

ECONOMIC CONDITIONS IN MANUFACTURING

February 7, 2025

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FEDERAL RESERVE BANK
OF MINNEAPOLIS



DISCLAIMER

The views expressed here are the presenter's and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.





TODAY'S PRESENTATION

- Manufacturing sector
- Survey results
 - Contraction in 2024
 - Optimism for 2025
- Automation investment mixed





TODAY'S PRESENTATION

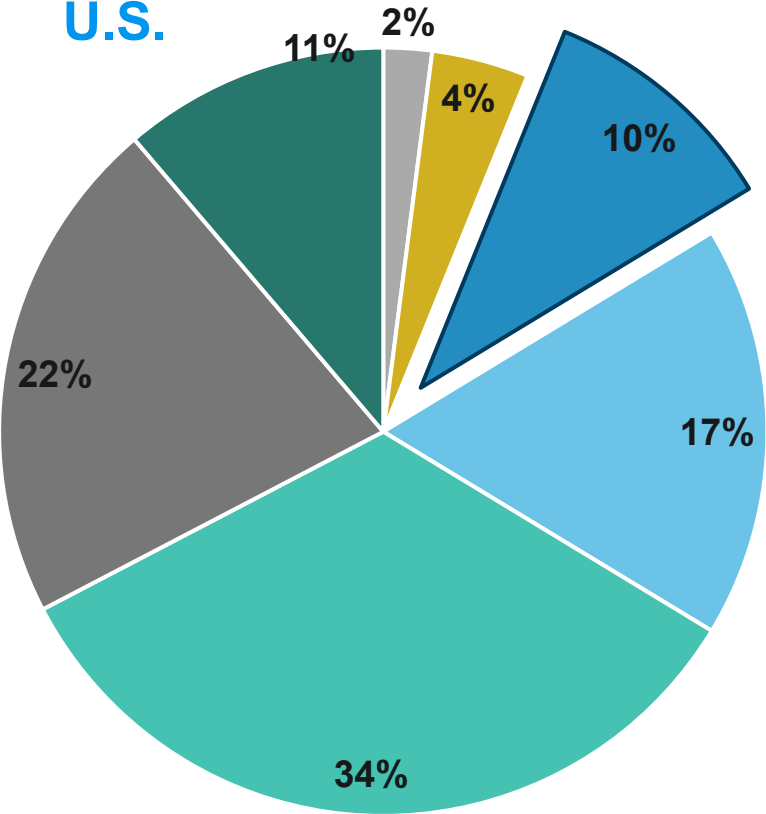
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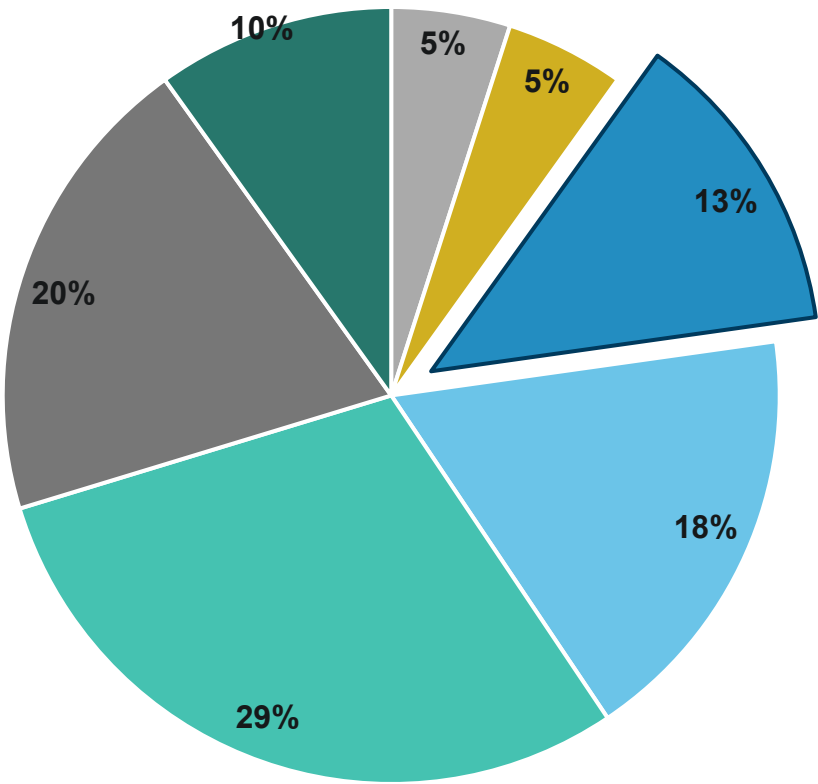
OUTPUT BY INDUSTRY, 2023, U.S. & NINTH DISTRICT

U.S.



- Natural resources
- Trade, Transportation & Utilities
- Government
- Construction
- Services

Ninth District



- Manufacturing
- Finance, Insurance & Real Estate

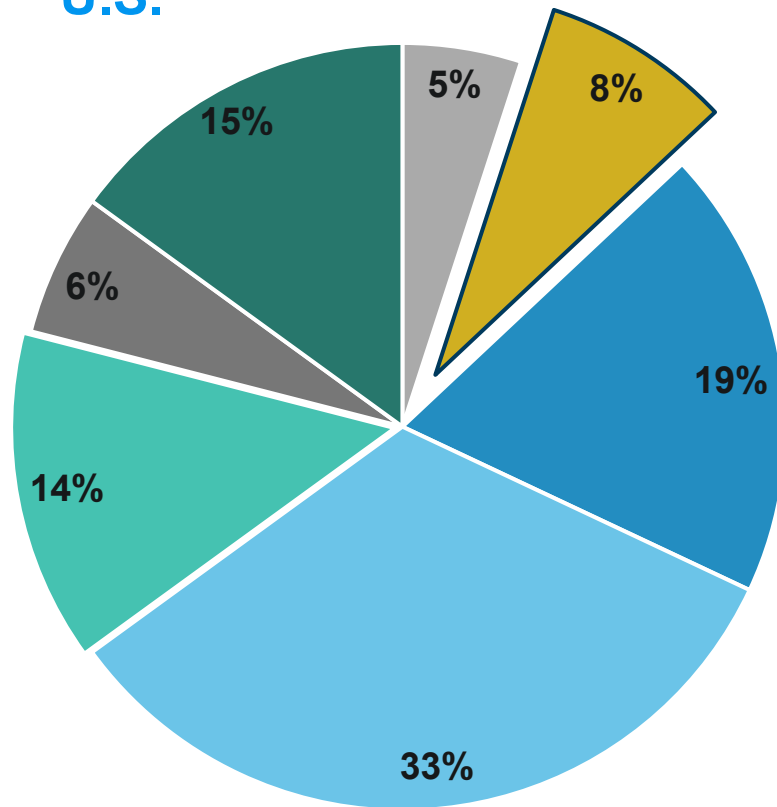


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Source: Bureau of Economic Analysis

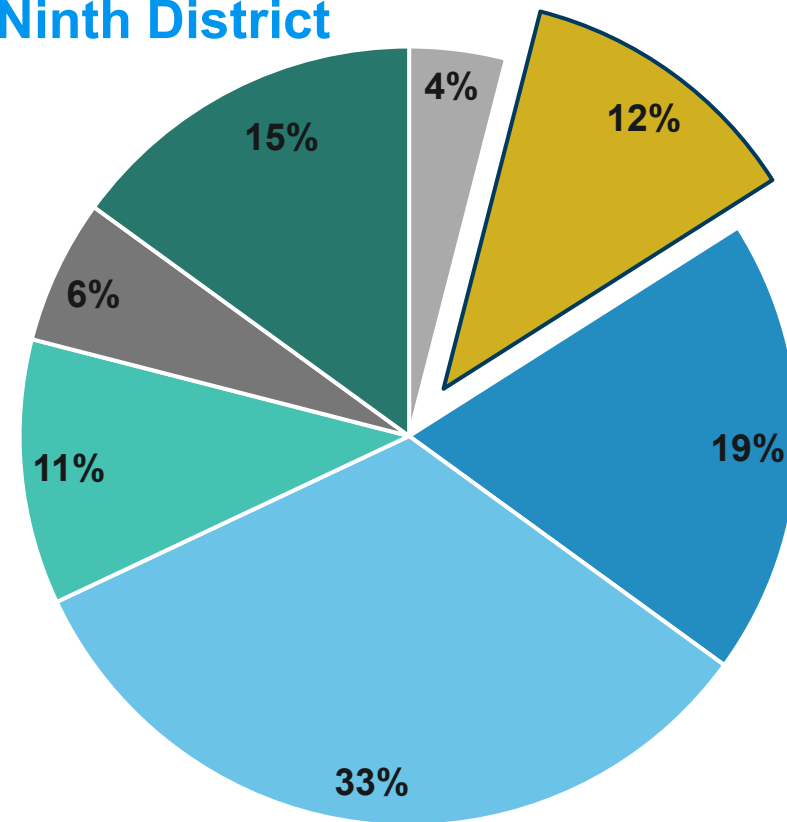
EMPLOYMENT BY INDUSTRY, DEC. 2024, U.S. & DISTRICT

U.S.



- Construction
- Trade, Transportation and Utilities
- Professional and Business Services
- Government

Ninth District



- Manufacturing
- Other Services
- Financial Services

Source: Bureau of Labor Statistics



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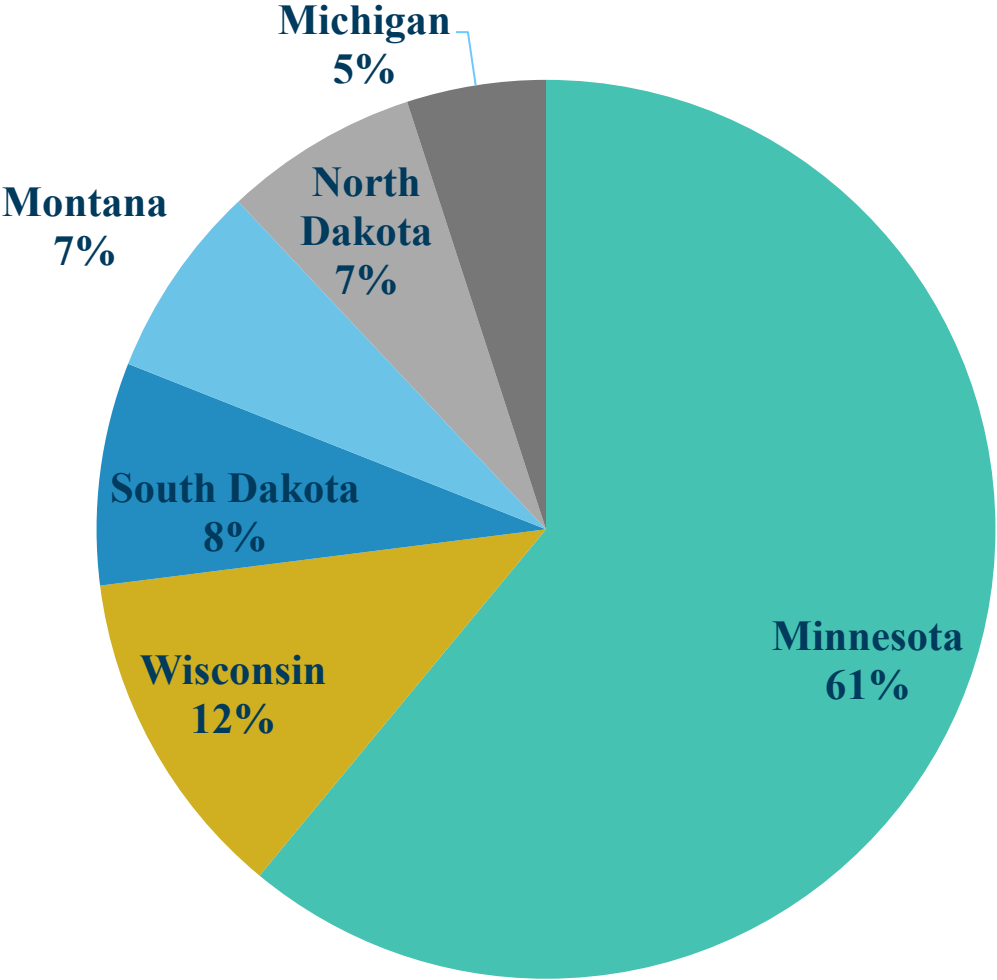


MANUFACTURING ACTIVITY DOWN, OUTLOOK OPTIMISTIC

- Ninth District survey
 - Conducted November and December, looking backward and forward one year
 - Random sample of manufacturers, polled via mail
 - Stratified by state and firm size
 - All states, 487 respondents
- Conducted in partnership with Minnesota DEED

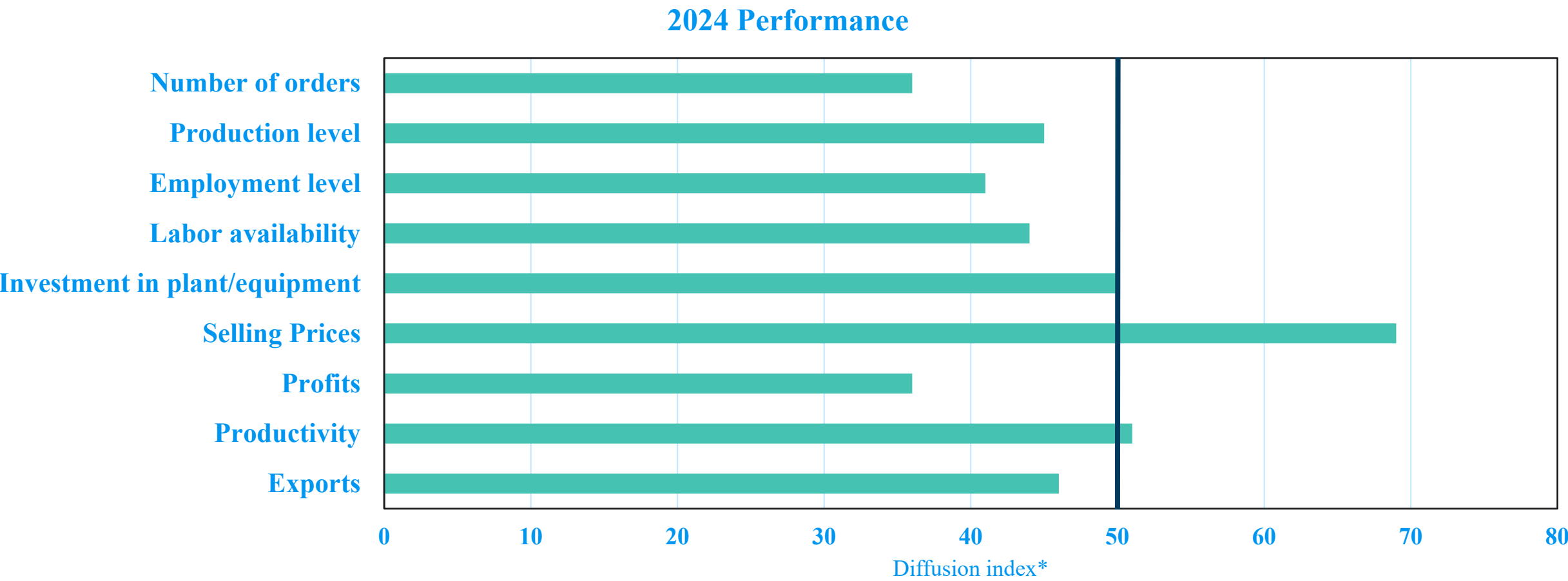


SURVEY RESULTS



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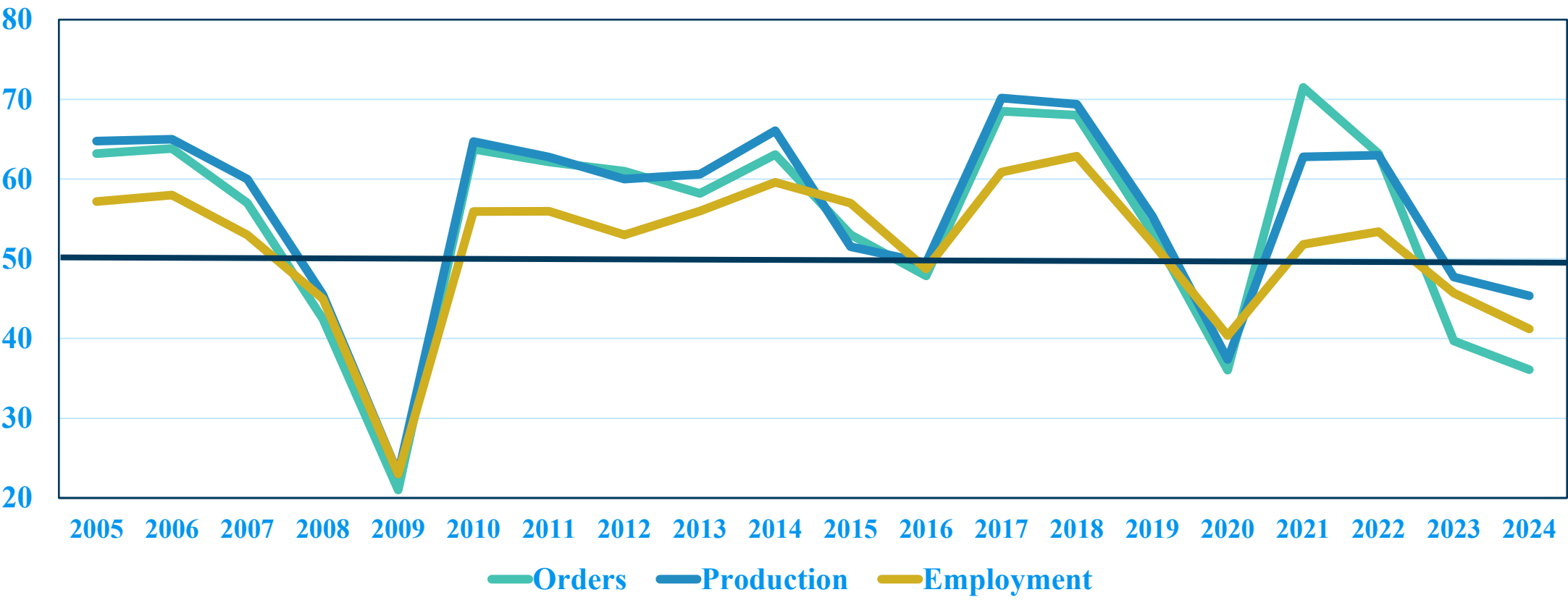
ACTIVITY DECREASED IN 2024



*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.

SURVEY RESULTS

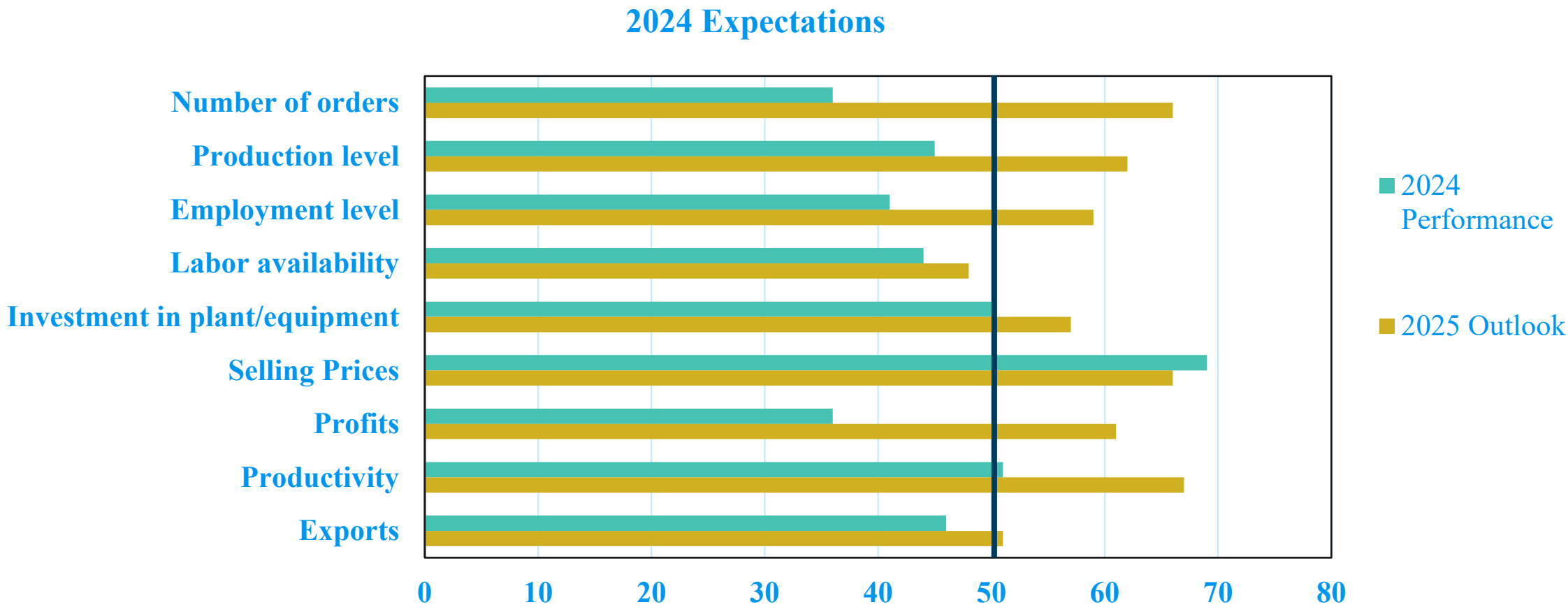
ACTIVITY CONTRACTED FOR SECOND YEAR IN A ROW



*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.

SURVEY RESULTS

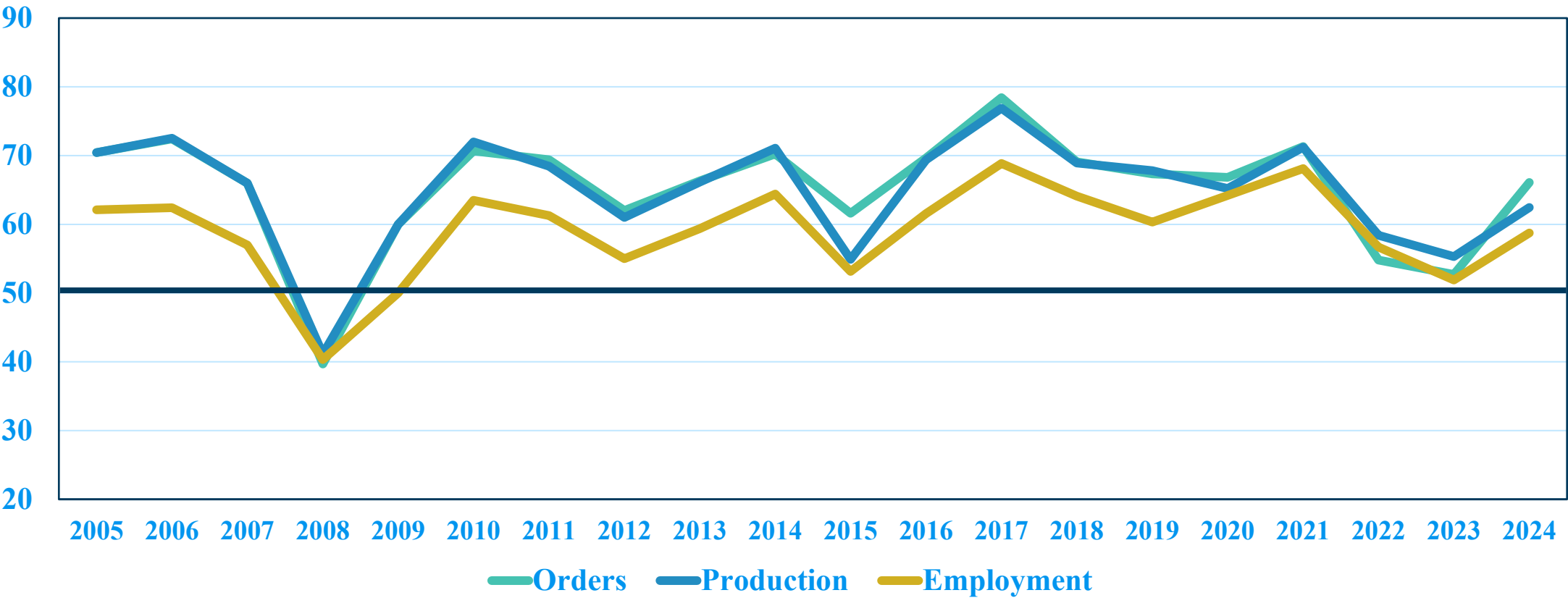
2025 EXPECTATIONS VERY OPTIMISTIC



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Index number below 50 indicates contraction.

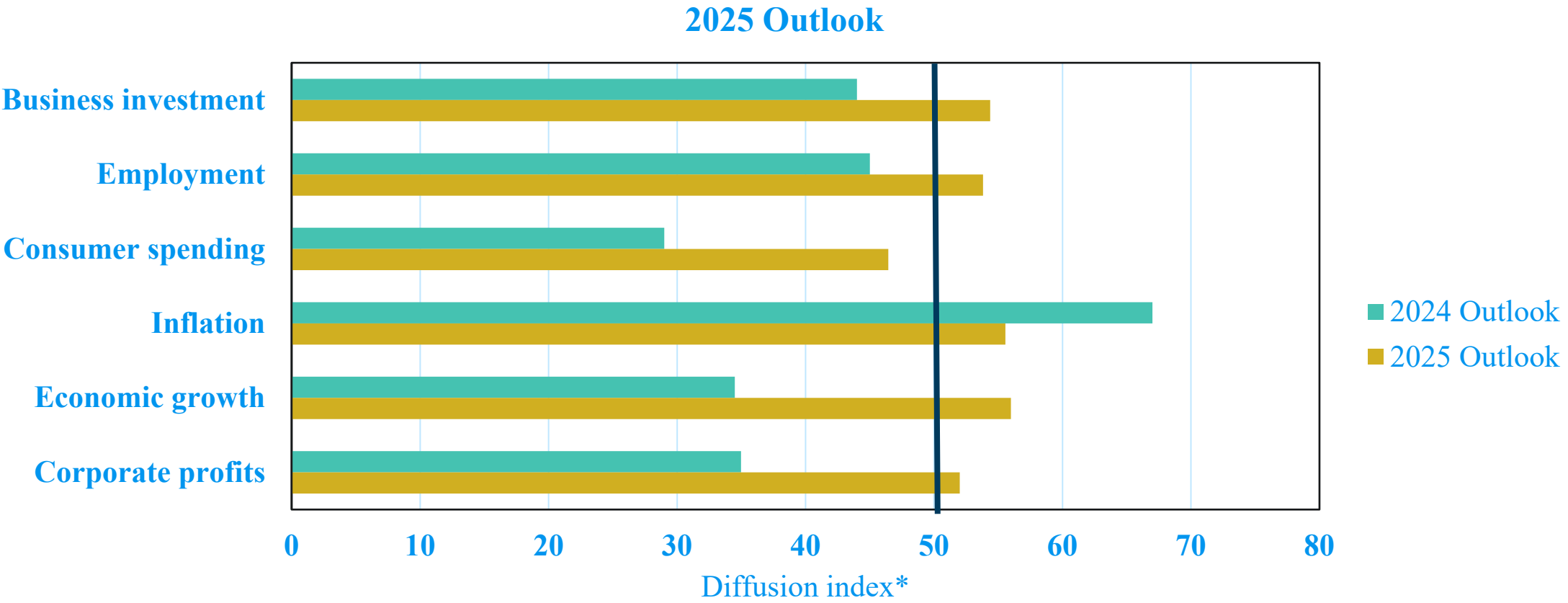
SURVEY RESULTS

STRONGEST EXPECTATIONS IN THREE YEARS



*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.

STATE ECONOMIC OUTLOOKS MUCH MORE OPTIMISTIC



*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.



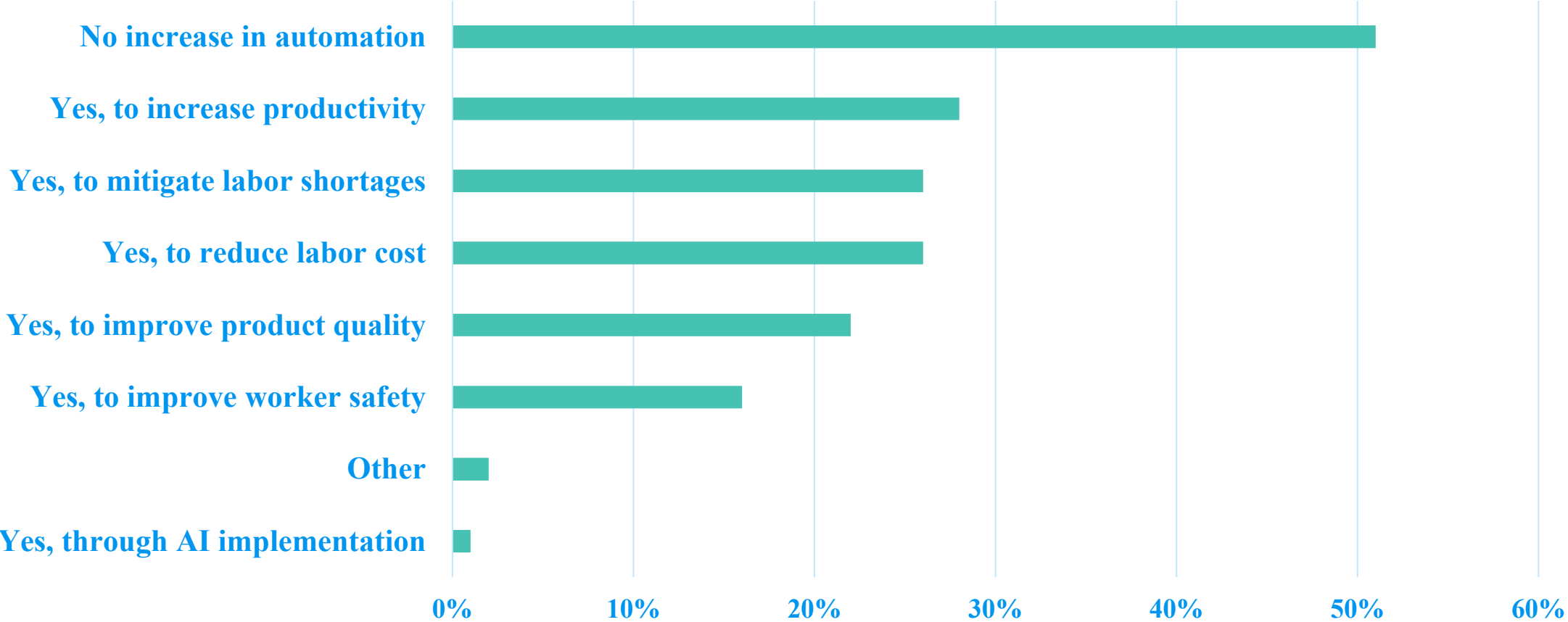
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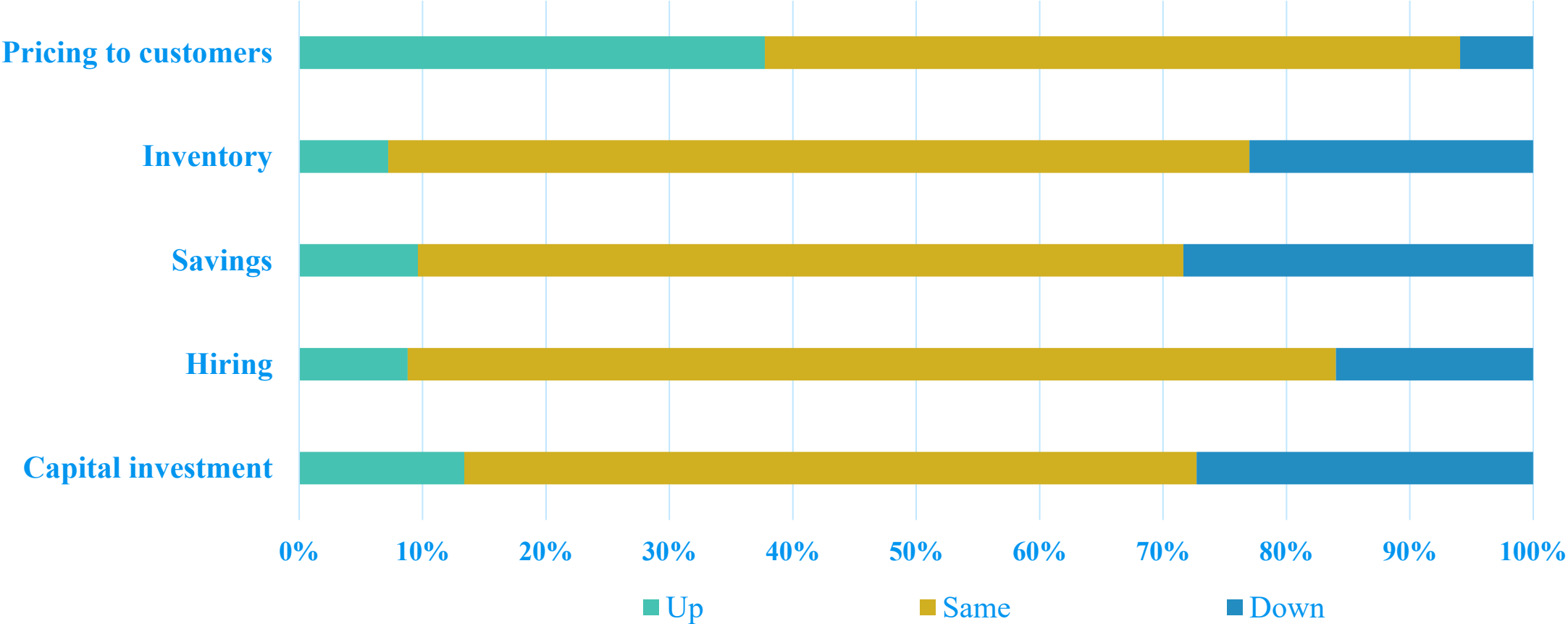
AUTOMATION

DID YOU INCREASE AUTOMATION OVER THE PAST YEAR?



CREDIT CONDITIONS

WHAT IMPACT DO YOU EXPECT CURRENT INTEREST RATES TO HAVE ON THE FOLLOWING ASPECTS OF YOUR BUSINESS IN 2025?





THANK YOU!

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