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## Mid-America Manufacturing Ends Year on Sour Note *Manufacturing Loses Jobs for Ninth Straight Month*

### December 2025 Survey Highlights

- Mid-America Business Conditions Index sank to its lowest level for 2025.
- The regional manufacturing sector shed jobs for the ninth straight month.
- The wholesale inflation gauge has moderated over the last several months.
- Approximately, 37.5% of manufacturing supply managers oppose 2025 tariff increases.
- On average, supply managers expect wage growth of 3.0% over the next 12 months, or approximately, equal to inflation at the consumer level.
- Both export and import readings slumped below growth neutral.
- According to U.S. International Trade Administration (ITA) data, regional manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell by 5.5%.

**OMAHA, Neb. (January 2, 2026)** — For the fourth time in the past six months, the Creighton University Mid-America Business Conditions Index, a leading economic indicator for the nine-state region stretching from Minnesota to Arkansas, moved below growth neutral.

**Overall Index:** The Business Conditions Index, which uses the identical methodology as the national Institute for Supply Management (ISM) and ranges between 0 and 100 with 50.0 representing growth neutral, fell to 47.6, its lowest reading for 2025, and down from 49.5 in November.

“Creighton’s latest survey indicates that the regional manufacturing economy continues to move sideways to lower with the wholesale inflation gauge moderating,” said Ernie Goss, PhD, Director of Creighton University’s Economic Forecasting Group and the Jack A. MacAllister Chair in Regional Economics in the Heider College of Business. “Supply managers reported weakness in both imports and exports.”

The Mid-America report is produced independently of the national ISM.

**Employment:** The December employment index sank to 44.0 from 47.6 in November. December’s job reading was the ninth consecutive month that the index has fallen below growth neutral and to the lowest reading since May 2024.

On average, supply managers expect their salary to expand by 3.0% over the next 12 months, or roughly equal to the rate of inflation.

Other comments from supply managers in December:

- “The excessive government spending epidemic (60-year) continues to tax via inflation. Stop the madness.”
- “Tariffs have increased our input costs from a minimum of 10% to 48%. The industrial economy is feeling the full impact of the tariffs.”
- “China has been aggressively mercantilist for over a dozen years. The USA and allies are in a cold and sometimes hot war with China, Russia, Iran, North Korea and their allies.”
- “I understand the intent of the tariffs and agree we need to level the playing field, but some of the implementation strategies are off.”

**Wholesale Prices:** The December price gauge was unchanged from November’s 59.8, the lowest reading of 2025, and down from 62.9 in October. “The regional inflation yardstick has moved into a range indicating that inflationary pressures are moderating at the wholesale level,” said Goss.

**Confidence:** Looking ahead six months, economic optimism, as captured by the December Business Confidence Index, increased to 50.0 from 47.4 in November. “Concerns regarding tariffs, inflation and slowing business activity restrained supply managers’ economic expectations. Only one in six supply managers expect rising economic conditions for their firm over the next six months,” said Goss.

**Inventories:** The regional inventory index, reflecting levels of raw materials and supplies, increased slightly to 50.4 from 50.1 in November. “After an initial surge in inventories in quarter one of this year, due to the fear of impending tariffs, supply managers have essentially maintained inventory levels flat,” said Goss.

**Trade:** Recent retaliation from higher U.S. tariffs and trade restrictions pushed new export orders, or purchases from abroad, lower for the last six months. New export orders increased to a weak 47.0 from November’s 42.7. As a result of record imports for the first two months of 2025 and higher import prices, supply managers pulled back on purchasing from abroad in the last ten months. The December import index rose to 41.6 from 37.2 in November.

Approximately, 37.5% of manufacturing supply managers reported opposing the 2025 tariff increases.

According to U.S. International Trade Administration (ITA) data, the regional economy exported \$69.0 billion of manufactured goods for the first three quarters of 2025, compared to \$73.1 billion for the same period in 2024, for a 5.5% decline. In terms of export gainers, North Dakota registered the top gain with 49.9% growth. South Dakota recorded the largest reduction with an 18.4% decline in exports of manufactured goods between 2024 and 2025.

Other survey components of the December Business Conditions Index were: new orders dropped to 42.9 from 48.3 in November; the production index increased to 47.4 from November’s 46.2; and the speed of deliveries of raw materials and supplies fell to 53.2 from November’s 55.1. Lower readings indicate speedier deliveries and/or declining supply chain disruptions or delays.

The Creighton Economic Forecasting Group has conducted the monthly survey of supply managers in nine states since 1994 to produce leading economic indicators of the Mid-America economy. States included in the survey are Arkansas, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma and South Dakota.

Below are the state reports:

**Arkansas:** The state’s December Business Conditions Index climbed to 52.2 from 49.1 in November. Components from the December survey of supply managers were: new orders at 42.8; production at 48.8; delivery lead time at 53.8; inventories at 61.8; and employment at 54.0.

According to the International Trade Association (ITA), Arkansas manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$4.4 billion in 2024 to \$4.2 billion in 2025 for a 4.9% decline.

**Iowa:** The state's Business Conditions Index for December dropped to 44.6 from November's regional high of 52.1. Components of the overall December index were: new orders at 41.3; production at 45.9; delivery lead time at 49.3; employment at 38.3; and inventories at 48.0. According to the ITA, Iowa manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$11.5 billion in 2024 to \$10.5 billion in 2025 for a 9.0% decline.

**Kansas:** The Kansas Business Conditions Index for December sank to 42.4 from 50.6 in November. Components of the leading economic indicators from the monthly survey of supply managers for December were: new orders at 43.8; production at 40.2; delivery lead time at 46.0; employment at 44.1; and inventories at 37.8. According to the ITA, Kansas manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$9.6 billion in 2024 to \$9.5 billion in 2025 for a 0.8% decline.

**Minnesota:** The December Business Conditions Index for Minnesota decreased to 45.7 from November's 49.4. Components of the overall December index were: new orders at 40.2; production or sales at 46.4; delivery lead time at 50.0; inventories at 50.2; and employment at 41.5. According to the ITA, Minnesota manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$19.0 billion in 2024 to \$16.4 billion in 2025 for a 13.5% decline.

**Missouri:** The state's December Business Conditions Index climbed to a regional high of 55.8 from November's 48.6. Components of the overall index from the survey of supply managers for December were: new orders at 43.8; production at 50.9; delivery lead time at 57.1; inventories at 71.8; and employment at 55.6. According to the ITA, Missouri manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$13.1 billion in 2024 to \$12.4 billion in 2025 for a 5.4% decline.

**Nebraska:** The state's December Business Conditions Index dropped to 40.5 from November's 50.3. Components of the index from the monthly survey of supply managers for December were: new orders at 40.0; production at 43.3; delivery lead time at 45.2; inventories at 35.2; and employment at 38.9. According to the ITA, Nebraska manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$5.3 billion in 2024 to \$4.6 billion in 2025 for a 12.6% decline.

**North Dakota:** For a third straight month the state's Business Conditions Index sank below the 50.0 growth neutral threshold and was 41.8, down from 49.9 in November. Components of the overall index for December were: new orders at 40.5; production at 44.3; delivery lead time at 46.8; employment at 36.9; and inventories at 40.3. According to the ITA, North Dakota manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, climbed from \$3.1 billion in 2024 to \$4.7 billion in 2025 for a 49.9% expansion.

**Oklahoma:** The state's Business Conditions Index for December sank to 44.8 from 48.8 in November. Components of the overall December index were: new orders at 41.3; production at 46.0; delivery lead time at 49.4; inventories at 48.4; and employment at 38.8. According to the ITA, Oklahoma manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$5.5 billion in 2024 to \$5.4 billion in 2025 for a 0.8% decline.

**South Dakota:** The December Business Conditions Index for South Dakota slumped to 44.6 from November's 49.1. Components of the overall December index were: new orders at 41.3; production at 46.0; delivery lead time at 49.4; inventories at 48.1; and employment at 38.5. According to the ITA, South Dakota manufacturing exports for the first three quarters of 2025, compared to the same period in 2024, fell from \$1.5 billion in 2024 to \$1.2 billion in 2025 for an 18.4% decline.

Survey results for the month of January will be released on the first business day of February.

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