



Manufacturing Survey

Tenth District Manufacturing Activity Declined Slightly

by: Chad Wilkerson

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Regional factory activity declined slightly in October. Indexes fell considerably for production, shipments, and new orders; however, firms still reported slight gains in employment.

Factory Activity Declined Slightly

Tenth District manufacturing activity declined slightly, and expectations for future activity also decreased (Chart 1, Tables 1 & 2). The monthly index of raw materials prices slowed in October and continued to decrease compared to a year ago. Finished goods price indexes decreased slightly from a month ago and compared to year-ago levels. Expectations for future raw materials and finished goods prices also slowed moderately.

The month-over-month composite index was -7 in October, the lowest composite reading since May 2020, and down from 1 in September and 3 in August (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The slower pace in factory growth in October was driven by decreased activity in computer and electronic, wood, primary metals, and plastics and rubber manufacturing. Most month-over-month indexes decreased in October, except for supplier delivery time and finished goods inventories. Year-over-year factory indexes continued to decrease in October, and the composite index slowed from 30 to 24. The future composite index dropped from 9 to -1 in October, with the future production, new orders, order backlog, employee workweek, new orders for exports, supplier delivery time, and finished goods inventories indexes also moving into negative territory.

Special Questions

This month contacts were asked special questions on changes in their workforce and investments compared to pre-pandemic. In October, 65% of firms reported devoting significantly or slightly more resources to training workers in order to meet skill requirements, while 33% reported no change (Chart 2). Due to labor shortages, 36% of firms reported investing or planning to invest in labor-saving automation strategies at a faster pace than in the past. On the same questions, 28% percent of firms invested or planned to invest similar to the past and about 25% of firms reported not investing in labor-saving technology (Chart 3).

Selected Manufacturing Comments

“Prices paid for commodities still through the roof. No relief in sight. Labor is still hard to find. Economy is still decent - lots of future growth opportunities sitting out there - but they will be hard to support with labor market.”

“Overall workforce remains good. A second all-employee salary increase occurred in September which is over and above normal raises.”

“We are promoting productivity and efficiency. As I said, doing more with less. We are getting a good response from our workforce.”

“Supply chain is better, overseas shipments are cheaper and faster, helping reduce prices paid for materials.”

“We are still struggling with finding competent and reliable employees. It is severely inhibiting our ability to expand our operations.”

“We do not have the capital available for automation. We are concentrating more on our inventory availability.”

Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[Historical Quarterly Data](#)

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Chad Wilkerson serves as Oklahoma City Branch Executive and Senior Vice President of Community Development for the Federal Reserve Bank of Kansas City. Wilkerson has been with the Federal Reserve since 1998, starting in Kansas City's research department. Appointed in 2006 as Oklahoma City Branch Executive, Wilkerson is the Bank's lead officer and regional economist in Oklahoma. He recruits and works closely with the Oklahoma City Branch Board of Directors and is responsible for briefing the Kansas City Fed president, a member of the Federal Open Market Committee, on economic trends in the state. His team conducts research and surveys on key regional issues such as energy, manufacturing and migration. Wilkerson was appointed Senior Vice President in 2022, and supports a Community Development team located across the Kansas City Fed's seven-state region. This group works to understand and address issues affecting the ability of underserved communities and small businesses to access credit. Community development focus areas include financial resiliency, affordable housing, community investments, workforce development, rural development and digital inclusion. Wilkerson holds a master's degree in public policy from the University of Chicago, as well as a master's degree from Southwestern Seminary and bachelor's degree from William Jewell College. He serves on the boards of the Economic Club of Oklahoma, the United Way of Central Oklahoma and City Rescue Mission. He lives in Edmond, Oklahoma, with his wife and children.