

**FOR IMMEDIATE RELEASE**

Jun. 26, 2026

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**Tenth District Services Growth Cooled 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 Cortney Cowley, assistant vice president and Oklahoma City Branch executive, results from the survey showed that Tenth District services growth slowed slightly in June, while growth in expectations for future activity accelerated.

“Growth in regional services activity slowed somewhat from last month, but near-term expectations accelerated,” said Cowley. “Approximately half of firms reported passing through less than 20% of cost increases to customers, while a quarter of firms reported passing through more than 60%.”

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 SERVICES SUMMARY

Growth in Tenth District services activity eased slightly in June, while expectations for future activity increased (Chart 1 & Table 1). Input and selling price indexes continued to grow but at a slightly slower pace from last month and from this time last year.

## Business Activity Cooled in June

The month-over-month services composite index was 5 in June, down from 10 in May, and up 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 and business services cooled from last month, driven by declines in retail trade and transportation services. All month-over-month indexes were positive except for the credit conditions index at -2. Most month-over-month indexes eased from last month except inventory levels, capital expenditures, employee hours worked and part-time/temporary employment. The monthly general revenue/sales index fell from 12 to 3, and employment declined from 5 to 1. The year-over-year composite index slowed from 12 to 10, driven by slower growth in consumer services. The capital expenditures index fell from 21 to 18. Expectations for future activity in services accelerated, driven primarily by general revenue/sales.

## Special Questions

This month, contacts were asked special questions about their ability to pass through prices and supply chain change expectations. Approximately half (51%) of firms reported that they are currently able to pass through 0-20% of the higher costs from inputs and labor, 5% of firms are able to pass through 20-40%, 13% are able to pass through 40-60%, 9% can pass through 60-80%, 14% can pass through 80-100%, 2% can pass through more than 100%, and 6% of firms had to decrease prices. Approximately half of firms reported that they will be able to pass through 0-20% of higher costs in the next 12 months, 5% of firms will be able to pass through 20-40%, 11% will be able to pass through 40-60%, 7% will pass through 60-80%, 18% will pass through 80-100%, 3% will be able to pass through more than 100%, and 5% of firms had to decrease prices (Chart 3). Firms were also asked about any expectations for supply chain disruptions and shortages to change in the next 6 months. Over three-fifths (61%) of firms expect no change, 6% expect them to significantly decrease, 16% expect them to slightly decrease, 15% expect them to slightly increase, and 2% expect them to significantly increase (Chart 4).

## Selected Services Comments

“Business is tough, it seems consumers are delaying major purchases.”

“As a small business, we continue to struggle keeping up with the increase in subscription prices with software platforms that we have come dependent on to remain competitive and are necessary to stay in business.”

“Our business is very cyclical, and we try to ride out the highs and lows without making drastic or dramatic changes to the organization.”

“The uncertainty factors continue to march on and loom larger.”

“World Cup has helped increase revenue about 10%.”

“Quite a few non-commodity price increases, particularly on products using metal or derived from oil. Commodity lumber has seen increases over the last few weeks following several months of stability.”

**Table 1. Summary of Tenth District Services Conditions, June 2026**

	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	Change	Decrease	Diff Index <sup>^</sup>	Increase	Change	Decrease	Diff Index <sup>^</sup>	SA Index <sup>^^</sup>
Plant Level Indicators														
Composite Index				13	5				10				19	26
Consumer Services									12					
Business Services									9					
General Revenue/Sales	37	38	25	12	3	44	20	35	9	54	26	20	33	41
Number of Employees	27	57	16	11	1	31	47	22	8	28	51	21	6	11
Employee Hours Worked	26	60	14	12	8	29	53	18	10	29	52	19	9	17
Part-Time/Temporary Employment	18	79	3	15	8	13	74	12	1	12	77	10	2	4
Wages and Benefits	28	64	8	20	17	79	13	8	71	52	42	6	46	52
Inventory Levels	26	65	9	17	16	33	51	16	16	25	54	22	3	10
Credit Conditions/Access to Credit	5	88	7	-2	-2	8	81	11	-3	9	82	9	0	2
Capital Expenditures	25	68	7	18	19	40	37	22	18	36	49	14	22	25
Input Prices	55	40	5	50	51	80	16	4	76	64	31	5	59	62
Selling Prices	25	64	11	14	16	60	22	17	43	44	42	13	31	33

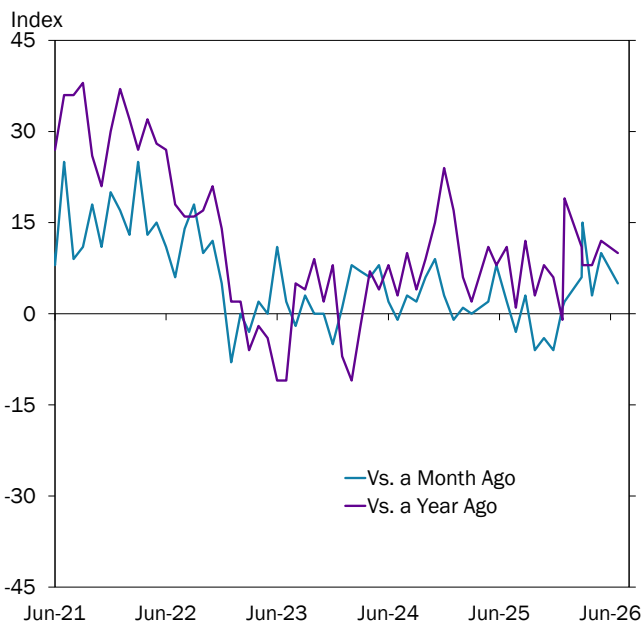
\*Percentage may not add to 100 due to rounding.

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

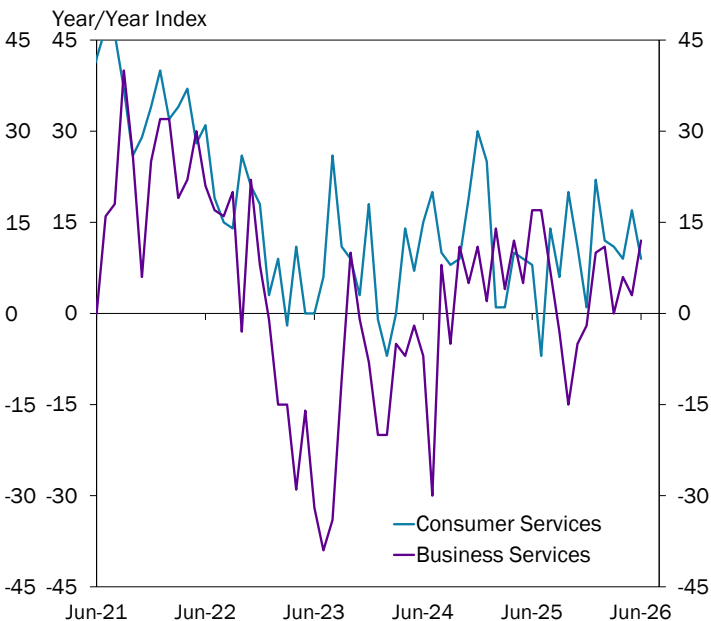
<sup>^^</sup>Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-13.

Note: The June survey was open for a six-day period from June 17-22, 2026 and included 101 responses (66 consumer and 35 business) from firms in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

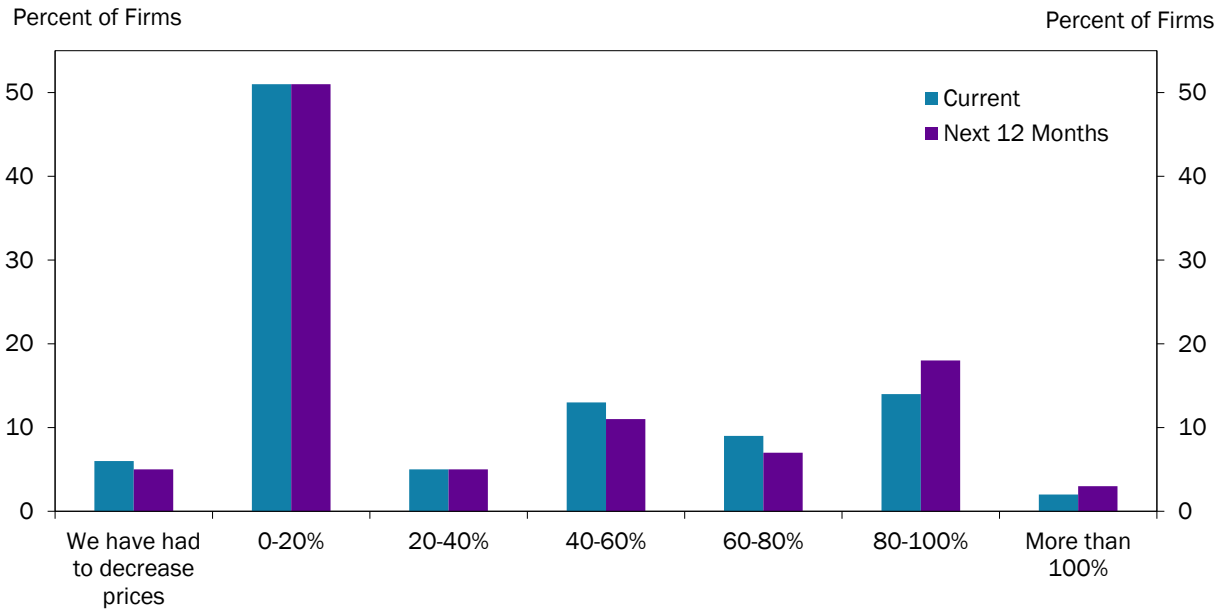
**Chart 1. Services Composite Indexes**



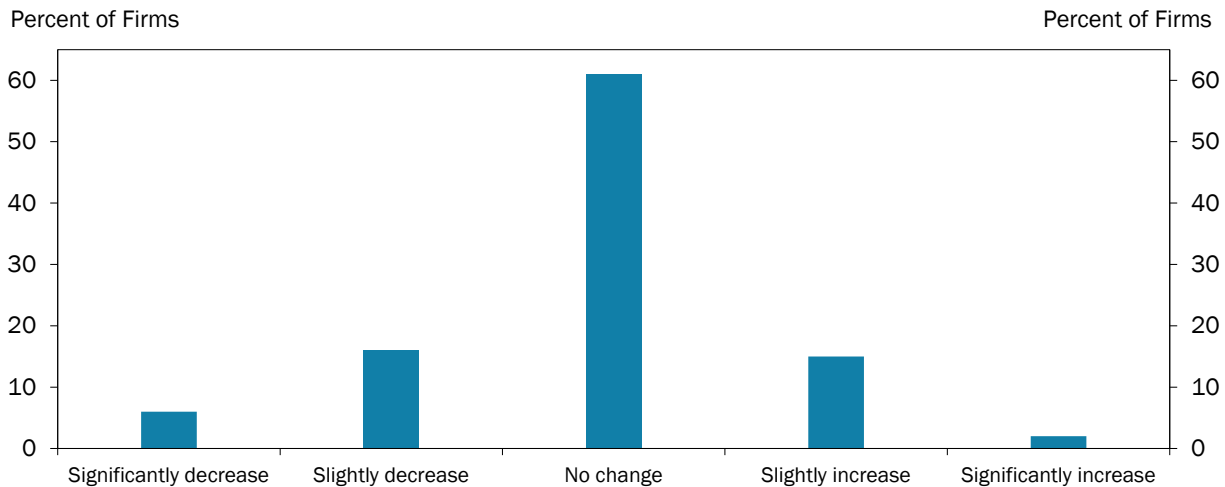
**Chart 2. Composite Indexes vs. a Year Ago by Sector**



**Chart 3. Special Question: If your firm is facing higher costs, what share of those increases are you able to pass through to customers in the form of higher prices and what share do you expect to pass through in the next 12 months?**



**Chart 4. Special Question: How does your firm expect supply chain disruptions and shortages to change in the next 6 months?**



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

	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Jan'26	Feb'26	Mar'26	Apr'26	May'26	Jun'26
<b>Versus a Month Ago</b> (seasonally adjusted)													
Composite Index	2	-3	3	-6	-4	-6	1	2	6	15	3	10	5
General Revenue/Sales	2	-5	3	-8	-4	-3	3	4	15	18	6	12	3
Number of Employees	4	-3	1	-10	-4	-14	-5	-3	-5	7	-5	5	1
Employee Hours Worked	1	-4	-1	-10	-4	-9	-10	-7	-1	8	-2	8	8
Part-Time/Temporary Employment	2	-13	-10	-9	6	-4	-1	-4	5	3	-1	-5	8
Wages and Benefits	24	19	21	17	20	24	14	24	17	16	22	18	17
Inventory Levels	0	2	6	4	-2	-1	7	3	1	18	9	11	16
Credit Conditions/Access to Credit	-1	-4	-3	-2	-3	-4	-2	-1	0	-4	-2	-1	-2
Capital Expenditures	7	11	6	8	11	-3	9	18	10	10	8	19	19
Input Prices	39	35	43	38	36	33	38	39	31	45	48	54	51
Selling Prices	16	16	15	11	19	14	11	21	14	19	23	20	16
 <b>Versus a Year Ago</b> (not seasonally adjusted)													
Composite Index	11	1	12	3	8	6	-1	19	11	8	8	12	10
<i>Consumer Services</i>	8	-7	14	6	20	11	1	22	12	11	9	17	9
<i>Business Services</i>	17	17	7	-3	-15	-5	-2	10	11	0	6	3	12
General revenue/sales	7	-2	16	5	14	8	0	36	20	12	18	14	9
Number of employees	17	6	8	1	6	-1	-9	-3	-5	0	-6	6	8
Employee hours worked	2	2	5	-12	-2	-11	-9	-1	-6	-6	-9	4	10
Part-time/temporary employment	8	-6	-12	-6	-5	-14	-2	-10	5	3	1	-1	1
Wages and benefits	62	64	63	58	69	66	66	66	63	59	64	64	71
Inventory levels	12	-1	9	0	-2	9	9	8	14	8	3	15	16
Credit conditions/access to credit	-6	0	-5	1	-3	3	4	2	7	2	4	4	-3
Capital expenditures	4	6	8	14	17	5	9	8	2	5	7	21	18
Input prices	58	60	66	64	65	59	61	63	58	63	81	80	76
Selling prices	44	47	50	35	43	35	33	47	38	42	46	46	43
 <b>Expected in Six Months</b> (seasonally adjusted)													
Composite Index	11	9	10	6	3	2	11	15	13	17	22	11	26
General revenue/sales	14	11	17	13	10	7	20	30	21	20	34	16	41
Number of employees	11	8	0	-3	2	-4	6	-3	3	16	13	6	11
Employee hours worked	0	4	9	-3	-6	-12	12	-1	6	5	1	6	17
Part-time/temporary employment	0	-6	-12	-4	-6	-10	-4	-8	8	4	10	-8	4
Wages and benefits	37	38	47	38	45	42	44	38	44	51	51	49	52
Inventory levels	3	5	5	1	-11	-3	-2	6	7	9	5	4	10
Credit conditions/access to credit	-2	-1	-1	-1	-1	-3	0	-3	8	3	-1	2	2
Capital expenditures	5	5	5	4	9	1	14	14	17	19	1	17	25
Input prices	55	54	62	51	54	48	53	51	49	61	70	59	62
Selling prices	26	38	34	28	30	21	30	41	31	33	35	30	33