2025 STATE OF MANUFACTURING FALL SURVEY

Field Dates: August-September 2025
Sample Size: N=400 Manufacturing Executives

Question 1
From a financial perspective, how do you feel right now about the future for your company?

31%	VERY CONFIDENT
56%	SOMEWHAT CONFIDENT
10%	NOT VERY CONFIDENT
2%	NOT AT ALL CONFIDENT
*	DON'T KNOW/UNSURE
*	REFUSED
87%	**TOTAL CONFIDENT**
12%	**TOTAL NOT CONFIDENT**

Question 3
Thinking about the business climate in Minnesota compared to say five years ago, would you say the business climate has gotten better, gotten worse or stayed about the same?

17%	GOTTEN BETTER
53%	GOTTEN WORSE
28%	STAYED ABOUT THE SAME
1%	DON'T KNOW
1%	REFUSED

Question 2
And, even though we only have a few months left in 2025, as you think about this year, 2025, as a whole, do you think this year will be one of economic expansion, a flat economy, or a recession?

18%	ECONOMIC EXPANSION
59%	FLAT ECONOMY
22%	RECESSION
1%	DON'T KNOW/UNSURE
*	REFUSED

Question 2A

And, what about next year? If you had to make a projection about the year 2026, do you think 2026 as a whole will be a time of economic expansion, a flat economy, or a recession?

37%	ECONOMIC EXPANSION
41%	FLAT ECONOMY
19%	RECESSION
2%	DON'T KNOW/UNSURE
--	REFUSED

Question 5

As you look to the year-end, do you project your company's gross revenues for 2025 to increase or decrease compared to 2024, or will they probably stay the same?

16%	INCREASE BY MORE THAN 10%
16%	INCREASE BY LESS THAN 10%
12%	DECREASE BY LESS THAN 10%
20%	DECREASE BY MORE THAN 10%
33%	STAY THE SAME
3%	TOO SOON TO SAY/DON'T KNOW
--	REFUSED
32%	**TOTAL INCREASE**
32%	**TOTAL DECREASE**

Question 6

And, as you look to the year-end, do you project your company's profitability for 2025 to increase or decrease compared to 2024, or will it probably stay the same?

14%	INCREASE BY MORE THAN 10%
12%	INCREASE BY LESS THAN 10%
15%	DECREASE BY LESS THAN 10%
20%	DECREASE BY MORE THAN 10%
36%	STAY THE SAME
3%	TOO SOON TO SAY/DON'T KNOW
--	REFUSED
27%	**TOTAL INCREASE**
35%	**TOTAL DECREASE**

Question 7

And, as you look to the year-end, do you project your company's capital expenditures for 2025 to increase or decrease compared to 2024, or will they probably stay the same?

19%	INCREASE BY MORE THAN 10%
12%	INCREASE BY LESS THAN 10%
8%	DECREASE BY LESS THAN 10%
18%	DECREASE BY MORE THAN 10%
42%	STAY THE SAME
2%	TOO SOON TO SAY/DON'T KNOW
--	REFUSED
31%	**TOTAL INCREASE**
25%	**TOTAL DECREASE**

Questions 8-20

Now, I would like to read you a list of factors that some companies are concerned about. For each one, please rate how concerned your company is about that particular factor using a scale from 1 to 10, where one means that your company is NOT AT ALL CONCERNED about it and where ten means your company is VERY CONCERNED about it. You can choose any number between one and ten depending on how strongly you feel about it. *RANKED BY %8-10*

		10	8-10	5-7	1-4	9	8	7	6	5	4	3	2	1	DK/REF
(9X)	Government policies and regulations	**30%**	**53%**	**31%**	**17%**	8%	14%	11%	7%	13%	6%	5%	3%	3%	--
(20)	Taxes	**23%**	**44%**	**38%**	**18%**	6%	15%	13%	8%	17%	6%	5%	3%	3%	--
(19)	Tariffs	**19%**	**42%**	**31%**	**26%**	10%	13%	11%	7%	14%	5%	7%	5%	8%	1%
(12)	Attracting qualified workers	**17%**	**40%**	**33%**	**26%**	7%	17%	12%	7%	14%	5%	11%	5%	5%	--
(11)	Costs of employee salaries and benefits	**15%**	**39%**	**44%**	**18%**	6%	18%	16%	10%	17%	6%	5%	4%	3%	--
(14)	Economic and global uncertainty	**18%**	**38%**	**43%**	**19%**	7%	13%	15%	13%	16%	4%	8%	3%	5%	--
(8)	Overall inflation	**10%**	**30%**	**48%**	**22%**	4%	16%	16%	12%	20%	8%	6%	5%	3%	--
(9)	Recession	**9%**	**29%**	**42%**	**28%**	5%	16%	14%	9%	20%	7%	7%	6%	8%	--
(13)	Retaining qualified workers	**9%**	**28%**	**40%**	**32%**	6%	13%	13%	9%	18%	7%	9%	9%	7%	--
(18)	Incoming and outgoing supply chain issues	**7%**	**25%**	**40%**	**35%**	3%	15%	11%	10%	18%	11%	10%	7%	7%	--
(16)	Developing future leaders	**8%**	**23%**	**47%**	**29%**	5%	11%	13%	12%	22%	8%	8%	5%	7%	--

Question 22

What would you say are the one or two biggest challenges your company is facing that might negatively impact future growth?

First Choice	Combined Choice	
16%	29%	INCREASING COSTS OF MATERIALS FOR YOUR PRODUCTS
17%	28%	ATTRACTING AND RETAINING A QUALIFIED WORKFORCE
18%	26%	TARIFFS
14%	24%	UNFAVORABLE BUSINESS CLIMATE
13%	21%	COST OF HEALTH CARE INSURANCE
8%	17%	INCREASING COSTS OF WAGES
4%	12%	INFLATION
3%	7%	COST OR AVAILABILITY OF CAPITAL TO INVEST
6%	8%	OTHER
1%	1%	DON'T KNOW/NOT SURE
1%	1%	REFUSED

Question 23

Thinking ahead, what would you say are the two or three most important drivers of your company's future growth?

First Choice	Combined Choice	
36%	58%	NEW CUSTOMERS AND MARKETS
14%	31%	INCREASING PRODUCTIVITY
13%	29%	HIRING NEW EMPLOYEES
9%	24%	EFFECTIVE STRATEGIC PLANNING AND IMPLEMENTATION
12%	24%	NEW PRODUCTS
10%	23%	IMPLEMENTING AUTOMATION
3%	12%	DEVELOPING MANAGERS AND LEADERS
3%	6%	OTHER
*	*	DON'T KNOW/NOT SURE
--	--	REFUSED

Question 24B

As you look for applications in your business that can be automated, what are some of the reasons you are exploring or considering exploring automation?

44%	INCREASING PRODUCTIVITY
27%	ELIMINATING REPETITIVE TASKS
11%	IMPROVING WORKPLACE SAFETY
8%	SOMETHING ELSE
40%	NOT CONSIDERING AUTOMATION AT THIS TIME
*	DON'T KNOW/NOT SURE
--	REFUSED
60%	**TOTAL CONSIDERING AUTOMATION**
40%	**NOT CONSIDERING AUTOMATION AT THIS TIME**

Question 25

Does your company currently have positions that are open and are hiring? What percentage of positions are currently open?

29%	1-5%
10%	6-10%
5%	10-20%
3%	MORE THAN 20%
52%	0% - NO CURRENT POSITIONS OPEN
2%	DON'T KNOW/NOT SURE
--	REFUSED
47%	**TOTAL YES, HIRING**
52%	**NOT CURRENTLY HIRING**

Question 26

Overall, how difficult do you think it is to attract qualified candidates to manufacturers like you?

32%	VERY DIFFICULT
48%	SOMEWHAT DIFFICULT
14%	NOT TOO DIFFICULT
5%	NOT DIFFICULT AT ALL
1%	DON'T KNOW
--	REFUSED
80%	**TOTAL DIFFICULT**
20%	**TOTAL NOT DIFFICULT**

Question 27

When thinking about attracting and hiring new employees, what does your company want to be known for?

61%	WORK-LIFE BALANCE
58%	SAFE WORK ENVIRONMENT
57%	COMPETITIVE SALARY
46%	FLEXIBLE SHIFTS AND WORK SCHEDULES
43%	CAREER GROWTH
43%	INDUSTRY LEADER
43%	GREAT BENEFITS
5%	OTHER
2%	DON'T KNOW
*	REFUSED

Question A1
What challenges or obstacles have you faced, if any, when trying to implement automation in your operations?

48%	HIGH UPFRONT INVESTMENT OR COST
25%	LACK OF INTERNAL TECHNICAL EXPERTISE
29%	DIFFICULTY INTEGRATING WITH EXISTING SYSTEMS
12%	RESISTANCE FROM EMPLOYEES OR MANAGEMENT
13%	DISRUPTION TO CURRENT WORKFLOWS
17%	UNSURE WHERE TO START OR WHAT TO AUTOMATE
9%	OTHER
27%	HAVEN'T FACED SIGNIFICANT CHALLENGES
1%	REFUSED
67%	**TOTAL FACED CHALLENGES**
27%	**HAVEN'T FACED SIGNIFICANT CHALLENGES**

Question A2
What are your biggest concerns, if any, about adopting AI in your business?

33%	LACK OF UNDERSTANDING OF WHAT AI CAN DO
18%	COST OF IMPLEMENTING AI SOLUTIONS
17%	LIMITED INTERNAL DATA OR SYSTEMS TO SUPPORT AI
32%	PRIVACY, CYBERSECURITY, OR DATA GOVERNANCE ISSUES
8%	CULTURAL OR EMPLOYEE RESISTANCE
3%	OTHER
29%	NO CONCERNS ABOUT ADOPTING AI AT THIS TIME
1%	REFUSED
69%	**TOTAL HAVE CONCERNS**
29%	**NO CONCERNS ABOUT ADOPTING AI AT THIS TIME**

Question A3

From the following list, which area or areas of your business do you believe AI and automation would have the most positive impact?

40%	SUPPORTING DATA ANALYSIS AND DECISION-MAKING
39%	ENHANCING SCHEDULING AND WORKFLOW EFFICIENCY
38%	AUTOMATING REPETITIVE OR MANUAL TASKS
30%	IMPROVING INVENTORY OR SUPPLY CHAIN MANAGEMENT
24%	IMPROVING PRODUCT QUALITY
23%	REDUCING PRODUCTION DOWNTIME
4%	OTHER
29%	WE ARE NOT CURRENTLY CONSIDERING AI OR AUTOMATION
1%	REFUSED

Question A4

Does your company have a formal strategy for adopting automation and/or AI? Which of the following statements comes closest to your company's current status?

4%	YES, WE HAVE A FORMAL STRATEGY WITH DOCUMENTED GOALS AND TIMELINES
6%	WE HAVE A FORMAL STRATEGY IN DEVELOPMENT
28%	WE HAVE AN INFORMAL OR AD-HOC APPROACH
61%	WE HAVE NO STRATEGY CURRENTLY
1%	REFUSED

Question T1

Next, let's turn our attention to tariffs. How confident are you that your company can successfully navigate the current tariff and trade environment?

39%	VERY CONFIDENT
43%	SOMEWHAT CONFIDENT
12%	NOT VERY CONFIDENT
4%	NOT AT ALL CONFIDENT
2%	DON'T KNOW/UNSURE
--	REFUSED
82%	**TOTAL CONFIDENT**
16%	**TOTAL NOT CONFIDENT**

Questions T2_1-9

For each of the following actions, please tell me if your company has already done, are you currently doing, or are you considering doing any of the following because of the current tariff and trade environment?

RANKED BY %TOTAL DONE/CURRENTLY DOING

	TOTAL DONE/ CURRENTLY DOING	TOTAL CONSIDERING/ NOT DONE	HAVE ALREADY DONE	CURRENTLY DOING	CONSID-ERING DOING	NOT DONE/NOT CONSIDERING	DK	REF
(T2_6) Passing tariff-related costs on to your customers	**48%**	**49%**	21%	28%	23%	26%	2%	1%
(T2_3) Increasing sourcing from US suppliers	**47%**	**49%**	24%	23%	20%	29%	2%	1%
(T2_9) Adjusting financial forecasts and budgets	**39%**	**59%**	14%	24%	19%	40%	1%	1%
(T2_8) Stockpiling key materials	**32%**	**65%**	16%	16%	11%	54%	2%	1%
(T2_1) Pausing new hiring	**19%**	**79%**	11%	8%	9%	70%	1%	1%
(T2_4) Re-evaluating your product offerings	**18%**	**79%**	6%	12%	12%	67%	2%	1%
(T2_7) Moving operations and sourcing out of China or a high tariffed country	**16%**	**79%**	10%	5%	9%	69%	4%	1%
(T2_5) Pausing or revisiting pending deals	**14%**	**81%**	5%	10%	10%	71%	3%	2%
(T2_2) Reducing workforce	**9%**	**88%**	7%	2%	8%	80%	2%	1%

Question X4_A

When you look for suppliers, what criteria are you looking for from them? Please rate the importance of the following criteria on a scale from 1 to 10, where one means that it is NOT AT ALL IMPORTANT to you in a supplier and where ten means it is VERY IMPORTANT to you in a supplier. You can choose any number between one and ten depending on how strongly you feel about it.

Formal Quality Program

23%	**10**
50%	**8-10**
32%	**5-7**
16%	**1-4**
8%	9
19%	8
8%	7
7%	6
18%	5
4%	4
3%	3
2%	2
6%	1
2%	DON'T KNOW/REFUSED

Question X4_B

When you look for suppliers, what criteria are you looking for from them? Please rate the importance of the following criteria on a scale from 1 to 10, where one means that it is NOT AT ALL IMPORTANT to you in a supplier and where ten means it is VERY IMPORTANT to you in a supplier. You can choose any number between one and ten depending on how strongly you feel about it.

Continuous Improvement Program

13%	**10**
31%	**8-10**
45%	**5-7**
22%	**1-4**
5%	9
13%	8
13%	7
10%	6
23%	5
6%	4
5%	3
3%	2
8%	1
1%	DON'T KNOW/REFUSED

Question X4_C

When you look for suppliers, what criteria are you looking for from them? Please rate the importance of the following criteria on a scale from 1 to 10, where one means that it is NOT AT ALL IMPORTANT to you in a supplier and where ten means it is VERY IMPORTANT to you in a supplier. You can choose any number between one and ten depending on how strongly you feel about it.

Automation Plans

3%	**10**
10%	**8-10**
37%	**5-7**
52%	**1-4**
1%	9
6%	8
6%	7
9%	6
22%	5
8%	4
11%	3
9%	2
24%	1
1%	DON'T KNOW/REFUSED

Question X4_D

When you look for suppliers, what criteria are you looking for from them? Please rate the importance of the following criteria on a scale from 1 to 10, where one means that it is NOT AT ALL IMPORTANT to you in a supplier and where ten means it is VERY IMPORTANT to you in a supplier. You can choose any number between one and ten depending on how strongly you feel about it.

Financial Strength

17%	**10**
43%	**8-10**
46%	**5-7**
10%	**1-4**
7%	9
19%	8
20%	7
10%	6
15%	5
1%	4
2%	3
2%	2
5%	1
1%	DON'T KNOW/REFUSED

Question X4_E

When you look for suppliers, what criteria are you looking for from them? Please rate the importance of the following criteria on a scale from 1 to 10, where one means that it is NOT AT ALL IMPORTANT to you in a supplier and where ten means it is VERY IMPORTANT to you in a supplier. You can choose any number between one and ten depending on how strongly you feel about it.

Workforce Development

3%	**10**
14%	**8-10**
49%	**5-7**
35%	**1-4**
3%	9
8%	8
11%	7
11%	6
27%	5
5%	4
7%	3
10%	2
14%	1
2%	DON'T KNOW/REFUSED

Question X1_C

I will read you a couple short descriptions of developments coming out of last year's legislative session, and I want to know whether it affected your business, and if so, how much. Would you say it had a major effect, minor effect, or no effect on your business?

The requirements on an employer for paid sick and safe time

37%	MAJOR EFFECT
35%	MINOR EFFECT
26%	NO EFFECT
2%	DON'T KNOW/UNSURE
1%	REFUSED

Question X1_D

I will read you a couple short descriptions of developments coming out of last year's legislative session, and I want to know whether it affected your business, and if so, how much. Would you say it had a major effect, minor effect, or no effect on your business?

The costs associated with funding the new paid family and medical leave program through a new payroll tax, split between employer and employee

41%	MAJOR EFFECT
32%	MINOR EFFECT
21%	NO EFFECT
5%	DON'T KNOW/UNSURE
1%	REFUSED
74%	**TOTAL EFFECT**

Question X2

Do you think these legislative developments have made Minnesota more attractive or less attractive for businesses, or does it have no real effect one way or the other?

1%	MUCH MORE ATTRACTIVE
4%	SOMEWHAT MORE ATTRACTIVE
24%	SOMEWHAT LESS ATTRACTIVE
46%	MUCH LESS ATTRACTIVE
23%	NO EFFECT ONE WAY OR THE OTHER
2%	TOO SOON TO SAY/DON'T KNOW
*	REFUSED
5%	**TOTAL MORE ATTRACTIVE**
70%	**TOTAL LESS ATTRACTIVE**

Question E1

Is your company currently working with Enterprise Minnesota or have you worked with them in the past?

10%	CURRENTLY WORKING WITH ENTERPRISE MINNESOTA
23%	WORKED WITH ENTERPRISE MINNESOTA IN THE PAST
62%	NO, NOT WORKING/NEVER WORKED WITH ENTERPRISE MINNESOTA
5%	DON'T KNOW/NOT SURE
*	REFUSED

Question E2

As you may know, Enterprise Minnesota is a public-private partnership that works with small manufacturers to help them compete, grow and remain competitive and great employers of great careers. Having heard more about it, how important is it for the manufacturing community have an organization like Enterprise Minnesota?

15%	EXTREMELY IMPORTANT
28%	VERY IMPORTANT
37%	SOMEWHAT IMPORTANT
14%	NOT REALLY THAT IMPORTANT
6%	DON'T KNOW/NOT SURE
*	REFUSED

Question E3

Enterprise Minnesota and other state manufacturing extension partnership programs rely heavily on federal funding to support small manufacturers with technical assistance, innovation, and growth. The current Administration in Washington has proposed eliminating all funding, putting these programs in jeopardy of shutting down.

How important do you think it is for the federal government to continue funding programs like Enterprise Minnesota to help small- and medium-sized manufacturers?

25%	EXTREMELY IMPORTANT
25%	VERY IMPORTANT
27%	SOMEWHAT IMPORTANT
20%	NOT REALLY THAT IMPORTANT
4%	DON'T KNOW/NOT SURE
*	REFUSED

Question 35

How many people does your company employ in all its facilities in Minnesota?

51%	UNDER 10
17%	11-25
13%	26-50
10%	51-100
3%	101-150
3%	151 TO 250
2%	MORE THAN 250
*	DON'T KNOW/NOT SURE
1%	REFUSED
81%	**TOTAL UNDER 50**
10%	**TOTAL 51-100**
8%	**TOTAL 101+**

Question 36

What are your annual business revenues?

25%	UNDER $1 MILLION
34%	$1 MILLION - $5 MILLION
11%	$5 MILLION - $10 MILLION
9%	$10 MILLION - $20 MILLION
14%	MORE THAN $20 MILLION
6%	DON'T KNOW/NOT SURE/REFUSED

Question 37

Which one of the following best describes your company's primary business?

24%	PRECISION MANUFACTURING
17%	PROCESS MANUFACTURING
16%	METAL FABRICATION
15%	AN ORIGINAL EQUIPMENT MANUFACTURER, OEM
5%	PLASTICS
2%	ELECTRONICS COMPONENTS
1%	INFORMATION TECHNOLOGY, IT
19%	SOMETHING ELSE
*	DON'T KNOW
*	REFUSED

Question 38

How many years has your company been in operation?

1%	LESS THAN 1 YEAR
2%	1 - 3 YEARS
2%	4 - 6 YEARS
3%	7 - 10 YEARS
6%	11 - 15 YEARS
85%	16 YEARS OR MORE
1%	DON'T KNOW
1%	REFUSED

Question 39

In what year were you born?

5%	18 - 34
17%	35 - 44
17%	45 - 54
34%	55 - 64
21%	65 AND ABOVE
5%	REFUSED

Question 40

Gender

80% MALE
20% FEMALE

Question C

What is your job title?

34% OWNER
27% PRESIDENT/CEO
14% MANAGER
11% MANAGEMENT TEAM MEMBER
14% OTHER