

# ECONOMIC CONDITIONS IN MANUFACTURING

January 30, 2026

**Joe Mahon**

Regional Outreach Director



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
  - Activity decreased (again) in 2025
  - Manufacturers optimistic for 2026
- Tariff impacts biggest for pricing



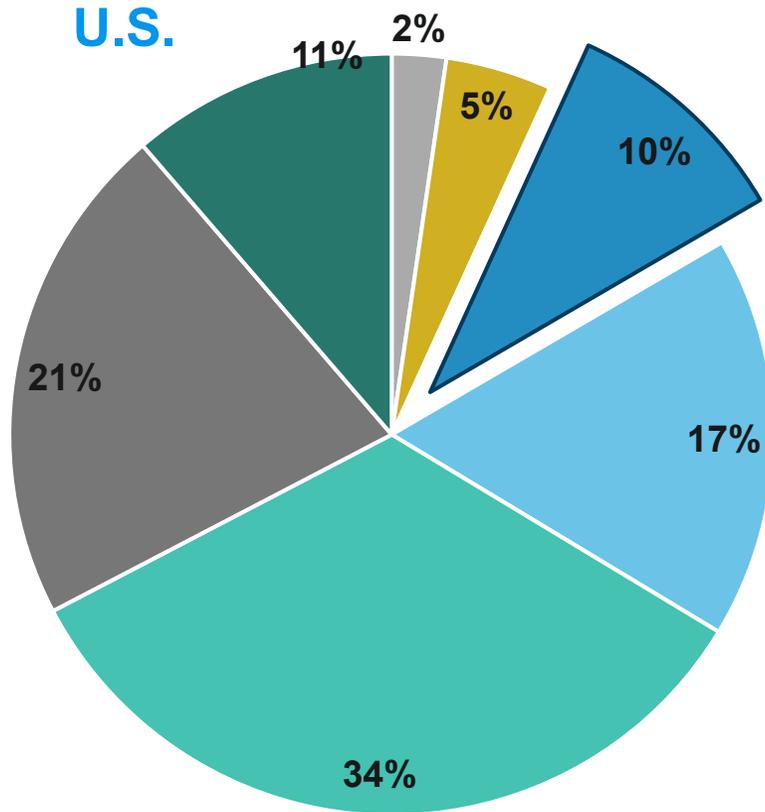


## TODAY'S PRESENTATION

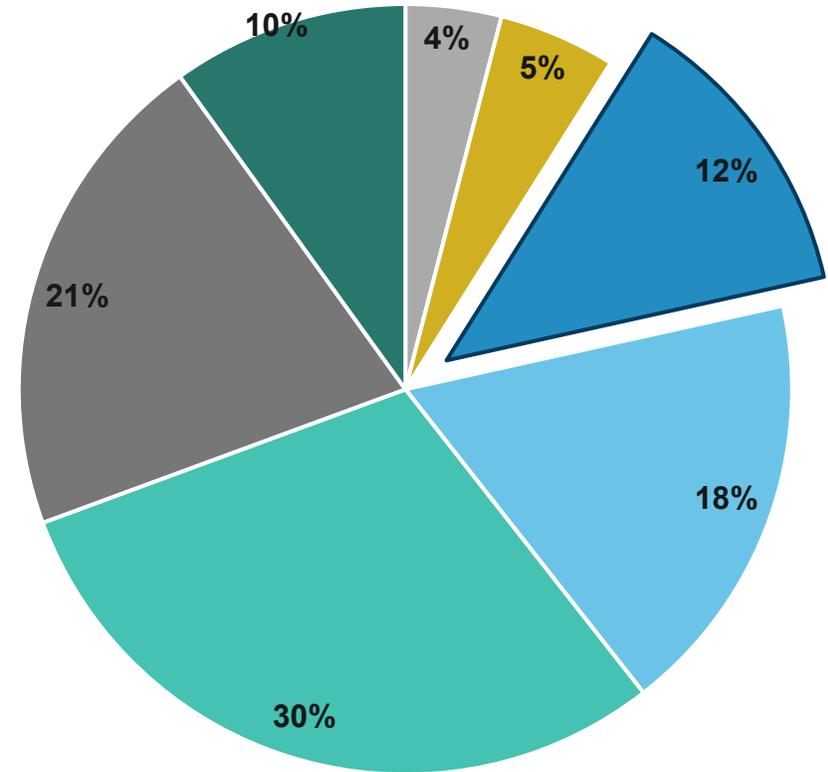
- Manufacturing sector
- Survey results
  - Activity decreased (again) in 2025
  - Manufacturers optimistic for 2026
- Tariff impacts biggest for pricing



# OUTPUT BY INDUSTRY, 2024, U.S. & NINTH DISTRICT



### Ninth District



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

- Manufacturing
- Finance, Insurance & Real Estate

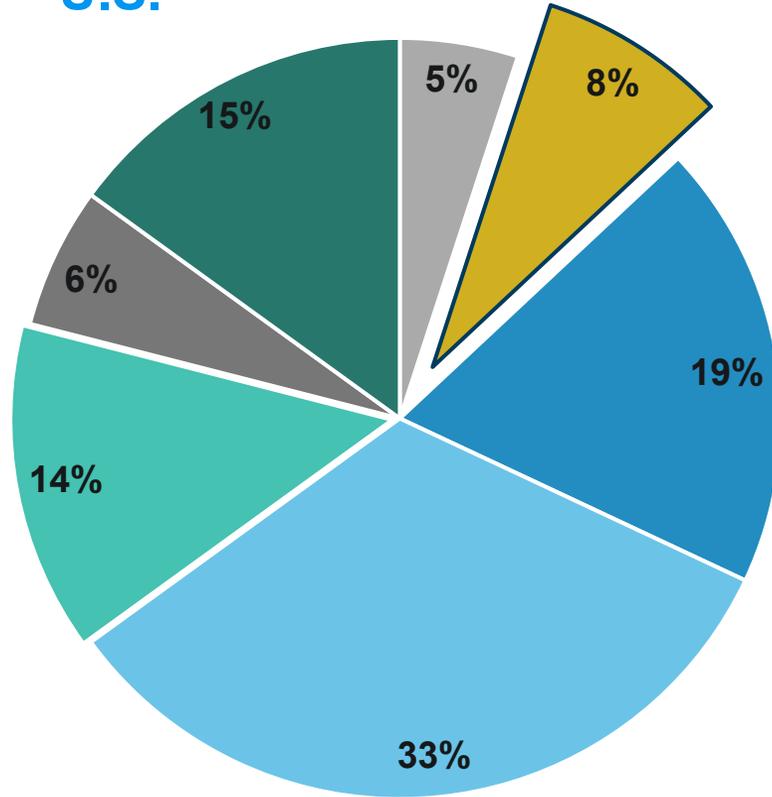
Source: Bureau of Economic Analysis



FEDERAL RESERVE BANK OF MINNEAPOLIS

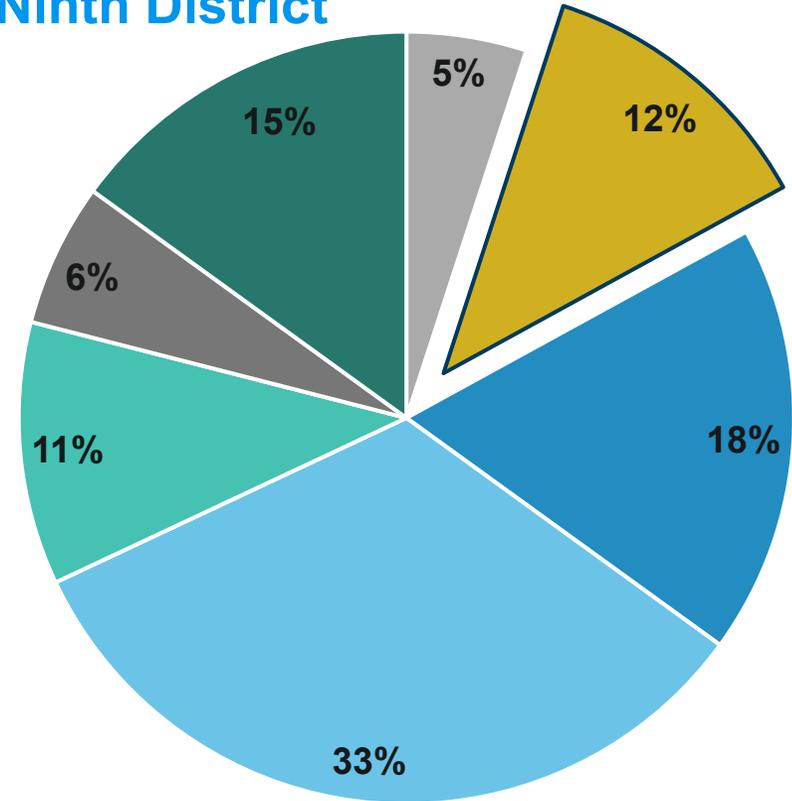
# EMPLOYMENT BY INDUSTRY, DEC. 2025, U.S. & DISTRICT

## U.S.



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

## Ninth District



- Manufacturing
- Other Services
- Financial Services

Source: Bureau of Labor Statistics



FEDERAL RESERVE BANK OF MINNEAPOLIS



## TODAY'S PRESENTATION

- Manufacturing sector
- Survey results
  - Activity decreased (again) in 2025
  - Manufacturers optimistic for 2026
- Tariff impacts biggest for pricing

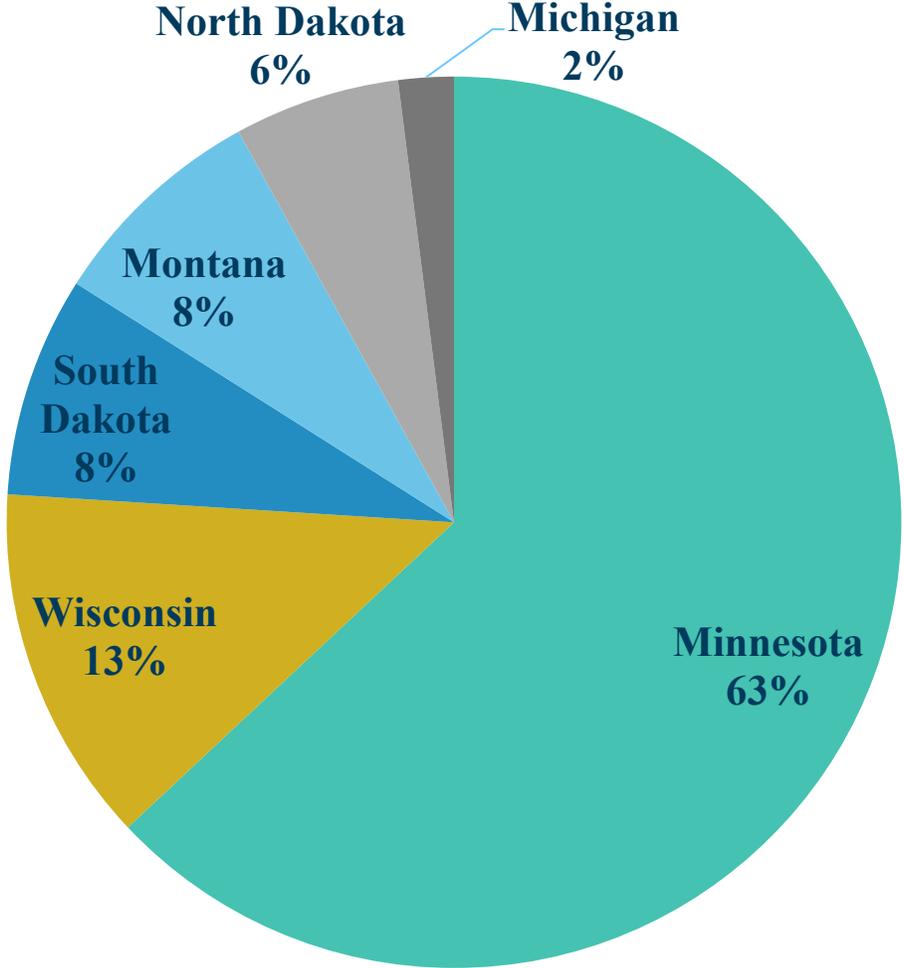


## MANUFACTURING ACTIVITY DOWN, OUTLOOK OPTIMISTIC

- 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, 351 respondents
- Conducted in partnership with Minnesota DEED



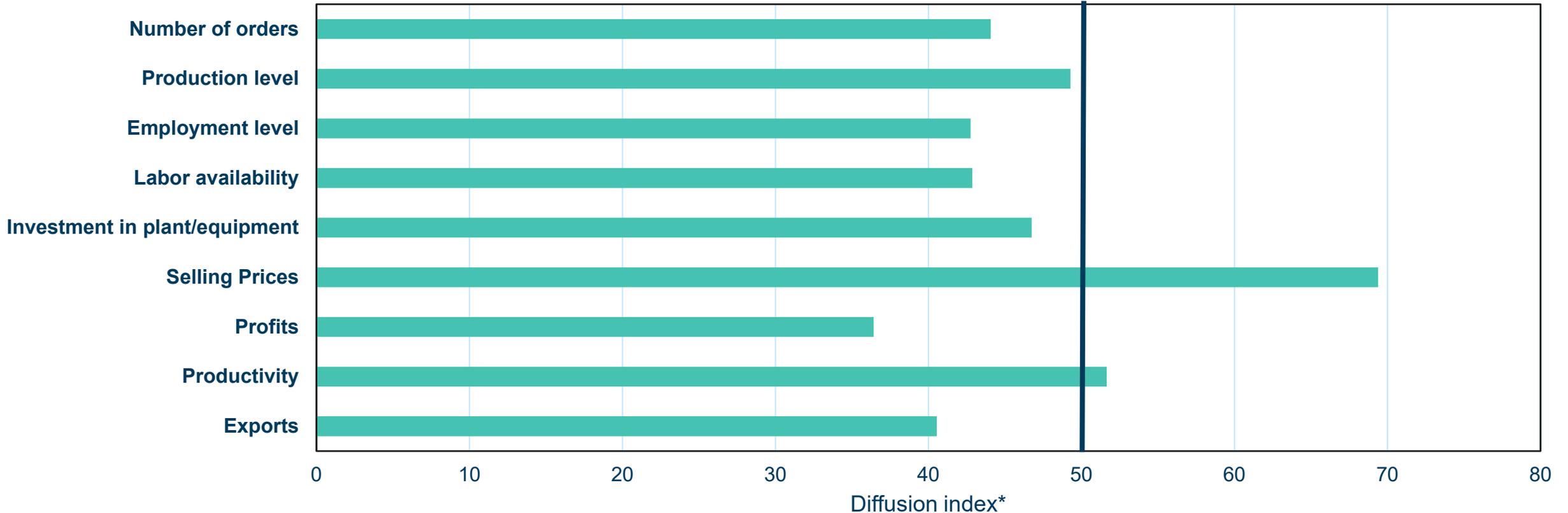
# SURVEY RESULTS



# SURVEY RESULTS

## ACTIVITY DECREASED IN 2025

### 2025 Performance

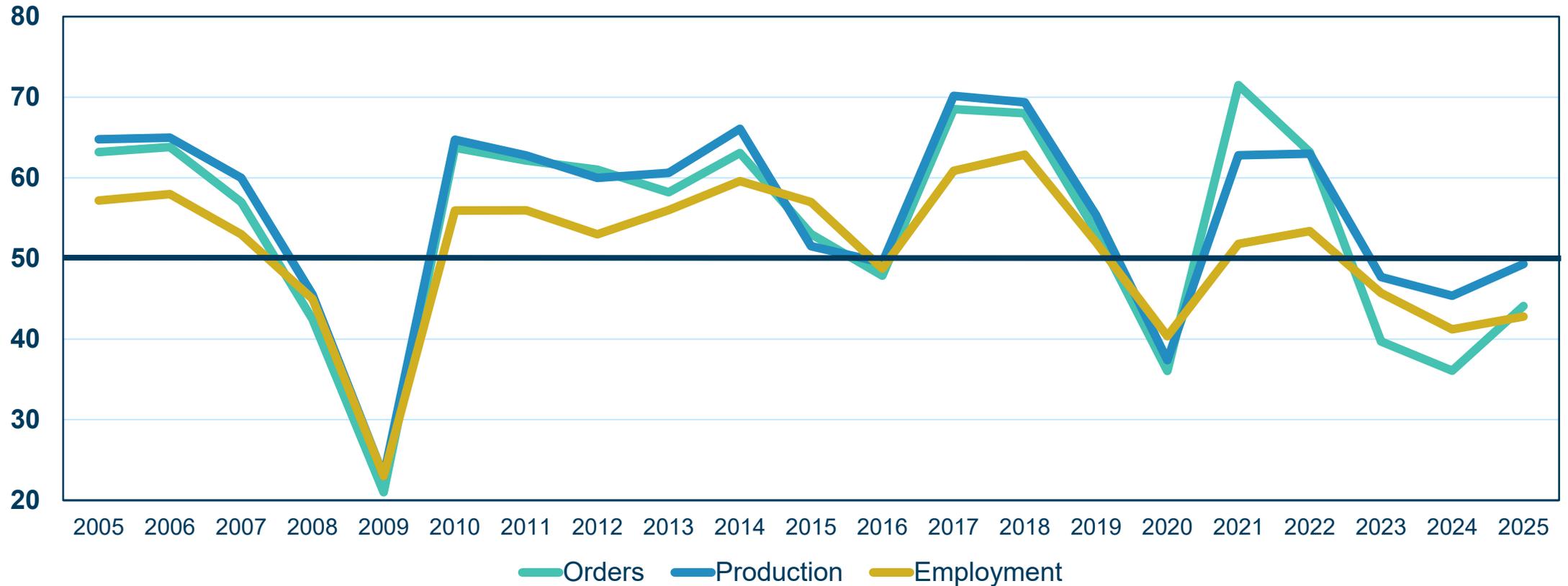


\*Index number above 50 indicates expansion.  
Index number below 50 indicates contraction.



# SURVEY RESULTS

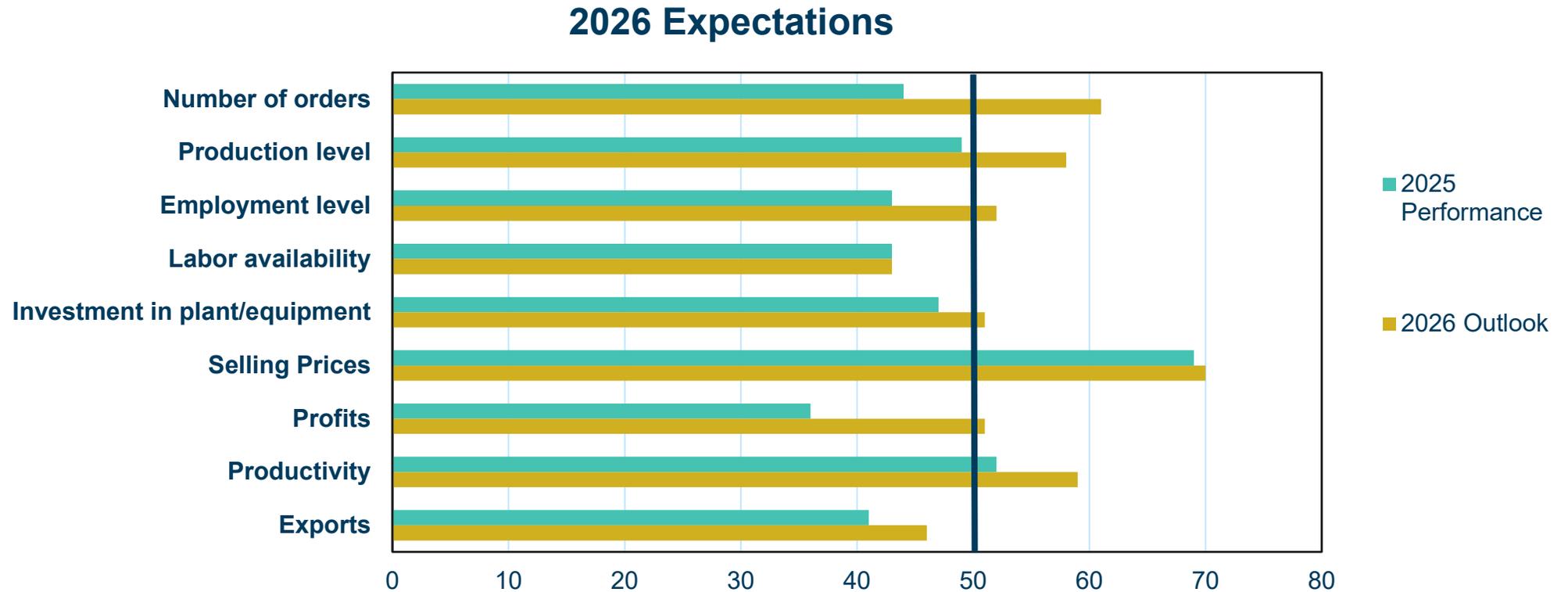
## ACTIVITY CONTRACTED FOR THIRD YEAR IN A ROW



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



## 2026 EXPECTATIONS NET OPTIMISTIC

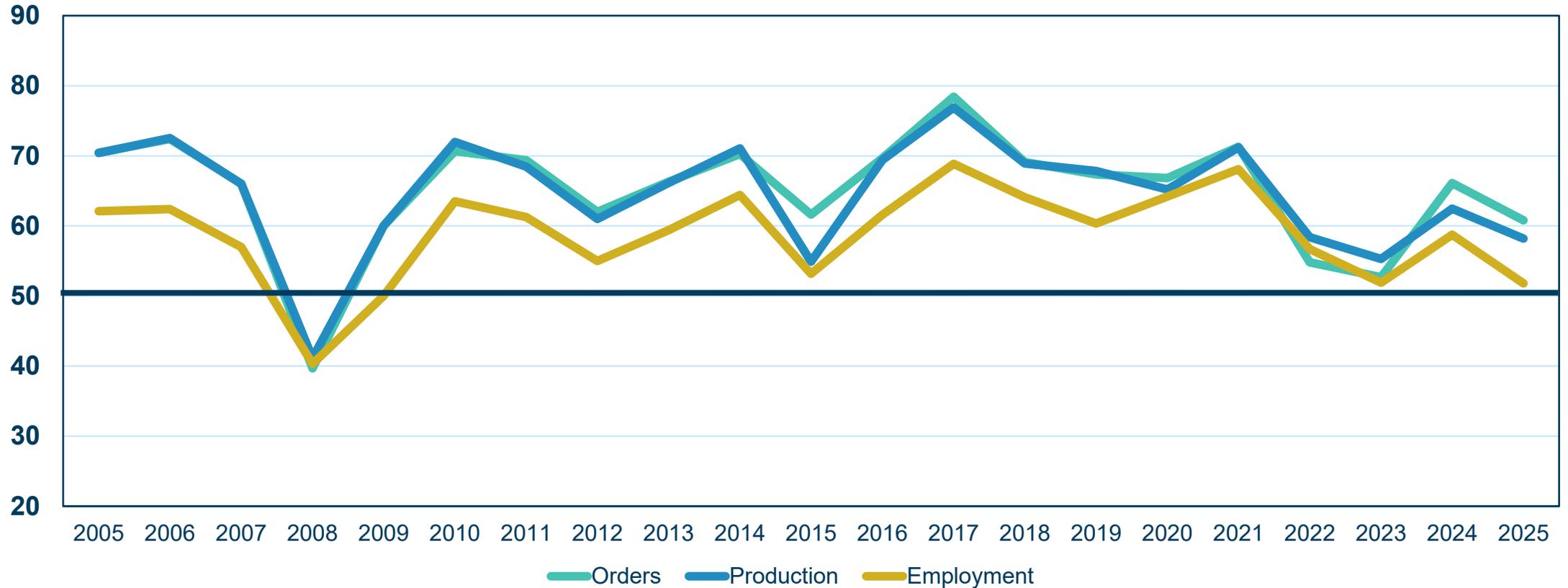


\*Index number above 50 indicates expansion.  
Index number below 50 indicates contraction.



# SURVEY RESULTS

## YEAR-AHEAD EXPECTATIONS STILL POSITIVE

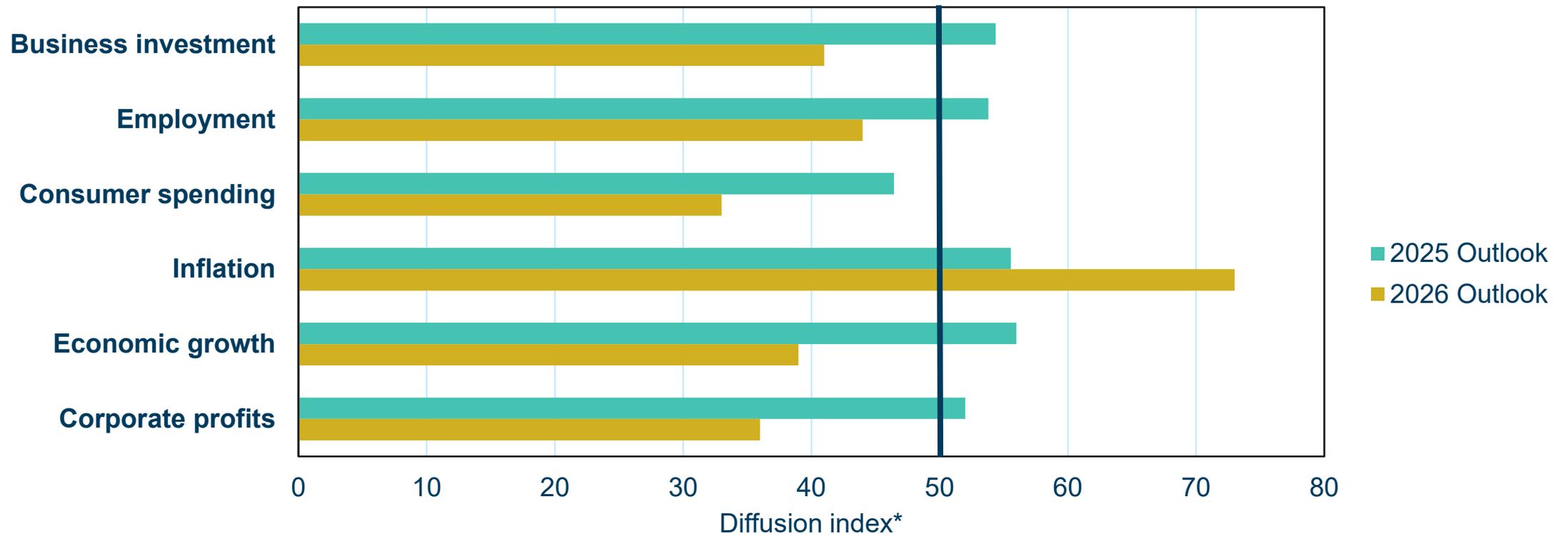


\*Index number above 50 indicates expansion.  
Index number below 50 indicates contraction.



## STATE ECONOMIC OUTLOOKS MUCH MORE PESSIMISTIC

### 2026 Outlook

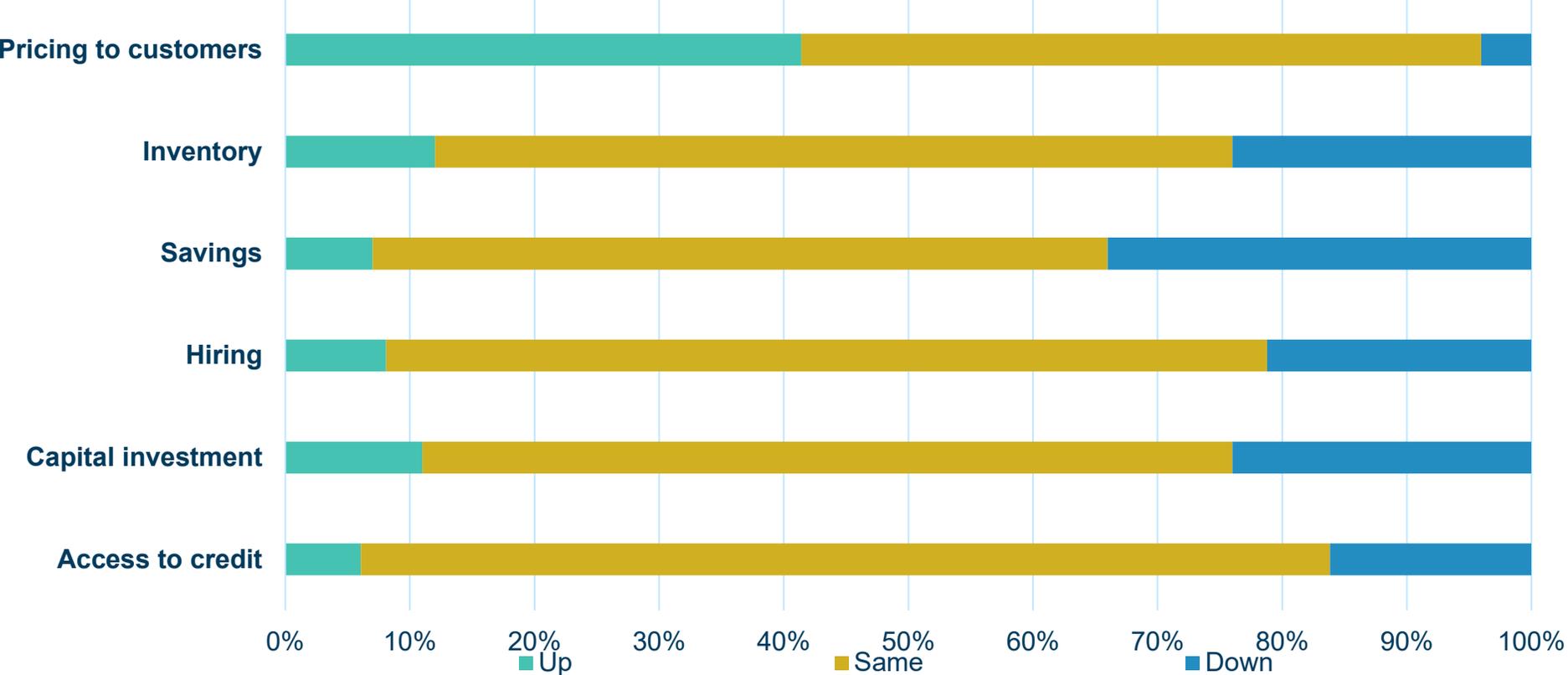


\*Index number above 50 indicates expansion.  
Index number below 50 indicates contraction.



# CREDIT CONDITIONS

## HOW HAVE CHANGES IN CREDIT IN 2025 AFFECTED YOUR FIRM?





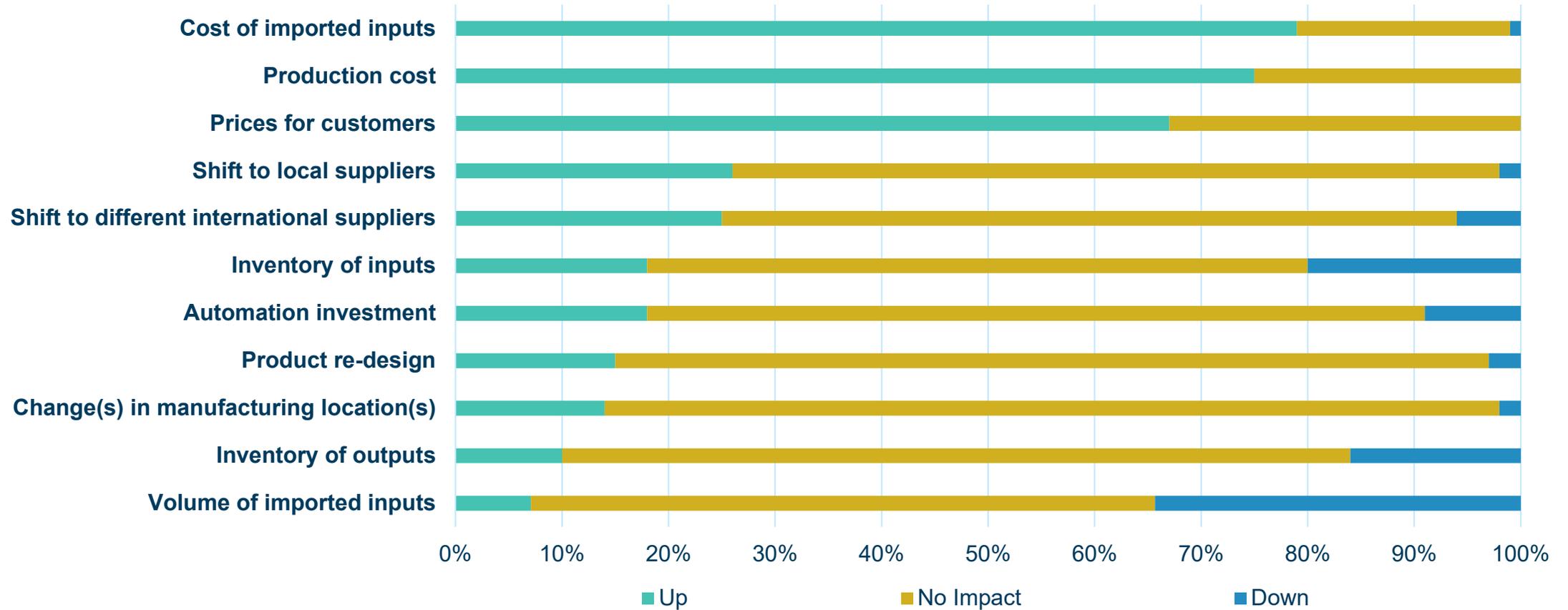
## TODAY'S PRESENTATION

- Manufacturing sector
- Survey results
  - Activity decreased (again) in 2025
  - Manufacturers optimistic for 2026
- **Tariff impacts biggest for pricing**



# TARIFF EFFECTS

INDICATE THE IMPACT OF TARIFFS ON YOUR BUSINESS SINCE THE BEGINNING OF 2025





**THANK YOU!**

**@MINNEAPOLISFED**

**JOSEPH.MAHON@MPLS.FRB.ORG**

**OR CONNECT ON LINKEDIN**