ISM Surveys Indicate Manufacturing Slowed Further While Services Shot Higher in December

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The Institute for Supply Management (ISM), one of the oldest organizations in supply chain management, releases its Manufacturing and Services Reports every month on Business, offering a timely look at U.S. economic conditions. These indices are diffusion measures, meaning readings above 50 signal expansion while values below 50 indicate contraction. Together, they provide a forward-looking view into business activity, demand, employment, and pricing trends across the economy.

On Monday, the Manufacturing Index slipped to 47.9 in December, marking its lowest reading of the year and the tenth consecutive month of contraction. The sector has now been in contraction for more than three years, reflecting a prolonged period of weak activity. Business leaders continue to report broadly about tariffs, elevated input costs, and softer demand. Many industries note declining orders, reduced capacity utilization, and tightening margins as firms struggle to pass higher costs through to customers.

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