

**FOR IMMEDIATE RELEASE**

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**Tenth District Services Growth Eased in June**  
*Federal Reserve Bank of Kansas City Releases June Services Survey*

**KANSAS CITY, Mo.** – The Federal Reserve Bank of Kansas City released the June Services Survey today. According to Megan Williams, associate economist and survey manager, Tenth District services growth eased in June but remained positive, and expectations for future activity stayed elevated.

“Growth in regional services activity cooled from last month, but expectations for near-term activity remain favorable,” said Williams. “Input and selling price growth eased from both last month and last year.”

The Kansas City Fed’s monthly Survey of Tenth District Services provides information on several indicators of activity including sales, revenue, employment and capital spending, while identifying changes in prices of input materials and selling prices. Survey participants represent a variety of industries, including retail and wholesale trade, automobile dealers, transportation, information, high-tech and professional services, real estate, education, restaurants, health services, tourism and other services firms.

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).

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# TENTH DISTRICT MANUFACTURING SUMMARY

Tenth District services growth eased in June, while expectations for future activity remained elevated (Chart 1 & Table 1). Input and selling price growth cooled from last month and from this time last year, and are expected to ease further.

## Business Growth Eased in June

The month-over-month services composite index was 3 in June, down from 11 in May and unchanged from 3 in April (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Growth in consumer services from last month eased while staying steady for business services. Particularly, the wholesale and healthcare sectors saw declines, while the restaurant, leisure/hospitality, and real estate sector grew. Almost all month-over-month indexes were positive, but most readings were lower than last month. General revenue/sales cooled from 14 to 2, and employment and employee hours also decreased to 6 and 3, respectively. Year-over-year growth picked up from 8 to 11, driven by an acceleration in business services growth (Chart 2). Growth in employment drove the overall increase, while revenues cooled and the capital expenditures index fell from 19 to 4. Expectations for future services activity also stayed expansionary, with expected revenue growth increasing and all other indexes easing.

## Special Questions

This month contacts were asked special questions about uncertainty and international trade. Only 15% of firms have paused ongoing capital investment as a result of uncertainty, while 13% have reduced job postings and 9% have reduced employee headcount. Further, 6% have cancelled ongoing capital investment, 3% reported they have taken other measures, and 73% have done none of the above (Chart 3). Additionally, only 20% of services firms surveyed reported that they are engaged in international trade, either with their inputs or outputs (Chart 4).

## Selected Services Comments

“About half of our lumber is sourced from Canada. Looming duty change in the fall is a big concern. We have received some price increases recently (windows). Normally there would not be a change in the summer.”

“While our company doesn't trade internationally, our manufacturers rely on some international components, and the uncertainty right now makes competitive strategy planning extremely difficult. There are so many variables right now that change weekly.”

“From a staffing perspective, it has been extremely difficult to find qualified employees. Many who are qualified are wanting to work remotely.”

“Workers continue to be in short supply.”

“Business has increased, and input prices are down.”

“Retail is hurting. Consumers are frozen.”

“Overall uncertainty is the largest deterrent to sales.”

**Table 1. Summary of Tenth District Services Conditions, June 2025**

	June vs. May (percent)*					June vs. Year Ago (percent)*					Expected in Six Months (percent)*				
	Increase	No Change	Decrease	Diff Index <sup>^</sup>	SA Index <sup>^^</sup>	Increase	No Change	Decrease	Diff Index <sup>^</sup>		Increase	No Change	Decrease	Diff Index <sup>^</sup>	SA Index <sup>^^</sup>
Plant Level Indicators															
Composite Index				10	3				11					4	12
Consumer Services									8						
Business Services									17						
General Revenue/Sales	39	32	29	11	2	44	19	37	7	38	29	33	6	14	
Number of Employees	26	61	13	14	6	40	36	24	17	29	48	23	6	12	
Employee Hours Worked	24	56	20	5	3	26	51	24	2	18	56	26	-8	0	
Part-Time/Temporary Employment	18	72	9	9	2	17	73	9	8	14	71	15	-1	1	
Wages and Benefits	33	61	6	28	25	71	20	9	62	43	45	12	31	35	
Inventory Levels	21	58	20	1	-1	31	50	19	12	20	55	24	-4	5	
Credit Conditions/Access to Credit	6	87	7	-1	0	7	80	13	-6	7	83	10	-3	-2	
Capital Expenditures	19	68	13	6	6	29	45	26	4	26	50	24	2	3	
Input Prices	45	48	7	38	39	70	18	12	58	58	36	6	52	55	
Selling Prices	23	68	9	14	16	59	26	15	44	39	47	14	25	26	

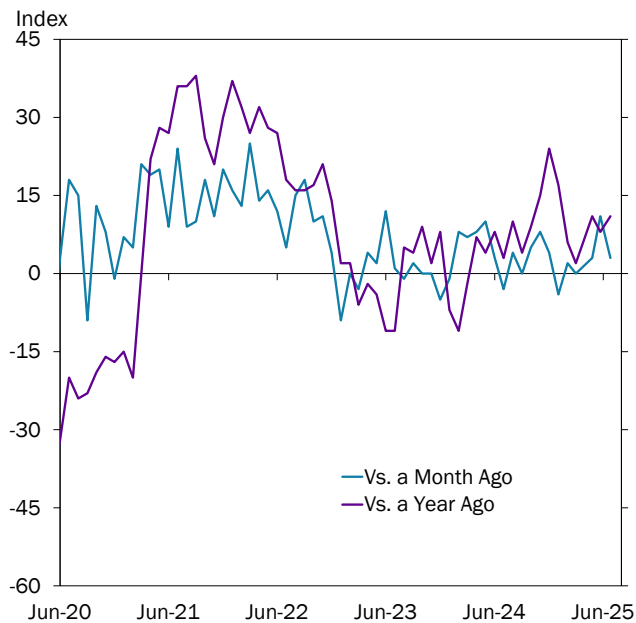
\*Percentage may not add to 100 due to rounding.

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

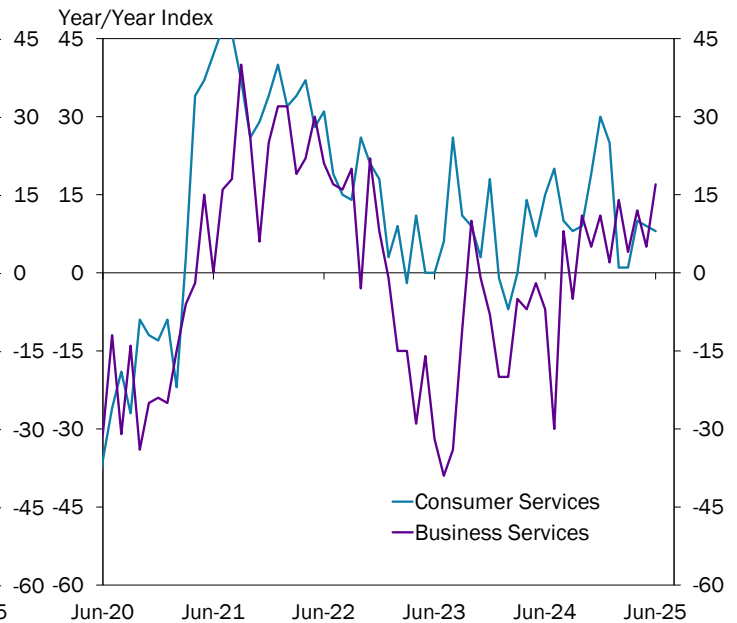
<sup>^^</sup>Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-13.

Note: The June survey was open for a six-day period from June 18-23, 2025 and included 87 responses (60 consumer and 27 business) from firms in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

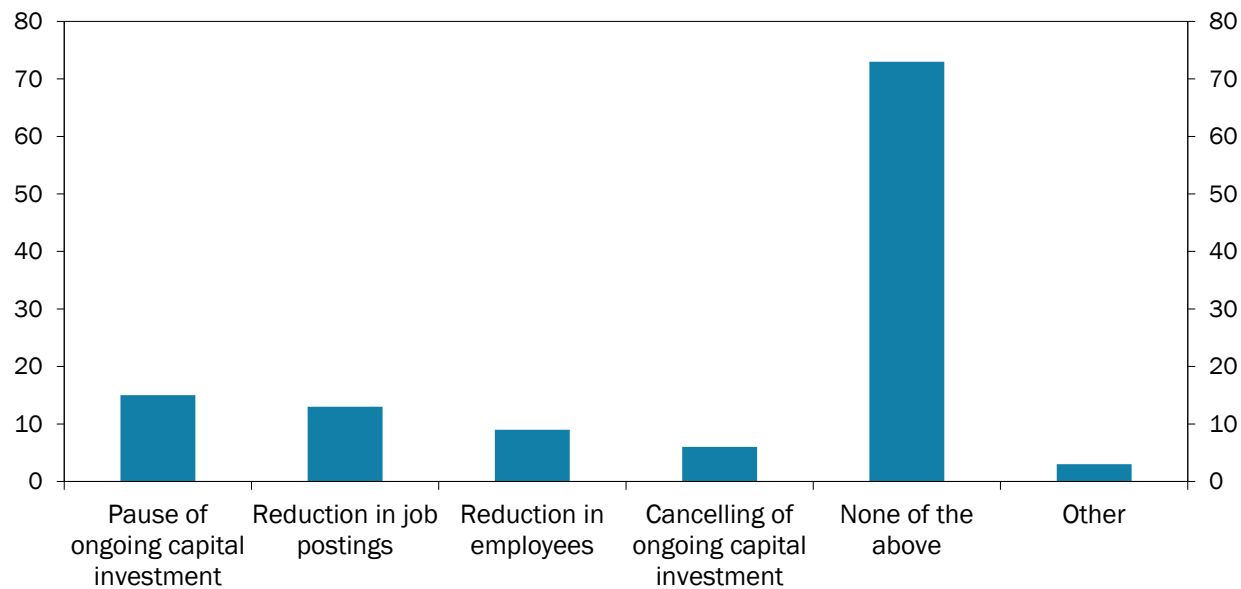
**Chart 1. Services Composite Indexes**



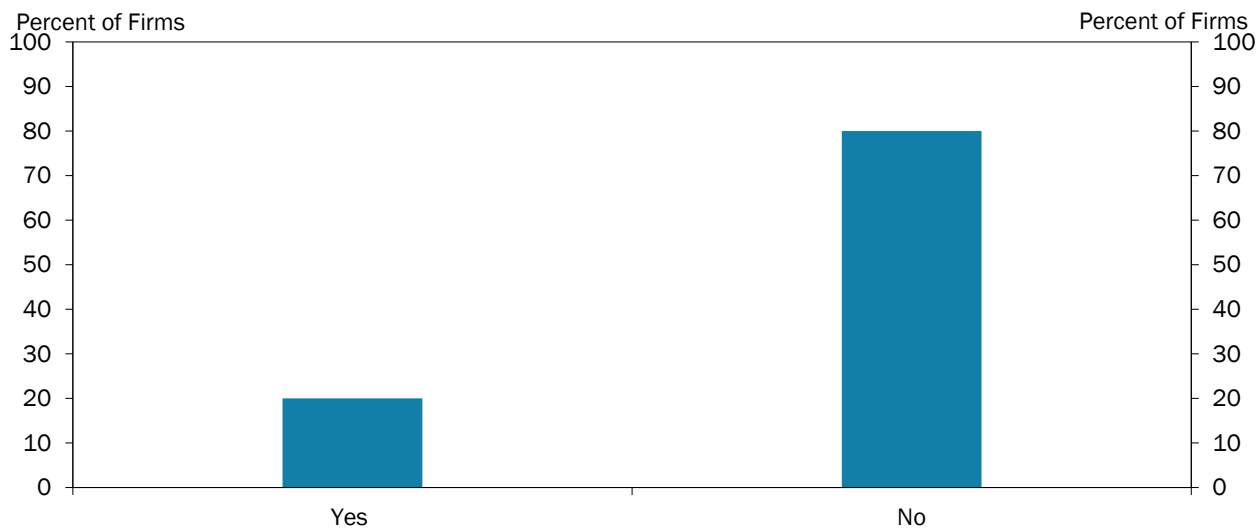
**Chart 2. Composite Indexes vs. a Year Ago by Sector**



**Chart 3. Special Question: Over the last month, has uncertainty around trade policy resulted in any of the following?**



**Chart 4. Special Question: Is your firm engaged in any international trade (inputs or outputs)?**



**Table 2**  
**Historical Services Survey Indexes**

	Jun'24	Jul'24	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25
Versus a Month Ago (seasonally adjusted)													
Composite Index	3	-3	4	0	5	8	4	-4	2	0	3	11	3
General Revenue/Sales	6	-14	15	2	7	12	5	-8	-1	4	4	14	2
Number of Employees	-4	11	-9	-4	4	5	3	-1	3	-5	2	10	6
Employee Hours Worked	0	3	-1	2	6	5	5	-1	-4	-10	2	9	3
Part-Time/Temporary Employment	-4	-2	-2	-5	0	-1	1	-3	-3	-8	-9	2	2
Wages and Benefits	19	19	19	13	32	21	20	20	12	15	22	30	25
Inventory Levels	7	4	-3	0	3	3	2	4	9	-2	4	3	-1
Credit Conditions/Access to Credit	-6	-3	-6	-7	-2	-1	-3	-7	-10	-5	-2	-4	0
Capital Expenditures	14	11	10	17	23	12	16	19	2	15	15	17	6
Input Prices	29	22	24	30	26	26	25	34	40	41	49	43	39
Selling Prices	1	1	8	7	9	7	9	14	15	8	16	18	16
Versus a Year Ago (not seasonally adjusted)													
Composite Index	8	3	10	4	9	15	24	17	6	2	11	8	11
<i>Consumer Services</i>	15	20	10	8	9	19	30	25	1	1	10	9	8
<i>Business Services</i>	-7	-30	8	-5	11	5	11	2	14	4	12	5	17
General revenue/sales	6	-3	15	2	8	23	33	17	-2	1	14	9	7
Number of employees	9	6	7	5	12	8	16	17	13	-5	6	3	17
Employee hours worked	-1	5	4	-3	6	6	8	11	-2	-8	1	-2	2
Part-time/temporary employment	-7	7	4	-3	-9	-4	6	9	1	-1	-3	9	8
Wages and benefits	65	61	68	55	72	60	76	65	65	51	65	67	62
Inventory levels	13	13	0	7	7	4	11	17	14	14	11	12	12
Credit conditions/access to credit	-9	-13	-9	-3	-7	-2	-4	-1	-6	-2	-4	-4	-6
Capital expenditures	4	5	6	18	23	27	12	13	3	-2	9	19	4
Input prices	56	48	50	63	65	64	63	58	74	71	72	72	58
Selling prices	30	24	37	42	46	39	44	42	36	34	42	56	44
Expected in Six Months (seasonally adjusted)													
Composite Index	10	6	14	6	11	9	16	12	17	12	14	13	12
General revenue/sales	13	12	25	8	11	11	24	15	23	14	20	10	14
Number of employees	11	4	7	10	18	14	13	14	14	11	15	20	12
Employee hours worked	2	3	5	10	10	5	3	12	-3	9	5	17	0
Part-time/temporary employment	-5	1	3	3	-4	-5	10	8	-1	1	-1	4	1
Wages and benefits	42	39	41	38	46	31	41	49	42	49	39	53	35
Inventory levels	-1	-5	-4	-3	2	-2	1	0	5	8	-5	8	5
Credit conditions/access to credit	-6	-5	-2	-2	-3	0	3	-5	-6	-1	2	0	-2
Capital expenditures	-1	8	13	14	21	8	8	16	8	12	12	20	3
Input prices	52	39	45	45	49	39	46	58	63	58	71	60	55
Selling prices	21	20	27	28	19	13	26	35	37	36	43	40	26