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Tenth District Manufacturing Growth Accelerated 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 Cortney Cowley, assistant vice president and Oklahoma City Branch executive, the survey revealed that growth in the Tenth District manufacturing sector accelerated, with expectations for further increases in the next six months.

"District manufacturing activity rose sharply in November, reaching its highest reading since May 2022 amid elevated production and employment growth," said Cowley. "Further, over a third of firms expect to increase employment over the next twelve months."

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.

The views expressed are those of the authors and do not necessarily reflect the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.

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TENTH DISTRICT MANUFACTURING SUMMARY

Tenth District manufacturing growth accelerated, with expectations for further increases in the next six months (Chart 1, Tables 1 & 2). The month-over-month price increases for raw materials eased slightly but continued to outpace finished product price growth.

Factory Growth Accelerated

The month-over-month composite index was 18 in November, up from 11 in October and 14 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. Durable manufacturing activity increased, driven primarily by strengthening growth in the transportation equipment manufacturing. In contrast, nondurable manufacturing growth slowed, driven by weaker activity in the printing sector. All month-over-month indexes were positive except for the finished good inventory index at -1. Most month-over-month indexes saw higher readings, but the indexes for raw materials price and inventories declined modestly. The production and employment indexes reached readings of 23 and 20, respectively, both multi-year highs. The year-over-year composite index increased from 11 to 19, its highest level since November 2022. All year-over-year indexes were positive, with capital expenditures continuing to grow from last year. Expectations for future activity remained expansionary with the 6-month composite index at 21, and the employment index rising slightly.

Special Questions

This month, contacts were asked special questions about changes in new hire starting wages and/or salaries and employment expectations. Over a third (38%) of firms reported they are raising starting wages and/or salaries for only selected job categories to attract new hires, 30% are raising starting wages and/or salaries for most job categories, 18% are not raising starting wages and/or salaries, and 14% of firms reported they are not actively hiring (Chart 2). Firms were also asked about their employment expectations over the next twelve months. Over half (57%) of firms expect their firm to leave employment unchanged over the next twelve months, 38% expect to increase employment, and 6% expect to decrease employment (Chart 3).

Selected Manufacturing Comments

“Lower revenue months don't necessarily indicate a slowdown but just production schedules and when they ship. Next year looks promising with feedback we are getting from customers.”

“AI benefits are very limited in manufacturing sector thus far.”

“AI is not a significant factor in our manufacturing operations. In front office work we use AI as an aid (research, analysis, planning, etc.).”

“AI is changing many of our processes, making us significantly more productive without increasing headcount.”

“Good/solid laborers are very hard to find. Prices are going up first of the year.”

“Our volumes are down primarily because we cannot get inventory from our suppliers. The supply chain is constraining. We could ship more if we had it on hand.”

“Raw material lead times continue to stretch out beyond industry norms.”

Table 1. Summary of Tenth District Manufacturing Conditions, November 2026

	November vs. October (percent)*					November vs. Year Ago (percent)*				Expected in Six Months (percent)*				
Plant Level Indicators	Increase	No Change	Decrease	Diff Index^	SA Index*^	Increase	No Change	Decrease	Diff Index^	Increase	No Change	Decrease	Diff Index^	SA Index*^
Composite Index				17	18				19				23	21
Production	35	52	13	23	23	49	27	24	25	50	36	14	36	30
Volume of shipments	41	45	15	26	23	50	30	20	29	54	31	15	38	33
Volume of new orders	34	48	18	16	16	49	25	26	23	46	33	21	25	22
Backlog of orders	32	50	18	13	21	42	34	24	18	34	43	23	11	10
Number of employees	29	61	11	18	20	41	28	31	11	35	55	11	24	21
Average employee workweek	19	76	5	14	15	20	62	18	2	16	75	9	8	9
Prices received for finished product	31	65	4	27	30	79	15	6	73	54	39	7	47	44
Prices paid for raw materials	52	45	3	49	53	91	7	2	89	71	23	6	65	66
Capital expenditures						32	50	18	14	28	50	22	6	7
New orders for exports	6	88	6	0	1	13	78	9	4	11	81	8	3	3
Supplier delivery time	24	74	2	22	23	37	55	9	28	22	71	7	15	18
Inventories: Materials	21	64	16	5	6	30	48	23	7	29	56	15	15	14
Inventories: Finished goods	17	69	15	2	-1	29	51	20	10	23	62	15	9	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.

*^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 seven-day period from November 10-16, 2026 and included 104 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Chart 1. Manufacturing Composite Indexes

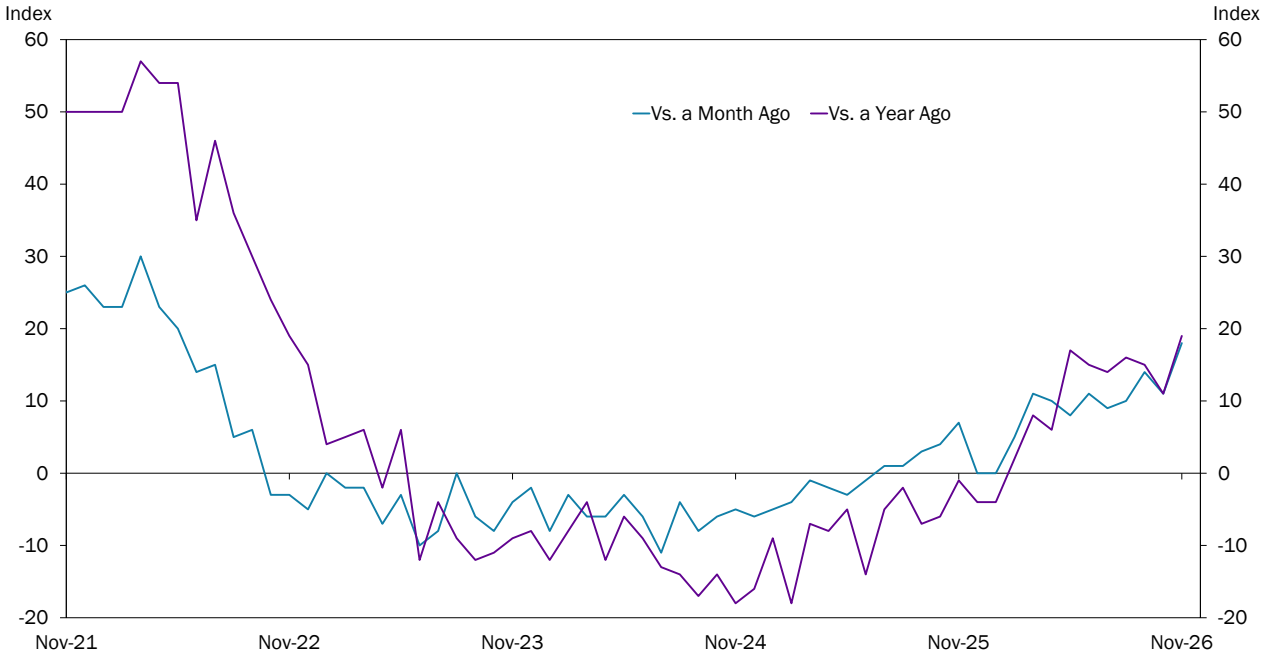


Chart 2. Special Question: Which of the following best describes your use of changes in starting wages and/or salaries to attract new hires?

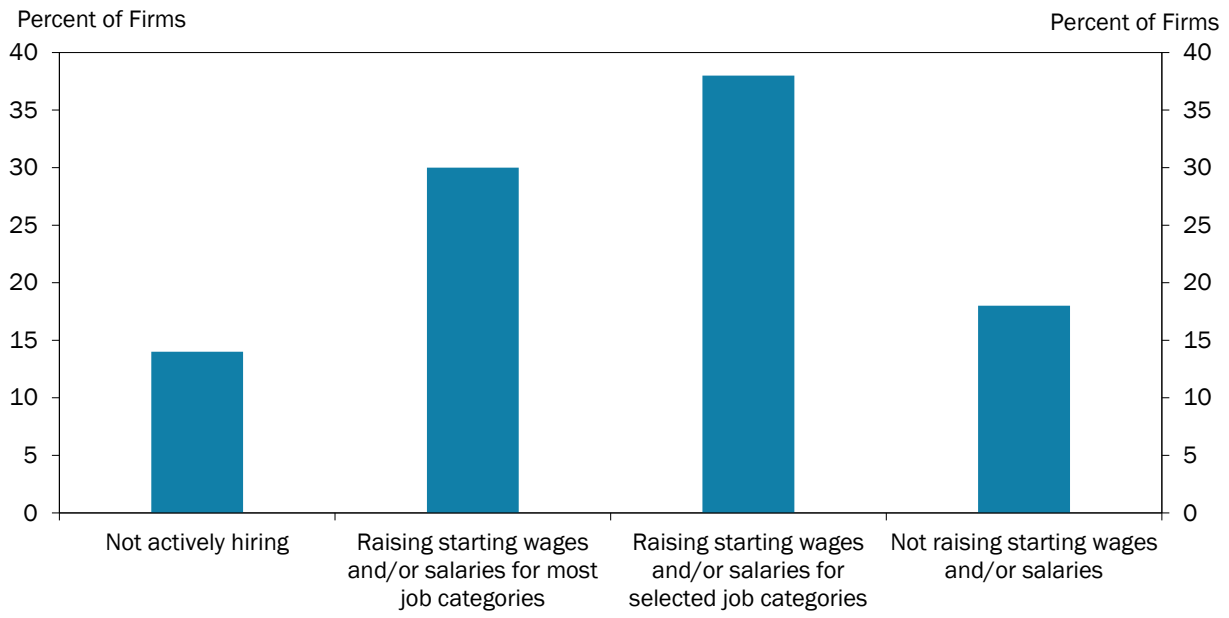


Chart 3. Special Question: Do you expect your firm to increase employment, leave employment unchanged, or decrease employment over the next twelve months?

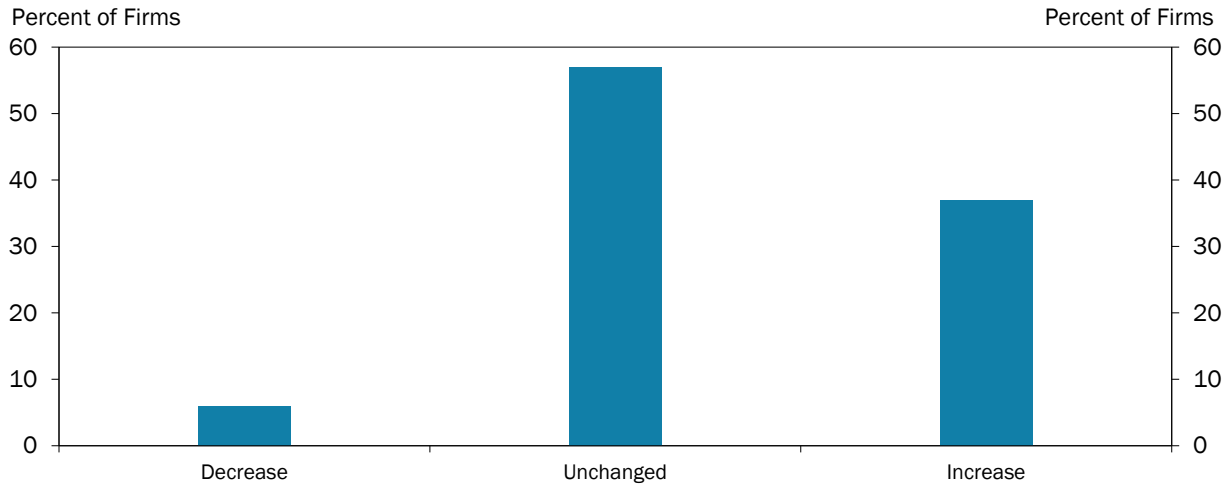


Table 2
Historical Manufacturing Survey Indexes

	Nov'25	Dec'25	Jan'26	Feb'26	Mar'26	Apr'26	May'26	Jun'26	Jul'26	Aug'26	Sept'26	Oct'26	Nov'26
Versus a Month Ago (seasonally adjusted)													
Composite Index	7	0	0	5	11	10	8	11	9	10	14	11	18
Production	14	-3	-2	10	11	10	9	19	17	17	20	16	23
Volume of shipments	16	0	-2	11	20	15	7	20	20	17	21	18	23
Volume of new orders	-2	-2	0	7	15	12	13	13	10	16	24	3	16
Backlog of orders	-7	-5	-11	8	13	2	14	4	2	4	13	-5	21
Number of employees	10	-4	0	-6	7	2	-4	10	2	0	0	1	20
Average employee workweek	1	3	4	6	7	7	6	2	4	1	13	10	15
Prices received for finished product	14	24	19	18	19	25	29	33	28	36	37	26	30
Prices paid for raw materials	36	41	44	42	37	63	63	68	52	55	68	70	53
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	-4	-5	-6	0	-4	-3	-3	0	-1	-2	0	-9	1
Supplier delivery time	13	7	8	7	18	20	24	16	15	7	19	22	23
Inventories: Materials	-1	1	-4	6	3	8	-1	-1	3	11	9	12	6
Inventories: Finished goods	2	2	4	10	4	11	9	-5	15	6	18	13	-1
Versus a Year Ago (not seasonally adjusted)													
Composite Index	-1	-4	-4	2	8	6	17	15	14	16	15	11	19
Production	-3	-8	-5	4	8	8	17	19	20	20	19	16	25
Volume of shipments	-1	-5	-9	4	17	5	22	20	25	13	23	16	29
Volume of new orders	-3	2	-7	3	16	11	31	20	18	28	22	14	23
Backlog of orders	-12	-21	-18	-2	9	-5	11	14	14	15	14	13	18
Number of employees	5	-7	-11	-6	-7	-12	2	10	-1	5	-3	-9	11
Average employee workweek	-6	-10	-8	-4	2	-3	6	1	8	5	22	6	2
Prices received for finished product	50	58	54	58	52	57	72	70	72	69	73	72	73
Prices paid for raw materials	64	68	67	81	72	88	89	84	92	87	90	91	89
Capital expenditures	9	14	4	8	5	6	1	2	6	16	16	8	14
New orders for exports	-11	-12	-9	5	-9	1	-3	1	-7	-9	-5	-7	4
Supplier delivery time	5	3	9	8	14	21	29	21	24	17	30	32	28
Inventories: Materials	-9	-10	-6	4	7	-1	4	3	10	8	6	4	7
Inventories: Finished goods	2	4	4	-1	-3	1	7	0	6	0	5	11	10
Expected in Six Months (seasonally adjusted)													
Composite Index	9	10	7	15	16	18	19	19	20	20	19	22	21
Production	17	13	16	24	26	31	28	29	38	35	36	37	30
Volume of shipments	15	9	16	30	27	29	34	30	37	37	34	26	33
Volume of new orders	13	12	17	14	23	27	28	22	28	36	31	30	22
Backlog of orders	-1	-2	-9	-1	6	8	7	6	6	10	4	12	10
Number of employees	11	17	3	22	15	18	25	19	17	12	8	20	21
Average employee workweek	5	5	2	7	8	5	9	13	11	4	12	17	9
Prices received for finished product	32	39	47	37	40	46	58	52	50	57	59	53	44
Prices paid for raw materials	61	59	62	56	61	67	75	68	67	66	76	73	66
Capital expenditures	1	9	5	13	8	5	13	0	10	17	11	24	7
New orders for exports	-6	-4	-9	7	1	8	-7	0	-1	1	-2	-1	3
Supplier delivery time	5	5	6	11	13	9	15	13	11	8	14	23	18
Inventories: Materials	-3	2	-9	3	0	4	2	12	5	9	6	0	14
Inventories: Finished goods	0	7	6	3	3	0	5	5	12	-1	8	7	6