

FOR IMMEDIATE RELEASE

Nov. 21, 2025

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Tenth District Services Activity Declined Moderately in November
Federal Reserve Bank of Kansas City Releases November Services Survey

KANSAS CITY, Mo. – The Federal Reserve Bank of Kansas City released the November Services Survey today. According to Cortney Cowley, assistant vice president and Oklahoma City Branch executive, results from the survey showed that Tenth District services activity declined moderately in November, and expectations for future services activity fell slightly.

“Regional services activity decreased moderately in November and is expected to stay fairly flat in the near-term,” said Cowley. “Employment fell this month, reaching its lowest level since April 2020, with further declines anticipated.”

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.

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TENTH DISTRICT SERVICES SUMMARY

Tenth District services activity declined moderately in November, and expectations for future services activity fell slightly (Chart 1 & Table 1). Both selling price and input price growth moderated from last month, but input prices continue to increase at a faster pace than selling prices.

Business Activity Declined Moderately in November

The month-over-month services composite index was -7 in November, down from -5 in October, and up from -9 in September (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in the auto services and tourism sectors fell, while information services activity increased slightly. Most month-over-month indexes were negative except price indexes and wages. The monthly general revenue/sales index ticked up from -5 to -4, while employment declined from -4 to -16. The year-over-year composite index cooled from 8 to 6, along with revenue index growth easing from 14 to 8. Capital expenditures decreased from 17 to 5. Expectations for future services activity fell slightly, with expectations for general revenue/sales remaining positive while employment expectations declined.

Special Questions

This month, contacts were asked special questions about changes in employment and wages. A quarter of firms expect to decrease employment, 44% expect to leave employment unchanged, and 31% expect to increase employment (Chart 2). Approximately a third of firms (31%) reported they will be increasing wages and salaries for existing employees by a similar amount as in the past few years, while 14% of firms plan to increase wages and salaries more than in the past few years for only selected job categories, 17% plan to increase more than in the past few years for most job categories, 10% plan to increase for existing employees by less than in the past few years, 23% of firms plan to leave wages and salaries unchanged for most existing employees, 4% of firms are cutting wages for some employees, and 1% do not plan to make any of the provided changes to wages and salaries (Chart 3).

Selected Services Comments

“We have less demand for services in 2026 vs 2025, at the same time of year.”

“It appears that people are asking for higher wages. If they don't get what they are requesting, they will stay at their current job and or stay unemployed.”

“Current negative cashflow is the result of trying to grow the business and create long term salable assets.”

“Uncertainty dominates.”

“The economic uncertainty in pricing is making it difficult to do any long-term planning. Our vendor has raised prices, but they are also telling us they may have to raise them more in the upcoming months.”

“Sales are increasing steadily each month. Our repossessions and charge off accounts are trending down. We are still having issues with increasing our corporate credit lines to add more business.”

“There is a lot of uncertainty out there right now.”

Table 1. Summary of Tenth District Services Conditions, November 2025

	November vs. October (percent)*					November vs. Year Ago (percent)*				Expected in Six Months (percent)*				
	Increase	No Change	Decrease	Diff Index ^Δ	SA Index ^{ΔΔ}	Increase	No Change	Decrease	Diff Index ^Δ	Increase	No Change	Decrease	Diff Index ^Δ	SA Index ^{ΔΔ}
Plant Level Indicators														
Composite Index				-8	-7				6				5	-1
Consumer Services									-5					
Business Services									11					
General Revenue/Sales	32	32	36	-4	-4	45	19	37	8	41	29	30	11	4
Number of Employees	10	63	27	-17	-16	36	28	37	-1	22	53	25	-3	-7
Employee Hours Worked	17	54	29	-12	-10	24	41	35	-11	20	51	29	-9	-14
Part-Time/Temporary Employment	7	80	13	-5	-3	10	67	23	-14	8	72	20	-12	-13
Wages and Benefits	27	69	4	22	24	74	18	8	66	54	40	6	47	44
Inventory Levels	18	60	22	-4	-2	29	50	20	9	21	60	19	2	-5
Credit Conditions/Access to Credit	3	90	7	-5	-6	15	74	12	3	8	82	10	-2	-3
Capital Expenditures	14	68	18	-4	-5	32	41	27	5	27	48	25	3	-2
Input Prices	40	51	8	32	32	72	14	14	59	62	26	12	50	45
Selling Prices	25	66	9	16	14	55	25	20	35	41	44	14	27	18

*Percentage may not add to 100 due to rounding.

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

^{ΔΔ}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 12-17, 2025 and included 112 responses (73 consumer and 38 business) from firms in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Chart 1. Services Composite Indexes

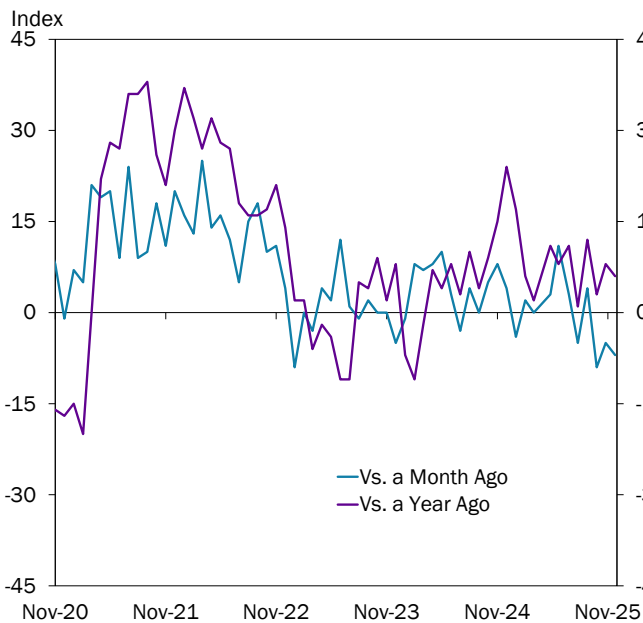


Chart 2. Composite Indexes vs. a Year Ago by Sector

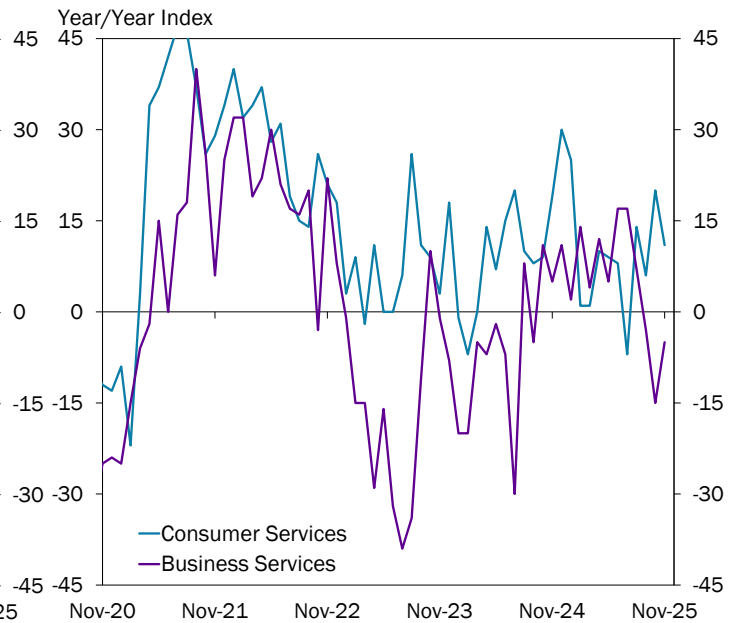


Chart 2. Special Question: Do you expect your firm to increase employment, leave employment unchanged, or decrease employment over the next twelve months?

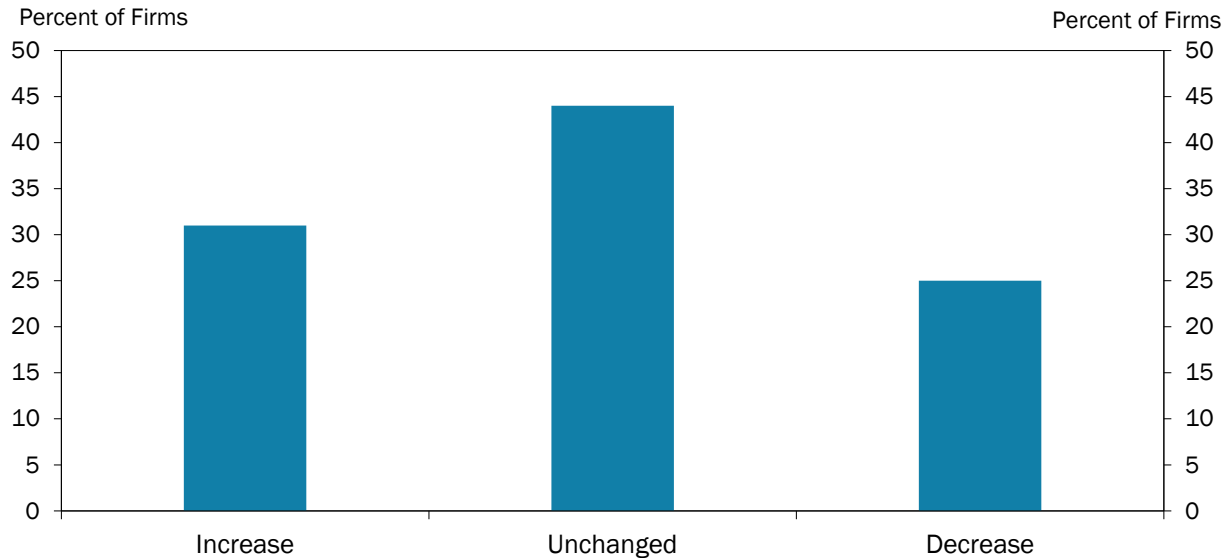


Chart 3. Special Question: Which of the following best describes your use of changes in wages and salaries of existing employees?

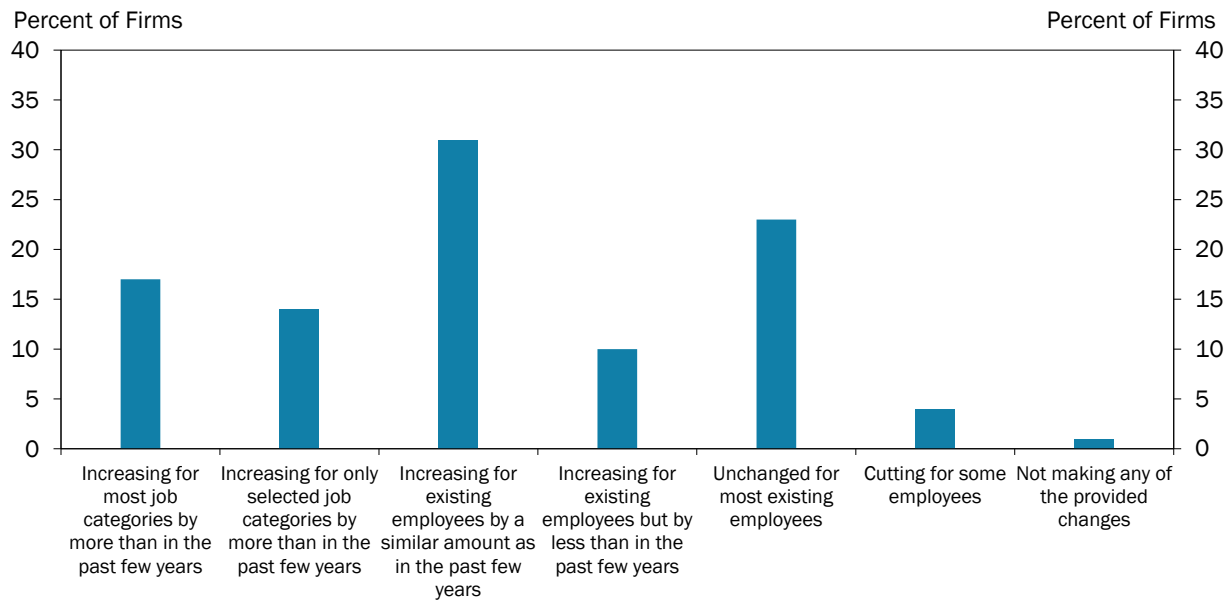


Table 2
Historical Services Survey Indexes

	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25
Versus a Month Ago (seasonally adjusted)													
Composite Index	8	4	-4	2	0	3	11	3	-5	4	-9	-5	-7
General Revenue/Sales	12	5	-8	-1	4	4	14	2	-8	5	-13	-5	-4
Number of Employees	5	3	-1	3	-5	2	10	6	-6	2	-12	-4	-16
Employee Hours Worked	5	5	-1	-4	-10	2	9	3	-6	-1	-12	-3	-10
Part-Time/Temporary Employment	-1	1	-3	-3	-8	-9	2	2	-15	-11	-10	6	-3
Wages and Benefits	21	20	20	12	15	22	30	25	19	21	16	21	24
Inventory Levels	3	2	4	9	-2	4	3	-1	2	6	4	-4	-2
Credit Conditions/Access to Credit	-1	-3	-7	-10	-5	-2	-4	0	-4	-3	-2	-2	-6
Capital Expenditures	12	16	19	2	15	15	17	6	10	5	7	14	-5
Input Prices	26	25	34	40	41	49	43	39	34	45	38	35	32
Selling Prices	7	9	14	15	8	16	18	16	17	15	10	21	14
Versus a Year Ago (not seasonally adjusted)													
Composite Index	15	24	17	6	2	11	8	11	1	12	3	8	6
<i>Consumer Services</i>	19	30	25	1	1	10	9	8	-7	14	6	20	11
<i>Business Services</i>	5	11	2	14	4	12	5	17	17	7	-3	-15	-5
General revenue/sales	23	33	17	-2	1	14	9	7	-2	16	5	14	8
Number of employees	8	16	17	13	-5	6	3	17	6	8	1	6	-1
Employee hours worked	6	8	11	-2	-8	1	-2	2	2	5	-12	-2	-11
Part-time/temporary employment	-4	6	9	1	-1	-3	9	8	-6	-12	-6	-5	-14
Wages and benefits	60	76	65	65	51	65	67	62	64	63	58	69	66
Inventory levels	4	11	17	14	14	11	12	12	-1	9	0	-2	9
Credit conditions/access to credit	-2	-4	-1	-6	-2	-4	-4	-6	0	-5	1	-3	3
Capital expenditures	27	12	13	3	-2	9	19	4	6	8	14	17	5
Input prices	64	63	58	74	71	72	72	58	60	66	64	65	59
Selling prices	39	44	42	36	34	42	56	44	47	50	35	43	35
Expected in Six Months (seasonally adjusted)													
Composite Index	9	16	12	17	12	14	13	12	9	11	5	3	-1
General revenue/sales	11	24	15	23	14	20	10	14	10	21	12	9	4
Number of employees	14	13	14	14	11	15	20	12	8	-2	-5	2	-7
Employee hours worked	5	3	12	-3	9	5	17	0	5	11	-3	-8	-14
Part-time/temporary employment	-5	10	8	-1	1	-1	4	1	-7	-13	-4	-7	-13
Wages and benefits	31	41	49	42	49	39	53	35	36	47	37	49	44
Inventory levels	-2	1	0	5	8	-5	8	5	6	7	1	-11	-5
Credit conditions/access to credit	0	3	-5	-6	-1	2	0	-2	-1	-1	-1	-1	-3
Capital expenditures	8	8	16	8	12	12	20	3	4	4	3	14	-2
Input prices	39	46	58	63	58	71	60	55	52	63	49	55	45
Selling prices	13	26	35	37	36	43	40	26	39	35	21	29	18