



NEWS RELEASE

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Tenth District Manufacturing Activity Fell Slightly in November
Federal Reserve Bank of Kansas City Releases November Manufacturing Survey

KANSAS CITY, Mo. – The Federal Reserve Bank of Kansas City released the November Manufacturing Survey today. According to Megan Williams, associate economist and survey manager, the survey revealed that Tenth District manufacturing activity fell slightly this month, while expectations for future activity rose.

“Regional factory activity decreased modestly this month, although it is down substantially from this time last year,” said Williams. “However, employment stayed steady, and firms expect increases in production, new orders, and employment in the next six months.”

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.

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TENTH DISTRICT MANUFACTURING SUMMARY

Tenth District manufacturing activity fell slightly in November, while expectations for future activity rose. Price increases cooled from last month, but finished product price growth increased at a faster pace on a year-over-year basis. (Chart 1, Tables 1 & 2)

Factory Activity Fell Slightly

The month-over-month composite index was -2 in November, up from -4 in October and -8 in September (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Nondurable goods manufacturing declined modestly, driven by paper and petroleum products, while durable goods activity was flat, with increases in electrical and transportation and decreases in wood and primary metal manufacturing. The month-over-month indexes were mixed, with half slightly negative and half slightly positive. The production index fell from 0 to -4 and new orders fell from -5 to -9, while employment stayed steady at 1. Backlog of orders continues to have the lowest reading at -14. The year-over-year composite index for factory activity fell from -14 to -18, as employment, supplier delivery time, and raw material inventories all fell further. Production stayed at -14 while new orders increased from -18 to -10 and capital expenditures grew with a reading of 7. The future composite index increased from 7 to 11, driven by high expectations for future production and new orders. Employment and capital expenditures are also expected to grow in the next six months.

Special Questions

This month contacts were asked about employment expectations. About half of firms (52%) expect to leave employment levels unchanged over the next 12 months, while 37% plan to increase employment and only 11% plan to decrease (Chart 2). Firms were also asked if they have been raising starting wages for new hires. About a quarter of firms (23%) have raised new hires' wages for most job categories, while 35% have raised new hires' wages only for select job categories, another 24% have not raised new hires' wages, and 18% of firms are not actively hiring (Chart 3).

Selected Manufacturing Comments

“The most significant challenge we face is finding people for our manufacturing positions that will show up on time, do a quality job and be consistent in the previous two areas.”

“This has been our best year on record for both sales and profitability. The future is a bit cloudy but should maintain a modicum of profitability even if we do not meet the same sales as this past year.”

“October was the worst revenue producing month in the 3 years I have owned the company.”

“The training of a skilled workforce for technical skilled artisans (sheet metal, electronic wiring) remains a challenge.”

“Hopefully 2025 will see an uptick in demand for our products. The last 2 years have been very slow due to the diminished orders from our customers in the trucking sector.”

“We are in a holding pattern waiting for orders.”

“We laid off 5% of our workforce in October. May have to do another if orders don't increase soon.”

Table 1. Summary of Tenth District Manufacturing Conditions, November 2024

Plant Level Indicators	November vs. October (percent)*					November vs. Year Ago (percent)*					Expected in Six Months (percent)*				
	Increase	No Change	Decrease	Diff Index^A	SA Index^AA	Increase	No Change	Decrease	Diff Index^A	Increase	No Change	Decrease	Diff Index^A	SA Index^AA	
Composite Index				-7	-2				-18				11	11	
Production	20	49	31	-11	-4	32	21	47	-14	41	45	14	27	24	
Volume of shipments	25	45	30	-6	0	32	26	42	-10	42	41	17	25	23	
Volume of new orders	27	35	38	-11	-9	31	27	42	-10	40	39	21	19	18	
Backlog of orders	12	48	40	-28	-14	18	37	45	-27	25	51	24	1	5	
Number of employees	17	63	20	-3	1	28	32	40	-12	31	51	17	14	18	
Average employee workweek	10	69	21	-10	-9	14	55	30	-16	14	68	18	-4	-3	
Prices received for finished product	13	77	10	4	6	57	30	13	44	41	51	8	33	32	
Prices paid for raw materials	15	72	12	3	5	50	26	24	27	46	44	10	35	34	
Capital expenditures						32	42	26	7	32	50	18	14	18	
New orders for exports	7	77	16	-9	-8	9	73	18	-9	10	73	17	-7	-8	
Supplier delivery time	7	84	10	-3	3	8	55	37	-30	10	76	14	-5	-1	
Inventories: Materials	14	67	19	-5	-3	19	38	43	-24	21	58	21	0	-1	
Inventories: Finished goods	24	60	16	8	10	23	46	31	-8	20	58	22	-2	-6	

*Percentage may not add to 100 due to rounding.

[^]Diffusion Index. The diffusion index is calculated as the percentage of total respondents reporting increases minus the percentage reporting declines.

^{^A}Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-13.

Note: The November survey was open for a six-day period from November 13-18, 2024 and included 105 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Chart 1. Manufacturing Composite Indexes

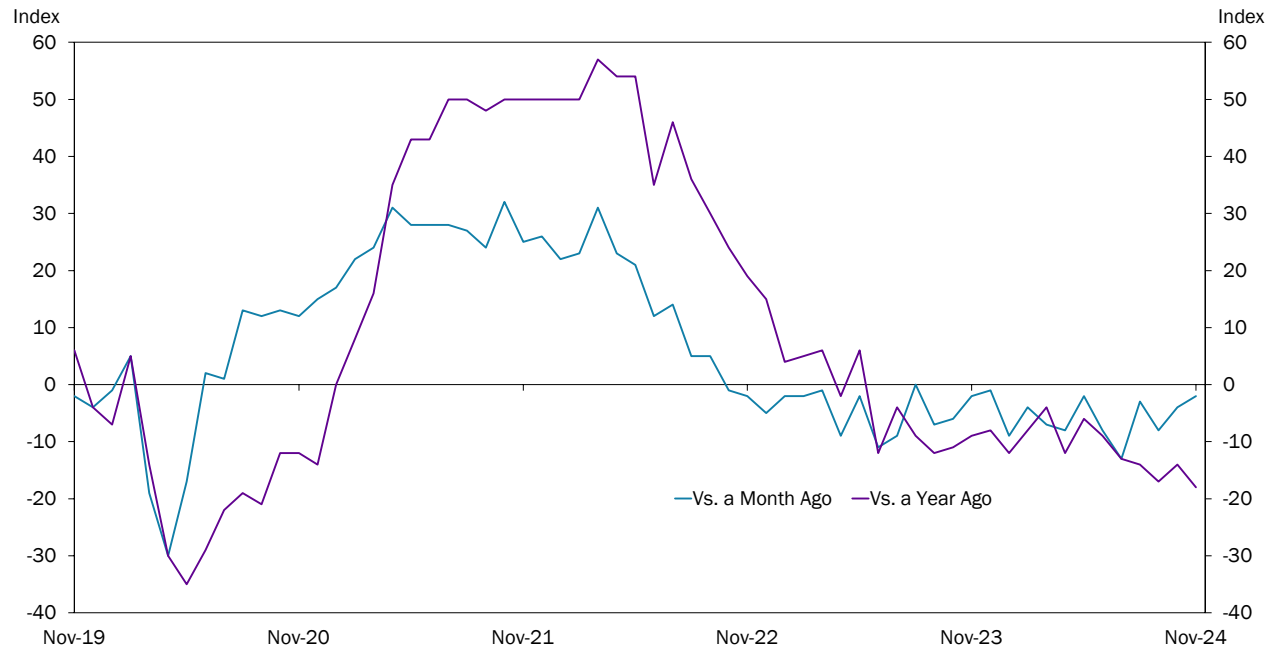


Chart 2. Special Question: Do you expect your firm to increase employment, leave employment unchanged, or decrease employment over the next twelve months?

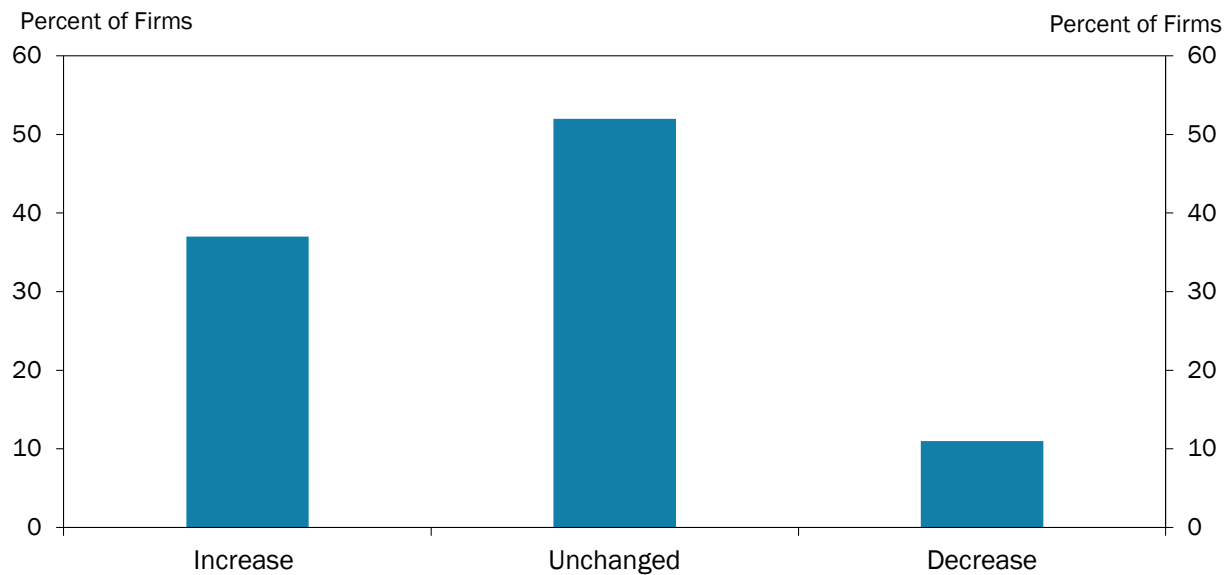


Chart 3. Special Question: Which of the following best describes your use of changes in starting wages and/or salaries to attract new hires?

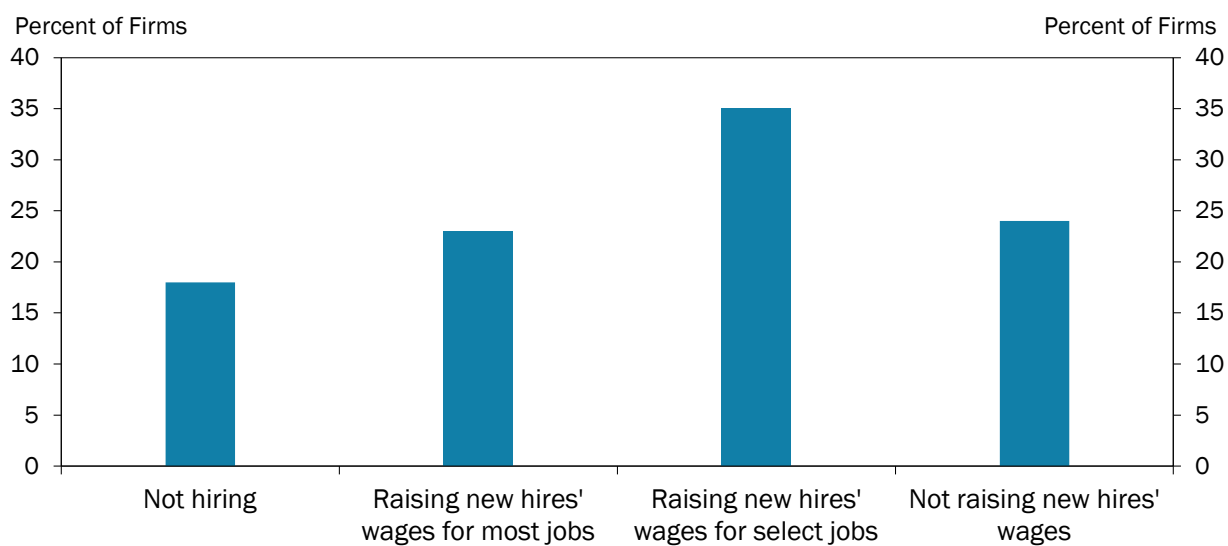


Table 2
Historical Manufacturing Survey Indexes

	Nov'23	Dec'23	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24
Versus a Month Ago (seasonally adjusted)													
Composite Index	-2	-1	-9	-4	-7	-8	-2	-8	-13	-3	-8	-4	-2
Production	-3	-5	-17	3	-9	-13	-1	-11	-12	6	-18	0	-4
Volume of shipments	2	-5	-20	6	-5	-11	8	-1	-18	-1	-12	7	0
Volume of new orders	-3	-9	-19	-2	-17	-6	-13	-13	-21	-12	-14	-5	-9
Backlog of orders	-13	-8	-24	-13	-27	-18	-19	-23	-24	-19	-33	-14	-14
Number of employees	-1	7	-2	8	6	-2	9	-11	-12	-7	-11	-2	1
Average employee workweek	-5	-2	-6	2	-11	-3	-5	-12	-17	-10	-15	-7	-9
Prices received for finished product	0	3	7	-2	5	0	7	3	0	6	-5	11	6
Prices paid for raw materials	9	11	24	15	17	18	19	9	17	18	13	19	5
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	-5	-1	-8	-7	3	0	7	-2	-5	4	-2	0	-8
Supplier delivery time	-2	1	-1	-12	-3	-5	-3	1	-3	-1	-2	-1	3
Inventories: Materials	-1	0	-7	-15	-10	-15	-3	-4	-17	0	4	-10	-3
Inventories: Finished goods	-1	2	-2	-8	-7	-3	2	-1	-1	6	6	-3	10
Versus a Year Ago (not seasonally adjusted)													
Composite Index	-9	-8	-12	-8	-4	-12	-6	-9	-13	-14	-17	-14	-18
Production	-10	-4	-12	-4	-3	-8	-7	-13	-12	-18	-24	-14	-14
Volume of shipments	0	-5	-14	-8	5	-5	-5	-15	-12	-18	-22	-6	-10
Volume of new orders	-8	-6	-19	-6	-10	-12	-7	-21	-24	-21	-30	-18	-10
Backlog of orders	-26	-21	-28	-13	-28	-13	-14	-22	-29	-29	-36	-32	-27
Number of employees	5	6	-2	6	14	-7	9	6	-2	-9	-7	-5	-12
Average employee workweek	-17	-4	-20	0	-14	-12	-8	-10	-8	-16	-17	-17	-16
Prices received for finished product	42	37	39	37	33	45	34	33	31	34	30	37	44
Prices paid for raw materials	20	18	36	36	39	46	37	32	35	37	41	30	27
Capital expenditures	11	13	1	-4	-2	-6	-1	-3	5	1	-1	1	7
New orders for exports	1	-11	-11	-5	-6	-4	0	1	-3	-6	-8	-8	-9
Supplier delivery time	-30	-20	-17	-23	-11	-24	-24	-15	-10	-13	-13	-16	-30
Inventories: Materials	0	-16	-10	-13	-6	-12	1	-3	-14	-9	-10	-17	-24
Inventories: Finished goods	-12	-2	-8	-5	3	-4	2	-2	-6	-1	-5	-2	-8
Expected in Six Months (seasonally adjusted)													
Composite Index	0	5	11	2	1	2	6	7	5	8	9	7	11
Production	15	13	32	18	18	16	21	18	13	20	19	27	24
Volume of shipments	9	23	30	18	15	5	15	12	14	11	10	21	23
Volume of new orders	9	6	22	1	4	1	18	8	8	12	12	14	18
Backlog of orders	-7	0	-2	-4	-19	-12	-3	-3	-8	-7	-9	-8	5
Number of employees	3	13	5	16	7	7	14	17	13	17	18	15	18
Average employee workweek	-9	8	7	-3	-15	-1	2	6	1	5	-5	0	-3
Prices received for finished product	22	26	25	21	26	26	26	21	23	21	33	35	32
Prices paid for raw materials	29	41	34	26	34	30	40	38	36	40	33	38	34
Capital expenditures	-1	5	2	16	6	3	17	5	10	-4	11	1	18
New orders for exports	2	-1	6	-2	0	5	5	8	6	-2	4	6	-8
Supplier delivery time	-11	-1	-3	-10	-8	-2	-7	-1	-4	-3	-1	-7	-1
Inventories: Materials	-15	-7	-3	-15	-16	-15	-17	-6	-5	-5	-4	-14	-1
Inventories: Finished goods	-9	-12	-6	-18	-5	0	-11	-6	-5	1	-9	-5	-6