

ECONOMICS

Services Growth Slows, Reaches Lowest Level in About 2 Years

By [Karishma Vanjani](#) [Follow](#) Updated July 6, 2022 1:23 pm ET / Original July 6, 2022 11:11 am ET Or



A key gauge of services activity had its lowest reading since May 2020.
Jeenah Moon/Getty Images

part of the economy.

The Institute for Supply Management's Non-Manufacturing Purchasing Managers Index, a key gauge of services activity, came in at 55.3 for June, a 0.6 percentage point drop from the May reading of 55.9 and the lowest reading since May 2020.

A number above 50 still indicates that the service sector is expanding, and the reading even topped the consensus for 54.5, but growth clearly ticked down last month.

The manufacturing sector also witnessed a slowdown in growth last month. Last week, the ISM reported a deceleration in June to 53.0, down from 56.1 in May, its slowest pace since June 2020.

Services is the biggest part of the U.S. economy and now with the goods and