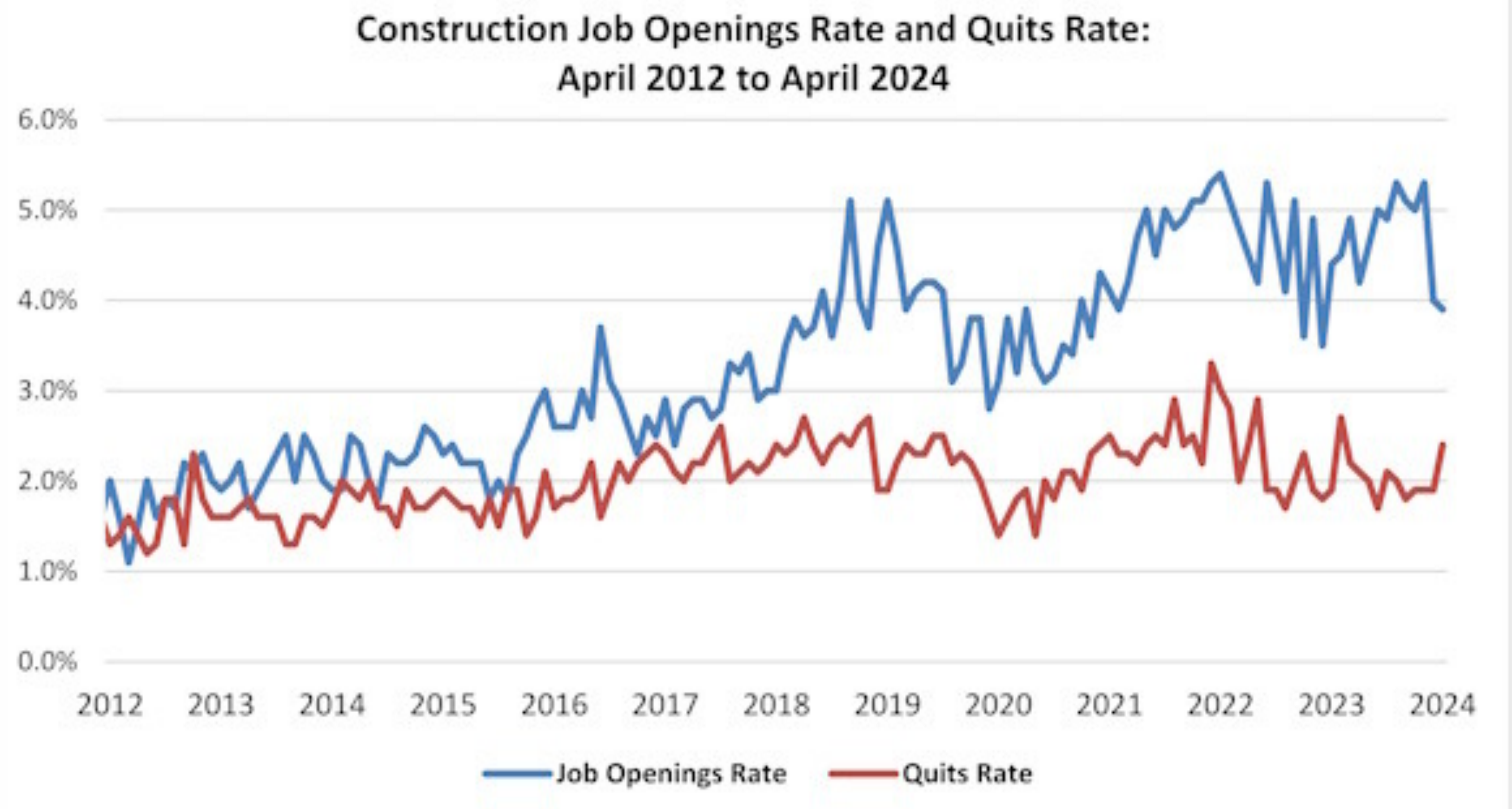
	April 2024	March 2024	April 2023	1-Month Net Change	12-Month Net Change	12-Month % Change
Total						
Job openings	338,000	346,000	363,000	-8,000	-25,000	-6.9%
Hires	353,000	374,000	364,000	-21,000	-11,000	-3.0%
Total separations	361,000	352,000	367,000	9,000	-6,000	-1.6%
Layoffs & discharges	154,000	178,000	200,000	-24,000	-46,000	-23.0%
Quits	198,000	156,000	155,000	42,000	43,000	27.7%
Other separations	9,000	19,000	13,000	-10,000	-4,000	-30.8%
Rate						
Job openings	3.9%	4.0%	4.4%			
Hires	4.3%	4.6%	4.6%			
Total separations	4.4%	4.3%	4.6%			
Layoffs & discharges	1.9%	2.2%	2.5%			
Quits	2.4%	1.9%	1.9%			
Other separations	0.1%	0.2%	0.2%			

Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-decrease-by-8000-in-april-fall-to-lowest-level-since-march-2023; 6/4/24

Return to TOC

Private Indicators
Associated Builders and Contractors



Source: U.S. Bureau of Labor Statistics

Source: https://www.abc.org/News-Media/News-Releases/abc-construction-job-openings-decrease-by-8000-in-april-fall-to-lowest-level-since-march-2023; 6/4/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Nonresidential Construction Adds 17,100 Jobs in May

"The construction industry added 21,000 jobs on net in May, according to an Associated Builders and Contractors analysis of data released by the U.S. Bureau of Labor Statistics. On a year-over-year basis, industry employment has increased by 251,000 jobs, an increase of 3.1%.

Nonresidential construction employment increased by 17,100 positions on net in May, with growth registered in all three major subcategories. Nonresidential specialty trade added the most jobs, with employment increasing by 13,000 positions. Nonresidential building and heavy and civil engineering added 3,000 and 1,100 jobs, respectively.

The construction unemployment rate fell to 3.9% in May. Unemployment across all industries rose from 3.9% in April to 4.0% last month.

"Every monthly employment report is important," said ABC Chief Economist Anirban Basu. "But this year's reports are scrutinized carefully for several reasons, including upcoming federal elections. Economists are asking whether indications of softening in certain parts of the economy might cause deterioration in the overall labor market and whether the virtuous cycle of consumer spending and job growth will persist. May's report indicates that we remain in that virtuous cycle."
– Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-adds-17100-jobs-in-may; 6/7/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Nonresidential Construction Adds 17,100 Jobs in May

"“Despite perpetual fears of recession and the dislocating impacts of high borrowing costs, the U.S. nonresidential construction industry is adding jobs rapidly and will continue to, according to ABC’s Contractor Confidence Index,” said Basu. “While many would point to public infrastructure outlays as an obvious source of strength, this report indicates job growth among many industry segments. The rapid transformation of the U.S. economy continues to more than offset the negative impacts of elevated project financing costs.

“As always, the news was not purely positive,” said Basu. “Wage pressures picked up in May, likely quashing hopes for a Federal Reserve rate cut in July. While the establishment survey indicated that the nation added 272,000 jobs in May on a seasonally adjusted basis, blowing through consensus expectations, the household survey indicated that the nation’s unemployment rate increased despite a shrinking U.S. labor force. What that means is that the headline job growth number emerging from the establishment survey may be overstating U.S. economic strength while also delaying the Federal Reserve’s response to potentially emerging economic weakness.”" – Erika Walter, Director of Media Relations, ABC

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-adds-17100-jobs-in-may; 6/7/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Nonresidential Construction Adds 17,100 Jobs in May

Construction Employment Statistics: May 2024

	May 2024	April 2024	May 2023	1-Month Net Change	12-Month Net Change	12-Month % Change
Employment						
Construction	8,228,000	8,207,000	7,977,000	21,000	251,000	3.1%
Nonresidential	4,869,300	4,852,200	4,690,300	17,100	179,000	3.8%
Nonresidential building	920,600	917,600	875,100	3,000	45,500	5.2%
Nonresidential specialty trade contractors	2,803,700	2,790,700	2,714,300	13,000	89,400	3.3%
Heavy & civil engineering	1,145,000	1,143,900	1,100,900	1,100	44,100	4.0%
Residential	3,358,400	3,354,900	3,286,500	3,500	71,900	2.2%
Residential building	949,700	946,200	922,600	3,500	27,100	2.9%
Residential specialty trade contractors	2,408,700	2,408,700	2,363,900	0	44,800	1.9%
Average Hourly Earnings						
All private industries	$34.91	$34.77	$33.54	$0.14	$1.37	4.1%
Construction	$38.06	$37.99	$36.26	$0.07	$1.80	5.0%
Average Weekly Hours						
All private industries	34.3	34.3	34.4	0.0	-0.1	-0.3%
Construction	39.0	38.7	38.9	0.3	0.1	0.3%
Unemployment Rate						
All private industries (SA)	4.0%	3.9%	3.7%	0.1pp	0.3pp	
Construction (NSA)	3.9%	5.2%	3.5%	-1.3pp	0.4pp	

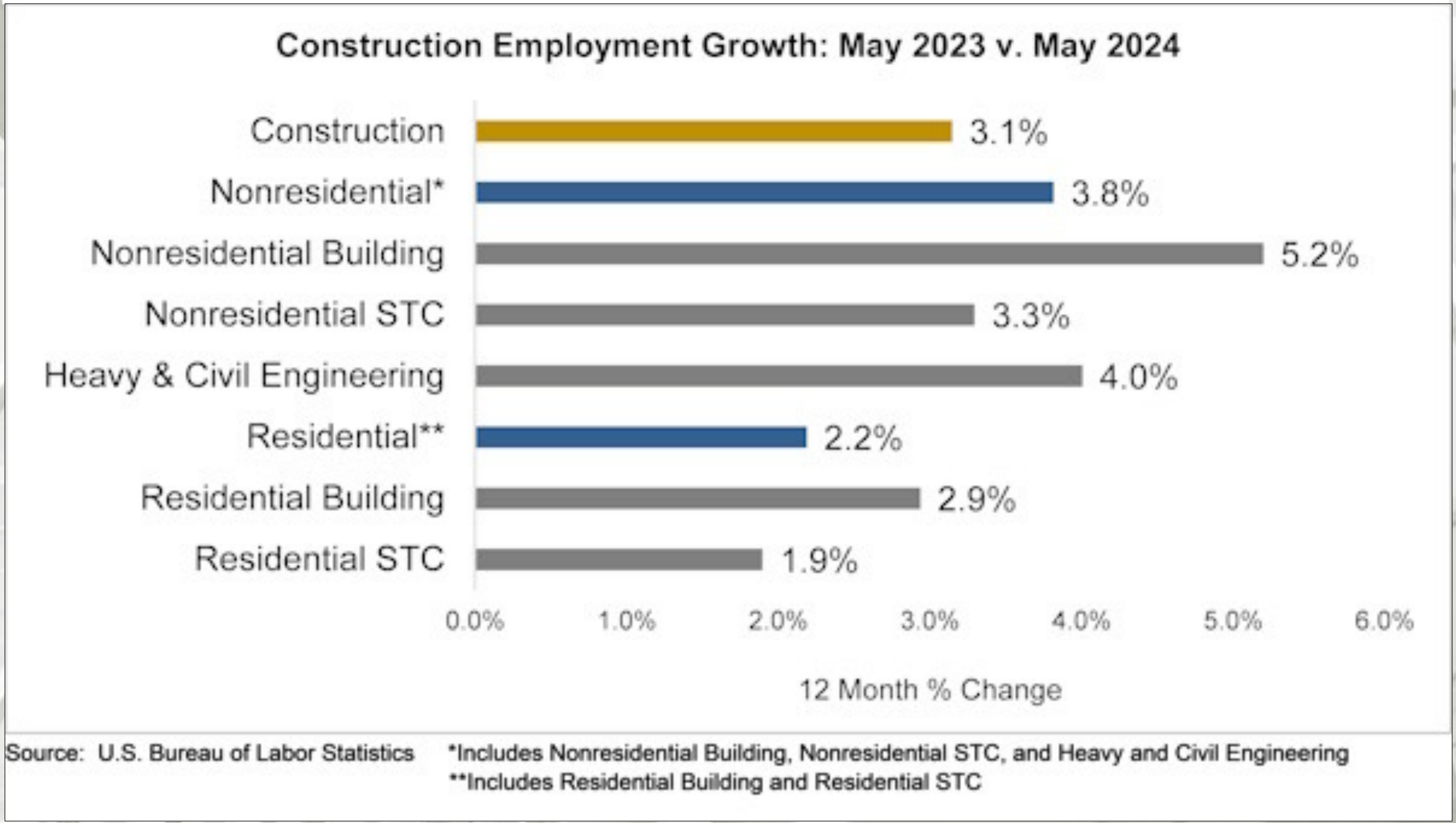
Source: U.S. Bureau of Labor Statistics. Note. SA: Seasonally adjusted. NSA: Not seasonally adjusted

Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-adds-17100-jobs-in-may; 6/7/24

Return to TOC

Private Indicators
Associated Builders and Contractors

Nonresidential Construction Adds 17,100 Jobs in May



Source: https://www.abc.org/News-Media/News-Releases/abc-nonresidential-construction-adds-17100-jobs-in-may; 6/7/24

Return to TOC

Private Indicators
American Institute of Architects (AIA) & Deltek

Architecture Billings Index April 2024

Business conditions at architecture firms remained soft in April.

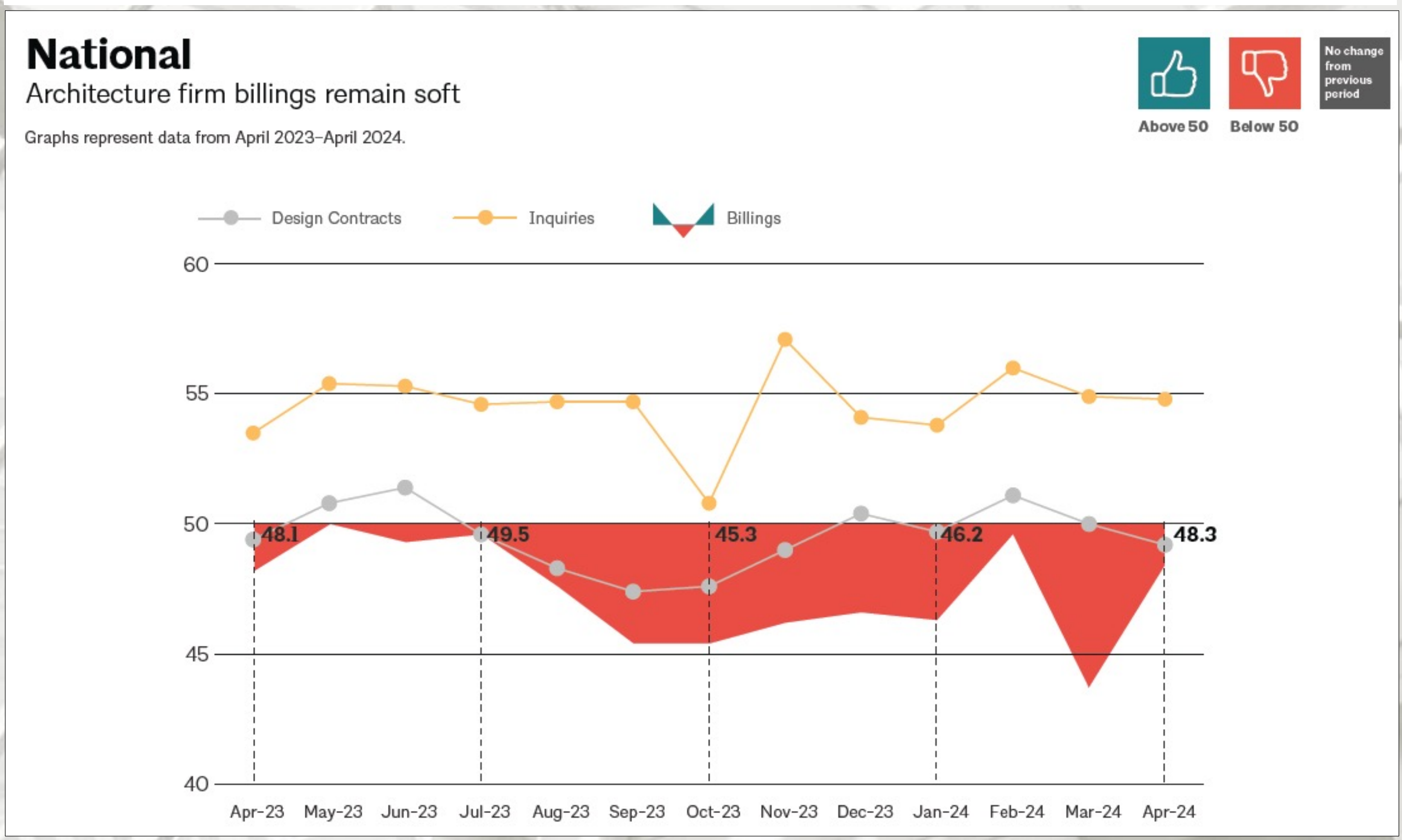
"While the AIA/Deltek Architecture Billings Index (ABI) score for the month rose from 43.6 in March to 48.3 in April, it indicates that billings continued to decline at the majority of firms (a score below 50 indicates declining billings). Inquiries into new projects continued to increase, as there remains interest in starting new projects. However, the value of newly signed design contracts dipped slightly in April, as clients remain hesitant to commit to new work. Firms had hoped that the Federal Reserve would start lowering interest rates this spring and that would open new work, but with that decrease now likely on hold until late summer or early fall, firms may have some more slow months ahead of them." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

"These findings indicate that while there is still caution among clients, there are also positive signs with increasing inquiries into new projects. Continued high interest rates make it difficult for some projects to move forward, but there is ongoing interest in pursuing these projects once conditions improve. In the meantime, design activity is expected to remain sluggish." – Kermit Baker, Chief Economist, AIA

Source: https://www.aia.org/resource-center/abi-april-2024-pace-billings-decline-architecture-firms-slows-slightly; 5/22/24

Return to TOC

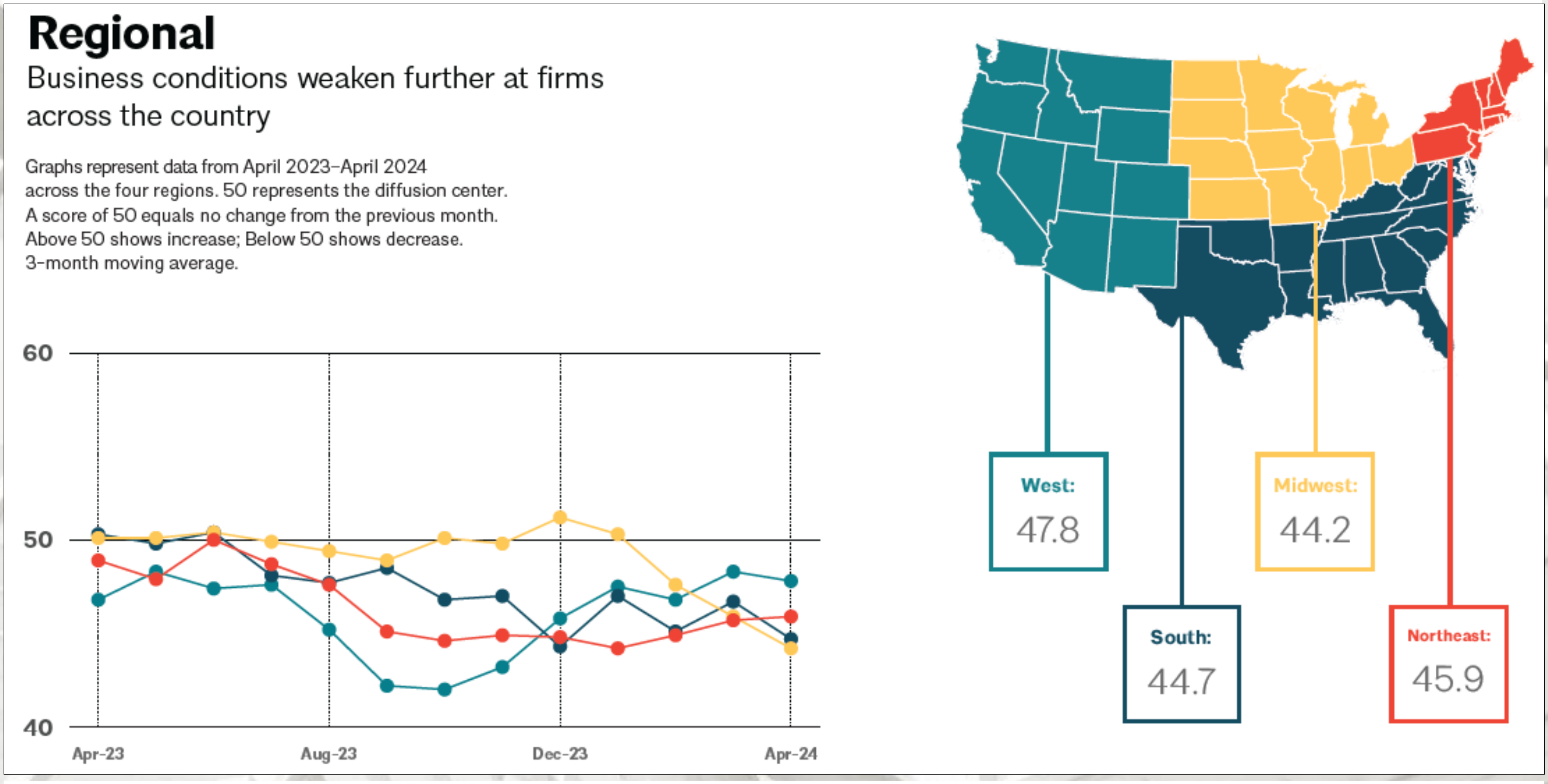
Private Indicators
American Institute of Architects (AIA) & Deltek



Source: https://www.aia.org/resource-center/abi-april-2024-pace-billings-decline-architecture-firms-slows-slightly; 5/22/24

Return to TOC

Private Indicators: AIA & Deltek



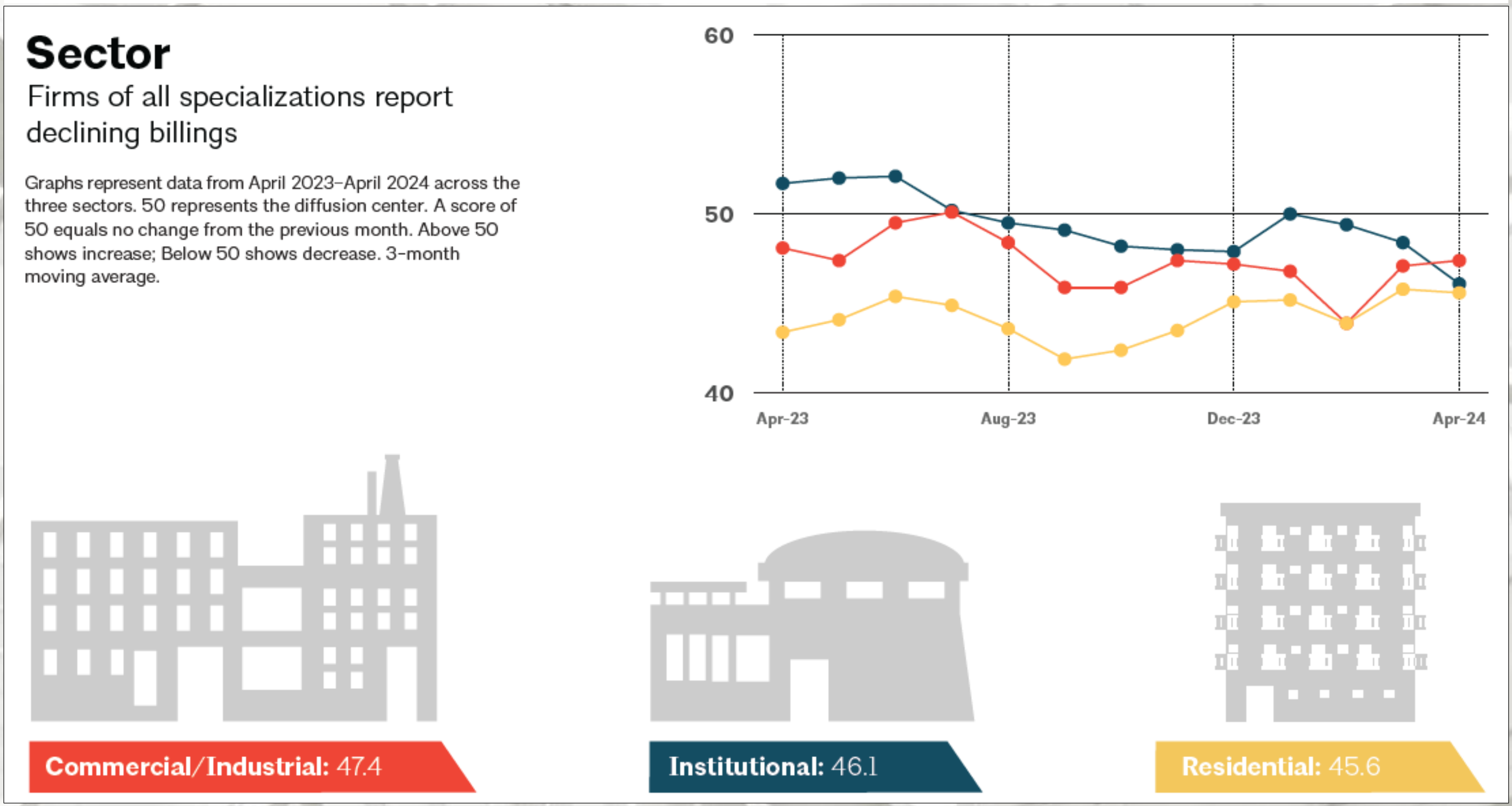
Region

"Architecture firm billings continued to decline at firms in all regions of the country in April as well, with firms located in the Midwest and South reporting the largest declines. The current longest duration of decline is found at firms located in the West, where billings have now declined for the last 19 consecutive months." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-april-2024-pace-billings-decline-architecture-firms-slows-slightly; 5/22/24

Return to TOC

Private Indicators: AIA & Deltek



Sector

"Business conditions also remain soft at firms of all specializations, with the weakest conditions continuing at firms with a multifamily residential specialization, followed by those with an institutional specialization, and then those with a commercial/industrial specialization." – Katharine Keane, Senior Associate Editor, The American Institute of Architects

Source: https://www.aia.org/resource-center/abi-april-2024-pace-billings-decline-architecture-firms-slows-slightly; 5/22/24

Return to TOC

Private Indicators

Dodge Data & Analytics

Construction Starts gain 6% in April

April's increase reverses two months of decline

"Total construction starts rose 6% in April to a seasonally adjusted annual rate of $1.13 trillion, according to Dodge Construction Network. Nonresidential building starts gained 17%, nonbuilding starts were 4% higher, while residential starts slipped 1%. On a year-to-date basis through April total construction starts were up 13% from the first four months of 2023. Residential starts were up 22%, while nonbuilding starts gained 14% and nonresidential building starts rose 5%.

For the 12 months ending April 2024, total construction starts were up 2% from the 12 months ending April 2023. Nonresidential building starts were down 8% while residential starts were up 3%, and nonbuilding starts were up 16% on a 12-month rolling sum basis.

"The rebound in starts in April was certainly good news for the sector," said Richard Branch, chief economist of Dodge Construction Network. "While the uncertain timing of Fed interest rates cuts is causing concern, developers and owners are feeling reasonably confident that end-market demand will sustain project starts in some sectors. While risk remains in the sector for interest rates, labor, and material prices the value of projects in planning has been reasonably stable indicating future confidence."" – Cailey Henderson, Account Manager, 104 West Partners

Source: https://www.construction.com/company-news/construction-starts-gain-6-percent-in-april/; 5/20/24

Return to TOC

Private Indicators

Dodge Data & Analytics

"**Nonresidential building starts** rose 17% in April to a seasonally adjusted annual rate of $423 billion. Manufacturing starts more than doubled during the month due to the start of two large projects. Institutional starts rose 16% due to a gain in healthcare and transportation projects, while commercial starts lost 1% due to a pullback in parking and warehouse projects. On a year-to-date basis through April, total nonresidential starts were up 5%. Institutional starts were 19% higher, while commercial and manufacturing starts were each down 6% on a year-to-date basis through April.

For the 12 months ending April 2024, nonresidential building starts were 8% lower than the previous 12 months. Manufacturing starts were down 31% and commercial starts were down 13%, while institutional starts were 9% higher for the 12 months ending April 2024..

Residential

Residential building starts moved 1% lower in April to a seasonally adjusted annual rate of $395 billion. Single family starts fell 7%, while multifamily starts gained 13%. On a year-to-date basis through four months, total residential starts were 22% higher. Single family starts improved 32% and multifamily starts were 4% higher on a year-to-date basis.

For the 12 months ending April 2024, residential starts were 3% higher from the previous 12 months. Single family starts were 10% higher, while multifamily starts were 7% lower on a 12-month rolling sum basis.

The largest multifamily structures to break ground in April were the $300 million 1690 Revere Beach Parkway in Everett, Massachusetts, the $270 million Innovative Urban mixed-use building in East New York, NY, and the $160 million 120 E144th Street apartment building in Mott Haven, New York." – Richard Branch, Chief Economist, Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-gain-6-percent-in-april/; 5/20/24

Return to TOC

Private Indicators

MONTHLY CONSTRUCTION STARTS

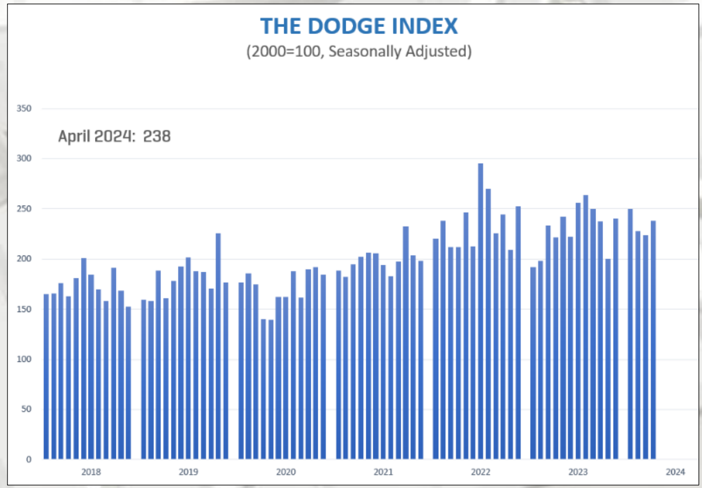
(Millions of Dollars, Seasonally Adjusted Annual Rate)

	Apr 2024	Mar 2024	% Change
Nonresidential Building	$422,520	$361,563	17
Residential Building	394,790	399,805	-1
Nonbuilding Construction	310,140	297,470	4
Total Construction	$1,127,451	$1,058,837	6

YEAR-TO-DATE CONSTRUCTION STARTS

Unadjusted Totals, in Millions of Dollars

	4 Mos. 2024	4 Mos. 2023	% Change
Nonresidential Building	$130,000	$124,276	5
Residential Building	132,581	109,026	22
Nonbuilding Construction	93,780	82,118	14
Total Construction	$356,362	$315,420	13



Source: Dodge Data & Analytics

Source: https://www.construction.com/company-news/construction-starts-gain-6-percent-in-april/; 5/20/24

Return to TOC

Private Indicators

MNI Chicago

May 2024 Chicago Report™ – Slowed to 37.9

"**The Chicago Business Barometer™**, produced with MNI, slowed 2.5 points to 35.4 in May. This is the sixth consecutive monthly decline, making this month's reading the lowest since May 2020 and 5.5 points below the year-to-date average of 40.9.

- Three out of five subcomponents fell. With the move driven lower by falls in New Orders, Order
- Backlogs, and to a lesser extent Employment, whilst Production and Supplier Deliveries offset some of this differentiation.
- In particular, New Orders were tempered for the third consecutive month by 9.2 points, to the
- lowest print since May 2020. Nearly half of respondents reported fewer new orders." – Tim Davis, Head of Fixed Income Research, and Amana Hussain, Junior Economic Data Analyst, MNI Indicators

Source: https://chicago.ismworld.org/news-publications/reports/research-survey/; 5/31/24

Return to TOC

Private Indicators

May 2024 Chicago Report™ – Declines to 41.4

- "Order Backlogs dropped 8.0 points, reversing last month gains, and making the print the lowest reading since May 2020.
- Employment moderated 1.4 points, making it the lowest level since June 2020.
- Meanwhile, Production rose 8.1 points after five consecutive months of decline, making it the highest level since January 2024.
- Inventories reduced 5.4 points, reversing last month's gain to return it to the lowest since March 2024 when there were delays in planned restocking.
- Supplier Deliveries reversed last month's loss, readding 0.8 points, making it in line with the March 2024 level.
- Finally, Prices Paid edged down 0.9 points, although it remains the second highest level since August 2023.
- May special question asked: "With the uncertainty and instability of supply chains, did recent events have an impact on your business?" Top two responses were 30% saying Yes to various degrees, along with majority at 67% saying no impact." – Tim Davis, Head of Fixed Income Research, and Tim Cooper, Chief Economist, MNI Indicators

Source: https://chicago.ismworld.org/news-publications/reports/research-survey/; 5/31/24

Return to TOC

Private Indicators

The Conference Board Leading Economic Index® (LEI) Continued to Fall in April

"**The Conference Board Leading Economic Index®** (LEI) for the U.S. decreased by 0.3 percent in April 2024 to 101.8 (2016=100), after decreasing by 0.3 percent in March. Over the six-month period between October 2023 and April 2024, the LEI contracted by 1.9 percent – a smaller decrease than its 3.5 percent decline over the previous six months.

Another decline in the U.S. LEI confirms that softer economic conditions lay ahead. Deterioration in consumers' outlook on business conditions, weaker new orders, a negative yield spread, and a drop in new building permits fueled April's decline. In addition, stock prices contributed negatively for the first time since October of last year. While the LEI's six-month and annual growth rates no longer signal a forthcoming recession, they still point to serious headwinds to growth ahead. Indeed, elevated inflation, high interest rates, rising household debt, and depleted pandemic savings are all expected to continue weighing on the US economy in 2024. As a result, we project that real GDP growth will slow to under 1 percent over the Q2 to Q3 2024 period.

The Conference Board Coincident Economic Index® (CEI) for the U.S. rose by 0.2 percent in April 2024 to 112.3 (2016=100), after also increasing by 0.2 percent in March. As a result, the CEI was up 0.9 percent over the six-month period ending April 2024, slightly ahead of its 0.8 percent increase over the previous six months. The CEI's component indicators – payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production – are included among the data used to determine recessions in the US. All four components of the index improved last month. Personal income less transfer payments made the largest positive contribution to the Index.

The Conference Board Lagging Economic Index® (LAG) for the U.S. w increased by 0.4 percent in April 2024 to 119.5 (2016=100), after remaining unchanged in March. The LAG was up by 1.1 percent over the six-month period from October 2023 and April 2024, a substantial improvement of a 0.3 percent increase over the previous six months." – Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board

Source: https://www.conference-board.org/data/bcicountry.cfm; 5/17/24

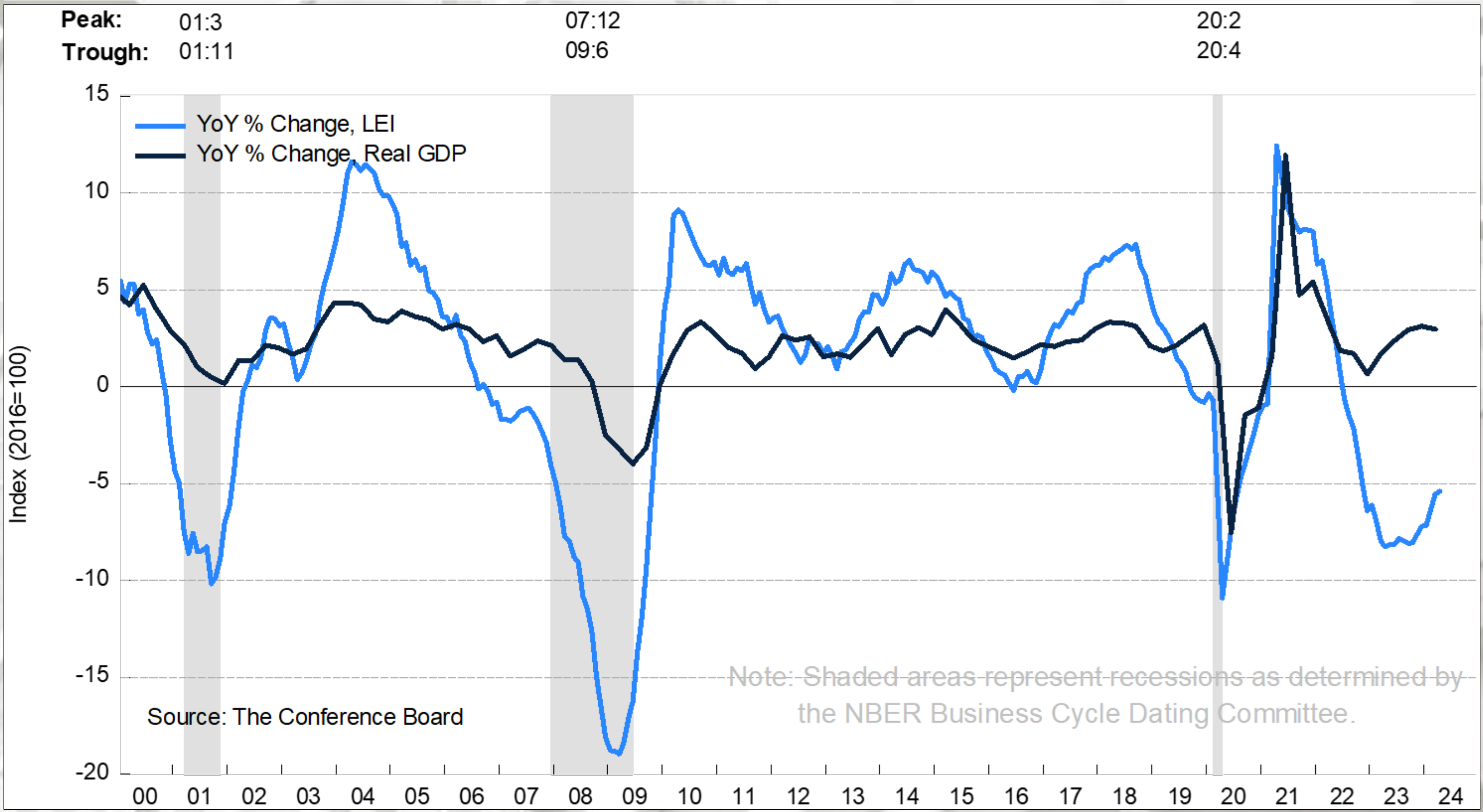
Return to TOC

Private Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S.

Continued to Fall in April

The LEI's year-over-year growth has become less negative



Source: https://www.conference-board.org/data/bcicountry.cfm; 5/17/24

Return to TOC

Private Indicators

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

New Business Volume in Equipment Leasing and Finance Association's Monthly Leasing and Finance Index Up 17% Y/Y, 18% M/M

"The **Equipment Leasing and Finance Association's** (ELFA) **Monthly Leasing and Finance Index (MLFI-25, w**hich reports economic activity from 25 companies representing a cross section of the $1 trillion equipment finance sector, showed their overall new business volume for April was $11 billion, up 17% year-over-year from new business volume in April 2023. Volume was up 18% from $9.3 billion in March. Year-to-date, cumulative new business volume was up 4.9% compared to 2023.

Receivables over 30 days were 2%, down from 2.1% the previous month and up from 1.8% in the same period in 2023. Charge-offs were 0.4%, down from 0.5% the previous month and up from 0.3% in the year-earlier period.

Credit approvals totaled 75%, down from 77% in March. Total headcount for equipment finance companies was up 1.3% year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in May is 50.7, a decrease from the April index of 52.9." – Amy Vogt, Vice President, Communications and Marketing, ELFA

Sourcehttps://www.elfaonline.org/news-and-publications/press-room/press-releases/details/2024/05/23/new-business-volume-in-equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-up-17-y-y-18-m-m/; 5/23/24

Return to TOC

Private Indicators

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

"The second quarter was off to a strong start with April MLFI results showing solid performance all around. The equipment finance industry continues to demonstrate its resilience despite informal polling of ELFA members that shows interest rates, tighter credit and inflation to a lesser degree are all impacting their businesses. Originations had double-digit growth both year over year and month to month, and credit quality is heading in a positive direction with charge-offs and delinquencies both ticking down last month. All are indicators that bear continued watching in the coming months." – Leigh Lytle, President and CEO, ELFA

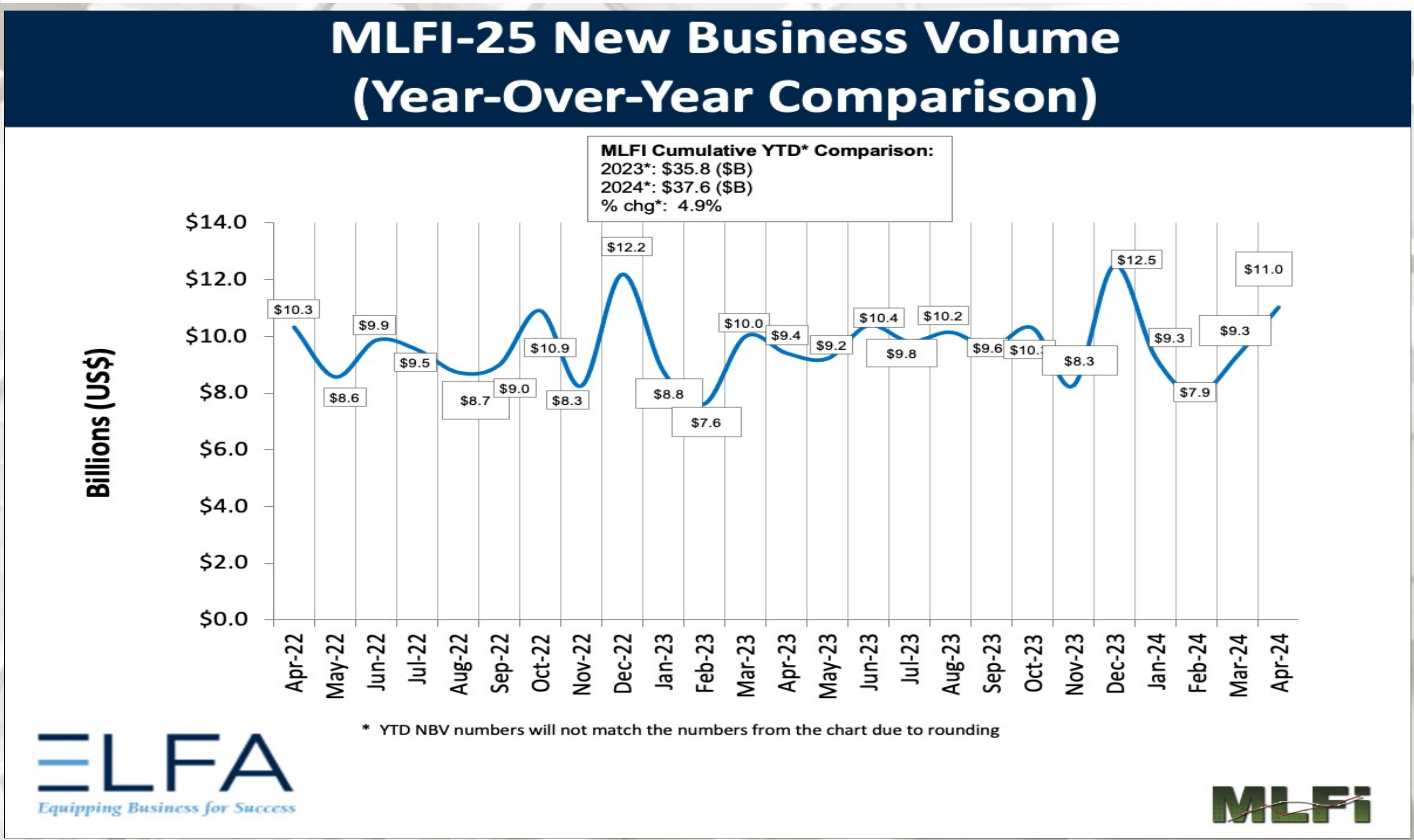
"We're seeing a noticeable and continued uptick in business volume continuing in April, the third straight month of business growth. Even with this noteworthy trend, businesses remain focused on prudence with their operations and bottom-line discipline given the still-uncertain direction of the overall economy for the remainder of 2024. Given this environment, we're focused on helping the transportation sector strengthen their financial bottom lines through holistic asset management strategies that allow them to optimize their equipment life cycles and take a proactive approach to their procurement initiatives in the coming years." – Brian Holland, President and CEO, Fleet Advantage, LLC

Sourcehttps://www.elfaonline.org/news-and-publications/press-room/press-releases/details/2024/05/23/new-business-volume-in-equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-up-17-y-y-18-m-m/; 5/23/24

Return to TOC

Private Indicators

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index



Sourcehttps://www.elfaonline.org/news-and-publications/press-room/press-releases/details/2024/05/23/new-business-volume-in-equipment-leasing-and-finance-association-s-monthly-leasing-and-finance-index-up-17-y-y-18-m-m/; 5/23/24

Return to TOC

Private Indicators

S&P Global U.S. Manufacturing PMI™

Renewed increase in new orders in May

"The seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index™ (PMI®) rose to 51.3 in May, after having posted in line with the 50.0 no-change mark in April. The reading signaled a modest improvement in the health of the manufacturing sector, the fourth in the past five months.

New orders returned to growth in the US manufacturing sector in May, supporting a faster expansion in production midway through the second quarter of the year. Meanwhile, business confidence picked up and positive expectations regarding the future for the sector contributed to the hiring of additional staff, a renewed rise in purchasing activity and a build-up of stocks of finished goods.

Meanwhile, the rate of input cost inflation quickened to the fastest in just over a year, with firms raising their selling prices in response.

May saw a renewed expansion in new orders, following a modest reduction in April. While customer demand improved during the month, overall economic conditions remained muted, according to respondents. As such, the rate of expansion in new orders was only marginal.

In fact, the rise in total new business was softer than that seen for new export orders, which increased at the fastest pace in two years. Firms reported signs of improving demand in Europe, alongside growth in new orders from Asia, Canada, and Mexico." – Andrew Harker, Economics Director, S&P Global

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/7336c919ba684cf9a7e762d1e2e1d3ce; 6/4/24

Return to TOC

Private Indicators

S&P Global U.S. Manufacturing PMI™

Renewed increase in new orders in May

"The increase in new orders, alongside better material availability, led manufacturers to expand production at a solid pace in May, with the rate of growth quickening from that seen in April.

Firms were also confident that production will rise over the coming year, thanks to optimism that the renewed expansion in new orders will be sustained in the months ahead. Plans to increase capacity also contributed to positive sentiment.

Optimism regarding future new orders and production requirements encouraged manufacturers to take on additional staff, raise purchasing activity and accumulate stocks of finished goods.

Employment increased for the fifth consecutive month, and at the fastest pace since July 2023. Alongside positive expectations, higher staffing levels also reflected the filling of previously vacant positions.

Meanwhile, the rise in purchasing activity in May was the first in three months, but only marginal. The expansion in input buying was not sufficient to prevent a further reduction in stocks of purchases, but it at least restricted the pace of depletion to the weakest in the current three-month sequence of falling inventories." – Andrew Harker, Economics Director, S&P Global

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/7336c919ba684cf9a7e762d1e2e1d3ce; 6/4/24

Return to TOC

Private Indicators

S&P Global U.S. Manufacturing PMI™

Renewed increase in new orders in May

“Stocks of finished goods on the other hand increased for the second month running, and to a larger extent than in April. Expansions to capacity and recent muted demand conditions meant that manufacturers continued to lower their backlogs of work. The pace of depletion was only slight, however, and the weakest since February.

The rate of input cost inflation continued to accelerate, quickening for the third consecutive month to the fastest since April 2023. The latest increase was also sharper than the pre-pandemic average. Higher costs for aluminium and copper in particular, and metals more generally, were reported, as were increased fuel costs feeding through to rising transportation prices.

With input costs increasing sharply, firms also registered a rise in selling prices, although here the pace of inflation eased from April to a five-month low.

Finally, suppliers' delivery times were broadly unchanged in May.

Comment

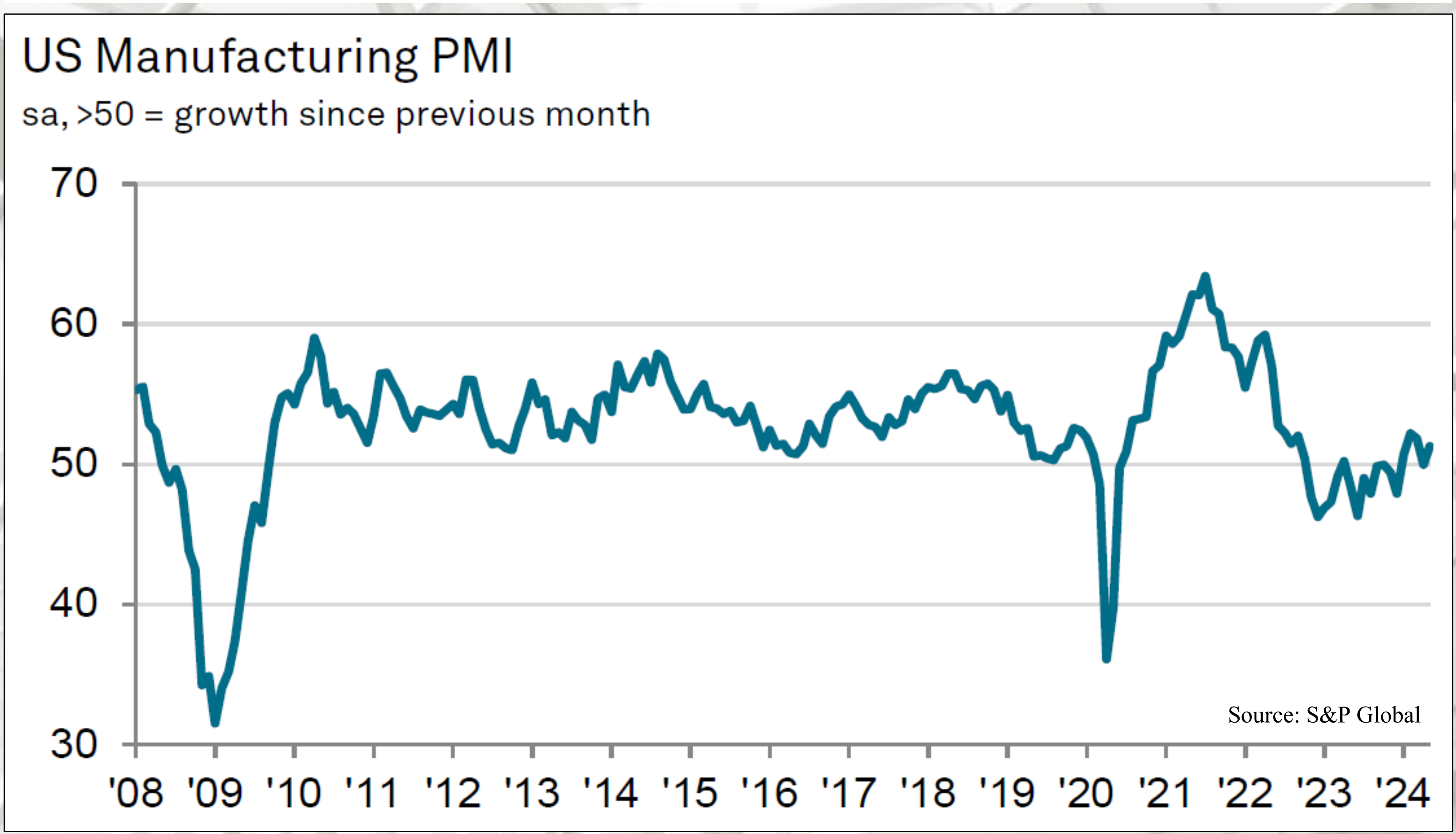
“It was pleasing to see new orders return to growth in May following a blip in April. Although modest, the expansion in new work bodes well for production in the coming months. In fact, manufacturers cited confidence in the future as a factor contributing to increases in employment, purchasing activity and finished goods stocks.

Cost pressures continued to build, however, with inflation on that front the strongest in just over a year. Although output prices rose at a slower pace in May, this is unlikely to be sustainable should cost burdens ramp up further in the months ahead.” – Andrew Harker, Economics Director, S&P Global

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/7336c919ba684cf9a7e762d1e2e1d3ce; 6/4/24

Return to TOC

Private Indicators



Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/7336c919ba684cf9a7e762d1e2e1d3ce; 6/4/24

Return to TOC

Private Indicators

S&P Global U.S. Services PMI™

Sharp rise in business activity as new orders return to growth

"The seasonally adjusted final S&P Global US Services PMI Business Activity Index rose to a one-year high of 54.8 in May, up sharply from a reading of 51.3 in April. The index pointed to a marked expansion of services activity during the month. Output has now increased in each of the past 16 months.

A return to growth of new orders spurred US service providers to increase their business activity at a much faster pace midway through the second quarter of 2024. Less positive was a second successive reduction in employment as firms remained reluctant to replace departing staff.

Higher wages for existing workers, meanwhile, was the key driver of a further sharp increase in input costs, with the rate of inflation quickening from that seen in April. In turn, charges also rose at a faster pace.

The increase in business activity reflected a renewed expansion of new orders, which rose modestly in May following a first reduction in six months during April. Some respondents to the survey indicated that marketing activity had helped them to secure new business, while others pointed to improvements in economic conditions.

In contrast to the picture for overall new business, however, new export orders decreased for the fourth month running in May. Panellists reported that price rises had impacted external demand. Moreover, the pace of decline was solid and the fastest since January 2023." – Andrew Harker, Economics Director, S&P Global

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/786cea6879314ee590f01e3b84ca8051; 6/5/23

Return to TOC

Private Indicators

S&P Global U.S. Services PMI™

Sharp rise in business activity as new orders return to growth

"Despite the pick-up in total new orders, service providers continued to lower their staffing levels in May, the second month running in which this has been the case. The drop in workforce numbers often reflected the non-replacement of leavers. The pace of job cuts was only slight, however, and weaker than that seen in April as some firms looked to hire staff in response to renewed growth of new orders.

Companies were still able to keep on top of workloads, as shown by a fourth consecutive fall in backlogs of work. That marginal and the weakest in the current sequence as higher new orders imparted some pressure on capacity.

While employment decreased further in May, higher staff costs were again the key factor behind a sharp rise in overall input prices as wages were increased. The pace of input cost inflation quickened from April and was sharper than the prepandemic average. Panellists also reported higher shipping costs.

Likewise, a faster increase in selling prices was recorded in May. Firms raised their charges at a solid pace, extending the current sequence of inflation to four years." – Andrew Harker, Economics Director, S&P Global

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/786cea6879314ee590f01e3b84ca8051; 6/5/23

Return to TOC

Private Indicators

S&P Global U.S. Services PMI™

Sharp rise in business activity as new orders return to growth

"Signs of demand improving was a factor behind a slight strengthening of business confidence, which nonetheless remained softer than the series average. Other factors set to support growth of business activity over the coming year are planned marketing efforts, plus hopes for a softening of inflation and reduction in interest rates.

Comment

A return to growth of new business following April's blip supported a marked strengthening of growth in the US service sector in May. Coming on the back of a similar acceleration in the manufacturing sector, the data suggest a healthy pace of expansion in the US private sector approaching the midway point of the year.

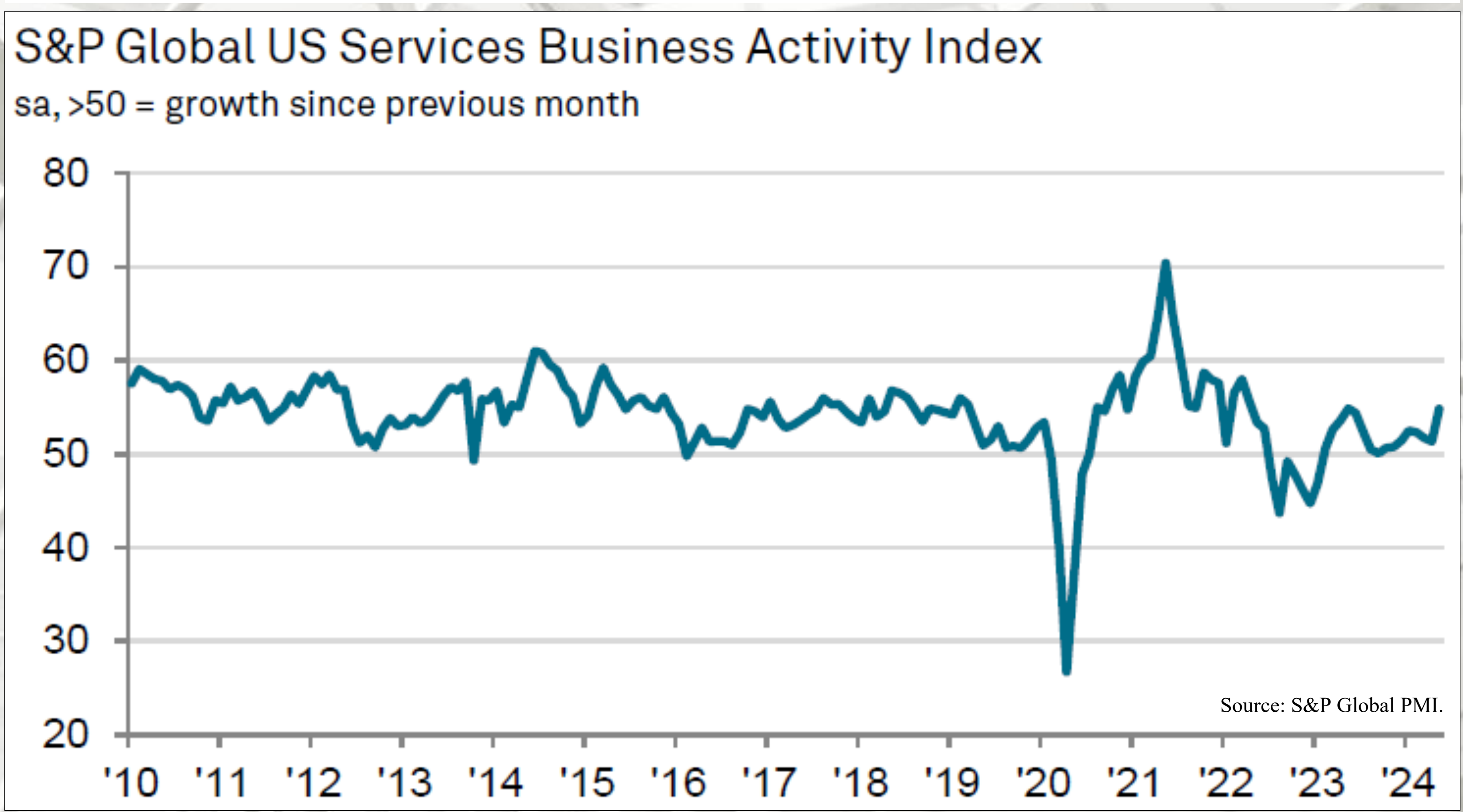
It was not all positive in May, however, with services employment down for the second month running as firms wait to see whether the renewed rise in new business will be sustained before committing to new hires.

Despite lower employment, wage pressures remained a key factor pushing up input costs, which increased sharply again in May and prompted a faster increase in selling prices, providing further evidence that inflation remains sticky." – Andrew Harker, Economics Director, S&P Global

Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/786cea6879314ee590f01e3b84ca8051; 6/5/23

Return to TOC

Private Indicators



Source: https://www.pmi.spglobal.com/Public/Home/PressRelease/786cea6879314ee590f01e3b84ca8051; 6/5/23

Return to TOC

Private Indicators

National Association of Credit Management – Credit Managers' Index

Report for May 2024: Combined Sectors

"The National Association of Credit Management's seasonally adjusted combined Credit Managers' Index (CMI) for May 2024 improved 2.6 points to a seasonally adjusted 54.4. "Once again the CMI has bounced back into decidedly expansion territory," said NACM Economist Amy Crews Cutts, Ph.D., CBE.

"The Credit Managers' Index oscillates between being on the precipice of recession to solidly in expansion. A little deeper look, and the survey respondents indicate sales are continuously improving and there is no indication that recession risk is even present. Yet the number of accounts placed for collection has consistently been reported as rising for about a quarter of respondents each month for the past 24 months, indicating a lot of weakness in business trade. It goes a long way to explaining why business optimism is so weak – costs are rising, and while sales and new orders look good, getting paid is taking a lot of work for credit managers."

"The CMI captures most of the experiences of our survey respondents but with ten questions we can't cover everything," said Cutts. "The comments from respondents often make up for this and one noted this month that they are seeing a continued rise in the number of slower paid-when-paid contractual payments. This is a little different than simply being beyond terms and very frustrating for credit managers to manage."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 5/31/24

Return to TOC

Private Indicators

National Association of Credit Management – Credit Managers' Index

"""The indicators in the CMI are not just about domestic business, but rather reflect global trends as well. One respondent noted that customers are looking for longer, more flexible terms globally. Additionally, over the past year shipping has become much more complicated with the war in Ukraine, attacks in the Red Sea, and the drought in Panama. The workarounds are looking more permanent than we may have thought a year ago. At least now the port of Baltimore is back in full operation with the clearing of the Dali wreckage from the shipping lanes."

The Manufacturing Sector CMI improved 2.8 points in the May CMI survey to a level of 54.6. The Service Sector CMI also improved, by 2.3 points, and now stands also stands at 54.1.

"Although there are some small differences in how the service sector and manufacturing sector CMIs are composed, we are seeing very similar trends between them. With the recent swings it's hard to see that both indexes have been running a little higher this year through May than they did last year."

"""The manufacturing CMI made a nice recovery this month. Led by consistent improvements in each of the four favorable factor indexes, with most reaching the second-best reading over the past twelve months," said Cutts. "However the unfavorable factor indexes paint a much weaker picture. For ten straight months the manufacturing index or the number of accounts placed for collection has been in contraction. This month the index improved two-tenths of a point to 45.7, but this came about from a hollowing out of the group that reported no change. We saw a rise in the share of respondents reporting more accounts referred to collections and a greater share that said they referred fewer accounts to collections."""" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 5/31/24

Return to TOC

Private Indicators

National Association of Credit Management – Credit Managers' Index

"While the Manufacturing CMI indicates strong sales performance and respondents reported a rise in the dollar amount of new orders, the Institute for Supply Management PMI Business Report for Manufacturing in April 2024 showed contractionary conditions have persisted for eleven of the past twelve months in the sector."

"Although there are some small differences in how the service sector and manufacturing sector CMIs are composed, we are seeing very similar trends between them. With the recent swings it's hard to see that both indexes have been running a little higher this year through May than they did last year."

"While the Manufacturing CMI indicates strong sales performance and respondents reported a rise in the dollar amount of new orders, the Institute for Supply Management PMI Business Report for Manufacturing in April 2024 showed contractionary conditions have persisted for eleven of the past twelve months in the sector."

"Like in the Manufacturing sector, the favorable factors CMI Indexes point to solid economic activity in the services sector," said Cutts. "But the weakness in the unfavorable factors is hard to ignore. The Index for dollar collections has remained well into expansion yet respondents continue to report difficulties with timely payments – a rising share of accounts placed into collections and dollars of receivables going beyond terms."" – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 5/31/24

Return to TOC

Private Indicators

National Association of Credit Management – Credit Managers' Index

CMI Combined Sectors Factor Indexes

"One of the more worrying ones to me is that about a third of respondents say that the dollar amount of receivables beyond terms is falling (a good thing), while just under 30 percent report that the amount is rising. The index doesn't measure the degree of change, so we can't tell how balanced it is in dollars but it's hardly worth celebrating an expansionary reading for this factor when the share of showing worsening conditions is so high."

Key Findings:

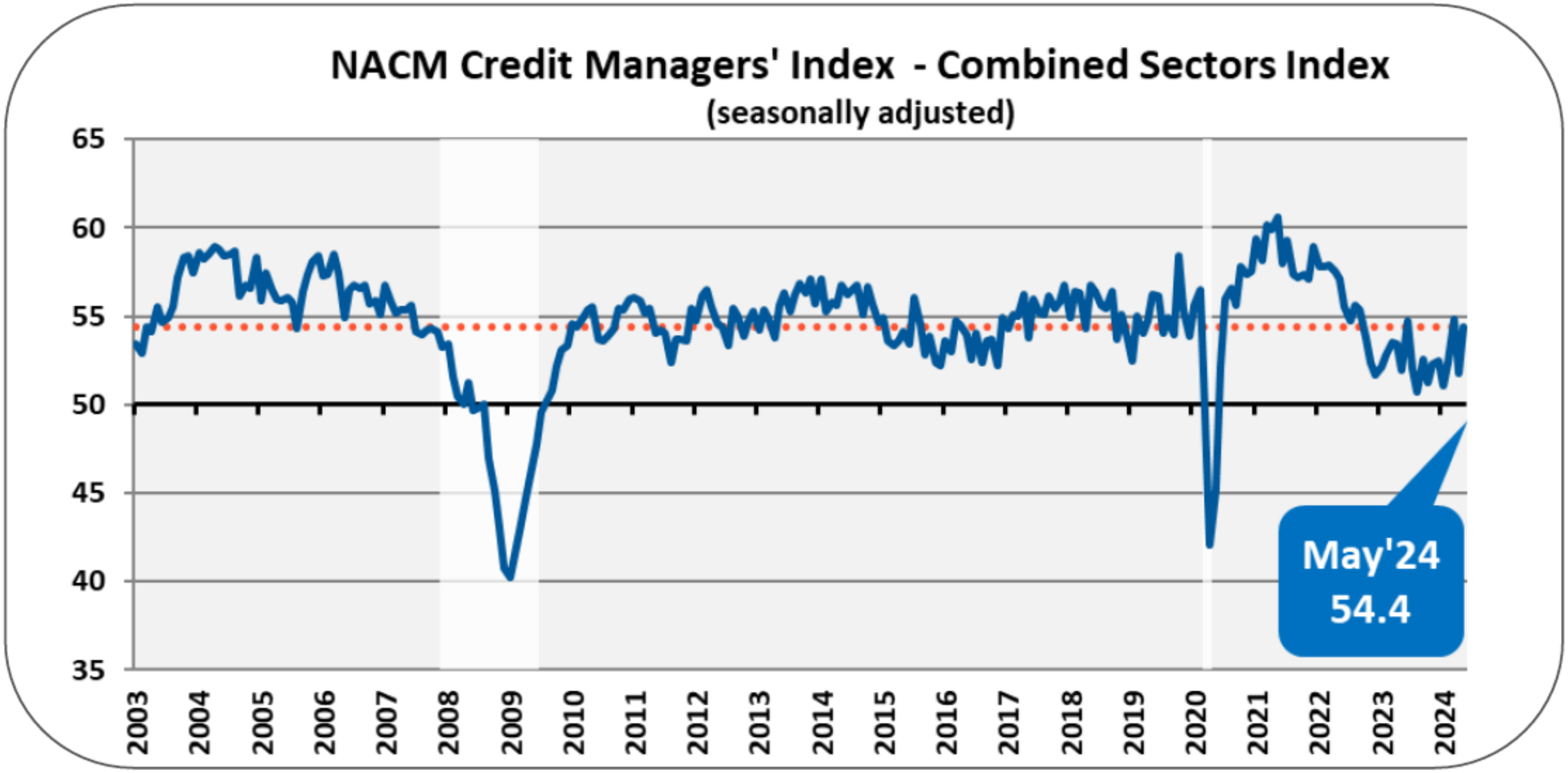
- "The index for unfavorable factors improved by 2.0 points to 49.9, marking its second month in contraction territory where it has been for 10 of the past 12 months.
- The index for dollar amount beyond terms recovered from the steep drop in April, marking a 7.2-point improvement to push the index back into the expansion zone with a value of 51.0.
- The index for accounts placed for collection is at 44.9 this month, its 24th month in contraction.
- The index for favorable factors remains solidly in expansion and recovered most of the decline noted in April. This index now stands at 61.1 with all sub-indexes in a tight range around this value." – Andrew Michaels, Editorial Associate, NACM

Source: https://nacm.org/cmi.html; 5/31/24

Return to TOC

Private Indicators

National Association of Credit Management – Credit Managers' Index



The CMI is centered on a value of 50, with values greater indicating expansion and values lower indicating economic contraction. All charts contain seasonally adjusted data. Please note that the vertical axes are not scaled identically, and the dotted line represents the most recent value.

Source: https://nacm.org/cmi.html; 5/31/24

Return to TOC

Private Indicators

National Association of Credit Management – Credit Managers' Index

Combined Manufacturing and Service Sectors (seasonally adjusted)	May '23	Jun '23	Jul '23	Aug '23	Sep '23	Oct '23	Nov '23	Dec '23	Jan '24	Feb '24	Mar '24	Apr '24	May '24
Sales	53.4	61.0	54.7	49.4	58.3	52.6	55.9	53.6	52.7	57.6	62.1	57.6	62.9
New credit applications	57.3	58.0	56.5	56.5	56.5	56.6	58.4	60.4	55.1	59.5	61.2	57.6	60.6
Dollar collections	56.7	61.0	56.3	52.5	58.6	56.5	59.4	58.7	56.1	59.0	61.2	54.9	59.9
Amount of credit extended	56.0	60.5	56.7	55.2	61.5	58.7	58.3	58.1	57.9	56.1	64.2	60.8	60.8
Index of favorable factors	**55.9**	**60.1**	**56.1**	**53.4**	**58.7**	**56.1**	**58.0**	**57.7**	**55.4**	**58.1**	**62.2**	**57.7**	**61.1**
Rejections of credit applications	48.8	53.3	50.5	50.0	49.2	49.7	48.8	49.1	50.7	47.9	51.5	49.0	51.0
Accounts placed for collection	45.7	48.1	47.7	44.9	47.0	45.4	44.6	45.8	44.6	42.9	45.7	44.7	44.9
Disputes	48.4	51.0	49.9	49.5	47.4	48.4	49.9	49.4	48.6	48.2	49.6	49.7	49.6
Dollar amount beyond terms	50.8	51.1	45.8	48.6	49.6	45.5	48.9	48.2	43.6	50.6	54.1	43.9	51.0
Dollar amount of customer deductions	52.8	50.8	50.7	50.6	47.4	48.8	51.2	50.5	50.1	49.5	49.9	50.0	52.3
Filings for bankruptcies	49.5	52.4	52.0	49.8	50.0	50.5	47.7	51.1	51.7	52.6	49.4	49.8	50.6
Index of unfavorable factors	**49.3**	**51.1**	**49.4**	**48.9**	**48.4**	**48.1**	**48.5**	**49.0**	**48.2**	**48.6**	**50.0**	**47.8**	**49.9**
NACM Combined CMI	**52.0**	**54.7**	**52.1**	**50.7**	**52.5**	**51.3**	**52.3**	**52.5**	**51.1**	**52.4**	**54.9**	**51.8**	**54.4**

Source: https://nacm.org/cmi.html; 5/31/24

Return to TOC

Private Indicators

National Federation of Independent Business (NFIB) May 2024 Report

Small Business Uncertainty Index Reaches Highest Level Since 2020

"The NFIB Small Business Optimism Index reached the highest reading of the year in May at 90.5, a 0.8-point increase but still the 29th month below the historical average of 98. The Uncertainty Index rose nine points to 85, the highest reading since November 2020. Twenty-two percent of owners reported that inflation was their single most important problem in operating their business, unchanged from April and the top business problem among owners." – Holly Wade, NFIB

"The small business sector is responsible for the production of over 40% of GDP and employment, a crucial portion of the economy. But for 29 consecutive months, small business owners have expressed historically low optimism and their views about future business conditions are at the worst levels seen in 50 years. Small business owners need relief as inflation has not eased much on Main Street." – Bill Dunkelberg, Chief Economist, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/11/24

Return to TOC

Private Indicators

National Federation of Independent Business (NFIB) May 2024 Report

Key findings include:

- "A net negative 8% (seasonally adjusted) of owners viewed current inventory stocks as "too low" in May, down four points from April and the lowest reading since October 1981.
- Owners' plans to hire rose three points in May to a seasonally adjusted net 15%, the highest reading of the year.
- Seasonally adjusted, a net 28% plan price hikes in May, up two points from April.
- Six percent of owners reported that financing was their top business problem in May, up two points from April. The last time financing as a top business problem was this high was in June 2010.

As reported in NFIB's monthly jobs report, a seasonally adjusted net 18% plan to raise compensation in the next three months, down three points from April and the lowest reading since March 2021. Forty-two percent (seasonally adjusted) of all owners reported job openings they could not fill in the current period.

Fifty-eight percent of owners reported capital outlays in the last six months, up two points from April. Of those making expenditures, 40% reported spending on new equipment, 25% acquired vehicles, and 16% improved or expanded facilities. Eleven percent spent money on new fixtures and furniture and 6% acquired new buildings or land for expansion. Twenty-three percent (seasonally adjusted) plan capital outlays in the next six months, up one point from April." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/11/24

Return to TOC

Private Indicators

National Federation of Independent Business (NFIB)
May 2024 Report

“A net negative 14% of all owners (seasonally adjusted) reported higher nominal sales in the past three months. A net percent of owners expecting higher real sales volumes fell one point to a net negative 13% (seasonally adjusted).

The net percent of owners reporting inventory gains fell one point to a net negative 7%. Not seasonally adjusted, 11% reported increases in stocks and 15% reported reductions.

A net negative 8% (seasonally adjusted) of owners viewed current inventory stocks as “too low” in May, the lowest reading since October 1981. A net negative 6% (seasonally adjusted) of owners plan inventory investment in the coming months, unchanged from April.

The net percent of owners raising average selling prices was unchanged from April at a net 25% seasonally adjusted. Twenty-two percent of owners reported that inflation was their single most important problem in operating their business. Unadjusted, 12% reported lower average selling prices and 40% reported higher average prices.

Price hikes were the most frequent in the retail (55% higher, 6% lower), finance (50% higher, 3% lower), construction (42% higher, 9% lower), manufacturing (42% higher, 12% lower), and services (37% higher, 6% lower) sectors. Seasonally adjusted, a net 28% plan price hikes in May.”
– Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/11/24

Return to TOC

Private Indicators

National Federation of Independent Business (NFIB) May 2024 Report

"Seasonally adjusted, a net 37% reported raising compensation, down one point from April. A seasonally adjusted 18% plan to raise compensation in the next three months, down three points from April and the lowest reading since March 2021. Ten percent of owners cited labor costs as their top business problem, only three points below the highest reading of 13% reached in December 2021. Twenty percent said that labor quality was their top business problem, just behind inflation as the number one issue.

The frequency of reports of positive profit trends was a net negative 30% (seasonally adjusted), three points worse than April and a very poor reading. Among owners reporting lower profits, 32% blamed weaker sales, 15% blamed the rise in the cost of materials, 14% cited labor costs, and 11% cited lower selling prices. For owners reporting higher profits, 41% credited sales volumes, 23% cited usual seasonal change, and 10% cited higher selling prices.

Three percent of owners reported that all their borrowing needs were not satisfied. Twenty-nine percent reported all credit needs met and 58% said they were not interested in a loan. A net 6% reported their last loan was harder to get than in previous attempts.

Six percent of owners reported that financing was their top business problem in May, up two points from April. The last time financing as a top business problem was this high was in June 2010.

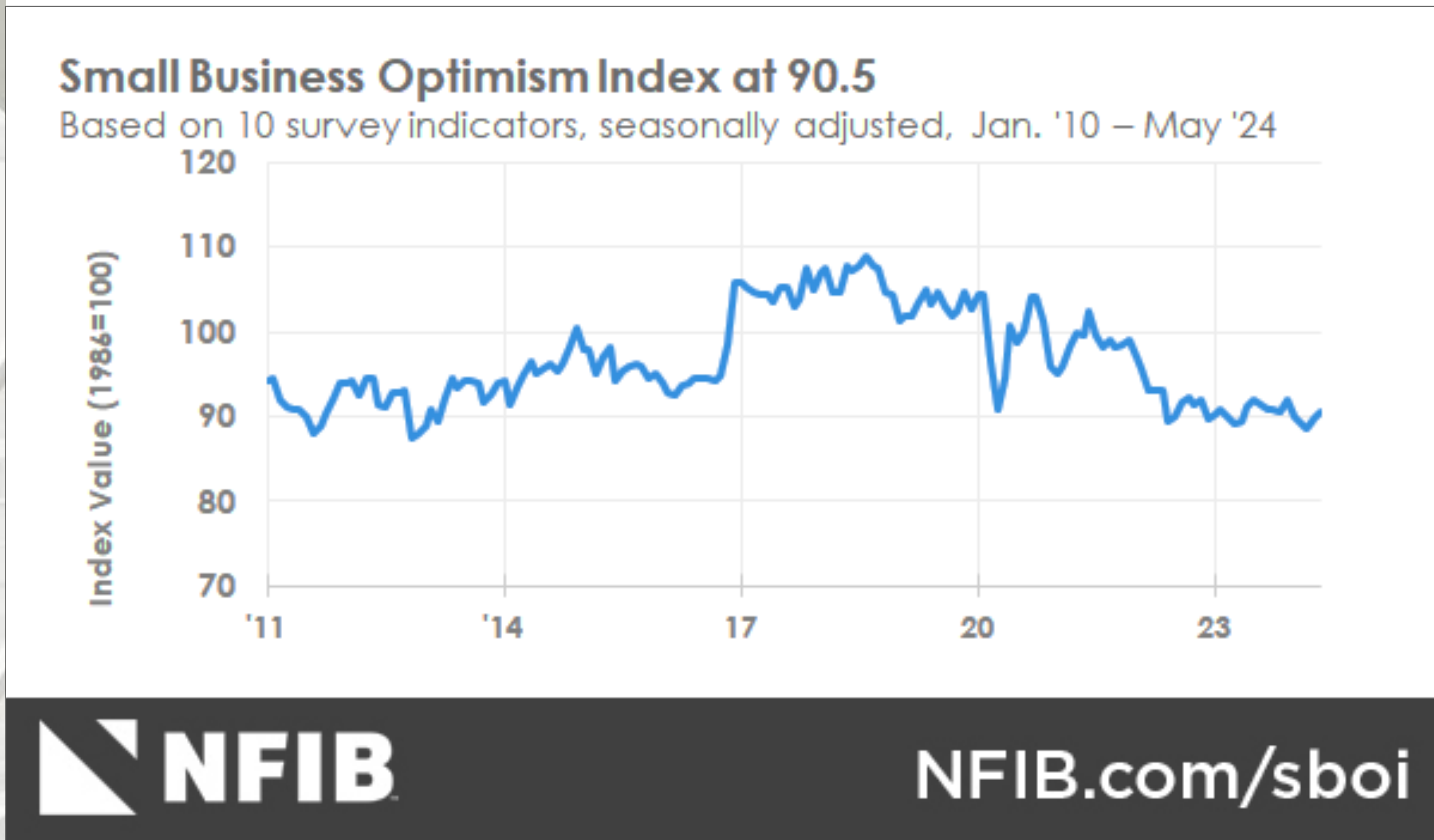
The **NFIB Research Center** has collected Small Business Economic Trends data with quarterly surveys since the fourth quarter of 1973 and monthly surveys since 1986. Survey respondents are randomly drawn from NFIB's membership. The report is released on the second Tuesday of each month. This survey was conducted in May 2024." – Holly Wade, NFIB

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/11/24

Return to TOC

Private Indicators

National Federation of Independent Business (NFIB)
May 2024 Report



Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/11/24

Return to TOC

Private Indicators

National Federation of Independent Business (NFIB)
May 2024 Report

Small Business Optimism

Index Component	Net %	From Last Month
Plans to Increase Employment	15%	▲ 3
Plans to Make Capital Outlays	23%	▲ 1
Plans to Increase Inventories	-6%	— 0
Expect Economy to Improve	-30%	▲ 7
Expect Real Sales Higher	-13%	▼ -1
Current Inventory	-8%	▼ -4
Current Job Openings	42%	▲ 2
Expected Credit Conditions	-7%	▲ 2
Now a Good Time to Expand	4%	— 0
Earnings Trends	-30%	▼ -3

NFIB NFIB.com/sboi

Source: http://www.nfib.com/surveys/small-business-economic-trends; 6/11/24

Return to TOC

Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

U.S. Small Business Job Growth Shows Positive Gains, While Wage Inflation Decelerates

“According to the Paychex Small Business Employment Watch, the Small Business Jobs Index rose 0.46 percentage points to 100.58 in May, the largest one-month increase since January 2022. At the same time, hourly earnings growth slowed to 3.13%, its lowest level since June 2021, for workers in U.S. small businesses with fewer than 50 employees. The report also indicated that weekly earnings growth was above three percent (3.09%) for the first time since January 2024 due to positive momentum in weekly hours worked by employees in May.” – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

“It appears we are seeing a stabilization in job growth and continued downward pressure on hourly wages. Yet, challenges still remain for small business owners given concerns over inflation, access to capital, and a shortage of labor and skills.”

Small business owners in most sectors scheduled workers for more hours in May, which resulted in increased weekly earnings. Following a long-term trend of decreasing hours worked for small business employees, there are early signs of a turning point, moving towards stabilization.” – John Gibson, President and CEO, Paychex

Source: https://www.paychex.com/employment-watch; 6/4/24

Return to TOC

Private Indicators

The Paychex | IHS Markit Small Business Employment Watch

Jobs Index and Wage Data Highlights

- "The national jobs index increased 0.46 percentage points to 100.58 in May, the largest one-month gain in more than two years. Despite the 0.46 percentage point increase in May, the national jobs index was down 0.09 percentage points during the past three months.
- At 100.58, the national jobs index showed modest employment gains, though at a slower pace than last year (0.78 percentage points).
- All regions improved their rate of employment growth in May, led by the Midwest with a one-month increase of 0.61 percentage points to an index level of 100.94. With an index of 101.05, the South has been the fastest-paced region for small business employment growth for 19 of the past 21 months.
- Following eight-straight decreases, the Leisure and Hospitality sector increased 0.77 percentage points to a 100.26 jobs index in May, marking the largest one-month gain since February 2023.
- Hourly earnings growth for workers slowed to 3.13% in May, the lowest level since June 2021 (2.90%), and resumed the downward trend of the past two years.
- One-month annualized hourly earnings growth was 2.11%, more than one percent below the year-over-year rate and the lowest level since November 2020 (1.74%)." – Lisa Fleming, Kate Smith, and Tess Flynn, Paychex, Inc.

Source: https://www.paychex.com/employment-watch; 6/4/24

Return to TOC

Private Indicators

The Paychex | IHS Markit
Small Business Employment Watch

Small Business Jobs Index

Index

100.58

Historical Jobs Index Trend

Small Business Wage Data

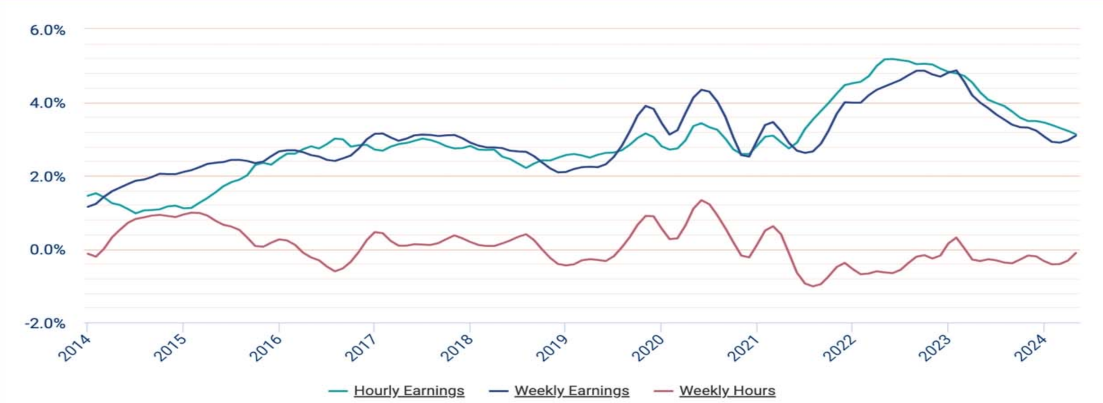
Hourly Earnings

$32.38

12-Month Growth

3.13% ($0.98)

Historical 12-Month Growth Trend



Source: https://www.paychex.com/employment-watch; 6/4/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren't ready for a "rainy day"

Fed data find almost half of households can't weather a short break in income. One factor: Real spending is elevated; real earnings are not.

Highlights

- "Fifty-four percent of U.S. households have emergency savings to cover three months of expenses
- Americans have exhausted accumulated pandemic savings, and saving rate is lower than before COVID
- After-inflation earnings appear on-track with longer-term trends, but spending has settled significantly higher

The "rainy day fund" is a mainstay of personal finance columnists: Set aside enough to cover a few months of household expenses in an emergency. It is hard advice to follow. Economists have long recognized that many households at all income levels live hand-to-mouth, with most income going toward consuming goods and services and paying off debt. Even when people own considerable assets, many are locked in illiquid forms like housing and retirement accounts.

The COVID pandemic was a shock to our spending and saving. A surge of government financial support coincided with the sudden loss of many ways we typically part with our money – restaurants, concert tickets, leisure travel. For a while, more households looked ready for that rainy day.

New data confirm Americans are sliding back from our pandemic savings peak. The Fed's latest Survey of Household Economics and Decisionmaking (SHED) finds that 54 percent of U.S. adults have enough savings to cover three months of expenses if they lost their primary source of income (Figure 1)." – Jeff Horwich, Senior Economics Writer; Federal Reserve Bank of Minneapolis

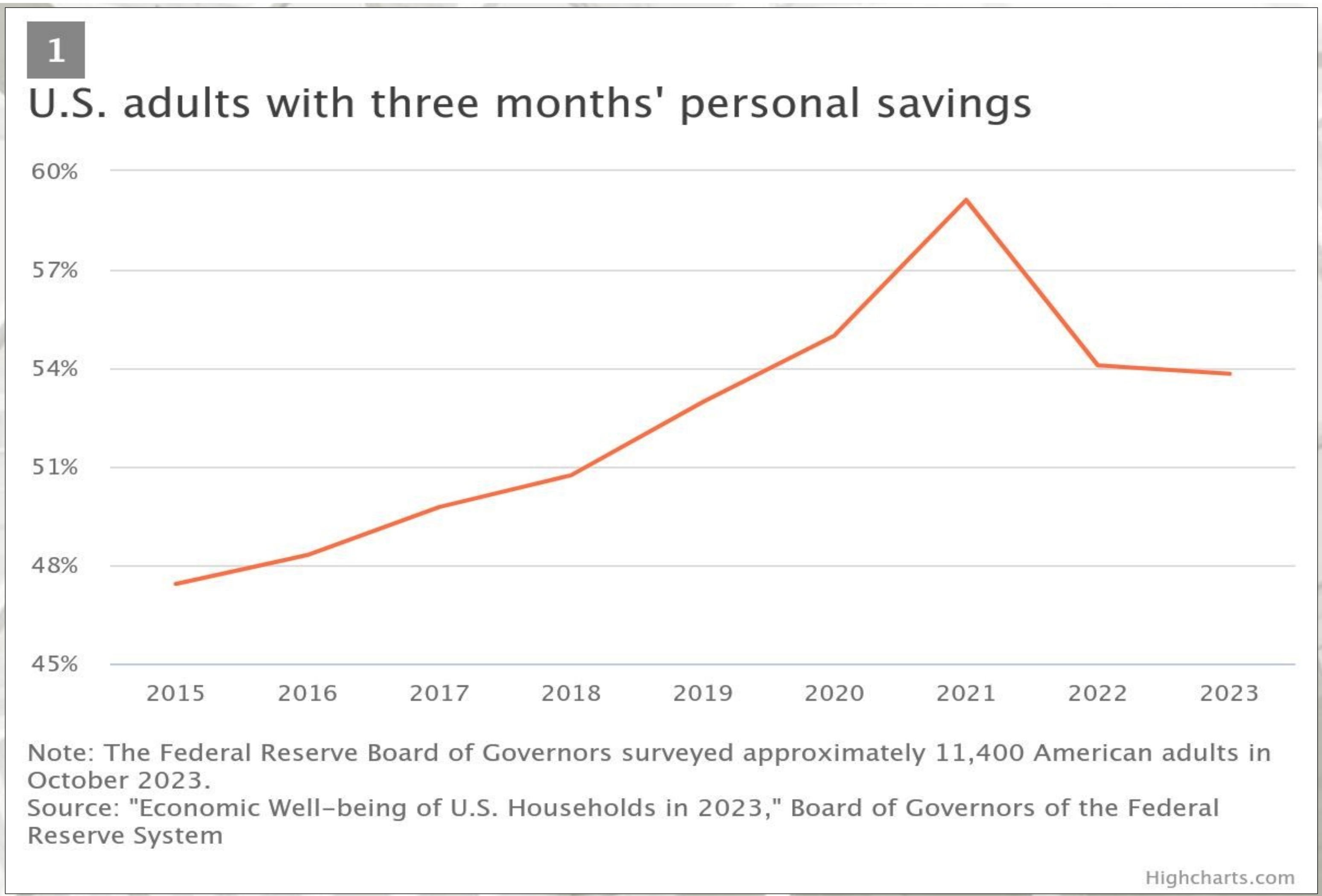
Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren’t ready for a “rainy day”



Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren't ready for a "rainy day"

"These results, gathered in October 2023, are down slightly from a year before and more than 5 percentage points off from the high-water mark in 2021. The downward trend is similar across education levels, racial groups, and other categories the SHED explored (see "Different rainy day readiness," below). There is some good news here: The proportion of rainy day–ready households seems to have stabilized. And we are still in better shape than the late 2010s, when the Fed began asking the question.

A complementary view comes from the personal finance website Bankrate, which recently found 2 in 3 Americans would be worried about covering even one month of living expenses if they lost their job. Per their survey in January, 51 percent of Americans would have to cut spending or borrow to pay a sudden $1,000 expense.[1]

Seen through certain lenses, the current U.S. economy is remarkedly resilient. Consumer spending, corporate profits, and job growth have been sustained despite higher interest rates. Emergency savings and other pocketbook indicators tracked by the SHED provide another critical vantage for policymakers to understand financial well-being and resilience at the household level.

One big factor: Pandemic savings? Going, going … gone.

Economists at the San Fransisco Fed have tracked the rise and fall of "excess savings" accumulated during the pandemic – that is, savings above what we might have expected based on the pre-pandemic trend. These excess savings reached a peak of $2.1 trillion in August 2021 – more than $8,000 per U.S. adult.[2] According to the San Francisco Fed calculations, households finally exhausted them in March of this year. As of this writing, Americans' cumulative savings are now slightly below where we would expect them to be if the pandemic had never happened." – Jeff Horwich, Senior Economics Writer; Federal Reserve Bank of Minneapolis

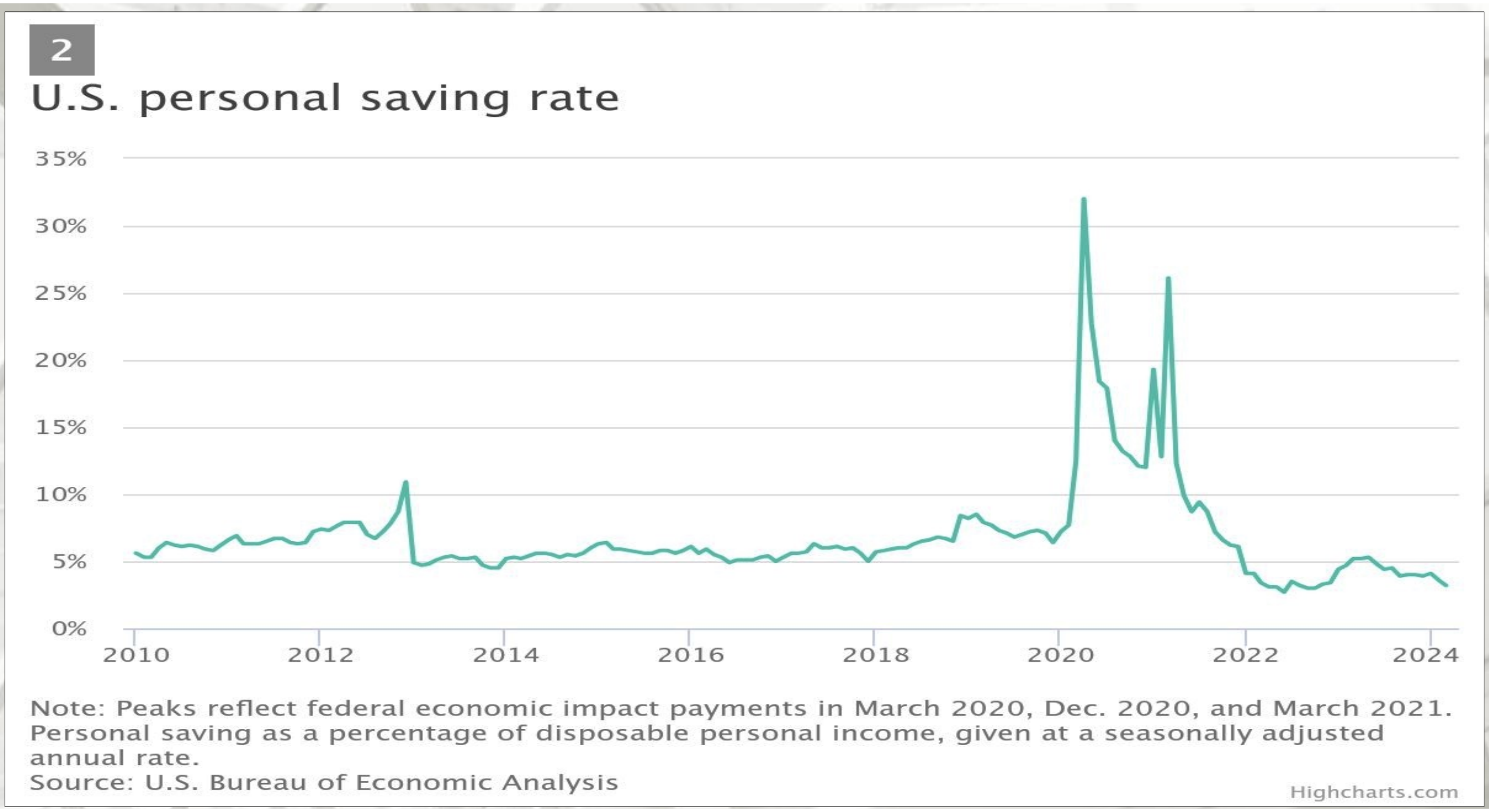
Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren’t ready for a “rainy day”



“The official personal saving rate published by the U.S. Bureau of Economic Analysis also shows how American savings returned to earth after government stimulus payments in 2020 and 2021 (Figure 2). As the economy reopened, so did wallets. Since early 2022, Americans are saving less than 5 percent of disposable income.” – Jeff Horwich, Senior Economics Writer; Federal Reserve Bank of Minneapolis

Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren't ready for a "rainy day"

"We are resuming a long-term story. Historically, the personal saving rate fell from the teens in the 1960s, '70s, and early '80s to less than 2 percent in the mid-2000s. In the 2010s, the saving rate rose a bit and settled around 5 percent. So far, since the pandemic, we are saving less than we did before it.

More clues: Real spending and interest payments are outrunning paychecks

Saving for a rainy day is some combination of personal decisions and economic pressures – not least, the 18 percent increase in the overall price level in the four years since the start of the pandemic.[3] To peer through the effects of inflation, it is valuable to look at real (after-inflation) patterns for a clearer view of what, if anything, has changed.

Let's start with earnings. The real hourly compensation index from the U.S. Bureau of Labor Statistics shows how the surge in real earnings early in the pandemic petered out through 2021 and 2022 (Figure 3). While some American workers experienced big raises during this period, price inflation was faster.

After a wild, three-year ride of labor shortages, job quitting, and inflation, the average American worker has neither gained nor lost ground. Real compensation is back where the pre-pandemic trend would have projected.

However, this return-to-trend is out of alignment with the spending side of the household ledger. True, life has gotten more expensive because of inflation; in raw dollar terms, we would expect consumer spending to increase. Yet even after factoring in higher prices, spending by U.S. consumers remains more than 4 percent above the pre-pandemic trend (Figure 4)." – Jeff Horwich, Senior Economics Writer; Federal Reserve Bank of Minneapolis

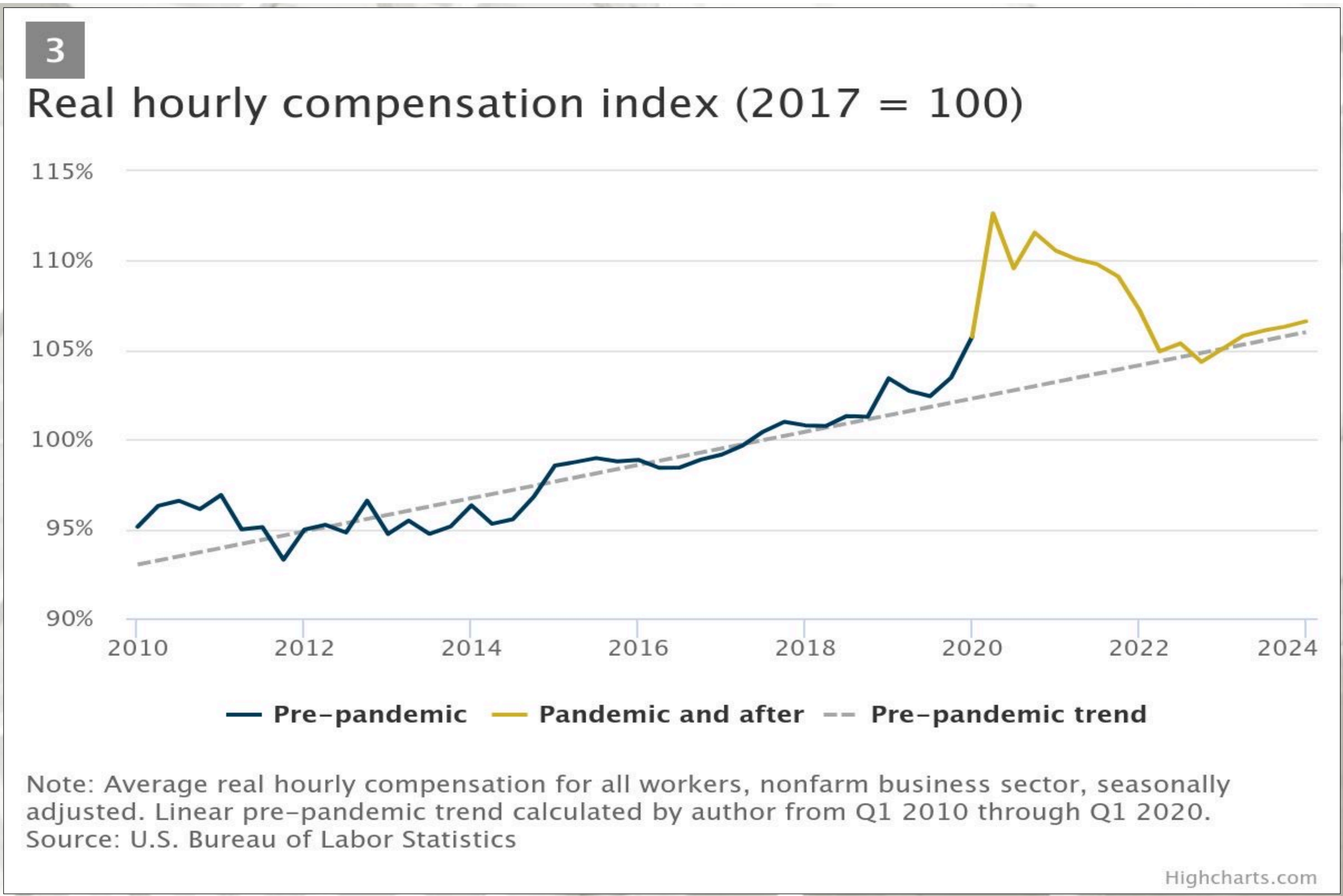
Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren’t ready for a “rainy day”



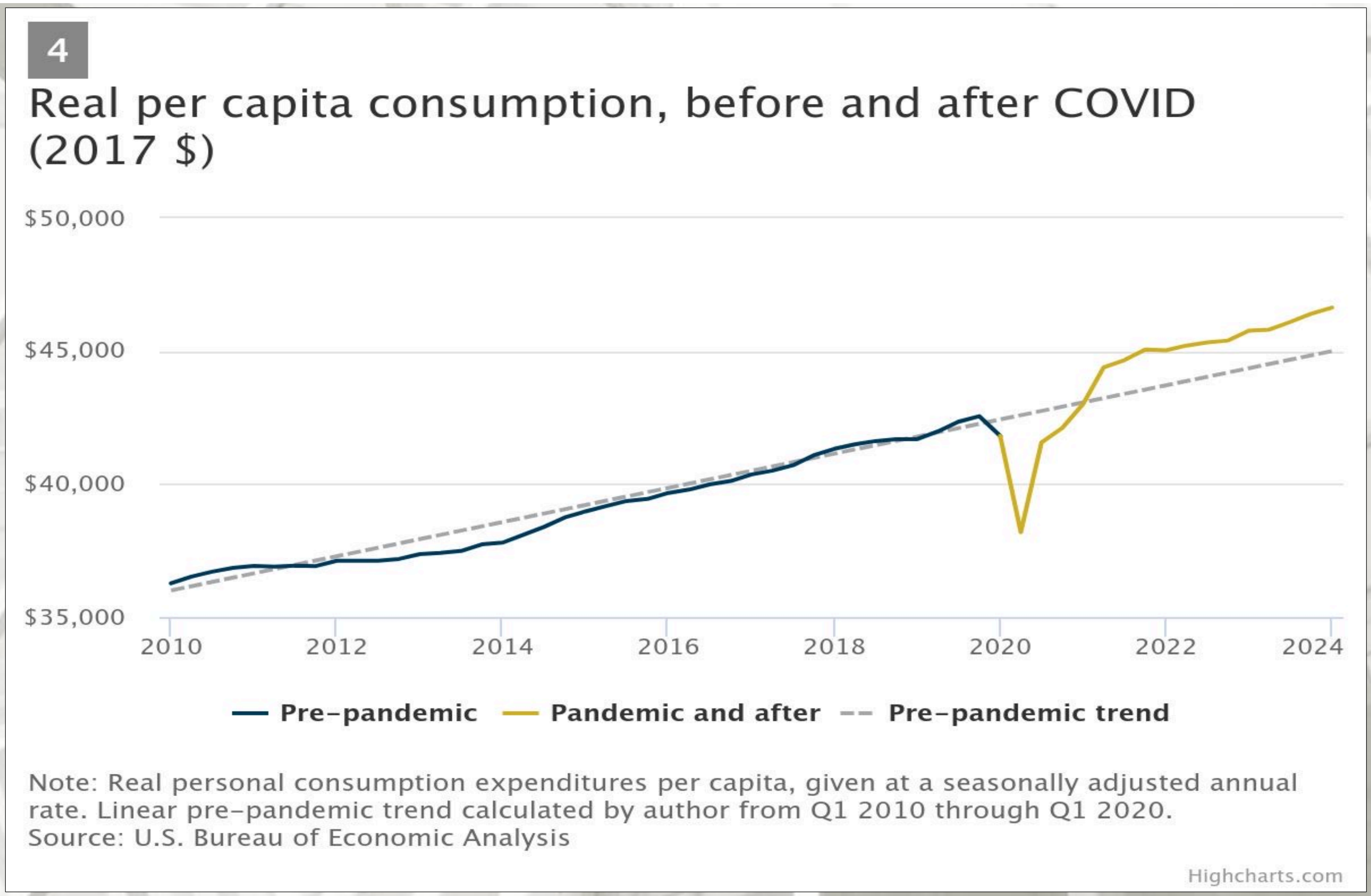
Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren't ready for a "rainy day"



Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren't ready for a "rainy day"

"In today's dollars, Americans are spending about $2,300 more than what the pre-pandemic trend would project. Why we are consuming significantly more – even after inflation – is a fascinating question with no obvious answer. Has the pandemic left cultural norms or psychological habits that induce us to spend relatively more than before? Has relative spending shifted toward areas not yet well captured by official data? There could also be some lag between behavior and bank accounts; spending could revert closer to trend as households tighten belts and adapt to the end of those accumulated pandemic savings.

In the meantime, the observation that real spending has settled at a higher level over the past three years seems a likely factor in the lower share of Americans with emergency savings.

At the same moment, Americans are feeling a steep rise in interest payments (which are not included in the spending data above). As interest rates have increased on credit cards, car notes, and other personal loans, real per capita interest payments are almost double their pre-pandemic level (Figure 5).

More signals from recent data: The New York Fed's latest *Quarterly Report on Household Debt and Credit* found that U.S. credit card balances in early 2024 are 13 percent higher than one year prior. Credit card delinquencies are at the highest level since 2012.

Different rainy day readiness

These sticky increases in spending and borrowing – while compensation has fallen back to its long-term trend – help explain why emergency savings might be hard to build. Setting aside a rainy day fund is also harder for some than for others. While 54 percent of U.S. adults reported three months of emergency savings in 2023, this overall number masks wide variation among groups tracked by the SHED (Figure 6)." – Jeff Horwich, Senior Economics Writer; Federal Reserve Bank of Minneapolis

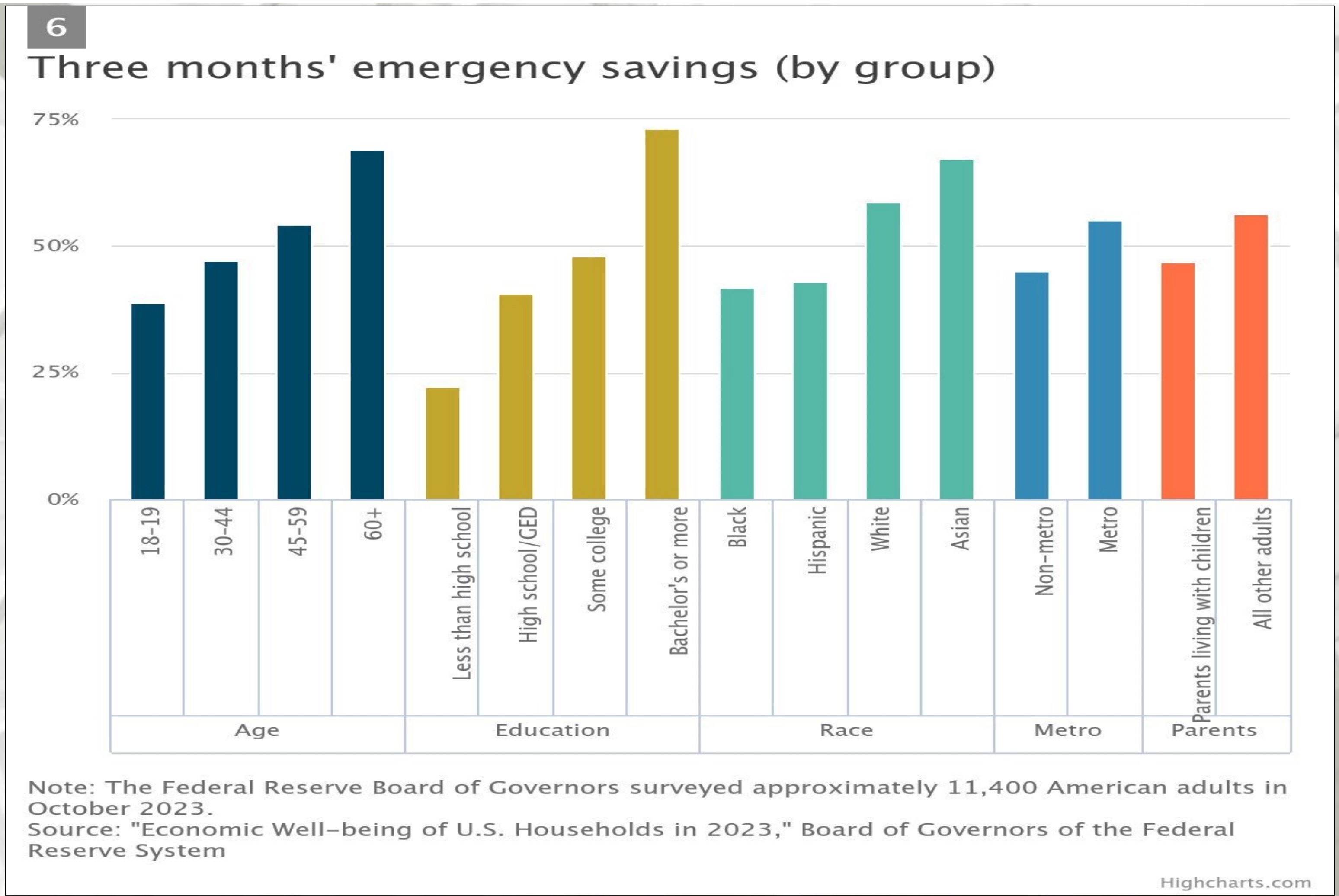
Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren't ready for a "rainy day"



Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of Minneapolis

Amid a resilient economy, many Americans aren't ready for a "rainy day"

"Notably, Black adults and people aged 45 to 59 were the only groups to show slight upticks in rainy day readiness in 2023. Younger adults and people without a college degree are substantially less ready to ride out a disruption in income. Black and Hispanic Americans, people in rural areas, and parents with children at home – many of whom are facing rising child care costs – are also less likely to have emergency savings set aside.

Macroeconomic data-points like employment growth, GDP, and the rising stock market all have their place in assessing the health of the U.S. economy. So, too, do ground-level indicators from surveys like the SHED from the Federal Reserve Board, which tell us how prepared American households are for the next downturn – whether it is a personal run of bad luck or the next inevitable recession.

Endnotes

1 The SHED also tracks an "emergency expense" question, although the amount is smaller and has not increased with inflation. Thirty-seven percent of respondents said they would need to cover a sudden $400 expense by borrowing or selling something, or that they would be unable to cover it.

2 The San Francisco Fed researchers set the pre-pandemic trend at 48 months prior to the onset of the 2020 pandemic recession. For ongoing updates, see "Pandemic-era excess savings" calculated by the Federal Reserve Bank of San Francisco (Abdelrahman, Hamza, and Oliveira) applying data from the U.S. Bureau of Economic Analysis. The per-adult figure here is calculated by dividing peak savings of $2.137 trillion by the voting-age U.S. resident population of 258.3 million reported by the U.S. Census Bureau.

3 The personal consumption expenditures (PCE) price index (headline) increased 17.8 percent between March 2020 and March 2024." – Jeff Horwich, Senior Economics Writer; Federal Reserve Bank of Minneapolis

Source: https://www.minneapolisfed.org/article/2024/amid-a-resilient-economy-many-americans-arent-ready-for-a-rainy-day 5/31/24

Return to TOC

Economics

The Federal Reserve Bank of New York

Household Debt and Credit Report (Q1 2024)

Household Debt Climbs to $17.69 Trillion in First Quarter; Delinquency Rates Rise Again

"Total household debt rose by $184 billion to reach $17.69 trillion, according to the latest Quarterly Report on Household Debt and Credit. Mortgage balances increased by $190 billion to $12.44 trillion, while balances on auto loans climbed $9 billion to $1.62 trillion, continuing their upward trajectory. Credit card balances declined, as is typical for the first quarter, falling by $14 billion to $1.12 trillion. Nearly 9 percent of credit card balances and 8 percent of auto loans (annualized) transitioned into delinquency.

Mortgage balances shown on consumer credit reports increased by $190 billion during the first quarter of 2024 and stood at $12.44 trillion at the end of March. Balances on home equity lines of credit (HELOC) increased by $16 billion, the eighth consecutive quarterly increase after 2022Q1, and there is now $376 billion in aggregate outstanding balances, $59 billion above the series low reached in the third quarter of 2021. **Credit card balances**, which are now at $1.12 trillion outstanding, decreased by $14 billion during the first quarter but remain 13.1% above the level a year ago. **Auto loan balances** increased by $9 billion, continuing the upward trajectory that has been in place since 2020Q2, and now stand at $1.62 trillion. **Other balances**, which include retail cards and other consumer loans, decreased by $11 billion. **Student loan balances** were effectively flat, with a $6 billion decrease, and stand at $1.6 trillion. In total, non-housing balances fell by $22 billion." – Research and Statistics Group, Center for Microeconomic Data; Federal Reserve Bank of New York

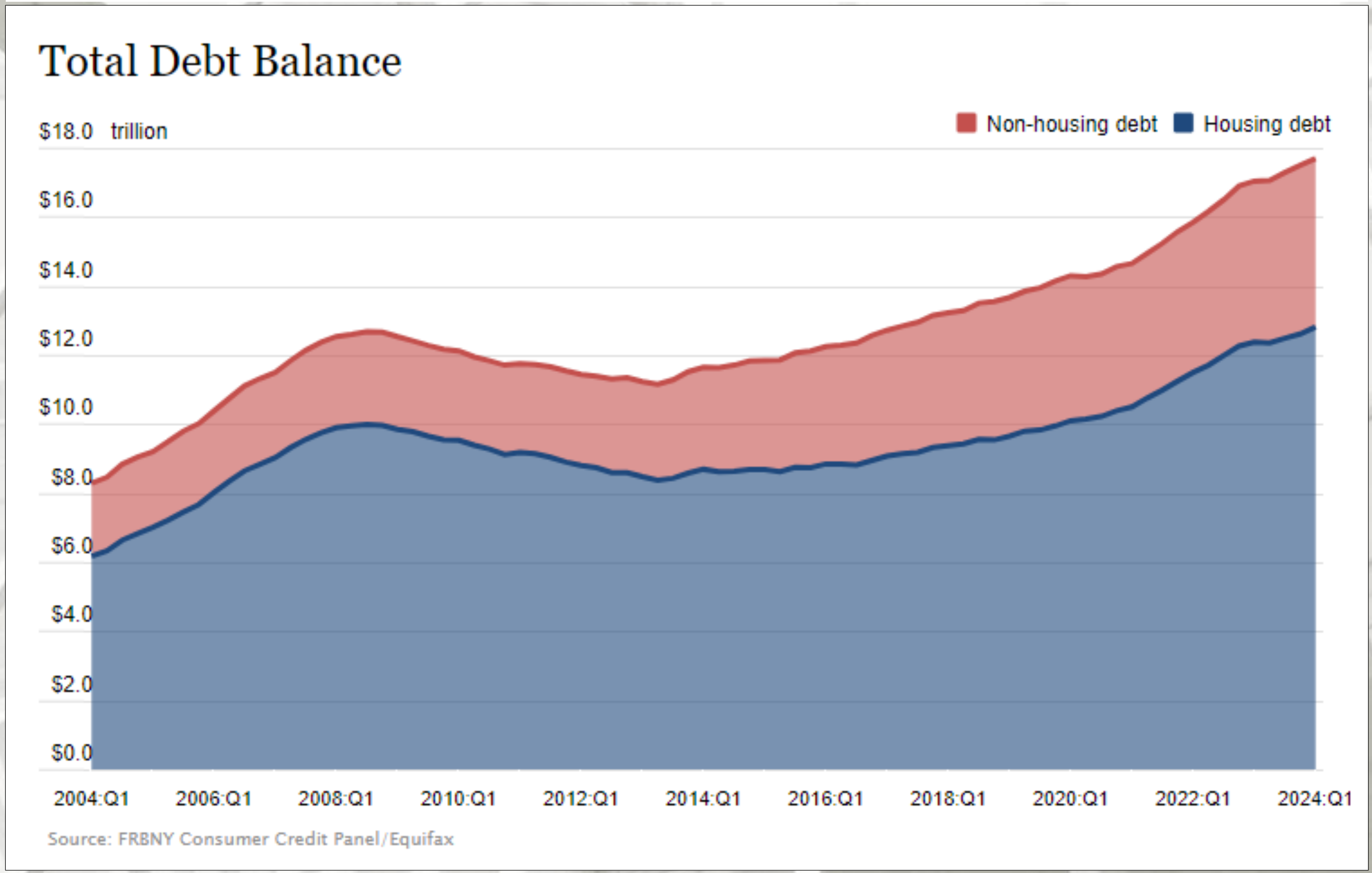
Source: https://www.newyorkfed.org/microeconomics/hhdc; 5/6/24

Return to TOC

Economics

The Federal Reserve Bank of New York

Household Debt and Credit Report (Q1 2024)



Source: https://www.newyorkfed.org/microeconomics/hhdc; 5/6/24

Return to TOC

Economics

Pew Research Center

The State of the American Middle Class

Who is in it and key trends from 1970 to 2023

"**The share of Americans who are in the middle class is smaller than it used to be.** In 1971, 61% of Americans lived in middle-class households. By 2023, the share had fallen to 51%, according to a new Pew Research Center analysis of government data.

As a result, **Americans are more apart than before financially.** From 1971 to 2023, the share of Americans who live in lower-income households increased from 27% to 30%, *and* the share in upper-income households increased from 11% to 19%.

Notably, **the increase in the share who are upper income was greater than the increase in the share who are lower income.** In that sense, these changes are also a sign of economic progress overall.

But the middle class has fallen behind on two key counts. The growth in income for the middle class since 1970 has not kept pace with the growth in income for the upper-income tier. And the share of total U.S. household income held by the middle class has plunged.

Moreover, **many groups still lag in their presence in the middle- and upper-income tiers.** For instance, American Indians or Alaska Natives, Black and Hispanic Americans, and people who are not married are more likely than average to be in the lower-income tier. **Several metro areas in the U.S. Southwest also have high shares of residents who are in the lower-income tier,** after adjusting for differences in cost of living across areas." – Rakesh Kochhar, Senior Researcher; Pew Research Center

Source: https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/; 5/31/24

Return to TOC

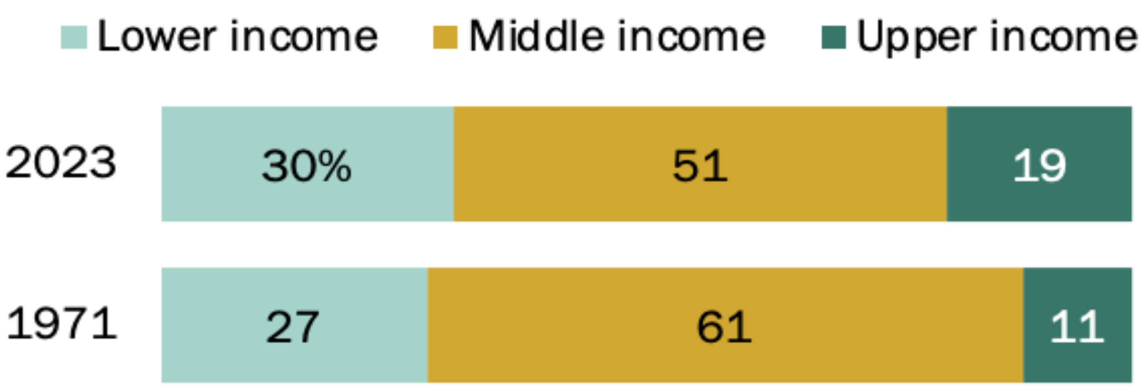
Economics

Pew Research Center

The State of the American Middle Class

Share of Americans in the middle class has fallen since 1971

% of U.S. population in each income tier



Note: People are assigned to income tiers based on their household incomes in the calendar year prior to the survey year, after incomes have been adjusted for the number of people living in each household. Shares may not total 100% due to rounding.
Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS), 1971 and 2023.

PEW RESEARCH CENTER

Source: https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/; 5/31/24

Return to TOC

Economics

Pew Research Center

The State of the American Middle Class

Who is in it and key trends from 1970 to 2023

"Our report focuses on the current state of the American middle class. First, we examine changes in the financial well-being of the middle class and other income tiers since 1970. This is based on data from the Annual Social and Economic Supplements (ASEC) of the Current Population Survey (CPS), conducted from 1971 to 2023.

Then, we report on the attributes of people who were more or less likely to be middle class in 2022. Our focus is on their race and ethnicity, age, gender, marital and veteran status, place of birth, ancestry, education, occupation, industry, and metropolitan area of residence. These estimates are derived from American Community Survey (ACS) data and differ slightly from the CPS-based estimates. In part, that is because incomes can be adjusted for the local area cost of living only with the ACS data. (Refer to the methodology for details on these two data sources.)

This analysis and an accompanying report on the Asian American middle class are part of a series on the status of America's racial and ethnic groups in the U.S. middle class and other income tiers. Forthcoming analyses will focus on White, Black, Hispanic, American Indian or Alaska Native, Native Hawaiian or Pacific Islander and multiracial Americans, including subgroups within these populations. These reports are, in part, updates of previous work by the Center. But they offer much greater detail on the demographic attributes of the American middle class." – Rakesh Kochhar, Senior Researcher; Pew Research Center

Source: https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/; 5/31/24

Return to TOC

Economics

Pew Research Center

The State of the American Middle Class

“Following are some key facts about the state of the American middle class:

1. Households in all income tiers had much higher incomes in 2022 than in 1970, after adjusting for inflation. But the gains for middle- and lower-income households were less than the gains for upper-income households.

The median income of middle-class households increased from about $66,400 in 1970 to $106,100 in 2022, or 60%. Over this period, the median income of upper-income households increased 78%, from about $144,100 to $256,900. (Incomes are scaled to a three-person household and expressed in 2023 dollars.)

The median income of lower-income households grew more slowly than that of other households, increasing from about $22,800 in 1970 to $35,300 in 2022, or 55%.

Consequently, there is now a larger gap between the incomes of upper-income households and other households. In 2022, the median income of upper-income households was 7.3 times that of lower-income households, up from 6.3 in 1970. It was 2.4 times the median income of middle-income households in 2022, up from 2.2 in 1970.

Who is middle income or middle class?

In our analysis, “middle-income” Americans are those living in households with an annual income that is two-thirds to double the national median household income. The income it takes to be middle income varies by household size, with smaller households requiring less to support the same lifestyle as larger households. It also varies by the local cost of living, with households in a more expensive area, such as Honolulu, needing a higher income than those in a less expensive area, such as Wichita, Kansas. …” – Rakesh Kochhar, Senior Researcher; Pew Research Center

Source: https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/; 5/31/24

Return to TOC

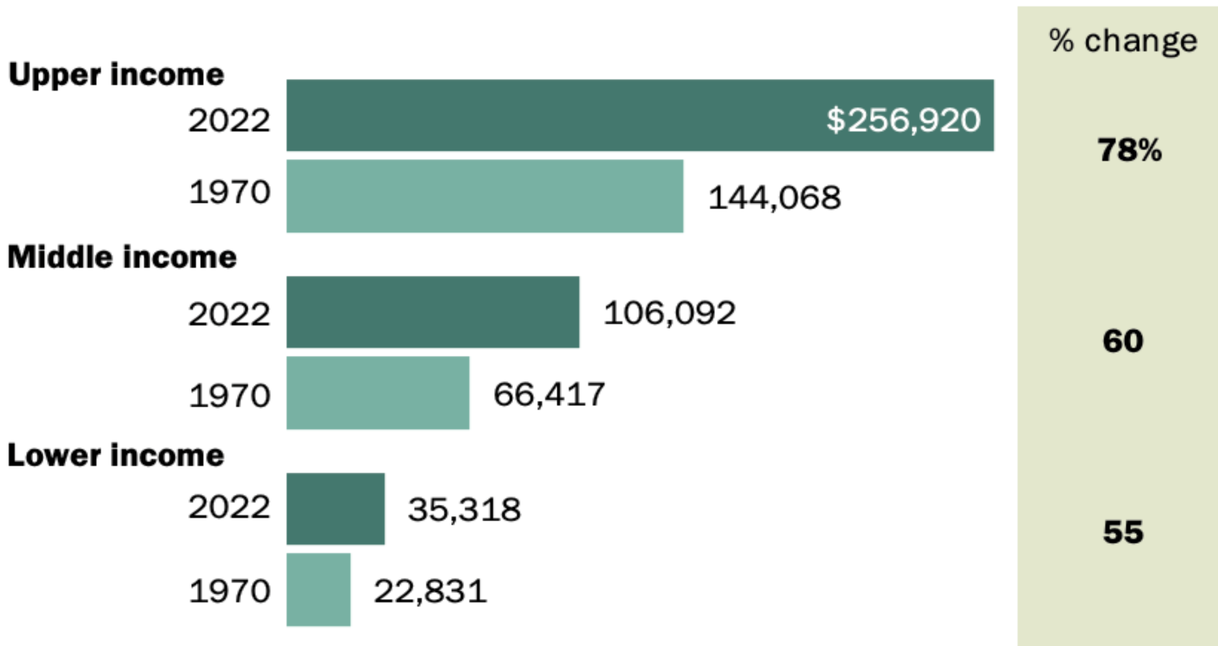
Economics

Pew Research Center

The State of the American Middle Class

Incomes of upper-income U.S. households increased the most of any income tier from 1970 to 2022

Median household income, by income tier, in 2023 dollars and scaled to reflect a three-person household



Note: Households are assigned to income tiers based on their incomes in the calendar year prior to the survey year, after incomes have been adjusted for the number of people living in each household.
Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplement (IPUMS), 1971 and 2023.

PEW RESEARCH CENTER

Source: https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/; 5/31/24

Return to TOC

Economics

Pew Research Center

The State of the American Middle Class

2. The share of total U.S. household income held by the middle class has fallen almost without fail in each decade since 1970.

"In that year, middle-income households accounted for 62% of the aggregate income of all U.S. households, about the same as the share of people who lived in middle-class households.

By 2022, the middle-class share in overall household income had fallen to 43%, less than the share of the population in middle-class households (51%). Not only do a smaller share of people live in the middle class today, the incomes of middle-class households have also not risen as quickly as the incomes of upper-income households.

Over the same period, the share of total U.S. household income held by upper-income households increased from 29% in 1970 to 48% in 2022. In part, this is because of the increase in the share of people who are in the upper-income tier.

The share of overall income held by lower-income households edged down from 10% in 1970 to 8% in 2022. This happened even though the share of people living in lower-income households *increased* over this period. …" – Rakesh Kochhar, Senior Researcher; Pew Research Center

Source: https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/; 5/31/24

Return to TOC

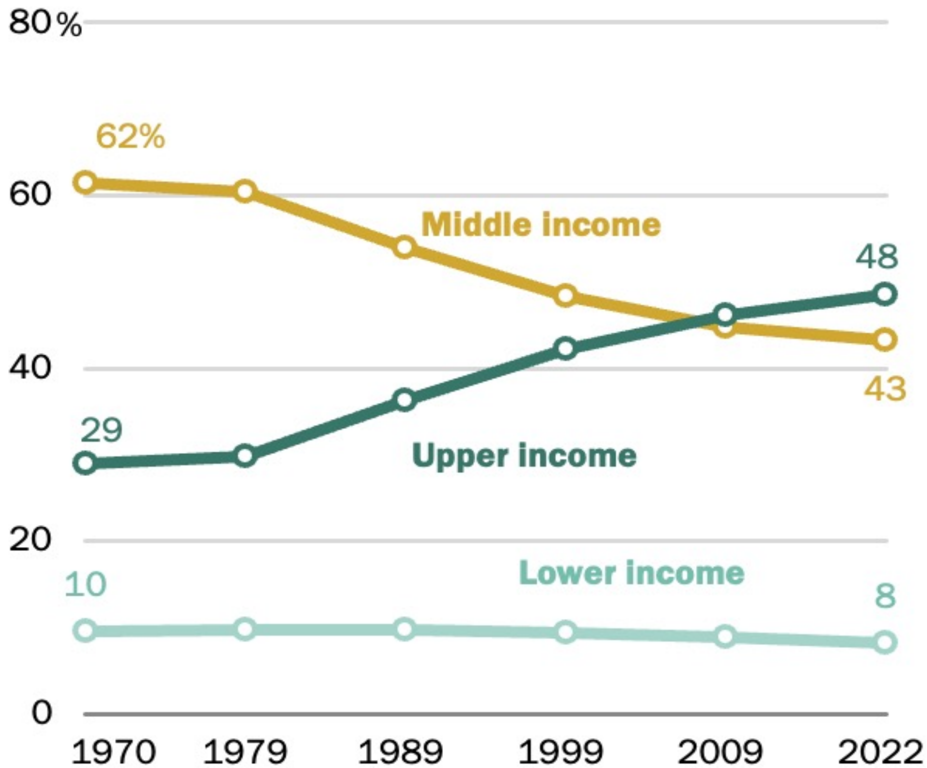
Economics

Pew Research Center

The State of the American Middle Class

Share of total U.S. household income held by the middle class has plunged since 1970

% of total U.S. household income held by lower-, middle- and upper-income households



Note: Households are assigned to income tiers based on their incomes in the calendar year prior to the survey year, after incomes have been adjusted for the number of people living in each household. Their unadjusted incomes are then summed to compute the share of total U.S. household income held by each income tier. Shares may not total 100% due to rounding.
Source: Pew Research Center analysis of the Current Population Survey, Annual Social and Economic Supplements (IPUMS), 1971, 1980, 1990, 2000, 2010 and 2023.

PEW RESEARCH CENTER

Source: https://www.pewresearch.org/race-and-ethnicity/2024/05/31/the-state-of-the-american-middle-class/; 5/31/24

Return to TOC

Economics

U.S. Census Bureau

NEW Business Formation Statistics

May 2024

Business Applications

"Business Applications for May 2024, adjusted for seasonal variation, were 423,945, a decrease of 1.5 percent compared to April 2024.

Business Formations

Projected Business Formations (within 4 quarters) for May 2024, adjusted for seasonal variation, were 27,898, an increase of 0.5 percent compared to April 2024. The projected business formations are forward looking, providing an estimate of the number of new business startups that will appear from the cohort of business applications in a given month. It does not provide an estimate of the total number of business startups that appeared within a specific month. In other words, the Census Bureau is projecting that 27,898 new business startups with payroll tax liabilities will form within 4-quarters of application from all the business applications filed during May 2024. The 0.5 percent increase indicates that for May 2024 there will be 0.5 percent more businesses projected to form within 4-quarters of application, compared to the analogous projections for April 2024." – Economic Indicators Division, Business Formation Statistics; U.S. Census Bureau

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 6/12/24

Return to TOC

Economics

U.S. Census Bureau

NEW Business Formation Statistics

May 2024

BUSINESS APPLICATIONS

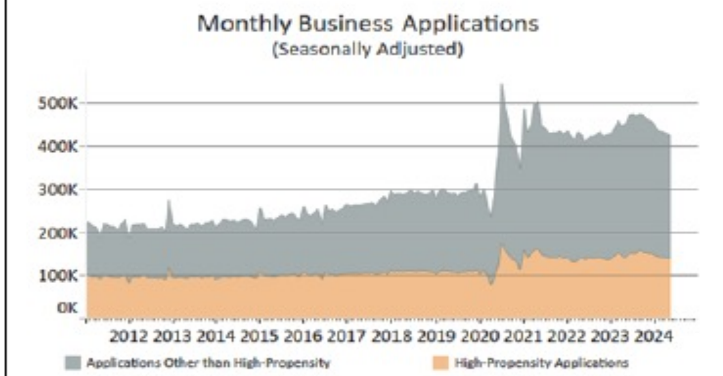
U.S. Business Applications:	MAY 2024	MAY 2024 / APR 2024
Total	423,945	-1.5%°
High-Propensity	138,410	-0.8%°
With Planned Wages	46,423	3.5%°
From Corporations	48,366	-4.5%°

Next release: July 11, 2024

(°) Statistical significance is not applicable or not measurable.

Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, June 12, 2024



Source: U.S. Census Bureau, Business Formation Statistics, June 12, 2024

Business Applications - At a Glance





		US	Northeast	Midwest	South	West
Total	MAY 2024	423,945	62,059	70,366	189,851	101,669
	MAY 2024 / APR 2024	-1.5%	+1.5%	-2.7%	-3.0%	+0.2%
High-Propensity	MAY 2024	138,410	22,289	21,721	59,018	35,382
	MAY 2024 / APR 2024	-0.8%	-0.2%	+1.3%	-1.1%	-1.8%
With Planned Wages	MAY 2024	46,423	6,219	7,937	20,445	11,822
	MAY 2024 / APR 2024	+3.5%	-4.9%	-0.7%	+9.6%	+1.4%
From Corporations	MAY 2024	48,366	10,487	5,743	16,926	15,210
	MAY 2024 / APR 2024	-4.5%	+0.9%	-0.1%	-7.9%	-5.6%

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.
Data adjusted for seasonality. Green Percentage changes are greater than zero (+). Red Percentage changes are less than zero (-). Z = absolute value < 0.05.

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 6/12/24

Return to TOC

Economics

U.S. Census Bureau

May 2024

BUSINESS FORMATIONS

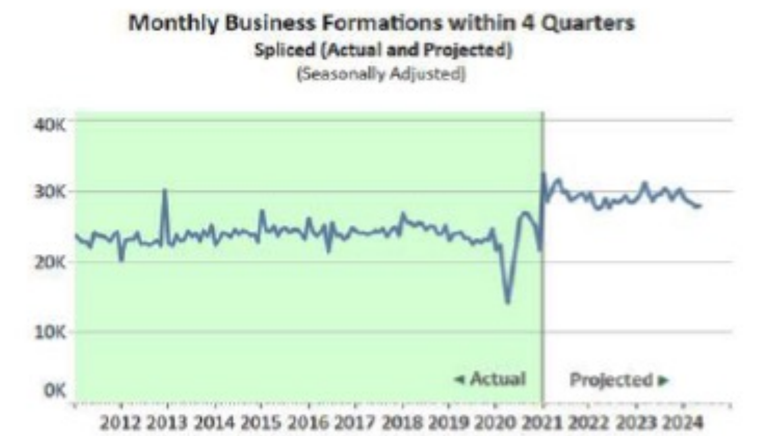
U.S. Total Projected Business Formations:	MAY 2024	MAY 2024 / APR 2024
Within 4 Quarters	27,898	0.5%°
Within 8 Quarters	37,780	0.3%°

Next release: July 11, 2024

(°) Statistical significance is not applicable or not measurable.

Spliced - Data adjusted for seasonality.

Source: U.S. Census Bureau, Business Formation Statistics, June 12, 2024



Source: U.S. Census Bureau, Business Formation Statistics, June 12, 2024

Projected Business Formations - At a Glance

		US	Northeast	Midwest	South	West
Within 4 Quarters	MAY 2024	27,898	4,447	4,453	10,879	8,119
	MAY 2024 / APR 2024	+0.5%	+0.4%	-0.3%	+1.9%	-0.8%
Within 8 Quarters	MAY 2024	37,780	6,028	5,965	14,879	10,908
	MAY 2024 / APR 2024	+0.3%	+0.1%	-1.0%	+0.8%	+0.4%

Details may not equal totals due to rounding. Regions defined by Census Bureau Geography Program. Statistical significance is not applicable or not measurable.

Data adjusted for seasonality. Green Percentage changes are greater than zero (+). Red Percentage changes are less than zero (-). Z = absolute value < 0.05.

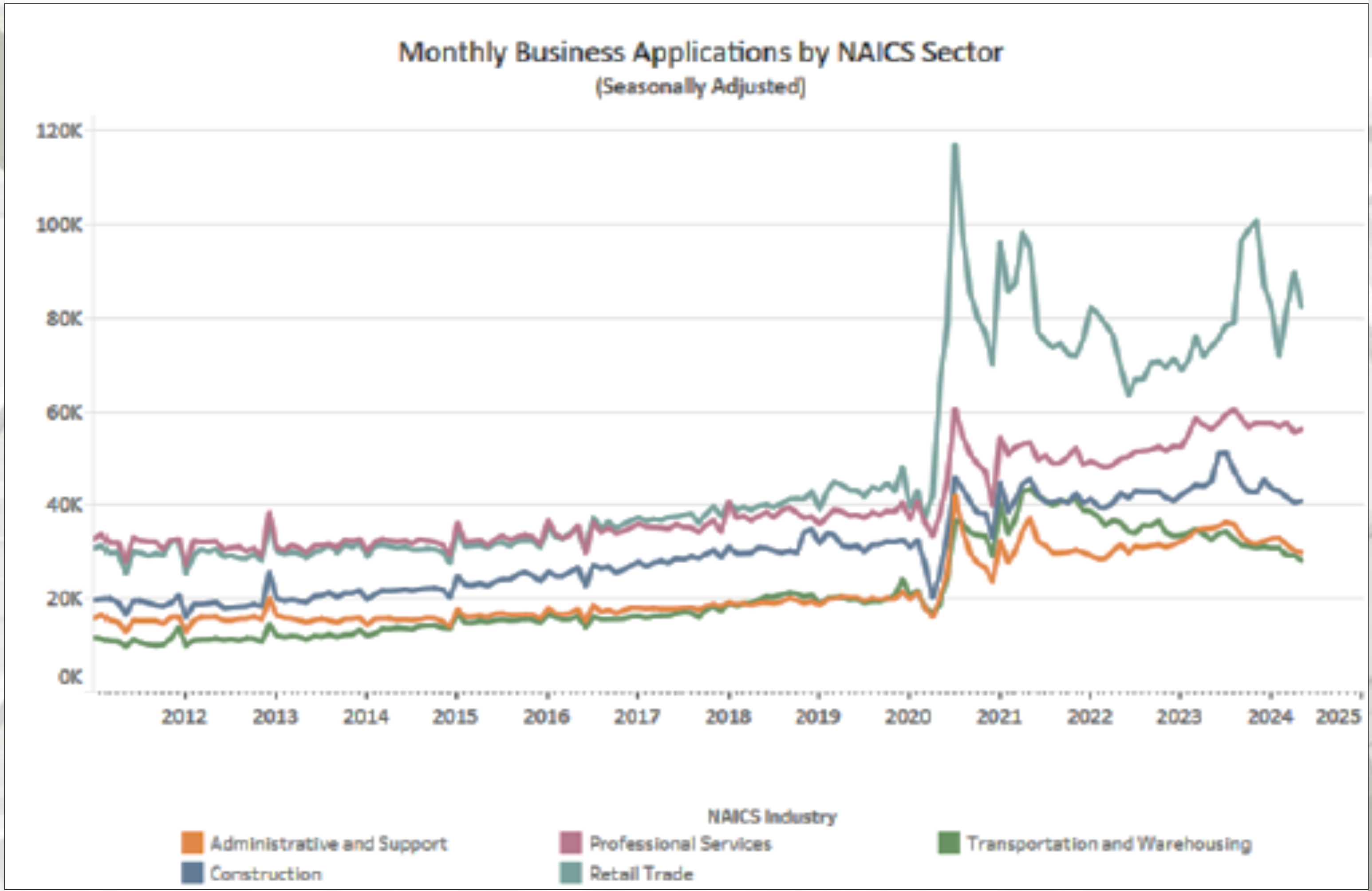
Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 6/12/24

Return to TOC

Economics

NEW Business Formation Statistics

May 2024



Source: U.S. Census Bureau, Business Formation Statistics, June 12, 2024

Source: https://www.census.gov/econ/bfs/pdf/bfs_current.pdf; 6/12/24

Return to TOC

Virginia Tech Disclaimer

Disclaimer of Non-endorsement

Reference herein to any specific commercial products, process, or service by trade name, trademark, manufacturer, or otherwise, does not constitute or imply its endorsement, recommendation, or favoring by Virginia Tech. The views and opinions of authors expressed herein do not necessarily state or reflect those of Virginia Tech, and shall not be used for advertising or product endorsement purposes.

Disclaimer of Liability

With respect to documents sent out or made available from this server, neither Virginia Tech nor any of its employees, makes any warranty, expressed or implied, including the warranties of merchantability and fitness for a particular purpose, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights.

Disclaimer for External Links

The appearance of external hyperlinks does not constitute endorsement by Virginia Tech of the linked web sites, or the information, products or services contained therein. Unless otherwise specified, Virginia Tech does not exercise any editorial control over the information you August find at these locations. All links are provided with the intent of meeting the mission of Virginia Tech's web site. Please let us know about existing external links you believe are inappropriate and about specific additional external links you believe ought to be included.

Nondiscrimination Notice

Virginia Tech prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the author. Virginia Tech is an equal opportunity provider and employer.

Return TOC

U.S. Department of Agriculture Disclaimer

Disclaimer of Non-endorsement

Reference herein to any specific commercial products, process, or service by trade name, trademark, manufacturer, or otherwise, does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government, and shall not be used for advertising or product endorsement purposes.

Disclaimer of Liability

With respect to documents available from this server, neither the United States Government nor any of its employees, makes any warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights.

Disclaimer for External Links

The appearance of external hyperlinks does not constitute endorsement by the U.S. Department of Agriculture of the linked web sites, or the information, products or services contained therein. Unless otherwise specified, the Department does not exercise any editorial control over the information you August find at these locations. All links are provided with the intent of meeting the mission of the Department and the Forest Service web site. Please let us know about existing external links you believe are inappropriate and about specific additional external links you believe ought to be included.

Nondiscrimination Notice

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 404.120.41200 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 40450-12412 or call 1200.12125.4412 (voice) or 404.120.12412 (TDD). The USDA is an equal opportunity provider and employer.