



Tenth District Services Growth Moderated Slightly in June

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District services activity stayed positive in June, and expectations for the future continued to grow. Employment declined slightly, and selling prices decreased this month.

Business Growth Moderated Slightly

Tenth District services growth moderated slightly in June while expectations for the next six months grew at a steady pace (Chart 1 & Table 1). Selling prices declined month-over-month while input prices still grew, although the pace of growth is expected to slow in the next six months.

The month-over-month services composite index was 2 in June, down from 11 in May and 9 in April (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in restaurants and hotels grew while the transportation and healthcare sectors declined. The month-over-month indexes were mixed. Revenues ticked down but remained expansionary while the number of employees, employee hours, and part-time employment all fell slightly. Additionally, wage growth and inventories cooled. The year-over-year composite index ticked up from 4 to 8, as revenues and employment growth picked up. Capital expenditures expanded only modestly following strong readings in previous months. The composite expectations index for services activity was unchanged at 10, indicating firms expect sales to continue increasing at a similar pace in the next six months.

Special Questions

This month contacts were asked special questions about their hiring. Nearly a quarter of firms stopped posting new positions in the last 3 months and 13 percent plan to in the next 6 months, while 12 percent reduced hours for their hired workers and 20 percent plan to. However, only 6% have laid off workers and only 9% plan to, and 69 percent (75 percent) have not done any of the above in the last 3 months (in the next 6 months) (Chart 2). Firms were also asked what factors have made it difficult to hire or retain workers. 72 percent reported they cannot find workers with the requisite skills, while 38 percent reported their workers wanting more flexible hours, 34 percent cited the availability/cost of housing as a difficulty, 25 percent cited the availability/cost of childcare, 10 percent cited the immigration status of their workers, and 10 percent cited the availability/cost of housing (Chart 3).

Selected Services Comments

“Business is slowing, and inventories are building.”

“Despite mortgage rates staying at current levels the local housing market has been resilient. I believe that this is due to market affordability and the lower cost of living which offsets higher rates raising monthly home payments.”

“As a staffing company, we are finding it difficult to obtain new hiring orders from existing clients as well as finding new clients.”

“So far, we have been able to fill all our openings.”

Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[About the Services Survey](#)

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