2026 STATE OF MANUFACTURING FALL SURVEY

Field Dates: August-September 2026
Sample Size: N=400 Manufacturing Executives

Question 1

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

47%	Very Confident
42%	Somewhat Confident
8%	Not Very Confident
2%	Not At All Confident
1%	Don't Know/Unsure
*	Refused

88%	**TOTAL CONFIDENT**
10%	**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?

12%	Gotten Better
55%	Gotten Worse
32%	Stayed About The Same
1%	Don't Know
--	Refused

Question 2

And, even though we only have a few months left in 2026, as you think about this year, 2026, as a whole, do you think this year will be one of economic expansion, a flat economy, or a recession?

20%	Economic Expansion
51%	Flat Economy
25%	Recession
3%	Don't Know/Unsure
1%	Refused

Question 2A

And, what about next year? If you had to make a projection about the year 2027, do you think 2027 as a whole will be a time of economic expansion, a flat economy, or a recession?

31%	Economic Expansion
36%	Flat Economy
25%	Recession
7%	Don't Know/Unsure
*	Refused

Question 5

As you look to the year-end, do you project your company's gross revenues for 2026 to increase or decrease compared to 2025, or will they probably stay the same?

20%	Increase By More Than 10%
19%	Increase By Less Than 10%
6%	Decrease By Less Than 10%
11%	Decrease By More Than 10%
43%	Stay The Same
*	Too Soon To Say/Don't Know
*	Refused

39%	**TOTAL INCREASE**
17%	**TOTAL DECREASE**

Question 6

And, as you look to the year-end, do you project your company's profitability for 2026 to increase or decrease compared to 2025, or will it probably stay the same?

14%	Increase By More Than 10%
17%	Increase By Less Than 10%
11%	Decrease By Less Than 10%
12%	Decrease By More Than 10%
44%	Stay The Same
*	Too Soon To Say/Don't Know
1%	Refused

31%	**TOTAL INCREASE**
24%	**TOTAL DECREASE**

Question 7

And, as you look to the year-end, do you project your company's capital expenditures for 2026 to increase or decrease compared to 2025, or will they probably stay the same?

21%	Increase By More Than 10%
12%	Increase By Less Than 10%
9%	Decrease By Less Than 10%
14%	Decrease By More Than 10%
44%	Stay The Same
1%	Too Soon To Say/Don't Know
*	Refused

33%	**TOTAL INCREASE**
22%	**TOTAL DECREASE**

Questions 8-22

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.

	10	8-10	5-7	1-4	MEAN
(8) Overall inflation	**17%**	**46%**	**41%**	**12%**	**6.9**
(9) Recession	**10%**	**25%**	**44%**	**31%**	**5.7**
(9X) Government policies and regulations	**32%**	**55%**	**31%**	**14%**	**7.4**
(10) Costs of health care	**32%**	**61%**	**27%**	**11%**	**7.6**
(11) Costs of employee salaries and benefits	**12%**	**39%**	**45%**	**14%**	**6.6**
(12) Attracting qualified workers	**19%**	**41%**	**37%**	**21%**	**6.5**
(13) Retaining qualified workers	**15%**	**33%**	**35%**	**31%**	**5.9**
(14) Economic and global uncertainty	**24%**	**47%**	**39%**	**13%**	**7.0**
(16) Developing future leaders	**10%**	**23%**	**46%**	**30%**	**5.6**
(19) Tariffs	**21%**	**40%**	**28%**	**31%**	**6.2**
(20) Taxes	**27%**	**51%**	**34%**	**14%**	**7.1**
(21) Artificial Intelligence [AI]	**10%**	**23%**	**35%**	**41%**	**5.1**
(22) Energy costs	**13%**	**27%**	**52%**	**20%**	**6.1**

Question 23

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	
19%	34%	Increasing Costs Of Materials For Your Products
22%	30%	Attracting And Retaining A Qualified Workforce
12%	21%	Unfavorable Business Climate
8%	17%	Cost Of Health Care Insurance
8%	15%	Business Uncertainty And Difficulty Planning For The Future
8%	15%	Inflation
10%	15%	Tariffs
5%	10%	Increasing Costs Of Wages
2%	3%	Cost Or Availability Of Capital To Invest
1%	2%	Taxes
4%	6%	Other
*	*	Don't Know/Not Sure

Question 24

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

First Choice	Combined Choice	
33%	49%	New Customers And Markets
18%	30%	Hiring New Employees
11%	26%	Increasing Productivity
10%	20%	New Products
8%	19%	Effective Planning And Implementation
7%	17%	Implementing Automation
7%	14%	Developing Managers And Leaders
1%	1%	Economy/Business Climate
1%	1%	All The Above
3%	6%	Other
1%	1%	Don't Know/Not Sure

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
22%	Eliminating Repetitive Tasks
12%	Improving Workplace Safety
4%	Workforce (Covering Shortages, Difficulties Hiring, Replacing Employees, Bridging Gaps)
5%	Something Else
42%	Not Considering Automation At This Time
*	Don't Know/Not Sure
*	Refused

57%	**TOTAL CONSIDERING AUTOMATION**
42%	**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%
7%	10-20%
3%	More Than 20%
51%	0% - No Current Positions Open
*	Don't Know/Not Sure

49%	**TOTAL YES, HIRING**
51%	**NOT CURRENTLY HIRING**

Question 26

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

32%	Very Difficult
49%	Somewhat Difficult
13%	Not Too Difficult
6%	Not Difficult At All
1%	Don't Know

81%	**TOTAL DIFFICULT**
18%	**TOTAL NOT DIFFICULT**

Question 27

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

52%	Work-Life Balance
49%	Competitive Salary
46%	Safe Work Environment
39%	Flexible Shifts And Work Schedules
38%	Great Benefits
37%	Industry Leader
34%	Career Growth
9%	Other
*	Don't Know
1%	Refused

Question A1

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

38%	High Upfront Investment Or Cost
21%	Lack Of Internal Technical Expertise
20%	Difficulty Integrating With Existing Systems
11%	Resistance From Employees Or Management
8%	Disruption To Current Workflows
13%	Unsure Where To Start Or What To Automate
4%	Other
4%	Don't Intend To Use/Haven't Tried Using/Not Applicable
27%	Haven't Faced Significant Challenges
3%	Refused

63%	**TOTAL FACED CHALLENGES**
27%	**HAVEN'T FACED SIGNIFICANT CHALLENGES**

Question A1B

Generally speaking, what impact, if any, do you think Artificial Intelligence [AI], will have on your business in the next couple of years? Do you think it will have a Major Impact, Minor Impact, or No Real Impact?

24%	Major Impact
53%	Minor Impact
21%	No Real Impact
1%	Not Sure
*	Refused

77%	**TOTAL IMPACT**
21%	**NO REAL IMPACT**

Question A1C

Thinking some more about A.I., what challenges or obstacles have you faced, if any, when trying to use AI in your business? Please select all that apply.

29%	Lack Of Internal Technical Expertise
21%	Unsure Where To Start
17%	Difficulty Integrating With Existing Systems
13%	Resistance From Employees Or Management
10%	High Upfront Investment Or Cost
6%	Disruption To Current Workflows
3%	Other
3%	Don't Intend To Use/Haven't Tried Using/Not Applicable
38%	Haven't Faced Significant Challenges
1%	Refused

58%	**TOTAL FACED CHALLENGES**
38%	**HAVEN'T FACED CHALLENGES**

Question A2

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

30%	Lack Of Understanding Of What AI Can Do
14%	Cost Of Implementing AI Solutions
14%	Limited Internal Data Or Systems To Support AI
36%	Privacy, Cybersecurity, Or Data Governance Issues
11%	Cultural Or Employee Resistance
4%	Other
1%	Not Planning To Use AI/Not Applicable
26%	No Concerns About Adopting AI At This Time
1%	Refused

69% TOTAL CONCERNS
26% NO CONCERNS

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?

38%	Supporting Data Analysis And Decision-Making
30%	Automating Repetitive Or Manual Tasks
30%	Enhancing Scheduling And Workflow Efficiency
25%	Improving Inventory Or Supply Chain Management
20%	Improving Product Quality
17%	Reducing Production Downtime
6%	Other
32%	We Are Not Currently Considering AI Or Automation
1%	Refused

62% TOTAL POSITIVE IMPACT
32% NOT CURRENTLY CONSIDERING AI

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
22%	We Have An Informal Or Ad-Hoc Approach
67%	We Have No Strategy Currently
1%	Refused

32%	**TOTAL YES, FORMAL/INFORMAL STRATEGY**
67%	**NO STRATEGY**

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?

38%	Very Confident
44%	Somewhat Confident
8%	Not Very Confident
8%	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?

	TOTAL HAVE DONE/ CURRENTLY DOING	TOTAL CONSIDERING/ NOT DONE	HAVE ALREADY DONE	CURR-ENTLY DOING	CONSID-ERING DOING	NOT DONE/NOT CONSID-ERING	DK	REF
(T2_1) Pausing new hiring	**15%**	**83%**	7%	8%	5%	78%	2%	1%
(T2_2) Reducing workforce	**10%**	**89%**	6%	4%	5%	84%	1%	--
(T2_3) Increasing sourcing from US suppliers	**52%**	**45%**	22%	30%	14%	31%	3%	1%
(T2_4) Re-evaluating your product offerings	**23%**	**76%**	9%	14%	11%	65%	1%	--
(T2_5) Pausing or revisiting pending deals	**14%**	**81%**	6%	8%	7%	74%	3%	1%
(T2_6) Passing tariff-related costs on to your customers	**60%**	**37%**	29%	32%	12%	25%	2%	1%
(T2_7) Moving operations and sourcing out of China or a high tariffed country	**14%**	**82%**	8%	5%	7%	75%	3%	2%
(T2_8) Stockpiling key materials	**30%**	**68%**	12%	18%	11%	57%	1%	--
(T2_9) Adjusting financial forecasts and budgets	**44%**	**53%**	18%	26%	12%	41%	3%	1%

Question X1_C

I will read you a couple short descriptions of laws passed in 2024 by the Minnesota Legislature, 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

40%	Major Effect
40%	Minor Effect
20%	No Effect
1%	Don't Know/Unsure
*	Refused

79%	**TOTAL EFFECT**
20%	**NO EFFECT**

Question X1_D

I will read you a couple short descriptions of laws passed in 2024 by the Minnesota Legislature, 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

38%	Major Effect
47%	Minor Effect
14%	No Effect
1%	Don't Know/Unsure
*	Refused

85%	**TOTAL EFFECT**
14%	**NO 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?

3%	Much More Attractive
4%	Somewhat More Attractive
24%	Somewhat Less Attractive
51%	Much Less Attractive
15%	No Effect One Way Or The Other
3%	Too Soon To Say/Don't Know
*	Refused

6%	**TOTAL MORE ATTRACTIVE**
75%	**TOTAL LESS ATTRACTIVE**

Question E1

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

11%	Currently Working With Enterprise Minnesota
19%	Worked With Enterprise Minnesota In The Past
63%	No, Not Working/Never Worked With Enterprise Minnesota
7%	Don't Know/Not Sure
--	Refused

30%	**TOTAL YES**
63%	**NO, NOT WORKING WITH ENTERPRISE MINNESOTA**

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?

11%	Extremely Important
30%	Very Important
41%	Somewhat Important
11%	Not Really That Important
7%	Don't Know/Not Sure

41%	**EXTREMELY/VERY IMPORTANT**
52%	**SOMEWHAT/NOT REALLY IMPORTANT**

Question E3

Enterprise Minnesota was created by the Minnesota Legislature to help small manufacturers grow and remain excellent employers of great careers. It currently receives zero state operational funding, threatening its ability to serve companies across Greater Minnesota.

How important is it that the state restore operational funding to Enterprise Minnesota to help small- and medium-sized manufacturers?

11%	Extremely Important
29%	Very Important
35%	Somewhat Important
19%	Not Really That Important
6%	Don't Know/Not Sure

40%	**EXTREMELY/VERY IMPORTANT**
54%	**SOMEWHAT/NOT REALLY IMPORTANT**

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
1%	Don't Know/Not Sure
*	Refused

81%	**TOTAL UNDER 50**
10%	**TOTAL 51-100**
8%	**TOTAL 101+**

Question 36

What are your annual business revenues?

27%	Under $1 Million
33%	$1 Million - $5 Million
11%	$5 Million - $10 Million
9%	$10 Million - $20 Million
13%	More Than $20 Million
9%	Don't Know/Not Sure/Refused

Question 37

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

19%	Metal Fabrication
17%	Precision Manufacturing
16%	An Original Equipment Manufacturer, OEM
9%	Process Manufacturing
5%	Plastics
4%	Food Manufacturing/Food And Beverage Industry/Brewery
3%	Woodworking/Wood Manufacturing
3%	Printing/Paper
2%	Electronics Components
2%	Construction
2%	Retail/Retail Sales/Wholesale
2%	Textile Manufacturing/Embroidery/Apparel
1%	Animal/Agricultural Manufacturing
1%	Repairs/Maintenance
1%	Service/Hospitality
1%	Painting/Coating
1%	Automotive/Automotive Repair/Transportation/Trucking
1%	Cabinet Manufacturing/Custom Cabinets/Countertops/Doors
1%	Sign Manufacturing
1%	Medical Manufacturing
6%	Something Else
1%	Don't Know
1%	Refused

Question 38

How many years has your company been in operation?

*	Less Than 1 Year
1%	1 - 3 Years
4%	4 - 6 Years
3%	7 - 10 Years
4%	11 - 15 Years
88%	16 Years Or More
*	Don't Know

Question 39

In what year were you born?

6%	18 - 34
17%	35 - 44
22%	45 - 54
31%	55 - 64
20%	65 And Above
5%	Refused

Question 40

Gender

75%	Male
25%	Female

Question C

What is your job title?

36%	Owner
31%	President/Ceo
19%	Manager
10%	Management Team Member
4%	Other