

S&P Global US Services PMI[®]

Solid growth maintained in November, but inflation picks up

New business growth strongest since end of 2024

Confidence improves and stronger rise in employment

Input price inflation hits six-month high

The US private sector services economy continued to expand at a solid pace in November, despite growth softening to a five-month low, according to the latest PMI[®] survey data from S&P Global.

Activity was supported by the firmest rise in new work of 2025 so far, whilst confidence in the outlook strengthened following the end of the government shutdown and expectations of improved economic growth in the year ahead.

Firms also took on additional staff to a stronger degree amid some evidence of capacity pressures, but with reports of higher labor costs and tariffs continuing to push up prices in general, input cost inflation accelerated to a six-month high.

The headline S&P Global US Services PMI[®] Business Activity Index recorded 54.1 in November, down from October's 54.8 and lower than the earlier 'flash' estimate of 55.0. Overall, it was the lowest index reading since June but nonetheless consistent with a solid expansion in activity that was broadly in line with the survey trend.

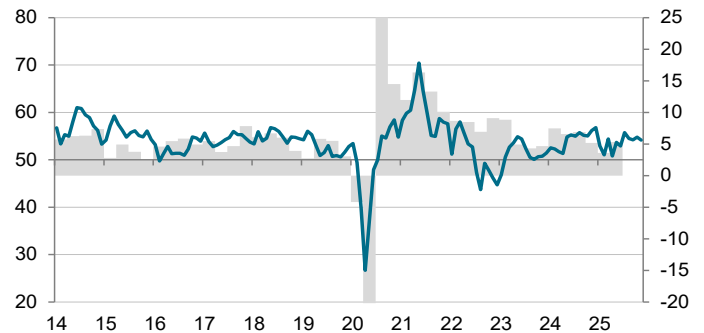
Activity was supported in November by another increase in new business volumes, which increased to the strongest degree since last December. There were reports of more favorable market conditions and stronger underlying demand for services. Export trade also improved, although growth was marginal and lagged noticeably behind overall new work. Panelists reported that international trade continued to be hampered by political instability and general economic uncertainty.

Confidence in the outlook – as measured by the Future Activity Index – improved noticeably since October. The end of the government shutdown, and expectations of higher federal spending in the year ahead supported sentiment. Some firms are forecasting that lower interest rates will lead to economic growth and are also planning to increase advertising and introduce new products/services in the year ahead.

A positive outlook and higher current workloads helped to support an increase in staffing levels during November. Growth was solid and the best recorded since June. Moreover, employment has now risen in each month since March. Firms still indicated some pressure on capacity as backlogs of work increased for a ninth successive month, although growth was modest and below levels seen over the summer.

Meanwhile, latest prices data signaled the continuation of above trend input cost inflation, with prices overall rising to the greatest degree since May. Tariffs were again widely mentioned as a key driver of higher operating expenses. Service providers

S&P Global US Services Business Activity Index, sa, >50 = growth m/m Private Services Gross Output Annualized % qr/qr



Data were collected 12-26 November 2025.

Sources: S&P Global PMI, Bureau of Economic Analysis via S&P Global Market Intelligence. © 2025 S&P Global.

Comment

Chris Williamson, Chief Business Economist at S&P Global Market Intelligence

“The US service sector has reported another strong expansion in November, with demand for services rising at the fastest rate seen so far this year. Together with a robust increase in output reported by the manufacturing sector, the survey indicates that the economy is so far expanding at a 2.5% annualized GDP growth rate in the fourth quarter.

“Supportive financial conditions, including lower interest rates and the equity market gains seen this year, are helping drive the sustained resilience of the economy, with a further surge in financial services activity reported in November.

“Consumer and business services are also continuing to expand, but report pressure on customer demand from affordability issues in particular. Worryingly, prices charged for services rose at an increased rate in November as firms sought to pass on higher costs, in turn often linked to tariffs.

“The concern is that rising prices could deter further rate cuts, in turn dampening the financial services expansion which has been doing much of the heavy lifting in terms of the sustained economic expansion in recent months.

“More encouragingly, November saw an upturn in business expectations of growth over the year ahead compared to October, though this in part merely reflected some relief at the ending of the government shutdown, and some of this improved sentiment appears to have already faded towards the end of November.”

also noted an increase in labor related costs.

Where possible firms sought to pass on their higher costs to clients via a rise in their own selling prices. Inflation was again above its trend rate, though remained below levels recorded through the summer. Competitive pressures and efforts to stimulate sales were reported to have weighed on pricing power.

**Note the Final Future Business Activity was 4.6 points lower than the earlier 'flash' estimate, which is the largest recorded flash-final change. This is due to responses received in the final week of fieldwork being generally more neutral (rather than negative) about business activity in one year's time compared to responses received at the 'flash' survey cut off on 20th November. While the degree of index change was unusually high, directionally the movement since the 'flash' estimate was consistent with the business activity and new business indices.*

The Flash US Services PMI fieldwork was conducted from 12th – 20th November. The Final US Services PMI fieldwork also included responses received from 21st – 26th November. Flash services data were calculated from 70% of final responses.

S&P Global US Composite PMI®

The S&P Global US Composite PMI® posted 54.2 in November.

That was little changed overall on October's 54.6 and consistent with trend growth of the US private sector economy. Similar rates of expansion were recorded across the manufacturing and service sectors.

Latest data showed the strongest growth in new work for three months, which helped support a solid increase in employment. Meanwhile, input price inflation accelerated to a four-month high whilst output charges also rose at a stronger pace.

Methodology

The S&P Global US Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies.

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in October 2009.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

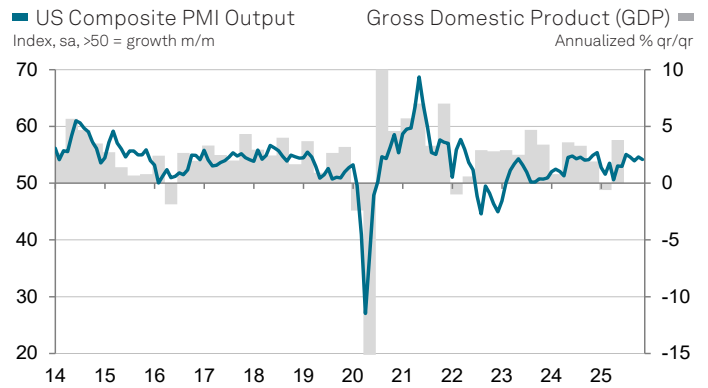
The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

PMI by S&P Global

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