INSTITUTE FOR SUPPLY MANAGEMENT®

ISM® Services PMI® Report

AUGUST 2026

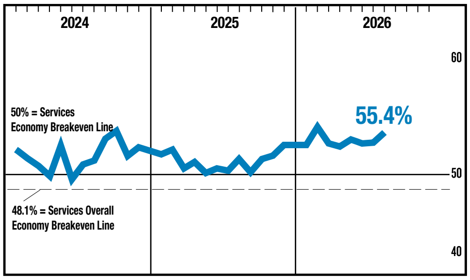
Analysis by

Steve Miller, CPSM, CSCP

Chair of the Institute for Supply Management®
Services Business Survey Committee

SERVICES PMI® at 55.4%

In August, the Services PMI® registered 55.4 percent, 1.7 percentage points above its 12-month moving average of 53.7 percent. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting. The past relationship between the Services PMI® and the overall economy indicates that the Services PMI® for August corresponds to a 2.3-percentage point increase in real gross domestic product (GDP) on an annualized basis.



Services at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	55.4	54.1	+1.3	Growing	Faster	26
Business Activity	61.7	59.1	+2.6	Growing	Faster	26
New Orders	60.9	57.2	+3.7	Growing	Faster	15
Employment	47.8	47.4	+0.4	Contracting	Slower	2
Supplier Deliveries	51.3	52.8	-1.5	Slowing	Slower	21
Inventories	56.7	51.4	+5.3	Growing	Faster	7
Prices	72.6	70.3	+2.3	Increasing	Faster	111
Backlog of Orders	55.6	50.9	+4.7	Growing	Faster	7
New Export Orders	56.3	52.0	+4.3	Growing	Faster	3
Imports	56.3	51.8	+2.4	Growing	Faster	2
Inventory Sentiment	54.1	52.5	-0.1	Too High	Faster	40
Overall Economy				**Growing**	**Faster**	**75**
Services Sector				**Growing**	**Faster**	**26**

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

Commodities Reported

Commodities Up in Price: Computers and Related Items (4); Copper (9); Copper Based Products; Diesel (6); Food Products; Freight; Fuel* (7); Gasoline (7); Labor; Memory Products (8); Petroleum Based Products (4); Software — Licensing (7); and Steel Products (5).

Commodities Down in Price: Fuel* (3).

Commodities in Short Supply: Graphics Processing Units (GPUs); Labor (3); Memory Components (8); Steel; Steel Products (3); and Wire and Cable (3).

Note: To view the full report, visit the ISM® PMI® Reports website at ismrob.org

*The number of consecutive months the commodity has been listed is indicated after each item. *Indicates both up and down in price.*

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

The Services PMI® registered 55.4 percent, the 26th consecutive month in expansion territory. The Business Activity Index remained in expansion territory in August, increasing 2.6 percentage points to 61.7 percent from July's reading of 59.1 percent. The New Orders Index registered 60.9 percent, 3.7 percentage points above July's figure of 57.2 percent. The Employment Index contracted for a second straight month with a reading of 47.8 percent, a 0.4-percentage point increase from the 47.4 percent recorded in July. The Prices Index registered above 70 percent for the fifth time in six months; the reading of 72.6 percent in August is 2.3 percentage points above July's figure of 70.3 percent. The index has exceeded 60 percent for 21 straight months, with its 12-month average increasing by 0.4 percentage point to 68.5 percent, the highest since April 2023. The Inventories Index registered 56.7 percent, up 5.3 percentage points from July's figure of 51.4 percent. The 12 services industries reporting growth in August — listed in order — are: Mining; Real Estate, Rental & Leasing; Accommodation & Food Services; Wholesale Trade; Arts, Entertainment & Recreation; Educational Services; Retail Trade; Information; Professional, Scientific & Technical Services; Utilities; Transportation & Warehousing; and Public Administration. ISM

*✣**Other Services** (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).*

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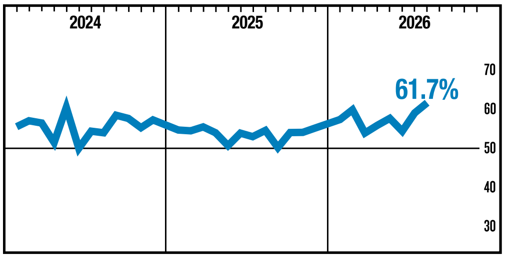
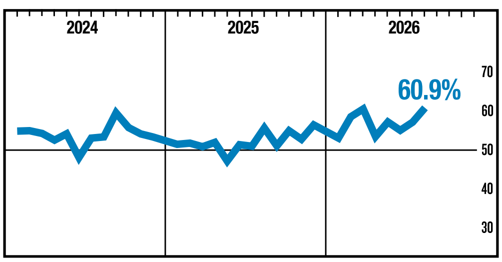


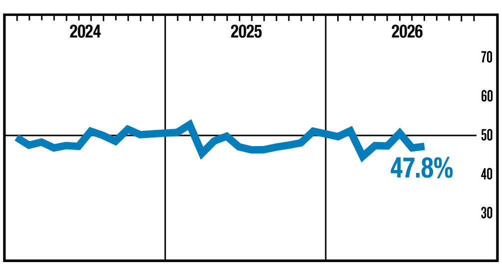
Business Activity

ISM's Business Activity Index registered 61.7 percent. The 13 industries reporting an increase in business activity for the month of August — listed in order — are: Real Estate, Rental & Leasing; Mining; Educational Services; Accommodation & Food Services; Arts, Entertainment & Recreation; Information; Wholesale Trade; Transportation & Warehousing; Retail Trade; Professional, Scientific & Technical Services; Utilities; Finance & Insurance; and Public Administration.



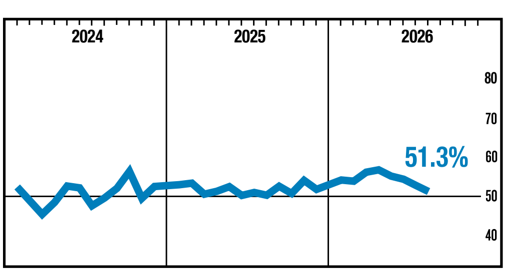
New Orders

ISM's New Orders Index registered 60.9 percent. The 14 industries reporting an increase in new orders for the month of August — listed in order — are: Real Estate, Rental & Leasing; Mining; Educational Services; Arts, Entertainment & Recreation; Wholesale Trade; Other Services✣; Retail Trade; Accommodation & Food Services; Professional, Scientific & Technical Services; Management of Companies & Support Services; Information; Finance & Insurance; Health Care & Social Assistance; and Transportation & Warehousing.



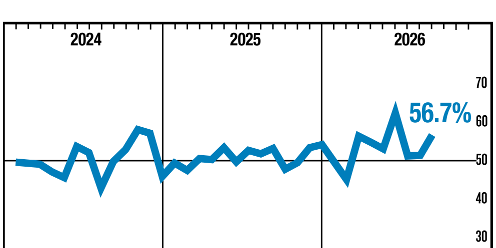
Employment

The Employment Index registered 47.8 percent in August. The seven industries reporting an increase in employment in August — listed in order — are: Accommodation & Food Services; Utilities; Mining; Wholesale Trade; Transportation & Warehousing; Retail Trade; and Construction.



Supplier Deliveries

The Supplier Deliveries Index registered 51.3 percent. The 10 industries reporting slower deliveries in August — in the following order — are: Mining; Other Services✣; Information; Construction; Finance & Insurance; Professional, Scientific & Technical Services; Public Administration; Health Care & Social Assistance; Educational Services; and Wholesale Trade.



Inventories

The Inventories Index registered 56.7 percent. The 11 industries reporting an increase in inventories in August — in the following order — are: Accommodation & Food Services; Real Estate, Rental & Leasing; Construction; Mining; Educational Services; Utilities; Wholesale Trade; Information; Professional, Scientific & Technical Services; Health Care & Social Assistance; and Management of Companies & Support Services.

✣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).

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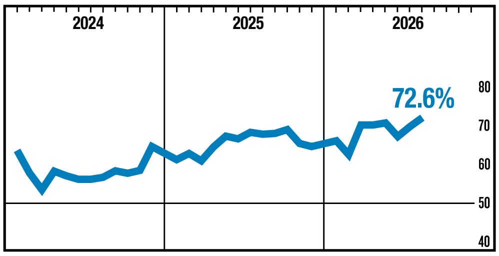
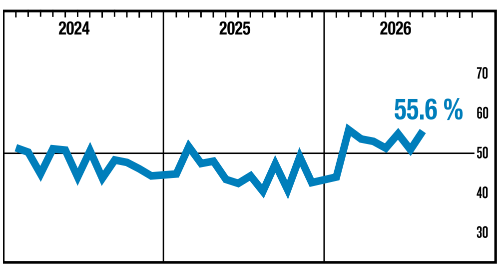


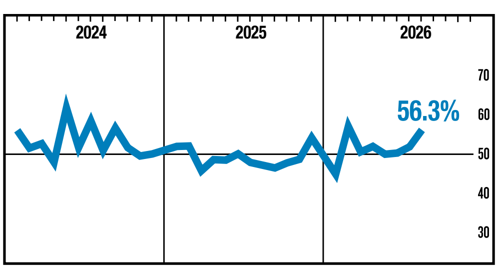
Prices

The Prices Index registered 72.6 percent. Fifteen industries reported an increase in prices paid during the month of August, in the following order: Transportation & Warehousing; Other Services✣; Real Estate, Rental & Leasing; Finance & Insurance; Information; Wholesale Trade; Accommodation & Food Services; Construction; Professional, Scientific & Technical Services; Management of Companies & Support Services; Utilities; Retail Trade; Public Administration; Health Care & Social Assistance; and Educational Services.



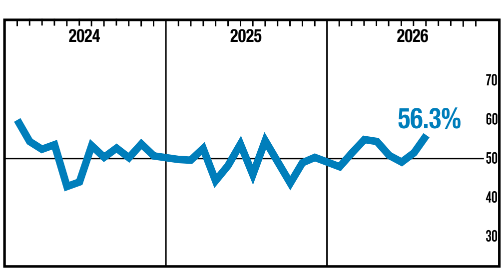
Backlog of Orders

The ISM Services Backlog of Orders Index registered 55.6 percent. The 10 industries reporting an increase in order backlogs in August — in the following order — are: Finance & Insurance; Arts, Entertainment & Recreation; Other Services✣; Accommodation & Food Services; Utilities; Real Estate, Rental & Leasing; Wholesale Trade; Professional, Scientific & Technical Services; Educational Services; and Health Care & Social Assistance.



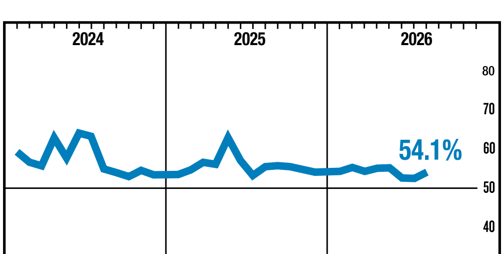
New Export Orders

The New Export Orders Index registered 56.3 percent. The seven industries reporting an increase in new export orders in August, in order, are: Real Estate, Rental & Leasing; Mining; Construction; Retail Trade; Professional, Scientific & Technical Services; Transportation & Warehousing; and Finance & Insurance.



Imports

The Imports Index was registered 56.3 percent. The seven industries reporting an increase in imports for the month of August are: Public Administration; Real Estate, Rental & Leasing; Accommodation & Food Services; Wholesale Trade; Transportation & Warehousing; Professional, Scientific & Technical Services; and Utilities.



Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 54.1 percent. The seven industries reporting sentiment that their inventories were too high in August, in order, are: Other Services✣; Real Estate, Rental & Leasing; Educational Services; Accommodation & Food Services; Utilities; Wholesale Trade; and Management of Companies & Support Services.

✣Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).

About This Report

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

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

Data and Method of Presentation

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

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

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

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

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

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

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

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

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

About Institute for Supply Management® (ISM®)

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