



Tenth District Manufacturing Activity Fell Again in April

by: Chad Wilkerson, Chase Farha and Jannety Mosley

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Tenth District manufacturing activity fell again in April, and expectations for future activity remained flat. Prices for raw materials grew at a steady pace while finished product prices stayed the same, increasing their spread.

Factory Activity Fell Again

The month-over-month composite index was -8 in April, down from -7 in March and -4 in February (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Activity declined somewhat for both durable and nondurable goods, with food, metals, electrical equipment, and paper manufacturing driving the decreases. All month-over-month indexes posted negative readings, except for the price indexes and new order for exports which was flat. Production, volume of shipments, supplier delivery time, and material inventories fell further from last month, while declines in new orders and backlogs moderated. The number of employees and employee workweek indexes were essentially flat at -2 and -3, respectively. The year-over-year index for factory activity decreased further to -12 from -4. Production fell further at -8 and employment declined with a reading of -7. The capital expenditures index reached -6, its lowest level since August 2020. The future composite index ticked up to 2 from 1 in April, with the production index boosting the composite at a reading of 16 and the raw materials inventory index dragging at -15.

Special Questions

This month contacts were asked special questions about workforce training and hiring priorities. Two thirds of firms have devoted more resources to training workers that do not meet skill requirements, with 24% devoting significantly more resources and 43% devoting slightly more. Additionally, 31% reported no change in the resources devoted to training and 2% devoted less resources (Chart 2). Firms were also asked about their biggest priority in hiring over the next six months. 41% reported hiring entry-level workers is their biggest priority, while 48% said mid-level workers, 8% said senior-level workers, and 3% of firms reported they are not hiring (Chart 3).

Selected Manufacturing Comments

“Increase in sales and decline in inventories for this month over previous month was weather related.”

“We are still having some supply issues and the same issues continue in finding productive, reliable workers.”

“We need good workers in low- and mid-level skill set. We just can't find enough in our area. We currently have 9 positions open and are struggling finding the right skill level.”

“Inflation is not under control. It has slowed but is going to bubble back up again, particularly in some key commodity inputs. Prices charged to customers will have to go up. Labor is hard, but there are more workers out there vs. two years ago. But, the quality is low. Lots of churn to get the folks you want to keep.”

Survey Data

[Current Release](#)

[Historical Monthly Data](#)

[About Manufacturing Survey](#)

Authors



Chad Wilkerson

Senior Vice President and Oklahoma City Branch Executive

Chad Wilkerson serves as Oklahoma City Branch Executive and Senior Vice President of Community Development for the Federal Reserve Bank of Kansas City. Wilkerson has been with the Federal Reserve since 1998, starting in Kansas City's research department. Appointed in 2006 as Oklahoma City Branch Executive, Wilkerson is the Bank's lead officer and regional economist in Oklahoma. He recruits and works closely with the Oklahoma City Branch Board of Directors and is responsible for briefing the Kansas City Fed president, a member of the Federal Open Market Committee, on economic trends in the state. His team conducts research and surveys on key regional issues such as energy, manufacturing and migration. Wilkerson was appointed Senior Vice President in 2022, and supports a Community Development team located across the Kansas City Fed's seven-state region. This group works to understand and address issues affecting the ability of underserved communities and small businesses to access credit. Community development focus areas include financial resiliency, affordable housing, community investments, workforce development, rural development and digital inclusion. Wilkerson holds a master's degree in public policy from the University of Chicago, as well as a master's degree from Southwestern Seminary and bachelor's degree from William Jewell College. He serves on the boards of the Economic Club of Oklahoma, the United Way of Central Oklahoma and City Rescue Mission. He lives in Edmond, Oklahoma, with his wife and 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.



Jannety Mosley

Senior Survey Analyst

Jannety Mosley is a Senior Survey Analyst in the Regional Affairs Department at the Oklahoma City Branch of the Federal Reserve Bank of Kansas City. In this role, she primarily supports the district economic surveys and reports. She also supports the recruitment and retention efforts of business participants in the economic surveys. She holds a B.S. degree in Agricultural Economics (Agribusiness) from North Carolina A&T State University and a M.S. degree in Rural Sociology from Pennsylvania State University.
