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Services PMI® at 54%

March 2026 ISM® Services PMI® Report

Business Activity Index at 53.9%
New Orders Index at 60.6%
Employment Index at 45.2%
Supplier Deliveries Index at 56.2%

(Tempe, Arizona) — Economic activity in the **services sector continued to expand in March**, say the nation's purchasing and supply executives in the latest **ISM® Services PMI® Report**. The Services PMI® registered 54 percent, the 21st consecutive month in expansion territory.

The report was issued today by Steve Miller, CPSM, CSCP, Chair of the Institute for Supply Management® (ISM®) Services Business Survey Committee: "In March, the Services PMI® registered 54 percent, a decrease of 2.1 percentage points compared to February's figure of 56.1 percent and its second-highest reading since October 2024 (55.5 percent). The Business Activity Index remained in expansion territory in March but dropped from February's reading of 59.9 percent to 53.9 percent, its lowest reading since September 2025 (50.2 percent). The New Orders Index registered 60.6 percent, 2 percentage points above February's figure of 58.6 percent and its highest level since February 2023 (61 percent). The Employment Index contracted for the first time in four months with a reading of 45.2 percent, a 6.6-percentage point decrease from the 51.8 percent recorded in February," says Miller.

"The Supplier Deliveries Index registered 56.2 percent, 2.3 percentage points higher than the 53.9 percent recorded in February. This is the 16th consecutive month that the index has been in expansion territory, indicating slower supplier delivery performance. (Supplier Deliveries is the only ISM® PMI® Reports index that is inverted; a reading of above 50 percent indicates slower deliveries, which is typical as the economy improves and customer demand increases.)

"The Prices Index registered 70.7 percent in March, a 7.7-percentage point increase over February's figure of 63 percent and its highest reading since October 2022 (70.7 percent). The index has exceeded 60 percent for 16 straight months but is only 3.5 percentage points above its 12-month average of 67.2 percent.

"The Inventories Index registered 54.8 percent in March, a decrease of 1.6 percentage points from February's figure of 56.4 percent. The Inventory Sentiment Index expanded for the 35th consecutive month, registering 54.3 percent, down 1 percentage point from February's figure of 55.3 percent and matching its January reading. The Backlog of Orders Index remained in expansion territory for a second straight month for the first time since May 2024, registering 53.6 percent in March, a 2.3-percentage point decrease from the February figure of 55.9 percent. The New Export Orders and Imports indexes both

remained in expansion territory for the second month in a row: The New Export Orders Index decreased to 50.7 percent, 6.5 percentage points below its February reading of 57.2 percent, and the Imports Index increased by 3.4 percentage points to 55.2 percent from its February reading of 51.8 percent.

“Thirteen industries reported growth in March, one fewer than in February, and the number reporting contraction remained at three. The March Services PMI® reading of 54 percent is 1.7 percentage points above the 12-month average of 52.3 percent. This average is an uptick of 0.3 percentage point over February’s 12-month average of 52 percent.”

Miller continues, “March’s Services PMI® features the third month in a row with an increase in the 12-month PMI® average, up 0.6 percentage point from 51.7 percent in December 2025 to 52.3 percent. However, six of the 10 subindexes decreased month-over-month. The Prices Index increased, as expected, amid higher oil and fuel costs, and the Supplier Deliveries Index indicated slower performance compared to February, also unsurprisingly with shipping issues and flight disruptions due to the Middle East conflict and winter weather. Continuing strength in business activity, new orders and backlog of orders are positive economic signals, so the Employment Index dropping to its lowest level since December 2023 (43.5 percent) was a surprise.

“There are other signs of economic strength. Exports and imports activity have expanded for two months in a row for the first time since September and October 2024. The predominant commentary this month was about impacts and adjustments due to the conflict with Iran and the expected flow through of higher oil prices at some point. Companies across many industries reported seeing higher gas and diesel pricing, and inventories of multiple goods increased to withstand supply chain disruptions or short-term oil price impacts. Such construction products as lumber, copper and steel were noted as up in price. Although tariff impacts were still noted by panelists, Iran-related impacts dominated the comments in March.”

INDUSTRY PERFORMANCE

The 13 services industries reporting growth in March — listed in order — are: Wholesale Trade; Management of Companies & Support Services; Finance & Insurance; Accommodation & Food Services; Transportation & Warehousing; Educational Services; Mining; Construction; Utilities; Other Services; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; and Information. The three industries reporting a contraction in the month of March are: Retail Trade; Agriculture, Forestry, Fishing & Hunting; and Public Administration.

WHAT RESPONDENTS ARE SAYING

- “Tariff rollbacks are resulting in favorable price adjustments, but the news of new implementation is driving continued uncertainty. Snowstorms last month disrupted demand and supplier operations, mostly around the availability of labor. Forecasted seasonal growth is starting to materialize due to daylight savings time and higher temperatures.” [Accommodation & Food Services]
- “Transportation disruptions in the Middle East are inhibiting both incoming and outgoing cargoes from the region. While force majeure has been received from several Middle Eastern suppliers, business operations are generally at normal levels and no interruptions, except shipping.” [Construction]
- “We are still in cost cutting and operational streamlining mode as technology continues to advance. We have seen more concessions regarding passing through tariff surcharges. We continue to closely monitor the political situation in the Middle East and how ramifications could impact our supply chain and overall costs.” [Finance & Insurance]
- “As we close out the first quarter, demand for AI computer infrastructure remains incredibly resilient. Customers have opened their 2026 capital budgets, leading to a strong refresh in new order intake. Operationally, our focus has shifted toward efficiency and margin protection.” [Information]
- “Political uncertainty with Iran conflict has resulted in less international business. Domestic business remains consistent with January and February levels.” [Mining]
- “We’re seeing some expansion across the services economy with stronger business activity and new orders. Clients remain active on regulatory, tax planning, and risk management initiatives, though persistent pricing pressures and evolving economic conditions continue to shape project prioritization and budgeting.” [Professional, Scientific & Technical Services]

- “The war in Iran has added an additional layer of uncertainty on top of an already shaky macroeconomic climate. A spike in inflation due to higher oil prices will reduce purchasing power, affecting every industry.” [Real Estate, Rental & Leasing]
- “Recent increases in fuel prices are having a substantial impact on the airline industry, resulting in significantly higher operational costs compared to pricing from just one month ago.” [Transportation & Warehousing]
- “Continued volatility in copper, aluminum and steel markets — driven by supply chain constraints and strong infrastructure demand — has increased costs and lead times for electric utility projects. These conditions are influencing purchasing strategies and capital planning across the industry.” [Utilities]
- “The U.S.-Israel military operations against Iran have created significant uncertainty for our Omani frankincense imports. Threats to close the Strait of Hormuz and rising war-risk surcharges are pressuring regional logistics costs, even for air freight. Combined with the Supreme Court’s emergency tariffs ruling — which replaced our 10-percent tariff with a 15-percent Section 122 tariff — landed costs have increased materially. We are monitoring regional stability closely and maintaining communication with Omani suppliers.” [Wholesale Trade]

**ISM® SERVICES SURVEY RESULTS AT A GLANCE
COMPARISON OF ISM® SERVICES AND ISM® MANUFACTURING SURVEYS
MARCH 2026**

Index	Services PMI®						Manufacturing PMI®		
	Series Index Mar	Series Index Feb	Percent Point Change	Direction	Rate of Change	Trend* (Months)	Series Index Mar	Series Index Feb	Percent Point Change
Services PMI®	54.0	56.1	-2.1	Growing	Slower	21	52.7	52.4	+0.3
Business Activity/ Production	53.9	59.9	-6.0	Growing	Slower	21	55.1	53.5	+1.6
New Orders	60.6	58.6	+2.0	Growing	Faster	10	53.5	55.8	-2.3
Employment	45.2	51.8	-6.6	Contracting	From Growing	1	48.7	48.8	-0.1
Supplier Deliveries	56.2	53.9	+2.3	Slowing	Faster	16	58.9	55.1	+3.8
Inventories	54.8	56.4	-1.6	Growing	Slower	2	47.1	48.8	-1.7
Prices	70.7	63.0	+7.7	Increasing	Faster	106	78.3	70.5	+7.8
Backlog of Orders	53.6	55.9	-2.3	Growing	Slower	2	54.4	56.6	-2.2
New Export Orders	50.7	57.2	-6.5	Growing	Slower	2	49.9	50.3	-0.4
Imports	55.2	51.8	+3.4	Growing	Faster	2	52.6	54.9	-2.3
Inventory Sentiment	54.3	55.3	-1.0	Too High	Slower	35	N/A	N/A	N/A
Customers' Inventories	N/A	N/A	N/A	N/A	N/A	N/A	40.1	38.8	+1.3
OVERALL ECONOMY				Growing	Slower	70			
Services Sector				Growing	Slower	21			

ISM® Services PMI® Report data is seasonally adjusted for the Business Activity, New Orders, Employment and Prices indexes. **ISM® Manufacturing PMI® Report** data is seasonally adjusted for New Orders, Production, Employment and Inventories indexes.

*Number of months moving in current direction.

COMMODITIES REPORTED UP/DOWN IN PRICE, AND IN SHORT SUPPLY

Commodities Up in Price

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

Commodities Down in Price

None.

Commodities in Short Supply

Electronic Components (2); High Voltage Equipment (2); IV Equipment; Labor — Skilled; Memory Components (3); Travel; and Wire and Cable.

Note: The number of consecutive months the commodity is listed is indicated after each item.

MARCH 2026 SERVICES INDEX SUMMARIES

Services PMI®

In March, the Services PMI® registered 54 percent, 1.7 percentage points above its 12-month moving average. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting.

A Services PMI® above 48.1 percent, over time, generally indicates an expansion of the overall economy. Therefore, the March Services PMI® indicates the overall economy is expanding for the 70th straight month. Miller says, “The past relationship between the Services PMI® and the overall economy indicates that the Services PMI® for March (54 percent) corresponds to a 1.9-percentage point increase in real gross domestic product (GDP) on an annualized basis.”

SERVICES PMI® HISTORY

<i>Month</i>	Services PMI®	<i>Month</i>	Services PMI®
Mar 2026	54.0	Sep 2025	50.3
Feb 2026	56.1	Aug 2025	51.9
Jan 2026	53.8	Jul 2025	50.5
Dec 2025	53.8	Jun 2025	50.8
Nov 2025	52.4	May 2025	50.2
Oct 2025	52.0	Apr 2025	51.6
Average for 12 months – 52.3 High – 56.1 Low – 50.2			

Business Activity

ISM®’s Business Activity Index continued in expansion in March; the reading of 53.9 percent is 6 percentage points lower than the 59.9 percent recorded in February. March’s reading is the lowest reading since September 2025 (50.2 percent), and 0.3 percentage point below its 12-month moving

average. Comments from respondents include: “Reduced fertilizer sales due to the dramatic cost increases due to the war in Iran” and “Seasonal — we are a retail business, and sales tend to slow in February and March.”

The 11 industries reporting an increase in business activity for the month of March — listed in order — are: Transportation & Warehousing; Wholesale Trade; Educational Services; Management of Companies & Support Services; Finance & Insurance; Accommodation & Food Services; Other Services; Information; Utilities; Professional, Scientific & Technical Services; and Construction. The three industries reporting a decrease in business activity for the month of March are: Retail Trade; Health Care & Social Assistance; and Public Administration.

Business Activity	%Higher	%Same	%Lower	Index
Mar 2026	22.8	62.6	14.6	53.9
Feb 2026	26.8	62.2	11.0	59.9
Jan 2026	25.4	56.9	17.7	57.4
Dec 2025	25.2	55.4	19.4	55.2

New Orders

ISM®’s New Orders Index remained in expansion territory at 60.6 percent in March, 2 percentage points higher than the reading of 58.6 percent reported in February. The index has expanded in 37 of the last 39 months. Comments from respondents include: “We are growing due to continued demand for digital transformation, increased reliance on cloud-based solutions, and the need for secure, scalable software platforms” and “Our submission rate is declining in part due to a softening of the commercial property industry.”

The 14 industries reporting an increase in new orders for the month of March — listed in order — are: Real Estate, Rental & Leasing; Wholesale Trade; Management of Companies & Support Services; Transportation & Warehousing; Finance & Insurance; Educational Services; Accommodation & Food Services; Other Services; Professional, Scientific & Technical Services; Information; Utilities; Construction; Public Administration; and Health Care & Social Assistance. The only industry reporting a decrease in new orders for the month of March is Retail Trade.

New Orders	%Higher	%Same	%Lower	Index
Mar 2026	32.0	55.4	12.6	60.6
Feb 2026	32.8	53.4	13.8	58.6
Jan 2026	22.5	57.0	20.5	53.1
Dec 2025	21.4	63.4	15.2	56.5

Employment

Employment activity in the services sector returned to contraction in March after three months in expansion territory. The Employment Index registered 45.2 percent, down 6.6 percentage points from the February figure of 51.8 percent. Comments from respondents include: “Lower employment in the U.S., higher in India and other low-cost geographies; H-1B visa salaries have increased as well” and “Staffing levels remain adequate; however, attendance declined by approximately 5 percent compared to the previous month.”

The five industries reporting an increase in employment in March are: Wholesale Trade; Management of Companies & Support Services; Finance & Insurance; Utilities; and Construction. The six industries reporting a decrease in employment in March — listed in order — are: Real Estate, Rental & Leasing; Information; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Retail Trade; and Public Administration. Seven industries reported no change in employment in the month of March.

Employment	%Higher	%Same	%Lower	Index
Mar 2026	10.7	70.9	18.4	45.2
Feb 2026	16.2	68.7	15.1	51.8
Jan 2026	13.8	70.0	16.2	50.3
Dec 2025	15.2	72.3	12.5	51.7

Supplier Deliveries

In March, the Supplier Deliveries Index indicated slower performance for the 16th month in a row. The index registered 56.2 percent, up 2.3 percentage points from the 53.9 percent recorded in February. A reading above 50 percent indicates slower deliveries, while a reading below 50 percent indicates faster deliveries. Comments from respondents include: “Back orders from suppliers and manufacturers are creating delays” and “A shortage of trucks is slowing down deliveries.”

The 11 industries reporting slower deliveries in March — in the following order — are: Mining; Accommodation & Food Services; Wholesale Trade; Construction; Information; Real Estate, Rental & Leasing; Transportation & Warehousing; Finance & Insurance; Professional, Scientific & Technical Services; Utilities; and Health Care & Social Assistance. The only industry reporting faster supplier deliveries for the month of March is Educational Services. Six industries reported no change in supplier deliveries in the month of March.

Supplier Deliveries	%Slower	%Same	%Faster	Index
Mar 2026	13.0	86.4	0.6	56.2
Feb 2026	10.6	86.5	2.9	53.9
Jan 2026	10.0	88.4	1.6	54.2
Dec 2025	6.9	89.8	3.3	51.8

Inventories

The Inventories Index expanded for the second month in a row and fourth time in the last five months, registering 54.8 percent, a 1.6-percentage point decrease compared to the 56.4 percent reported in February. Of the total respondents in March, 28 percent indicated they do not have inventories or do not measure them. Comments from respondents include: “We are purchasing additional inventory to account for geopolitical issues” and “Stockpiling oil-derivative products in case the extended conflict in Iran or closure of the Strait of Hormuz cause supply issues.”

The 11 industries reporting an increase in inventories in March — in the following order — are: Accommodation & Food Services; Mining; Real Estate, Rental & Leasing; Management of Companies & Support Services; Other Services; Professional, Scientific & Technical Services; Transportation & Warehousing; Utilities; Wholesale Trade; Health Care & Social Assistance; and Public Administration. The four industries reporting a decrease in inventories in March are: Construction; Retail Trade; Information; and Educational Services.

Inventories	%Higher	%Same	%Lower	Index
Mar 2026	19.9	69.8	10.3	54.8
Feb 2026	24.0	64.7	11.3	56.4
Jan 2026	11.7	66.8	21.5	45.1
Dec 2025	18.4	71.6	10.0	54.2

Prices

Prices paid by services organizations for materials and services increased in March for the 106th consecutive month. The Prices Index registered 70.7 percent, 7.7 percentage points higher than the 63 percent recorded in February — its largest one-month increase in more than 13 years.

Seventeen industries reported an increase in prices paid during the month of March, in the following order: Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Construction; Information; Public Administration; Management of Companies & Support Services; Wholesale Trade; Professional, Scientific & Technical Services; Finance & Insurance; Accommodation & Food Services; Real Estate, Rental & Leasing; Retail Trade; Educational Services; Utilities; Arts, Entertainment & Recreation; Health Care & Social Assistance; and Other Services. No industry reported a decrease in March.

Prices	%Higher	%Same	%Lower	Index
Mar 2026	45.7	53.1	1.2	70.7
Feb 2026	30.7	65.7	3.6	63.0
Jan 2026	33.4	64.6	2.0	66.6
Dec 2025	27.5	65.8	6.7	65.1

NOTE: Commodities reported as up in price and down in price are listed in the commodities section of this report.

Backlog of Orders

The ISM® Services Backlog of Orders Index was in expansion territory for its second time in a row. The reading of 53.6 percent was a 2.3-percentage point decrease compared to the 55.9 percent reported in February. Of the total respondents in March, 31 percent indicated they do not measure backlog of orders. Respondent comments include: “Permitting and regulatory delays, plus additional regulatory burdens” and “The Iran conflict is impacting the availability of certain items, with some suppliers indicating that DPAS (Defense Priorities and Allocations System) requirements are being invoked.”

The 10 industries reporting an increase in order backlogs in March — listed in order — are: Accommodation & Food Services; Arts, Entertainment & Recreation; Agriculture, Forestry, Fishing & Hunting; Other Services; Professional, Scientific & Technical Services; Information; Health Care & Social Assistance; Wholesale Trade; Transportation & Warehousing; and Finance & Insurance. The two industries reporting a decrease in order backlogs in March are: Retail Trade; and Educational Services. Six industries reported no change in backlog of orders in the month of March.

Backlog of Orders	%Higher	%Same	%Lower	Index
Mar 2026	16.1	75.0	8.9	53.6
Feb 2026	22.6	66.6	10.8	55.9
Jan 2026	9.6	68.8	21.6	44.0
Dec 2025	10.1	64.9	25.0	42.6

New Export Orders

Orders and requests for services and other non-manufacturing activities to be provided outside of the U.S. by domestically based companies expanded for its second month in a row in March. The New Export Orders Index registered 50.7 percent, down 6.5 percentage points compared to the February reading of 57.2 percent. Of the total respondents in March, 41 percent indicated they do not perform, or do not separately measure, orders for work outside of the U.S. Respondent comments include: “Organizations are investing in technologies that improve integration, automation, and data management, which supports expansion within the software industry and drives increased adoption of our solutions” and “Middle East energy customers are not currently taking deliveries due to cargo security risks.”

The three industries reporting an increase in new export orders in March are: Information; Utilities; and Professional, Scientific & Technical Services. The eight industries reporting a decrease in new export orders in March, in order, are: Real Estate, Rental & Leasing; Construction; Mining; Other Services; Accommodation & Food Services; Educational Services; Wholesale Trade; and Health Care & Social Assistance. Seven industries reported no change in exports in March.

New Export Orders	%Higher	%Same	%Lower	Index
Mar 2026	15.5	70.4	14.1	50.7
Feb 2026	20.5	73.3	6.2	57.2
Jan 2026	9.1	71.7	19.2	45.0
Dec 2025	16.4	75.5	8.1	54.2

Imports

The Imports Index remained in expansion territory in March for the second month in a row and third time in the last four months, registering 55.2 percent, 3.4 percentage points higher than the 51.8 percent reported in February. Of the total respondents in March, 39 percent reported that they do not use, or do not track the use of, imported materials. Respondent comments include: “Hedging against continued uncertainties with the Iran conflict” and “Due to geopolitical issues, the international supply chain is getting tight.”

The seven industries reporting an increase in imports for the month of March, in order, are: Agriculture, Forestry, Fishing & Hunting; Management of Companies & Support Services; Information; Professional, Scientific & Technical Services; Retail Trade; Transportation & Warehousing; and Wholesale Trade. The five industries reporting a decrease in imports in March are: Real Estate, Rental & Leasing; Public Administration; Mining; Health Care & Social Assistance; and Utilities. Six industries reported no change in imports in March.

Imports	%Higher	%Same	%Lower	Index
Mar 2026	16.4	77.6	6.0	55.2
Feb 2026	10.8	82.0	7.2	51.8
Jan 2026	3.2	89.9	6.9	48.2
Dec 2025	11.6	77.4	11.0	50.3

Inventory Sentiment

The ISM® Services Inventory Sentiment Index was in expansion (or “too high”) territory for the 35th consecutive month in March; the reading of 54.3 percent is a decrease of 1 percentage point compared to February’s figure of 55.3 percent. This reading indicates that respondents feel their companies’ inventory levels are too high when correlated to business requirements.

The 10 industries reporting sentiment that their inventories were too high in March — listed in order — are: Retail Trade; Accommodation & Food Services; Other Services; Educational Services; Wholesale Trade; Utilities; Construction; Public Administration; Health Care & Social Assistance; and Professional, Scientific & Technical Services. Four industries reporting a decrease in inventory sentiment in March are: Management of Companies & Support Services; Agriculture, Forestry, Fishing & Hunting; Information; and Transportation & Warehousing.

Inventory Sentiment	%Too High	%About Right	%Too Low	Index
Mar 2026	12.8	82.9	4.3	54.3

Feb 2026	17.0	76.6	6.4	55.3
Jan 2026	13.1	82.4	4.5	54.3
Dec 2025	13.8	80.6	5.6	54.1

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report’s information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report. The information compiled in this report is for the month of March 2026.

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

Data and Method of Presentation

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

Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured (Business Activity, New Orders, Backlog of Orders, New Export Orders, Inventory Change, Inventory Sentiment, Imports, Prices, Employment and Supplier Deliveries), this report shows the percentage reporting each response and the diffusion index. Responses represent raw data and are never changed. Data is seasonally adjusted for Business Activity, New Orders, Prices and Employment. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them. The remaining indexes have not indicated significant seasonality.

The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries. Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change. An index reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. Supplier Deliveries is an exception. A Supplier Deliveries Index above 50 percent indicates slower deliveries and below 50 percent indicates faster deliveries.

A Services PMI® above 48.1 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.1 percent, it is generally declining. The distance from 50 percent or 48.1 percent is indicative of the strength of the expansion or decline.

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

The industries reporting growth, as indicated in the ISM® **Services PMI® Report**, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

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