



## Tenth District Services Activity Grew Moderately, Driven More by the Consumer Sector

by: Megan Williams and Chase Farha

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Regional services activity grew moderately in November. The consumer services sector grew at a faster pace than business services this month, but both sectors' activity increased.

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### Business Activity Grew Moderately in November

Tenth District services activity grew moderately in November, driven more by the consumer services sector than business services (Charts 1 & 2). Expectations for future activity stayed positive (Table 1). Input price growth continues to far outpace selling price growth, constraining firms' profit margins.

The month-over-month services composite index was 9 in November, up from 5 in October and -2 in September (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Most industries grew this month, but consumer-oriented industries like autos and retail drove growth more. All month-over-month indexes were positive, except part-time employment at -1. General revenue/sales increased from 7 to 14, while employment ticked up from 4 to 6. All year-over-year indexes were positive as well, except for part-time employment and access to credit. The year-over-year composite index increased from 9 to 15. This growth was driven more by consumer-oriented firms, as the consumer index increased from 9 to 18 while the business services index slowed from 11 to 7. Both revenues and capital expenditures grew at a robust pace. Expectations for future services activity also stayed positive, as firms expect for revenues and employment to increase in the next six months.

### Special Questions

This month contacts were asked about employment expectations. Just under half of firms (44%) expect to increase employment levels over the next 12 months, while 42% plan to leave employment unchanged and only 14% plan to decrease (Chart 3). Firms were also asked if they have been raising starting wages for new hires. About a third of firms (31%) have raised new hires' wages for most job categories, while 29% have raised new hires' wages only for select job categories, another 26% have not raised new hires' wages, and 14% of firms are not actively hiring (Chart 4).

## Selected Services Comments

“It appears that the economy and hiring has softened. We have received far more qualified truck driver candidates than a year ago and we posted a staff position and over 100 applications within the first hour and much more than expected were qualified, i.e., degree with experience.”

“The numbers being reported related to job growth are not reflective of what we are seeing every day. You post a job requirement, you will have 400 responses. Two years ago, you would be lucky to get 5.”

“I am cautiously optimistic about an uptick in the economy going into 2025. The cost to small business for our loans is still a bit high and takes away from our bottom line.”

“As a staffing company, we are noticing greater fluctuations in the level of job orders obtained from our clients. Thus, we are having to spend more time developing metrics to stay in business.”

## Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[About the Services Survey](#)

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## Authors



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