

FOR IMMEDIATE RELEASE

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

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

“Regional services activity grew at a slower pace in April, following four consecutive months of accelerated growth,” said Cowley. “Almost 75% of firms reported higher transportation costs in the last two months, but the majority are passing through only 0-20% of energy-related cost increases to customers.”

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

Growth in Tenth District services activity eased in April, and expectations for future services activity increased slightly (Chart 1 & Table 1). Indexes for input and selling price growth ticked up slightly from last month.

Business Activity Growth Eased in April

The month-over-month services composite index was 3 in April, down from 15 in March, and 6 in February (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Overall growth in consumer and business services cooled from last month, driven primarily by declines in wholesale trade and real estate activity. Month-over-month indexes were mixed. Most month-over-month indexes declined from last month except credit conditions, prices indexes, and wages and benefits. The monthly general revenue/sales index fell from 18 to 6, along with the three employment indexes. The year-over-year composite index was unchanged at 8. Capital expenditures continued to increase moderately from last year. Expectations for future activity in the services sector continued to increase, driven primarily by general revenue/sales.

Special Questions

This month, contacts were asked special questions about changes in energy costs and ability to pass through energy-related costs. Almost three-quarters (73%) of firms reported that they have experienced higher transportation costs in the last two months, 27% experienced no change in transportation costs, 38% of firms experienced higher heating (natural gas) costs, 61% experienced no change in their heating costs, and 1% experienced lower heating costs. Over a third (36%) of firms experienced higher electricity costs in the last two months, while 64% of firms experienced no change in their electricity costs (Chart 3). Firms were also asked about their ability to pass on higher energy-related cost increases to their customers. Eighty percent of firms that have experienced higher energy-related costs will pass on 0-20% of their higher energy-related costs, 4% will pass on 21-40% of their costs, 2% will pass on 41-60% of their costs, 2% will pass on 61-80%, 8% will pass on 81-100%, and 4% of firms have had to decrease prices (Chart 4).

Selected Services Comments

“The continued uncertainty/chaos makes it very difficult to forecast and do business.”

“Not sure in a competitive market how much longer we can hold prices due to fuel costs.”

“Most of our input prices are greatly reduced as compared to the last 4 years. We are still experiencing higher than normal shipping costs.”

“Our budgets are being stretched due to energy prices.”

“If costs go up, we will raise prices.”

“Demand is slowing and our customers are feeling the pinch.”

“Uncertain times have made customers more cautious and worried about the future which has also affected employees.”

Table 1. Summary of Tenth District Services Conditions, April 2026

Plant Level Indicators	April vs. March (percent)*					April vs. Year Ago (percent)*				Expected in Six Months (percent)*				
	Increase	No Change	Decrease	Diff Index [^]	SA Index ^{^^}	Increase	Change	Decrease	Diff Index [^]	Increase	Change	Decrease	Diff Index [^]	SA Index ^{^^}
Composite Index				16	3				8				22	22
Consumer Services									9					
Business Services									6					
General Revenue/Sales	48	30	22	26	6	50	17	33	18	54	27	19	36	34
Number of Employees	18	64	18	0	-5	28	39	33	-6	29	57	14	14	13
Employee Hours Worked	20	66	13	7	-2	18	55	27	-9	23	58	19	4	1
Part-Time/Temporary Employment	9	82	8	1	-1	13	75	12	1	16	76	8	8	10
Wages and Benefits	30	66	4	26	22	74	17	9	64	56	39	6	50	51
Inventory Levels	30	58	13	17	9	26	51	23	3	23	52	24	-1	5
Credit Conditions/Access to Credit	8	84	8	-1	-2	14	75	10	4	10	81	10	0	-1
Capital Expenditures	23	63	14	8	8	35	37	28	7	27	50	23	4	1
Input Prices	56	41	4	52	48	85	11	4	81	72	24	4	69	70
Selling Prices	33	59	8	24	23	63	21	17	46	48	40	12	36	35

*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.

^{^^}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 15-20, 2026 and included 107 responses (70 consumer and 37 business) from firms in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Chart 1. Services Composite Indexes

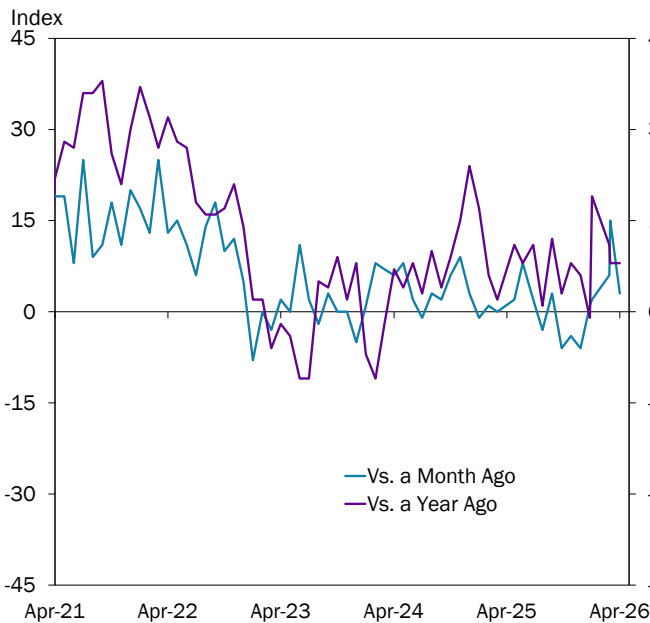


Chart 2. Composite Indexes vs. a Year Ago by Sector

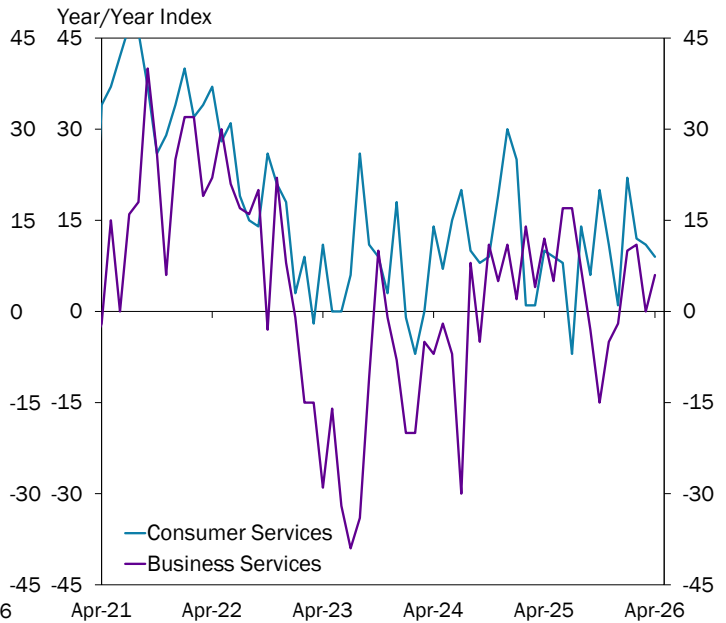


Chart 2. Special Question: How have your firm's energy costs in the following areas changed in the last two months?

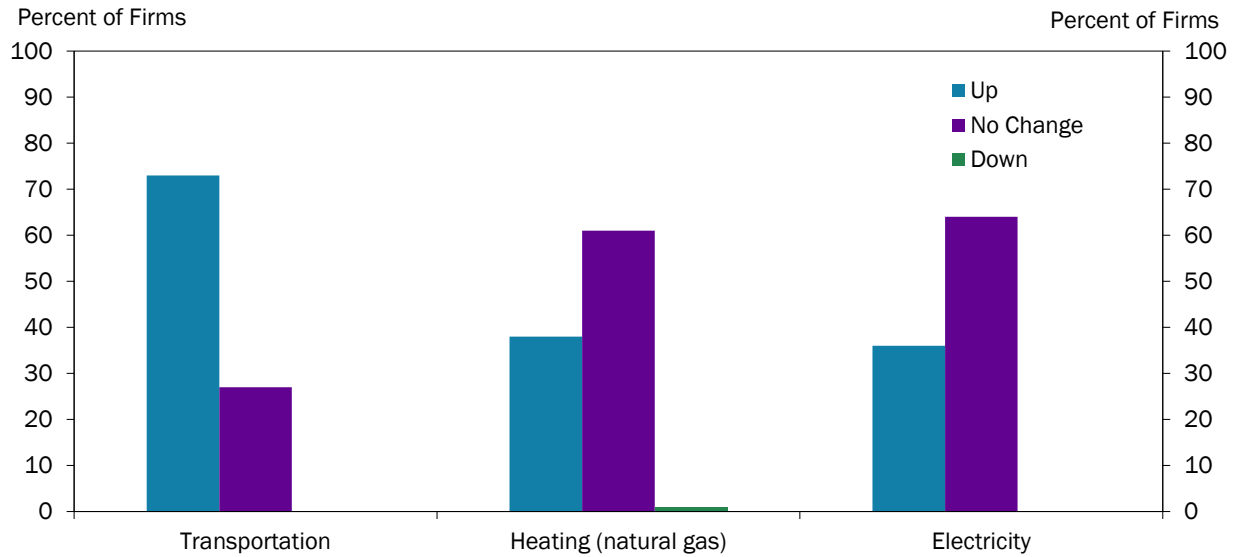


Chart 3. Special Question: If your firm has experienced higher energy-related costs, what share of those cost increases are you passing on to customers in the form of higher prices?

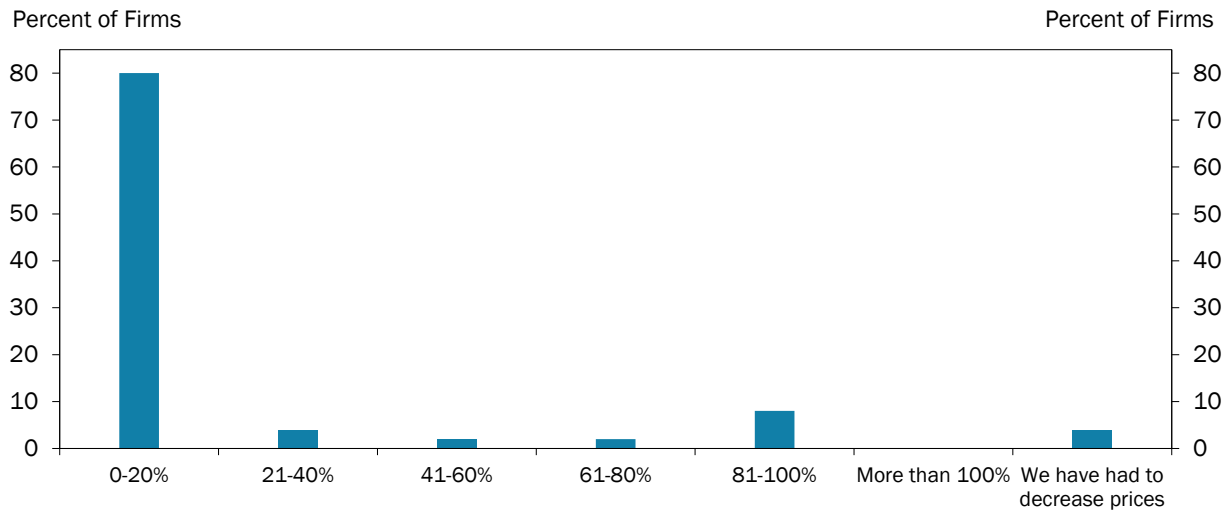


Table 2
Historical Services Survey Indexes

	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Jan'26	Feb'26	Mar'26	Apr'26
Versus a Month Ago (seasonally adjusted)													
Composite Index	2	8	2	-3	3	-6	-4	-6	1	2	6	15	3
General Revenue/Sales	2	10	2	-5	3	-8	-4	-3	3	4	15	18	6
Number of Employees	1	7	4	-3	1	-10	-4	-14	-5	-3	-5	7	-5
Employee Hours Worked	0	8	1	-4	-1	-10	-4	-9	-10	-7	-1	8	-2
Part-Time/Temporary Employment	-8	0	2	-13	-10	-9	6	-4	-1	-4	5	3	-1
Wages and Benefits	21	27	24	19	21	17	20	24	14	24	17	16	22
Inventory Levels	2	2	0	2	6	4	-2	-1	7	3	1	18	9
Credit Conditions/Access to Credit	-3	-4	-1	-4	-3	-2	-3	-4	-2	-1	0	-4	-2
Capital Expenditures	14	16	7	11	6	8	11	-3	9	18	10	10	8
Input Prices	46	42	39	35	43	38	36	33	38	39	31	45	48
Selling Prices	15	17	16	16	15	11	19	14	11	21	14	19	23
Versus a Year Ago (not seasonally adjusted)													
Composite Index	11	8	11	1	12	3	8	6	-1	19	11	8	8
<i>Consumer Services</i>	10	9	8	-7	14	6	20	11	1	22	12	11	9
<i>Business Services</i>	12	5	17	17	7	-3	-15	-5	-2	10	11	0	6
General revenue/sales	14	9	7	-2	16	5	14	8	0	36	20	12	18
Number of employees	6	3	17	6	8	1	6	-1	-9	-3	-5	0	-6
Employee hours worked	1	-2	2	2	5	-12	-2	-11	-9	-1	-6	-6	-9
Part-time/temporary employment	-3	9	8	-6	-12	-6	-5	-14	-2	-10	5	3	1
Wages and benefits	65	67	62	64	63	58	69	66	66	66	63	59	64
Inventory levels	11	12	12	-1	9	0	-2	9	9	8	14	8	3
Credit conditions/access to credit	-4	-4	-6	0	-5	1	-3	3	4	2	7	2	4
Capital expenditures	9	19	4	6	8	14	17	5	9	8	2	5	7
Input prices	72	72	58	60	66	64	65	59	61	63	58	63	81
Selling prices	42	56	44	47	50	35	43	35	33	47	38	42	46
Expected in Six Months (seasonally adjusted)													
Composite Index	14	12	11	9	10	6	3	2	11	15	13	17	22
General revenue/sales	20	12	14	11	17	13	10	7	20	30	21	20	34
Number of employees	13	17	11	8	0	-3	2	-4	6	-3	3	16	13
Employee hours worked	6	15	0	4	9	-3	-6	-12	12	-1	6	5	1
Part-time/temporary employment	-1	2	0	-6	-12	-4	-6	-10	-4	-8	8	4	10
Wages and benefits	40	51	37	38	47	38	45	42	44	38	44	51	51
Inventory levels	-1	6	3	5	5	1	-11	-3	-2	6	7	9	5
Credit conditions/access to credit	1	-1	-2	-1	-1	-1	-1	-3	0	-3	8	3	-1
Capital expenditures	11	17	5	5	5	4	9	1	14	14	17	19	1
Input prices	68	60	55	54	62	51	54	48	53	51	49	61	70
Selling prices	40	38	26	38	34	28	30	21	30	41	31	33	35