



# NEWS RELEASE

FEDERAL RESERVE BANK *of* KANSAS CITY  
DENVER • OKLAHOMA CITY • OMAHA

**FOR IMMEDIATE RELEASE**

April 25, 2024

CONTACT: Sarah Dickson

(405) 827-7294

Sarah.Dickson@kc.frb.org

**Tenth District Manufacturing Activity Fell Again in April**  
*Federal Reserve Bank of Kansas City Releases April Manufacturing Survey*

**KANSAS CITY, Mo.** – The Federal Reserve Bank of Kansas City released the April Manufacturing Survey today. According to Chad Wilkerson, senior vice president at the Federal Reserve Bank of Kansas City, the survey revealed that Tenth District manufacturing activity fell again in April and expectations for future activity remained flat.

“Regional factory conditions declined again in April, marking its 19<sup>th</sup> consecutive month of flat or falling activity,” said Wilkerson. “Firms decreased capital expenditures slightly from this time last year as they continue to face margin compression.”

A summary of the survey is attached. Historical data, results from past surveys, and release dates for future surveys can be found at <https://kansascityfed.org/surveys/manufacturing-survey/>.

The Federal Reserve Bank of Kansas City serves the Tenth Federal Reserve District, encompassing the western third of Missouri; all of Kansas, Colorado, Nebraska, Oklahoma and Wyoming; and the northern half of New Mexico. As part of the nation’s central bank, the Bank participates in setting national monetary policy, supervising and regulating numerous commercial banks and bank holding companies, and providing financial services to depository institutions. More information is available online at [www.kansascityfed.org](http://www.kansascityfed.org).

###

## TENTH DISTRICT MANUFACTURING SUMMARY

Tenth District manufacturing activity fell again in April, and expectations for future activity remained flat. Prices for raw materials grew at a steady pace while finished product prices stayed the same, increasing their spread (Chart 1, Tables 1 & 2)

### Factory Activity Fell Again

The month-over-month composite index was -8 in April, down from -7 in March and -4 in February (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Activity declined somewhat for both durable and nondurable goods, with food, metals, electrical equipment, and paper manufacturing driving the decreases. All month-over-month indexes posted negative readings, except for the price indexes and new order for exports which was flat. Production, volume of shipments, supplier delivery time, and material inventories fell further from last month, while declines in new orders and backlogs moderated. The number of employees and employee workweek indexes were essentially flat at -2 and -3, respectively. The year-over-year index for factory activity decreased further to -12 from -4. Production fell further at -8 and employment declined with a reading of -7. The capital expenditures index reached -6, its lowest level since August 2020. The future composite index ticked up to 2 from 1 in April, with the production index boosting the composite at a reading of 16 and the raw materials inventory index dragging at -15.

### Special Questions

This month contacts were asked special questions about workforce training and hiring priorities. Two thirds of firms have devoted more resources to training workers that do not meet skill requirements, with 24% devoting significantly more resources and 43% devoting slightly more. Additionally, 31% reported no change in the resources devoted to training and 2% devoted less resources (Chart 2). Firms were also asked about their biggest priority in hiring over the next six months. 41% reported hiring entry-level workers is their biggest priority, while 48% said mid-level workers, 8% said senior-level workers, and 3% of firms reported they are not hiring (Chart 3).

## **Selected Manufacturing Comments**

“Increase in sales and decline in inventories for this month over previous month was weather related.”

“We are still having some supply issues and the same issues continue in finding productive, reliable workers.”

“We need good workers in low- and mid-level skill set. We just can't find enough in our area. We currently have 9 positions open and are struggling finding the right skill level.”

“Inflation is not under control. It has slowed but is going to bubble back up again, particularly in some key commodity inputs. Prices charged to customers will have to go up. Labor is hard, but there are more workers out there vs. two years ago. But, the quality is low. Lots of churn to get the folks you want to keep.”

**Table 1. Summary of Tenth District Manufacturing Conditions, April 2024**

Plant Level Indicators	April vs. March (percent)*					April vs. Year Ago (percent)*					Expected in Six Months (percent)*				
	Increase	No Change	Decrease	Diff Index <sup>A</sup>	SA Index <sup>AA</sup>	Increase	No Change	Decrease	Diff Index <sup>A</sup>	Increase	No Change	Decrease	Diff Index <sup>A</sup>	SA Index <sup>AA</sup>	
Composite Index				-4	-8				-12				1	2	
Production	21	55	24	-2	-13	29	33	38	-8	36	43	21	15	15	16
Volume of shipments	26	48	26	0	-11	33	29	38	-5	32	40	27	5	5	5
Volume of new orders	28	41	31	-2	-6	32	25	44	-12	30	40	30	0	1	1
Backlog of orders	20	44	36	-16	-18	27	32	40	-13	22	44	34	-12	-12	-12
Number of employees	14	69	16	-2	-2	27	39	34	-7	24	57	19	6	7	7
Average employee workweek	13	72	15	-2	-3	16	55	28	-12	16	67	16	0	-1	-1
Prices received for finished product	15	76	8	7	0	61	24	15	45	40	48	12	28	26	26
Prices paid for raw materials	34	60	6	28	18	64	19	18	46	41	53	6	35	30	30
Capital expenditures						20	54	26	-6	22	58	20	2	3	3
New orders for exports	4	92	5	-1	0	11	75	14	-4	12	80	8	4	5	5
Supplier delivery time	8	81	11	-2	-5	14	48	38	-24	15	70	15	0	-2	-2
Inventories: Materials	18	55	27	-9	-15	23	43	35	-12	15	55	29	-14	-15	-15
Inventories: Finished goods	15	63	21	-6	-3	26	44	30	-4	20	62	18	2	0	0

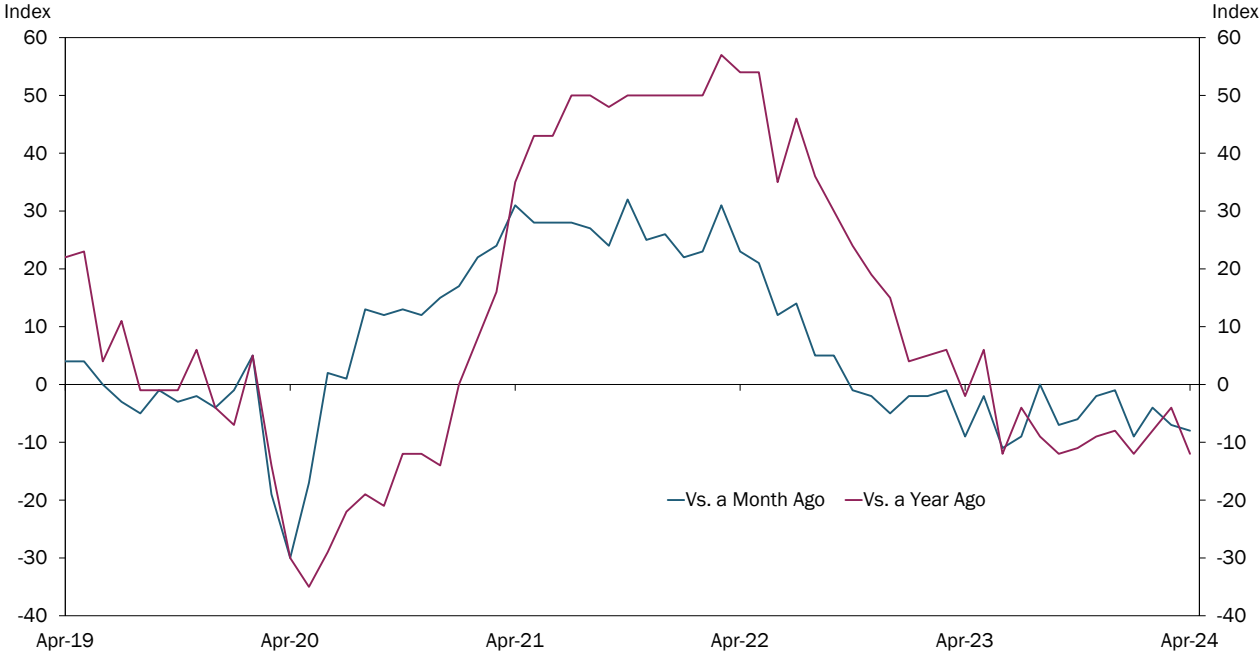
\*Percentage may not add to 100 due to rounding.

<sup>A</sup>Diffusion Index. The diffusion index is calculated as the percentage of total respondents reporting increases minus the percentage reporting declines.

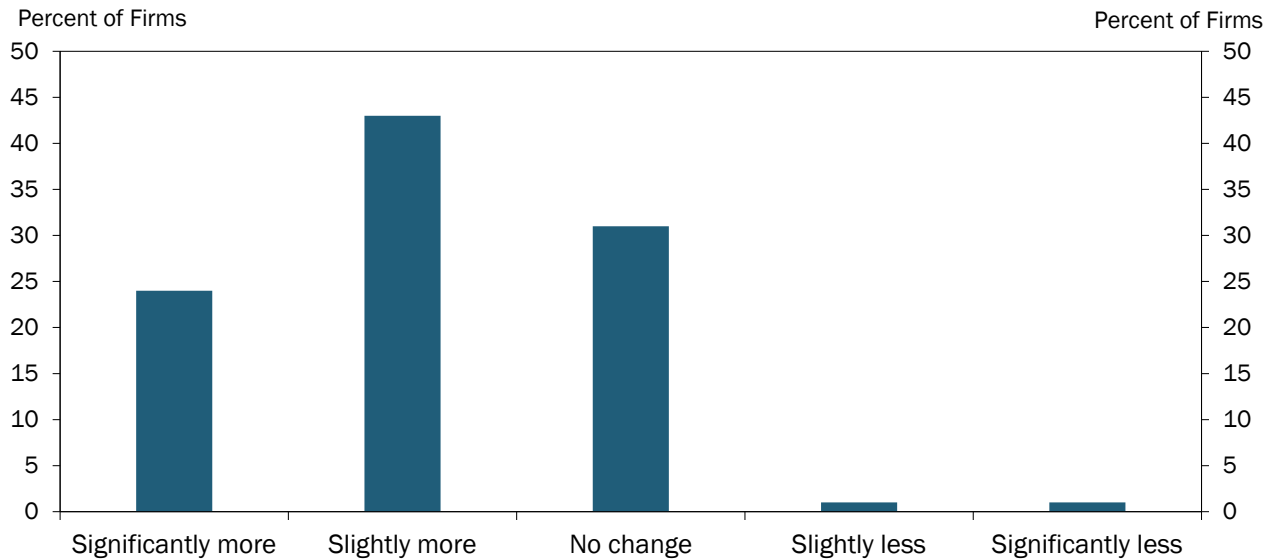
<sup>AA</sup>Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-13.

Note: The April survey was open for a six-day period from April 17-22, 2024 and included 86 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

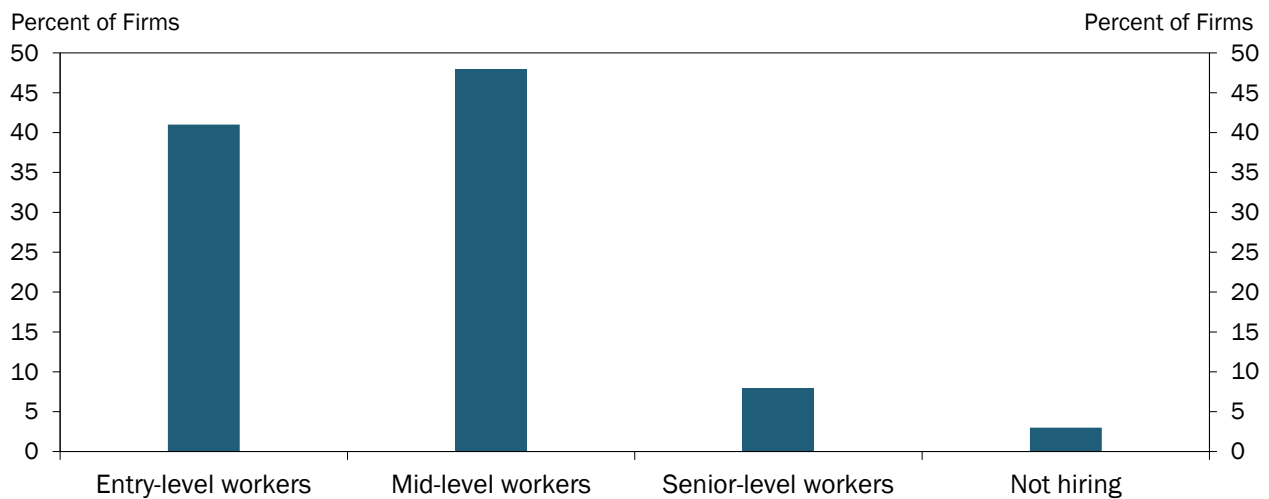
**Chart 1. Manufacturing Composite Indexes**



**Chart 2. Special Question: Has your firm been devoting more resources (internal or external) to training workers that do not meet skill requirements?**



**Chart 3. Special Question: Which of the following is your firm's biggest priority in hiring over the next six months?**



**Table 2**  
**Historical Manufacturing Survey Indexes**

	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'23	Oct'23	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24
<b>Versus a Month Ago</b> (seasonally adjusted)													
Composite Index	-9	-2	-11	-9	0	-7	-6	-2	-1	-9	-4	-7	-8
Production	-18	-4	-8	-18	13	-10	-5	-3	-5	-17	3	-9	-13
Volume of shipments	-12	-3	-3	-20	1	-11	-8	2	-5	-20	6	-5	-11
Volume of new orders	-19	-14	-13	-17	-4	-13	-19	-3	-9	-19	-2	-17	-6
Backlog of orders	-24	-23	-16	-36	-13	-22	-14	-13	-8	-24	-13	-27	-18
Number of employees	1	5	-12	4	2	3	-2	-1	7	-2	8	6	-2
Average employee workweek	3	-5	-9	-19	-6	-3	-1	-5	-2	-6	2	-11	-3
Prices received for finished product	19	11	4	-4	-3	3	2	0	3	7	-2	5	0
Prices paid for raw materials	27	15	7	10	13	8	2	9	11	24	15	17	18
Capital expenditures	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New orders for exports	-12	-13	-9	-6	-8	-8	-8	-5	-1	-8	-7	3	0
Supplier delivery time	-4	-1	-7	-6	-1	-1	-3	-2	1	-1	-12	-3	-5
Inventories: Materials	-4	5	-17	-9	-9	-13	-1	-1	0	-7	-15	-10	-15
Inventories: Finished goods	-11	0	-7	-3	4	-7	-2	-1	2	-2	-8	-7	-3
<b>Versus a Year Ago</b> (not seasonally adjusted)													
Composite Index	-2	6	-12	-4	-9	-12	-11	-9	-8	-12	-8	-4	-12
Production	-1	0	-7	3	0	-10	-8	-10	-4	-12	-4	-3	-8
Volume of shipments	0	-2	-6	2	-3	-14	-3	0	-5	-14	-8	5	-5
Volume of new orders	-11	3	-20	-9	-13	-11	-24	-8	-6	-19	-6	-10	-12
Backlog of orders	-13	-5	-19	-15	-12	-22	-31	-26	-21	-28	-13	-28	-13
Number of employees	8	13	2	13	-2	1	7	5	6	-2	6	14	-7
Average employee workweek	-5	-2	-8	-5	-10	-10	-9	-17	-4	-20	0	-14	-12
Prices received for finished product	63	54	55	39	40	39	44	42	37	39	37	33	45
Prices paid for raw materials	52	40	33	40	22	17	20	20	18	36	36	39	46
Capital expenditures	15	14	2	14	7	16	6	11	13	1	-4	-2	-6
New orders for exports	-8	1	-5	-1	-15	-13	-13	1	-11	-11	-5	-6	-4
Supplier delivery time	-24	-8	-20	-24	-18	-26	-24	-30	-20	-17	-23	-11	-24
Inventories: Materials	19	22	-14	-4	-10	-13	-6	0	-16	-10	-13	-6	-12
Inventories: Finished goods	1	13	-2	-2	1	-5	-2	-12	-2	-8	-5	3	-4
<b>Expected in Six Months</b> (seasonally adjusted)													
Composite Index	2	1	-1	-1	2	2	2	0	5	11	2	1	2
Production	12	12	14	3	12	6	10	15	13	32	18	18	16
Volume of shipments	8	8	10	0	5	5	13	9	23	30	18	15	5
Volume of new orders	3	3	1	2	7	6	2	9	6	22	1	4	1
Backlog of orders	-17	-11	-13	-17	2	-4	-9	-7	0	-2	-4	-19	-12
Number of employees	14	11	11	16	16	15	13	3	13	5	16	7	7
Average employee workweek	-1	-2	-5	2	2	0	4	-9	8	7	-3	-15	-1
Prices received for finished product	33	18	21	18	25	20	16	22	26	25	21	26	26
Prices paid for raw materials	37	23	13	24	28	28	20	29	41	34	26	34	30
Capital expenditures	5	9	13	14	14	9	4	-1	5	2	16	6	3
New orders for exports	0	5	-4	-1	-13	4	0	2	-1	6	-2	0	5
Supplier delivery time	0	-3	-11	-6	-2	-5	-8	-11	-1	-3	-10	-8	-2
Inventories: Materials	-17	-16	-21	-21	-22	-14	-9	-15	-7	-3	-15	-16	-15
Inventories: Finished goods	-10	-11	-15	-14	-13	-13	-12	-9	-12	-6	-18	-5	0