



Tenth District Services Activity Fell Modestly in July

by: Cortney Cowley and Megan Williams

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Tenth District services activity fell modestly in July, while expectations for future activity remained positive. Input prices continued to ease, while selling prices remained steady from last month.

Business Activity Fell Modestly in July

The month-over-month services composite index was -5 in July, down from 3 in June and 11 in May (Tables 1 & 2). The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in the real estate, tourism, and hotel sectors grew, while the wholesale trade sector continued to decline. The month-over-month indexes were mixed. General revenue/sales cooled further from 2 to -8, and employment and employee hours both decreased to -6. Year-over-year growth eased from 11 to 1, and revenues decreased slightly from 7 to -2 (Chart 2). Capital expenditures increased modestly from 4 to 6. Expectations for future services activity remained positive, as firms' anticipated revenue and employment growth continued to be favorable.

Special Questions

This month contacts were asked special questions about profit margins and passthrough ability. A significant portion of firms (41%) reported that in the previous quarter there was a slight decrease in profit margins, while 15% reported a significant decrease 14% reported no change, 26% reported a slight increase, and 4% reported a significant increase. In the next 12 months, 40% of firms expected margins to slightly decrease, 13% expected a significant decrease, 16% expected no change, 28% expected a slight increase, and 3% a significant increase (Chart 3). Additionally, 41% of firms reported that over the last few months their ability to pass through rising input prices has not changed, 33% reported it is harder to pass through costs, 23% reported a slight increase in ability, and 3% of firms reported a considerable increase (Chart 4).

Selected Services Comments

"Customers are more careful on spending and number of visits. Also, we are seeing more new competition of dining places in the area."

"Existing home listings are up versus last month and last year, but sales are slow due to asking prices that are too high because of either paying too much during the Covid years, or interest rates being high enough to suppress demand. This development is

not a bust but a welcome reset to proper pricing according to the market.”

“Business has slowed dramatically.”

“Business seems to be chugging along very steady. Overall business is good”

“Business volume has been softening for several months. People are pulling back on their travel and spending.”

“We have always maintained a debt free business. However, it is becoming harder to maintain our liquidity. We are reverting back to the days when we first started when owners had to fund expenses to stay afloat.”

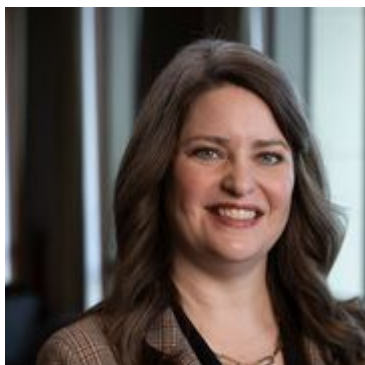
Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[About the Services Survey](#)

Authors



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Cortney Cowley serves as [Oklahoma City](#) Branch Executive and Assistant Vice President for the Federal Reserve Bank of Kansas City. Cowley joined the Bank in 2015 as an economist and was promoted to senior economist in 2021. In 2025, Cowley began her role as Branch Executive. As Oklahoma City Branch Executive, Cowley is the Bank's lead officer and economist in Oklahoma. She recruits and works closely with the Oklahoma City Branch Board of Directors and is responsible for briefing Kansas City Fed President Jeff Schmid, a member of the Federal Open Market Committee, on economic trends in the state. She also serves as a special advisor on agriculture to Governor Miki Bowman at the Federal Reserve Board of Governors. Cowley's team conducts research and surveys on key regional issues such as energy, manufacturing and migration. Cowley holds a Ph.D. in Agricultural Economics from Oklahoma State University, as well as a master's degree in Civil Engineering from Colorado State University and a bachelor's degree in Biosystems Engineering from Oklahoma State University, where she was named a Harry S. Truman Scholar. She is a member of the Economic Club of Oklahoma, Downtown Club of Oklahoma City, the Agricultural and Applied Economics Association and serves as an economic advisor on the campaign cabinet of the United Way of Central Oklahoma. Cowley, along with her husband and eight-year-old twins, lives on a small farm northwest of Oklahoma City.



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