



Tenth District Services Growth Eased in June

by: Megan Williams and Chase Farha

June 27, 2025

Tenth District services growth eased in June, while expectations for future activity remained elevated. Input and selling price growth cooled from last month and from this time last year, and are expected to ease further.

Business Growth Eased in June

The month-over-month services composite index was 3 in June, down from 11 in May and unchanged from 3 in April (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Growth in consumer services from last month eased while staying steady for business services. Particularly, the wholesale and healthcare sectors saw declines, while the restaurant, leisure/hospitality, and real estate sector grew. Almost all month-over-month indexes were positive, but most readings were lower than last month. General revenue/sales cooled from 14 to 2, and employment and employee hours also decreased to 6 and 3, respectively. Year-over-year growth picked up from 8 to 11, driven by an acceleration in business services growth (Chart 2). Growth in employment drove the overall increase, while revenues cooled and the capital expenditures index fell from 19 to 4. Expectations for future services activity also stayed expansionary, with expected revenue growth increasing and all other indexes easing.

Special Questions

This month contacts were asked special questions about uncertainty and international trade. Only 15% of firms have paused ongoing capital investment as a result of uncertainty, while 13% have reduced job postings and 9% have reduced employee headcount. Further, 6% have cancelled ongoing capital investment, 3% reported they have taken other measures, and 73% have done none of the above (Chart 3). Additionally, only 20% of services firms surveyed reported that they are engaged in international trade, either with their inputs or outputs (Chart 4).

Selected Services Comments

“About half of our lumber is sourced from Canada. Looming duty change in the fall is a big concern. We have received some price increases recently (windows). Normally there would not be a change in the summer.”

“While our company doesn't trade internationally, our manufacturers rely on some international components, and the uncertainty right now makes competitive strategy planning extremely difficult. There are so many variables right now that

change weekly.”

“From a staffing perspective, it has been extremely difficult to find qualified employees. Many who are qualified are wanting to work remotely.”

“Workers continue to be in short supply.”

“Business has increased, and input prices are down.”

“Retail is hurting. Consumers are frozen.”

“Overall uncertainty is the largest deterrent to sales.”

Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[About the Services Survey](#)

Authors



Megan Williams

Associate Economist and Senior Manager

Megan Williams is Associate Economist and Senior Manager in the Regional Affairs department at the Kansas City Fed's Oklahoma City Branch office. In this role, she is responsible for current monetary policy research, district economic surveys, and a variety of economic research projects. She also serves as Secretary for the Oklahoma City Branch Board of Directors. Williams joined the Federal Reserve Bank in 2000 as an Analyst in the Retail Payments Support department, and assumed her current role in March 2006. She holds a bachelor's degree in Finance from Oklahoma State University and a MBA degree from the University of Oklahoma. Williams serves on the Board of Directors of the Oklahoma Council on Economic Education and is a former Board Chair. She lives in Choctaw, Oklahoma, with her husband and two children.



Chase Farha

Research Associate

Chase Farha is a Research Associate in the Regional Affairs department at the Oklahoma City branch of the Federal Reserve Bank of Kansas City. In this role, his responsibilities include contributing to the Oklahoma Economist and a variety of research projects. He holds a Bachelor of Science degree in Economics, with minors in mathematics and Arabic, from Tulane University.