



Services Survey

Tenth District Services Activity Continued to Remain Flat in November

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District services activity stayed flat again in November. Prices for both input and selling prices rose slightly, while employment decreased from last month but is expected to rebound in future months.

Business Activity Held Constant Again

Tenth District services activity remained flat in November, and expectations for the next six months increased modestly (Chart 1 & Table 1). Prices for inputs and selling prices rose modestly and are expected to continue to increase heading forward.

The month-over-month services composite index was 1 in November, up slightly from -1 in October and basically unchanged from September (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Revenues in real estate, professional services, and healthcare increased this month, while they declined in wholesale and retail trade, autos, and tourism. Most month-over-month indexes generally increased slightly from previous readings, except the employment index which decreased from 5 to -2. General revenue/sales increased after a slight decrease last month, and capital expenditures recorded the highest level since June 2022. The year-over-year composite index cooled from 9 to 2, and the employment index also edged slightly lower. Expectations for services activity also rose from 7 to 13, as firms are more optimistic about revenues for the next six months.

Special Questions

This month contacts were asked special questions about employment plans and labor market conditions. The top three reasons affecting firms' plans to increase employment remained unchanged from November 2022. About 71% of firms planned to increase employment because expected growth of sales is high, ranking it as one of the top three factors driving an increase in employment plans (Chart 2). Other firms noted that employment plans are driven by current staff being overworked or that the firm needs skills not possessed by current staff. Over 56% of firms cannot find workers with required skills which is the number one reason for restrained hiring plans followed by high labor costs at 41% (Chart 3). Firms top three reasons for restraining hiring plans changed from last year, with 40% of firms now wanting to keep operating costs low rather than uncertainty about other regulations or government policies.

Selected Services Comments

“We are experiencing lower than expected revenue growth due to a software vendor policy change which affects new customers. Our existing customers demand remain strong.”

“Besides being in the typical 4th quarter slowdown, the market is also nervous about the government shutting down and this creates a crisis of confidence in making large purchases.”

“People are not buying because they do not want to pay the higher interest rate and higher cost of vehicles.”

“It appears that many of our clients are hiring less or not outsourcing their staffing needs.”

“Single family house permits include many more rental single-family homes than in the past.”

Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[About the Services Survey](#)

Authors



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Chad Wilkerson serves as Oklahoma City Branch Executive and Senior Vice President for the Federal Reserve Bank of Kansas City. Wilkerson began his career with Federal Reserve in the Kansas City research department in 1998, before accepting the role of Oklahoma City Branch Executive in 2006. In 2022, Wilkerson was appointed Senior Vice President. 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. Serving as Senior Vice President of Community Development, Wilkerson supports community development staff 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.



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Jannety Mosley is a Senior Survey Analyst in the Regional Affairs Department at the Oklahoma City Branch of the Federal Reserve Bank of Kansas City. In this role, she primarily supports the district economic surveys and reports. She also supports the recruitment and retention efforts of business participants in the economic surveys. She holds a B.S. degree in Agricultural Economics (Agribusiness) from North Carolina A&T State University and a M.S. degree in Rural Sociology from Pennsylvania State University.
