

ECONOMIC CONDITIONS IN THE SERVICES SECTOR

June 22, 2026

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FEDERAL RESERVE BANK
OF MINNEAPOLIS

DISCLAIMER

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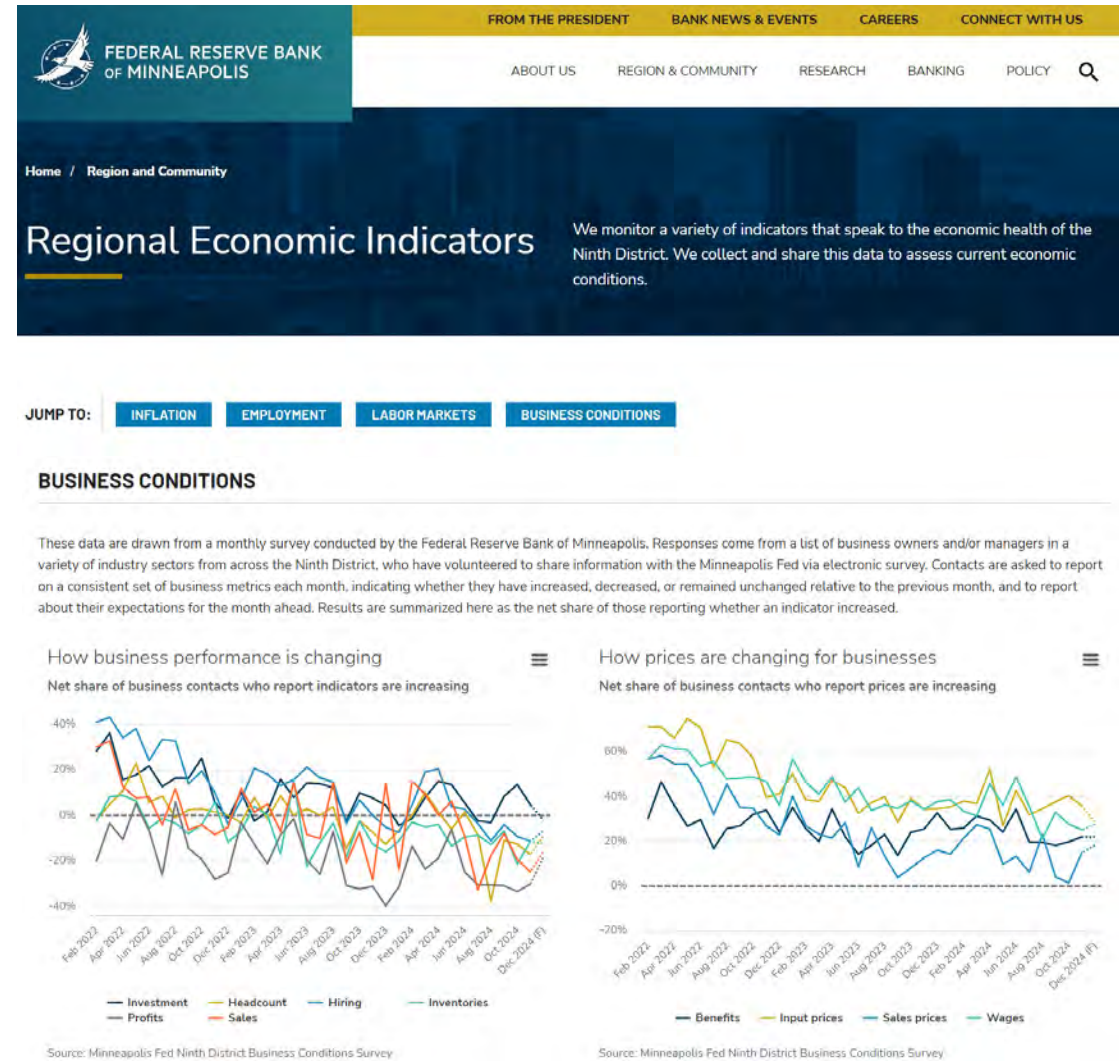
TODAY'S PRESENTATION

- Services in broader economy
- Survey results
 - Slight decline over last 12 months
 - Outlook mildly optimistic
- Immigration enforcement impacts



MINNEAPOLIS FED BUSINESS PULSE SURVEY

- Monthly business conditions survey, three years running
- Tracks a variety of business indicators and prices, looking one month back and forward
- Results published on minneapolisfed.org



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MINNEAPOLIS FED BUSINESS PULSE SURVEY

Scan to become a source:



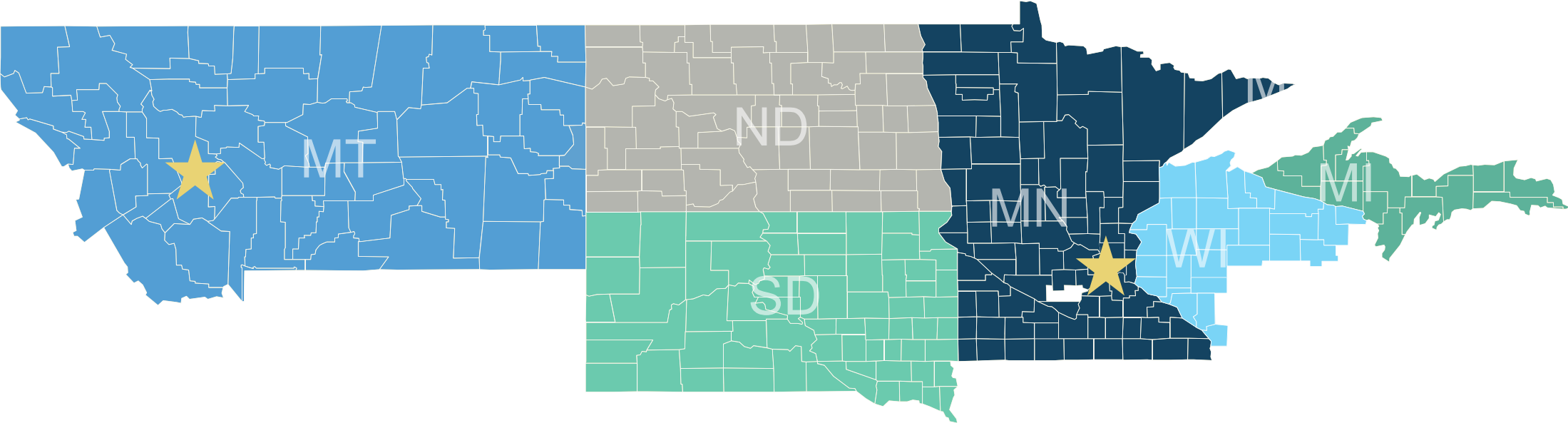
- Highly-engaged business contacts representing all industries, firm sizes, and District states.
- Panelists opt-in, recruited via multiple channels (in-person events, partner orgs, subscribers, etc.)
- << Sign-up to participate!



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THE FED'S NINTH DISTRICT





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THE SERVICES SECTOR

SECTORS WE SURVEYED

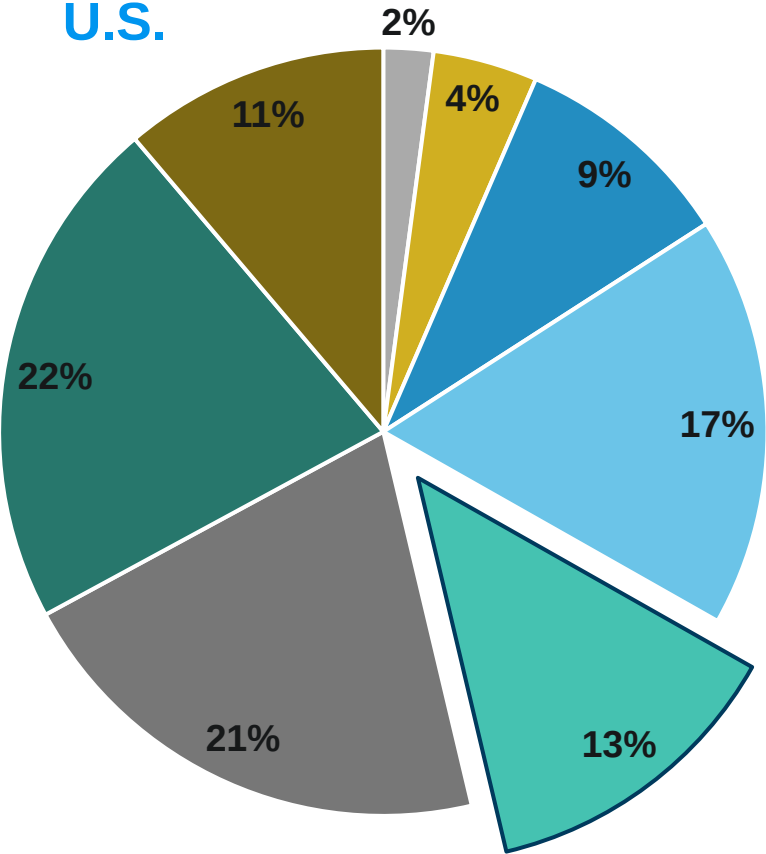
- Professional, scientific, and technical services (NAICS code 541)
 - Design, engineering, architecture
 - Marketing and advertising
 - Research and development
 - Legal services
 - Accounting, tax prep
- Administrative and support services (NAICS code 561)
 - Employment services
 - Business support
 - Clerical and administrative
 - Investigation and security
 - Facilities support and cleaning



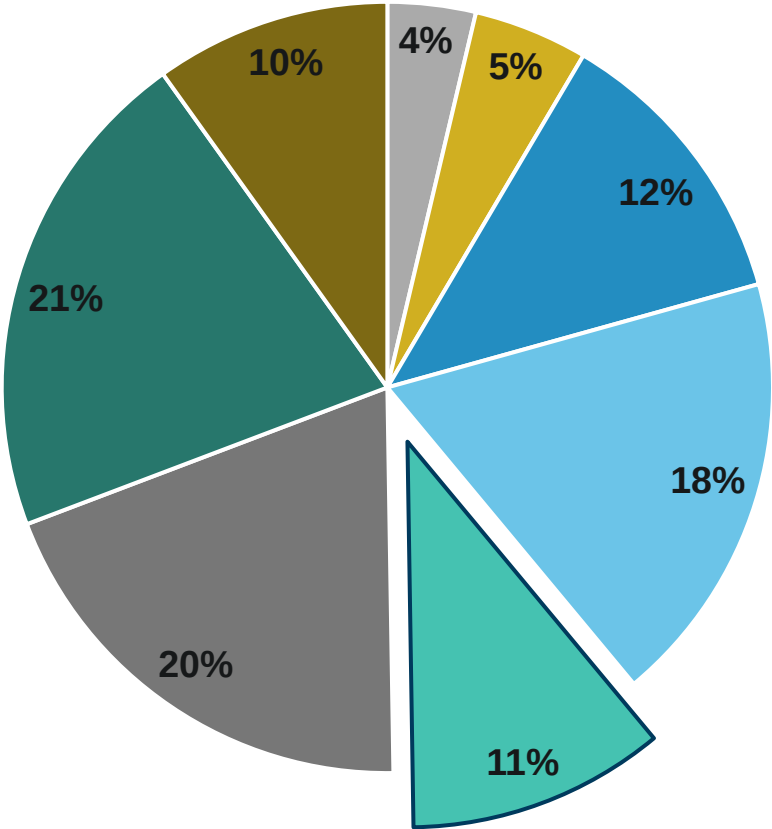


OUTPUT BY INDUSTRY, 2025, U.S. & NINTH DISTRICT

U.S.



Ninth District



- Natural resources

■ Construction

■ Manufacturing
- Trade, Transportation & Utilities

■ Professional and Business Services

■ Other Services
- Finance, Insurance & Real Estate

■ Government

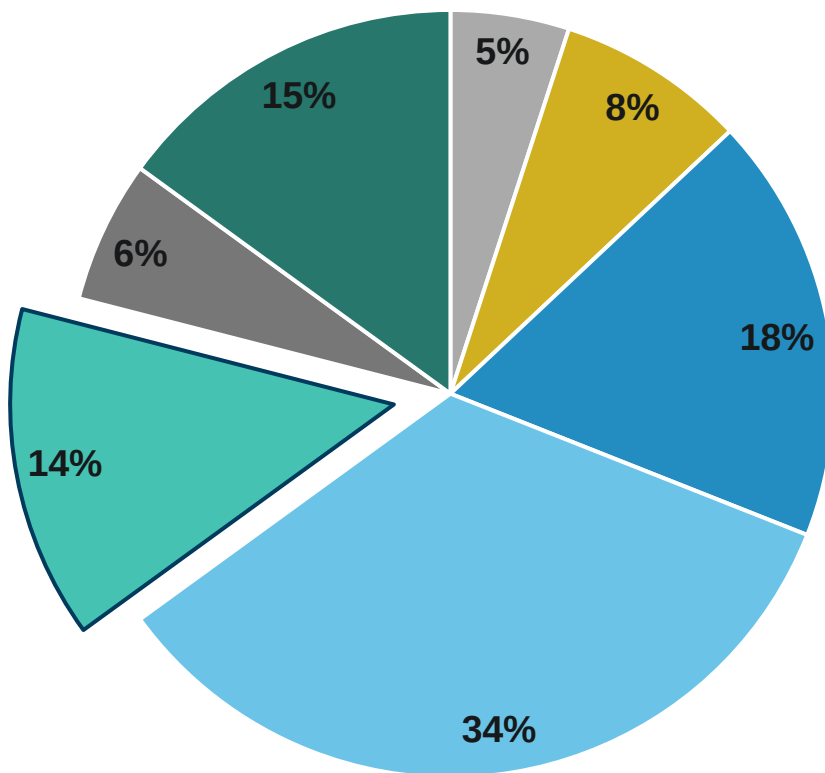
Source: Bureau of Economic Analysis



FEDERAL RESERVE BANK OF MINNEAPOLIS

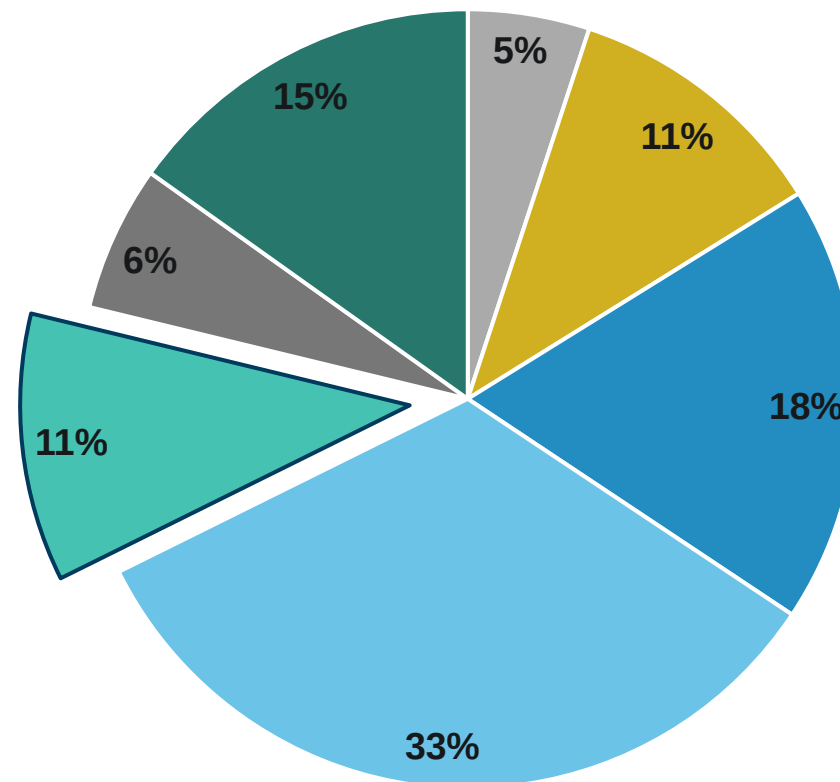
EMPLOYMENT BY INDUSTRY, MAY 2026, U.S. & DISTRICT

U.S.



- Construction
- Trade, Transportation and Utilities
- Professional and Business Services
- Government

Ninth District



- Manufacturing
- Other Services
- Financial Services

Source: Bureau of Labor Statistics



FEDERAL RESERVE BANK OF MINNEAPOLIS



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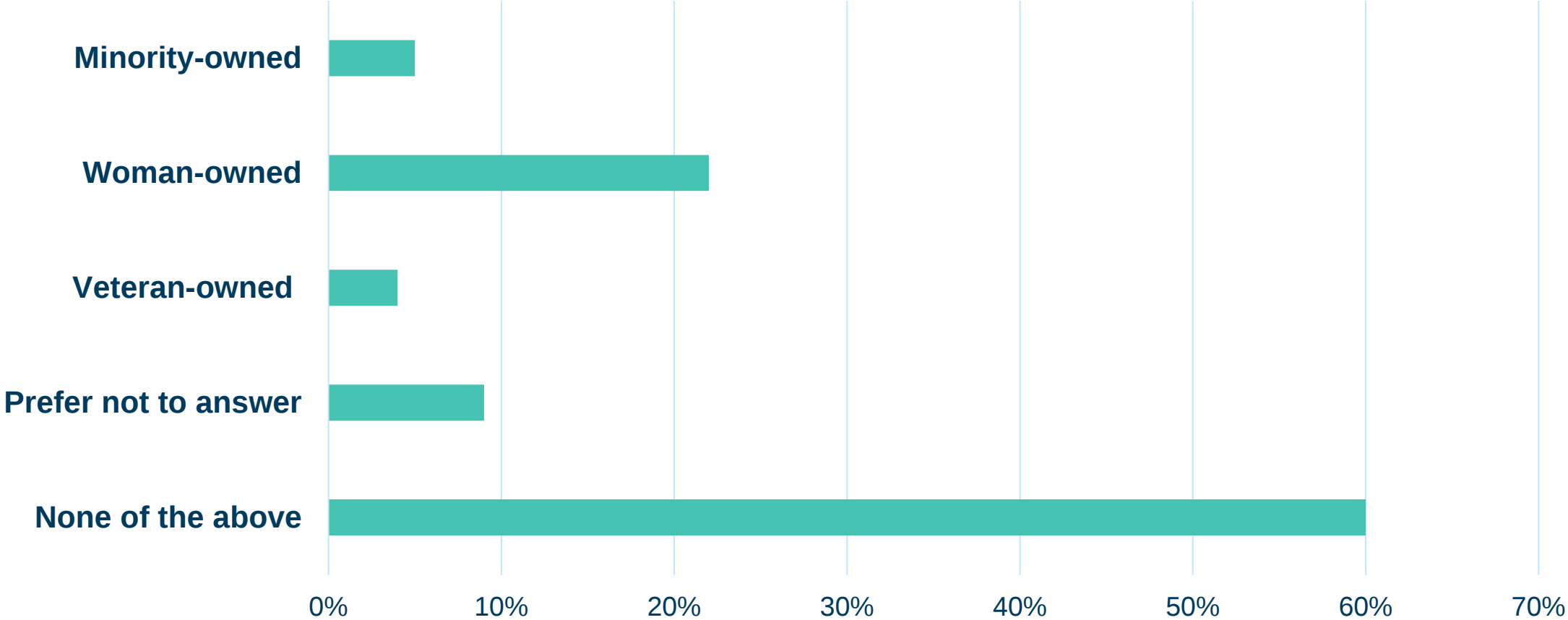
BUSINESS STEADY, OUTLOOK MILDLY POSITIVE

- **Ninth District survey**
 - **Conducted in late-April through May, looking backward and forward one year (four quarters)**
 - **Random sample of services firms, polled by mail**
 - **Stratified by state and firm size**
 - **All states, 239 respondents**
- **Conducted in partnership with Minnesota DEED**



WHO TOOK THE SURVEY?

PLEASE CHECK ANY/ALL THAT APPLY TO YOUR FIRM'S OWNERSHIP:



SURVEY RESULTS

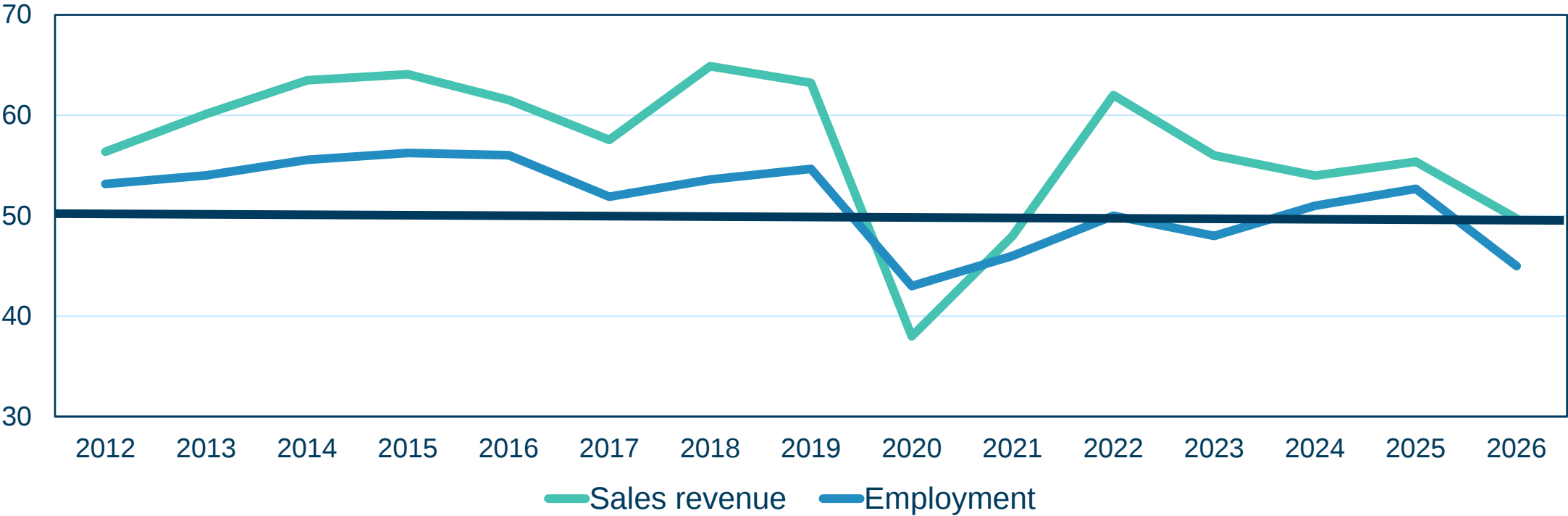
SALES, PRODUCTIVITY, EMPLOYMENT UP MODESTLY; PRICES SURGED



**Index number above 50 indicates expansion.
Index number below 50 indicates contraction.*

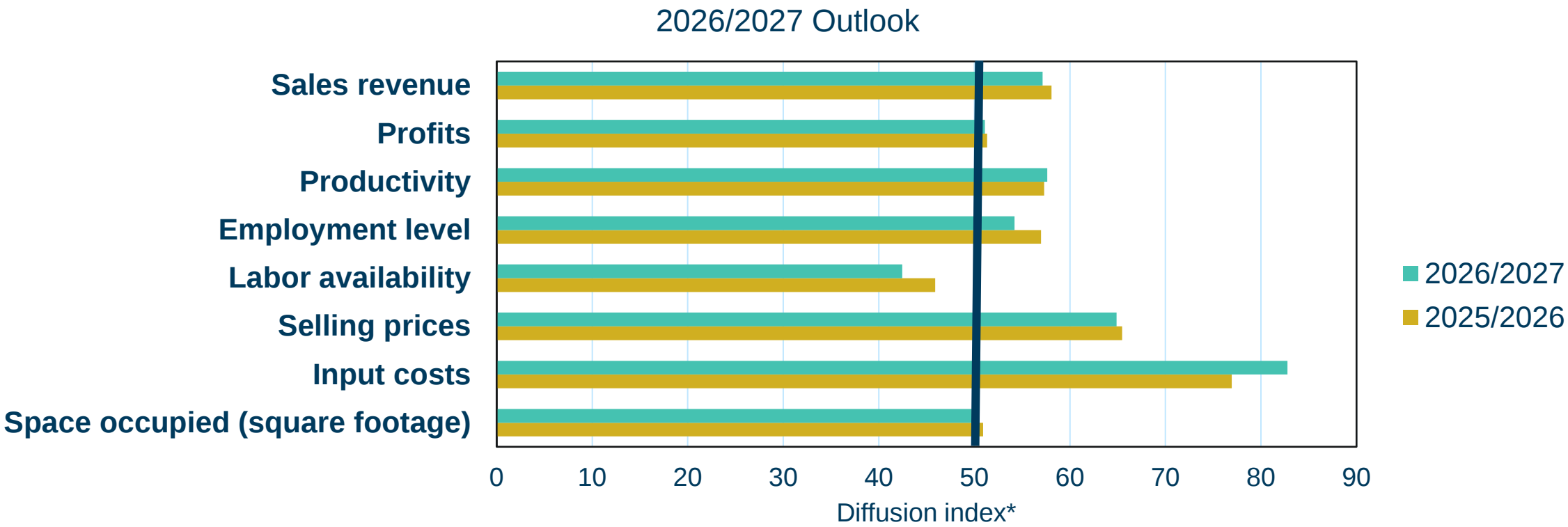
SURVEY RESULTS

SALES, EMPLOYMENT INDEXES DOWN FROM LAST YEAR'S SURVEY



**Index number above 50 indicates expansion.
Index number below 50 indicates contraction.*

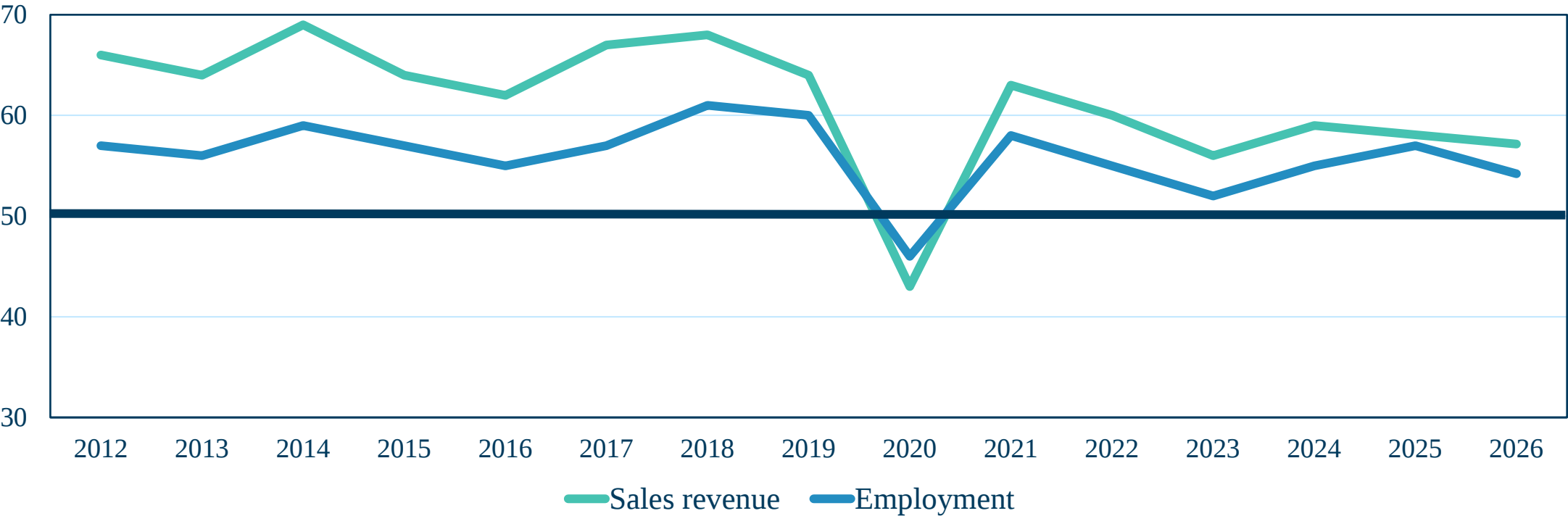
12-MONTH OUTLOOK IS MODERATELY OPTIMISTIC, LIKE ONE YEAR AGO



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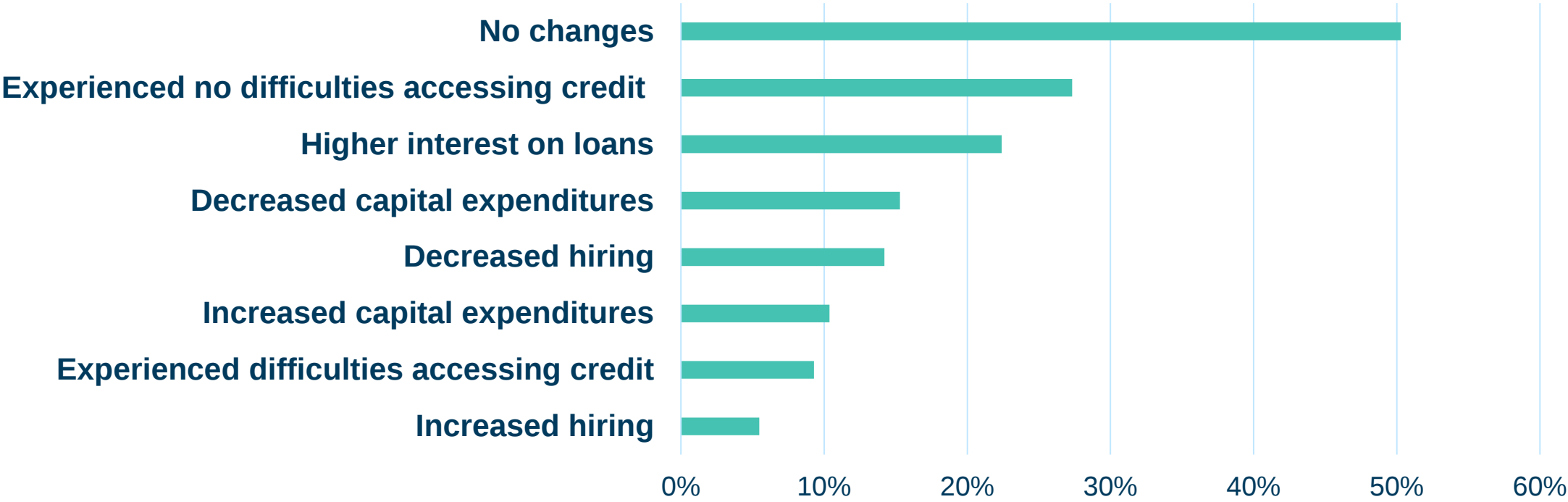
EXPECTATIONS ROUGHLY IN LINE WITH LAST YEAR



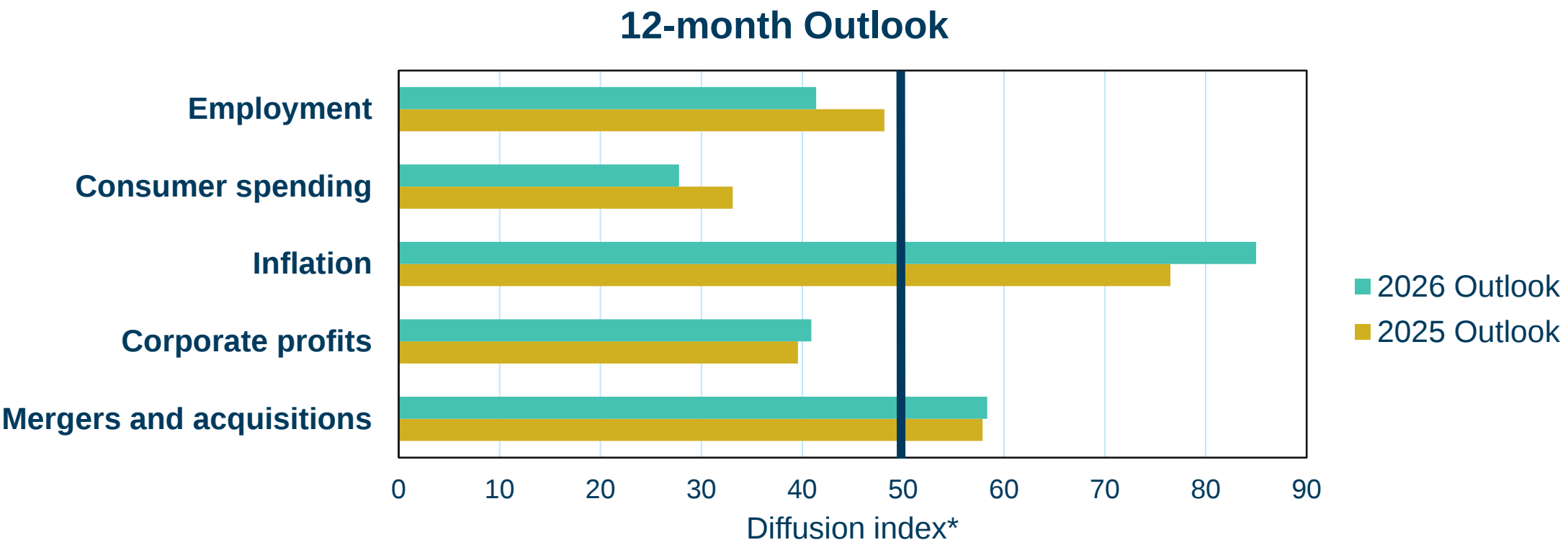
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CREDIT CONDITIONS HAVING MINIMAL IMPACT FOR MOST FIRMS

Have changes in credit conditions in the last four quarters affected your firm?



STATE ECONOMIC OUTLOOKS PESSIMISTIC



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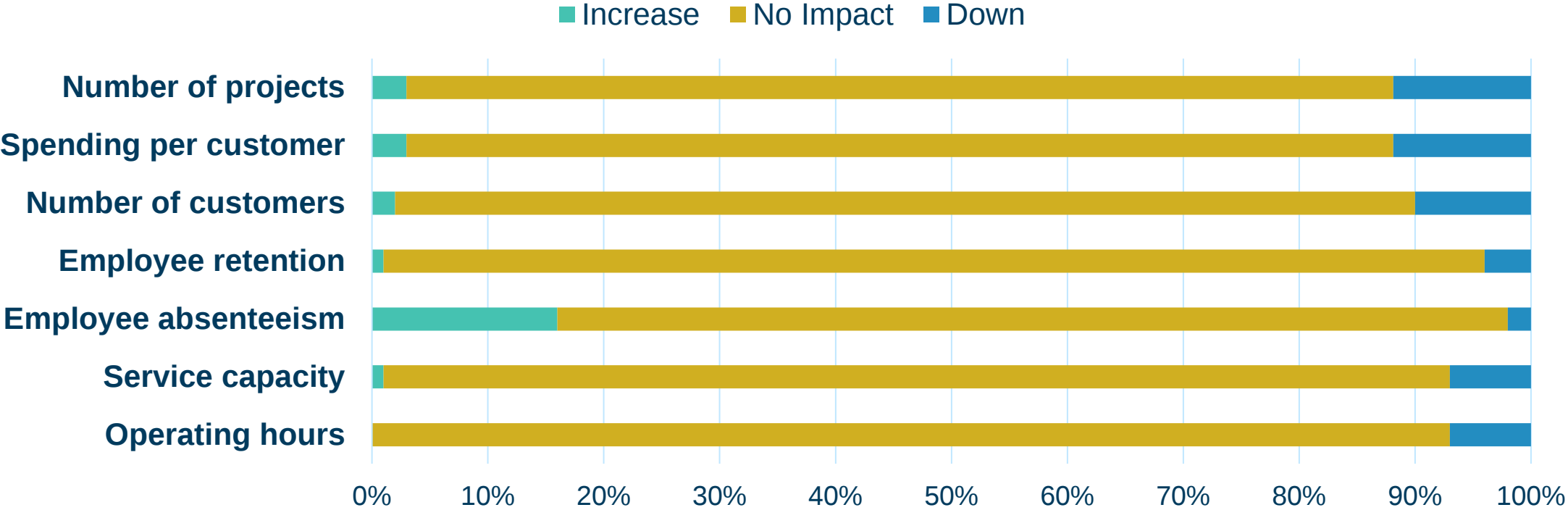
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IMMIGRATION ENFORCEMENT IMPACTS

MOST BUSINESSES REPORTED NO IMPACT FROM FEDERAL SURGE



THANK YOU! QUESTIONS?

SCAN TO BECOME A SOURCE:

