



## Tenth District Services Activity Grew Slightly in December

by: Cortney Cowley and Megan Williams

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Tenth District services activity grew slightly in December, and expectations for future services activity increased moderately. Input price growth ticked up slightly, while growth in selling prices cooled from last month.

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### Business Activity Grew Slightly in December

The month-over-month services composite index was 3 in December, up from -7 in November, and -5 in October (Tables 1 & 2).

The composite index is a weighted average of the revenue/sales, employment, and inventory indexes. Activity in the auto services, health services, and transportation sectors increased modestly, while information services activity fell. Most month-over-month indexes were positive except for credit conditions and employment. The monthly general revenue/sales index increased from -4 to 7, while the employment index increased from last month but stayed negative at -6. The year-over-year composite index decreased from 6 to -1, driven by cooling in the consumer services sector. The capital expenditures index increased from 5 to 9. Expectations for future services activity increased moderately, particularly for employment and general revenue/sales.

### Special Questions

This month, contacts were asked special questions about employee turnover, productivity, and capital expenditures.

Approximately half of firms (51%) reported no change in employee turnover over the past year, while 19% reported an increase and 30% reported a decrease. A third of firms reported average productivity increased, while 14% reported a decrease and 56% reported no change (Chart 2). Firms also reported expectations for capital expenditures in 2026, with 38% expecting them to be significantly higher, 13% expecting slightly higher, 21% expecting no change, 17% expecting slightly lower, and 11% expecting significantly lower capital expenditures (Chart 3).

### Selected Services Comments

“Our focus is do more with less - use AI and push efficiency - no more new investments - sell what we have.”

“We need to build new facilities, but we are waiting on lower prices.”

“Too much uncertainty.”

“Still hearing from consumers that they are very strained and have lots of uncertainty.”

“Uncertainty has never been higher from our customer's perspective.”

“We have seen a tremendous lack of retail traffic. People are not "recreationally" shopping, they come in with an intention to buy something relatively specific & are not adding on items.”

“Economic uncertainty and lack of company-owned investment resources are slowing new product development.”

## Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[About the Services Survey](#)

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## 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 Vice Chair for Supervision 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.



### Megan Williams

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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.