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DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire United States, 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 September 2015.

September Non-Manufacturing ISM[®] *Report On Business*[®]

NMI[®] at 56.9%

Business Activity Index at 60.2%
New Orders Index at 56.7%
Employment Index at 58.3%

(Tempe, Arizona) – Economic activity in the **non-manufacturing sector** grew in September for the 68th consecutive month, say the nation's purchasing and supply executives in the latest **Non-Manufacturing ISM[®] *Report On Business*[®]**.

The report was issued today by Anthony Nieves, CPSM, C.P.M., CFPM, chair of the Institute for Supply Management[®] (ISM[®]) Non-Manufacturing Business Survey Committee. "The NMI[®] registered 56.9 percent in September, 2.1 percentage points lower than the August reading of 59 percent. This represents continued growth in the non-manufacturing sector at a slower rate. The Non-Manufacturing Business Activity Index decreased to 60.2 percent, which is 3.7 percentage points lower than the August reading of 63.9 percent, reflecting growth for the 74th consecutive month at a slower rate. The New Orders Index registered 56.7 percent, 6.7 percentage points lower than the reading of 63.4 percent in August. The Employment Index increased 2.3 percentage points to 58.3 percent from the August reading of 56 percent and indicates growth for the 19th consecutive month. The Prices Index decreased 2.4 percentage points from the August reading of 50.8 percent to 48.4 percent, indicating prices decreased in September for the first time since February of this year. According to the NMI[®], 13 non-manufacturing industries reported growth in September. There has been a cooling off in the rate of growth during the month of September. Also, the trend of lower costs and little pricing power continues as reflected in the contraction of the pricing index. Overall, respondents continue to remain positive about current business conditions."

INDUSTRY PERFORMANCE

The 13 non-manufacturing industries reporting growth in September — listed in order — are: Educational Services; Construction; Finance & Insurance; Health Care & Social Assistance; Utilities;

Wholesale Trade; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Accommodation & Food Services; Information; Public Administration; and Transportation & Warehousing. The four industries reporting contraction in September are: Mining; Arts, Entertainment & Recreation; Retail Trade; and Other Services.

WHAT RESPONDENTS ARE SAYING ...

- “Continued egg pressure from avian flu.” (Accommodation & Food Services)
- “The turmoil in Europe has not affected our business.” (Information)
- “Outlook improving, economic conditions stabilizing.” (Educational Services)
- “Recent economic turmoil has caused sales to drop. We feel that this will be only temporary if the stock market returns to normal.” (Retail Trade)
- “Continued concerns about the market impacting customer confidence and amount of orders.” (Wholesale Trade)
- “Budget approval this month. Several capital projects expected to be funded.” (Public Administration)
- “Depressed commodity pricing and government driven restrictions on the fossil fuel energy sector have, and will continue into the foreseeable future, negatively affected the current energy business condition.” (Mining)
- “Our business remains strong and growing.” (Health Care & Social Assistance)

ISM® NON-MANUFACTURING SURVEY RESULTS AT A GLANCE COMPARISON OF ISM® NON-MANUFACTURING AND ISM® MANUFACTURING SURVEYS* SEPTEMBER 2015

Index	Non-Manufacturing						Manufacturing		
	Series Index Sep	Series Index Aug	Percent Point Change	Direction	Rate of Change	Trend** (Months)	Series Index Sep	Series Index Aug	Percent Point Change
NMI®/PMI®	56.9	59.0	-2.1	Growing	Slower	68	50.2	51.1	-0.9
Business Activity/ Production	60.2	63.9	-3.7	Growing	Slower	74	51.8	53.6	-1.8
New Orders	56.7	63.4	-6.7	Growing	Slower	74	50.1	51.7	-1.6
Employment	58.3	56.0	+2.3	Growing	Faster	19	50.5	51.2	-0.7
Supplier Deliveries	52.5	52.5	0.0	Slowing	Same	4	50.2	50.7	-0.5
Inventories	51.0	54.5	-3.5	Growing	Slower	6	48.5	48.5	0.0
Prices	48.4	50.8	-2.4	Decreasing	From Increasing	1	38.0	39.0	-1.0
Backlog of Orders	54.5	56.5	-2.0	Growing	Slower	4	41.5	46.5	-5.0
New Export Orders	52.5	52.0	+0.5	Growing	Faster	5	46.5	46.5	0.0
Imports	53.0	51.5	+1.5	Growing	Faster	3	50.5	51.5	-1.0
Inventory Sentiment	65.0	69.0	-4.0	Too High	Slower	220	N/A	N/A	N/A
Customers' Inventories	N/A	N/A	N/A	N/A	N/A	N/A	54.5	53.0	+1.5

Overall Economy	Growing	Slower	74
Non-Manufacturing Sector	Growing	Slower	68

*Non-Manufacturing ISM® Report On Business® data is seasonally adjusted for Business Activity, New Orders, Prices and Employment Indexes. Manufacturing ISM® Report On Business® data is seasonally adjusted for New Orders, Production, Employment and Supplier Deliveries.

**Number of months moving in current direction.

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

Commodities Up in Price

Butter; Eggs (5); Labor (5); and Lettuce.

Commodities Down in Price

Beef Products; Copper Wire; #1 Diesel Fuel (2); #2 Diesel Fuel; Fuel (2); Gasoline (3); Soy Oil; Stainless Steel Products; and Steel Products.

Commodities in Short Supply

Construction Labor; Eggs (4); Lettuce; Nuts; and Pharmaceuticals.

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

SEPTEMBER 2015 NON-MANUFACTURING INDEX SUMMARIES

NMI®

In September, the NMI® registered 56.9 percent, a decrease of 2.1 percentage points when compared to August’s reading of 59 percent, indicating continued growth in the non-manufacturing sector for the 68th consecutive month. A reading above 50 percent indicates the non-manufacturing sector economy is generally expanding; below 50 percent indicates the non-manufacturing sector is generally contracting.

An NMI® in excess of 48.7 percent, over a period of time, generally indicates an expansion of the overall economy. Therefore, the September NMI® indicates growth for the 74th consecutive month in the overall economy, and indicates expansion in the non-manufacturing sector for the 68th consecutive month. Nieves stated, “The past relationship between the NMI® and the overall economy indicates that the NMI® for September (56.9 percent) corresponds to a 3.5 percent increase in real gross domestic product (GDP) on an annualized basis.”

NMI® HISTORY

<i>Month</i>	<i>NMI®</i>	<i>Month</i>	<i>NMI®</i>
Sep 2015	56.9	Mar 2015	56.5
Aug 2015	59.0	Feb 2015	56.9
Jul 2015	60.3	Jan 2015	56.7
Jun 2015	56.0	Dec 2014	56.5
May 2015	55.7	Nov 2014	58.8
Apr 2015	57.8	Oct 2014	56.9
Average for 12 months – 57.3 High – 60.3 Low – 55.7			

Business Activity

ISM®'s Business Activity Index in September registered 60.2 percent, a decrease of 3.7 percentage points from August's reading of 63.9 percent. This represents growth in business activity for the 74th consecutive month. Twelve industries reported increased business activity, and three industries reported decreased activity for the month of September. Comments from respondents include: "Business climate improving/more marketing effort" and "Capital improvement projects rolling out."

The 12 industries reporting growth of business activity in September — listed in order — are: Educational Services; Utilities; Construction; Finance & Insurance; Professional, Scientific & Technical Services; Real Estate, Rental & Leasing; Management of Companies & Support Services; Health Care & Social Assistance; Public Administration; Accommodation & Food Services; Wholesale Trade; and Transportation & Warehousing. The three industries reporting a decrease in business activity in September are: Other Services; Arts, Entertainment & Recreation; and Mining.

Business Activity	%Higher	%Same	%Lower	Index
Sep 2015	31	58	11	60.2
Aug 2015	38	51	11	63.9
Jul 2015	40	50	10	64.9
Jun 2015	35	50	15	61.5

New Orders

ISM®'s Non-Manufacturing New Orders Index registered 56.7 percent, a decrease of 6.7 percentage points from the August reading of 63.4 percent. September represents growth in new orders for the 74th consecutive month but at a slower rate compared to August. Comments from respondents include: "Business expansion" and "New, very large project begins."

The 11 industries reporting growth of new orders in September — listed in order — are: Utilities; Construction; Finance & Insurance; Real Estate, Rental & Leasing; Wholesale Trade; Educational Services; Professional, Scientific & Technical Services; Health Care & Social Assistance; Information; Accommodation & Food Services; and Public Administration. The four industries reporting contraction of new orders in September are: Mining; Other Services; Transportation & Warehousing; and Retail Trade.

New Orders	%Higher	%Same	%Lower	Index
Sep 2015	28	59	13	56.7
Aug 2015	32	60	8	63.4
Jul 2015	36	54	10	63.8
Jun 2015	33	51	16	58.3

Employment

Employment activity in the non-manufacturing sector grew in September for the 19th consecutive month. ISM®'s Non-Manufacturing Employment Index registered 58.3 percent, which reflects an increase of 2.3 percentage points when compared to August's reading of 56 percent. Ten industries reported increased employment, and five industries reported decreased employment. Comments from respondents include: "Staffing up for the new program" and "Expanded business offering."

The 10 industries reporting an increase in employment in September — listed in order — are: Educational Services; Health Care & Social Assistance; Management of Companies & Support Services; Finance & Insurance; Construction; Transportation & Warehousing; Other Services; Wholesale Trade; Information; and Accommodation & Food Services. The five industries reporting a reduction in employment in September are: Arts, Entertainment & Recreation; Mining; Real Estate, Rental & Leasing; Public Administration; and Retail Trade.

Employment	%Higher	%Same	%Lower	Index
Sep 2015	21	67	12	58.3
Aug 2015	28	55	17	56.0
Jul 2015	33	57	10	59.6
Jun 2015	29	56	15	52.7

Supplier Deliveries

Supplier Deliveries slowed in September as the index registered 52.5 percent, which is the same reading that was registered in August. A reading above 50 percent indicates slower deliveries, while a reading below 50 percent indicates faster deliveries.

The six industries reporting slower deliveries in September — listed in order — are: Real Estate, Rental & Leasing; Educational Services; Wholesale Trade; Health Care & Social Assistance; Professional, Scientific & Technical Services; and Accommodation & Food Services. The five industries reporting faster deliveries in September are: Mining; Utilities; Information; Finance & Insurance; and Retail Trade. Seven industries listed no change in supplier deliveries in September compared to August.

Supplier Deliveries	%Slower	%Same	%Faster	Index
Sep 2015	8	89	3	52.5
Aug 2015	8	89	3	52.5
Jul 2015	11	84	5	53.0
Jun 2015	7	89	4	51.5

Inventories

ISM®'s Non-Manufacturing Inventories grew for the sixth consecutive month and registered 51 percent in September, which is 3.5 percentage points lower than the 54.5 percent that was reported in August. Of the total respondents in September, 30 percent indicated they do not have inventories or do not measure them. Comments from respondents include: "Eliminating useless inventory and par inventory levels down to match the lowered business activity" and "Currently building to meet higher demand."

The six industries reporting an increase in inventories in September — listed in order — are: Finance & Insurance; Utilities; Mining; Health Care & Social Assistance; Professional, Scientific & Technical Services; and Public Administration. The seven industries reporting decreases in inventories in September — listed in order — are: Arts, Entertainment & Recreation; Educational Services; Other Services; Management of Companies & Support Services; Accommodation & Food Services; Retail Trade; and Construction.

Inventories	%Higher	%Same	%Lower	Index
Sep 2015	19	64	17	51.0
Aug 2015	21	67	12	54.5
Jul 2015	25	64	11	57.0
Jun 2015	26	58	16	55.0

Prices

Prices paid by non-manufacturing organizations for purchased materials and services decreased in September for the first time since February of this year. ISM®'s Non-Manufacturing Prices Index for September registered 48.4 percent, 2.4 percentage points lower than the 50.8 percent reported in August. The proportion of respondents reporting higher prices is 11 percent, 72 percent indicated no change in prices paid, and 17 percent of the respondents reported lower prices.

The six non-manufacturing industries reporting an increase in prices paid during the month of September — listed in order — are: Educational Services; Other Services; Finance & Insurance; Management of Companies & Support Services; Accommodation & Food Services; and Health Care & Social Assistance. The 10 industries reporting a decrease in prices paid for the month of September — listed in order — are: Mining; Agriculture, Forestry, Fishing & Hunting; Wholesale Trade; Utilities; Transportation & Warehousing; Public Administration; Professional, Scientific & Technical Services; Information; Construction; and Arts, Entertainment & Recreation.

Prices	%Higher	%Same	%Lower	Index
Sep 2015	11	72	17	48.4
Aug 2015	11	77	12	50.8
Jul 2015	14	80	6	53.7
Jun 2015	18	72	10	53.0

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

Backlog of Orders

ISM®'s Non-Manufacturing Backlog of Orders Index indicates growth in order backlogs in September for the fourth consecutive month. The index registered 54.5 percent, which is 2 percentage points lower than the 56.5 percent that was reported in August. Of the total respondents in September, 36 percent indicated they do not measure backlog of orders.

The eight industries reporting an increase in order backlogs in September — listed in order — are: Construction; Finance & Insurance; Management of Companies & Support Services; Professional, Scientific & Technical Services; Public Administration; Wholesale Trade; Information; and Health Care & Social Assistance. The four industries reporting a decrease in order backlogs in September are: Arts, Entertainment & Recreation; Mining; Transportation & Warehousing; and Retail Trade.

Backlog of Orders	%Higher	%Same	%Lower	Index
Sep 2015	20	69	11	54.5
Aug 2015	24	65	11	56.5
Jul 2015	21	66	13	54.0
Jun 2015	15	71	14	50.5

New Export Orders

Orders and requests for services and other non-manufacturing activities to be provided outside of the United States by domestically based personnel grew in September for the fifth consecutive month. The New Export Orders Index for September registered 52.5 percent, which is 0.5 percentage point higher than the 52 percent reported in August. Of the total respondents in September, 68 percent indicated they either do not perform, or do not separately measure, orders for work outside of the United States.

The five industries reporting an increase in new export orders in September are: Utilities; Information; Accommodation & Food Services; Construction; and Wholesale Trade. The three industries reporting a decrease in new export orders in September are: Arts, Entertainment & Recreation; Mining; and Retail Trade. Eight industries reported no change in new export orders in September compared to August.

New Export Orders	%Higher	%Same	%Lower	Index
Sep 2015	18	69	13	52.5
Aug 2015	9	86	5	52.0
Jul 2015	23	67	10	56.5
Jun 2015	10	84	6	52.0

Imports

The ISM® Non-Manufacturing Imports Index grew in September for the third consecutive month. This month's reading at 53 percent is 1.5 percentage points higher than the reading of 51.5 percent reported in August. Fifty-seven percent of respondents reported that they do not use, or do not track the use of, imported materials.

The four industries reporting an increase in imports for the month of September are: Professional, Scientific & Technical Services; Accommodation & Food Services; Wholesale Trade; and Retail Trade. The two industries reporting a decrease in imports for the month of September are: Mining; and Transportation & Warehousing. Eleven industries listed no change in imports in September compared to August.

Imports	%Higher	%Same	%Lower	Index
Sep 2015	12	82	6	53.0
Aug 2015	11	81	8	51.5
Jul 2015	12	77	11	50.5
Jun 2015	6	84	10	48.0

Inventory Sentiment

The ISM® Non-Manufacturing Inventory Sentiment Index in September registered 65 percent, which is 4 percentage points lower than the 69 percent reported in August. This indicates that respondents believe their inventories are still too high at this time. In September, 34 percent of respondents said their inventories were too high, 4 percent said their inventories were too low, and 62 percent said their inventories were about right.

The eight industries reporting a feeling that their inventories are too high in September — listed in order — are: Mining; Transportation & Warehousing; Other Services; Finance & Insurance; Wholesale Trade; Construction; Accommodation & Food Services; and Health Care & Social Assistance. The two industries reporting a decrease in imports for the month of September are: Information; and Utilities. Seven industries listed no change in inventory sentiment in September compared to August.

Inventory Sentiment	%Too High	%About Right	%Too Low	Index
Sep 2015	34	62	4	65.0
Aug 2015	39	60	1	69.0
Jul 2015	33	61	6	63.5
Jun 2015	33	64	3	65.0

About This Report

The data presented herein is obtained from a survey of non-manufacturing supply managers 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 **Non-Manufacturing ISM® *Report On Business*®** is based on data compiled from purchasing and supply executives nationwide. Membership of the Non-Manufacturing Business Survey Committee is diversified by NAICS, based on each industry's contribution to gross domestic product (GDP). The Non-Manufacturing Business Survey Committee 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).

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 NMI® (Non-Manufacturing Index) 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 non-manufacturing 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.

An NMI® in excess of 48.7 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.7 percent, it is generally declining. The distance from 50 percent or 48.7 percent is indicative of the strength of the expansion or decline.

The **Non-Manufacturing ISM® *Report On Business*®** survey is sent out to Non-Manufacturing Business Survey Committee respondents the first part of each month. Respondents are asked to ONLY report on information 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 in order 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 **Non-Manufacturing ISM® *Report On Business*®** monthly 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.

About Institute for Supply Management®

Founded in 1915 as the first supply management institute in the world, Institute for Supply Management® (ISM®) is committed to advancing the practice of supply chain management to drive value and competitive advantage for its members, contributing to a prosperous and sustainable world. This year, ISM celebrates 100 years of leading, innovating and guiding the profession through the renowned *ISM Report On Business*®, highly regarded certification programs, and industry-standard training and

educational resources. ISM is a not-for-profit organization with global influence, serving supply chain professionals in more than 90 countries.

ISM ROB Content

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The next **Non-Manufacturing ISM® *Report On Business*®** featuring the October 2015 data will be released at 10:00 a.m. (ET) on Wednesday, November 4, 2015.

*Unless the NYSE is closed.