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Mid-America Manufacturing Job Gains Continue

Freight Costs and Tariffs Elevate Inflation

August 2026 Survey Highlights

- The overall index moved above growth neutral for a seventh straight month.
- For only the third time in the past 12 months, the employment index rose above growth neutral.
- One in five firms detailed additional hiring for the month.
- Continued elevated inflation at the wholesale level increases the odds of a Federal Reserve rate hike at its September 16-17 meetings.
- Almost four of five supply managers reported increases in transportation or freight costs.
- Approximately, 29% of supply managers reported that higher tariffs were a prime factor in driving costs higher.

OMAHA, Neb. (September 1, 2026) — The Creighton University Mid-America Business Conditions Index, a leading economic indicator for the nine-state region stretching from Minnesota to Arkansas, moved above growth neutral for the seventh straight month, pointing to solid economic growth in regional manufacturing. This manufacturing expansion is likely to positively impact the broader economy in the months ahead.

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, climbed to 57.1 from 55.7 in July.

"Creighton's latest survey indicates that regional manufacturing growth continues at a solid pace, but with elevated inflationary pressures at the wholesale level. Approximately, 29% of supply managers reported that tariffs were a prime factor pushing wholesale prices higher," 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.

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

Employment: For only the third time in the past 12 months, the employment index rose above growth neutral. The August hiring index climbed to 54.4 from July's 51.2.

"Much like the national ISM manufacturing job index, the regional manufacturing job market continues to improve, but at a slow pace. One in five firms detailed additional hiring during the month," reported Goss.

The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the region's manufacturing sector shed approximately 1,500 (-0.1%) jobs while the nation lost roughly 14,000 (-0.1%) manufacturing jobs during the same period of time. Iowa, Missouri, Nebraska and Oklahoma accounted for regional job losses over the past 12 months.

Regional food processing firms shed 7,000 jobs in the region over the past 12 months. Nebraska accounted for 4,100 of the regional food processing job losses over the period.

Other comments from supply managers in August:

- "There are plenty of ideas on how AI could improve supply chain activities, but there is still a lack of implementing AI solutions."
- "Business remains exceptionally strong, driven by sustained investment in data center construction."
- "Major suppliers are attempting to raise prices significantly. I predict significant downward corrections in the next 18 months."
- "Finding qualified individuals who want to work is becoming increasingly difficult."

Wholesale Prices: The August price gauge declined to 69.9 from 71.4 in July.

"Even though Creighton's regional wholesale price gauge and the national ISM wholesale price index are moving slightly lower, they remain elevated and point to an interest rate hike at the Federal Reserve rate-setting committee's next meetings on September 16-17," said Goss.

Regarding the prime factors pushing wholesale inflation higher, 36% named materials, 29% indicated tariffs, 21% indicated labor, and the remaining 14% named transportation as top factors pushing prices higher.

Confidence: Looking ahead six months, economic optimism, as captured by the August Business Confidence Index, sank to 50.1 from 57.7 in July.

"The lack of a U.S./Iran agreement to end the war is having an outsized impact on economic confidence. Oil prices above $85 per barrel and supply blockages at the Strait of Hormuz will push confidence even lower," said Goss.

Inventories: The August regional inventory index, reflecting levels of raw materials and supplies, declined to 52.5 from July's 53.4.

Trade: After 11 straight months of below growth neutral readings, the regional export index climbed to 52.4 from July's 46.1. As a result of supply bottlenecks, higher input prices and rising transportation costs, supply managers have pulled back on purchasing from abroad in the last 14 months. The August import index increased to 47.1 from 44.8 in July.

The index for the speed of deliveries of raw materials and supplies rose to 60.0 from 59.5 in July. Higher readings indicate slowing delivery speed and/or rising supply chain disruptions/delays.

Other survey components of the August Business Conditions Index were: new orders rose to 59.6 from 59.1 in July, and the production index expanded to 59.1 from July's 55.3.

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 August Business Conditions Index climbed to a solid 57.9 from 57.1 in July. Components from the August survey of supply managers were: new orders at 60.4; production at 59.9; delivery lead time at 60.8; inventories at 63.2; and employment at 55.2. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector's employment level was flat with 158,900 jobs.

Iowa: The state's Business Conditions Index for August declined to 53.4 from July's 53.6. Components of the overall August index were: new orders at 55.9; production at 55.4; delivery lead time at 56.2; employment at 50.6; and inventories at 48.7. The latest data from the U.S. BLS indicate that over the past 12 months, the state's manufacturing sector shed 2,100 jobs for a loss of 1.0% of its manufacturing base.

Kansas: The Kansas Business Conditions Index for August rose to 62.3 from 57.0 in July. Components of the leading economic indicators from the monthly survey of supply managers for August were: new orders at 64.8; production at 64.3; delivery lead time at 65.2; employment at 59.6; and inventories at 57.7. The latest data from the U.S. BLS indicate that over the past 12 months, the state's manufacturing sector gained 800 jobs for 0.5% growth of its manufacturing base. Aircraft and aerospace product manufacturing was the major job gainer with an addition of 1,100 workers over the 12 months.

Minnesota: The August Business Conditions Index for Minnesota expanded to a regional high 75.2 from July's regional high of 57.9. Components of the overall August index were: new orders at 77.1; production or sales at 77.2; delivery lead time at 78.1; inventories at 70.6; and employment at 72.5. The latest data from the U.S. BLS indicate that over the past 12 months, the state's manufacturing sector added 8,200 jobs for an additional gain of 2.6% of its manufacturing base. Metal manufacturing was a top gainer, adding 2,100 jobs over the 12 months.

Missouri: The state's August Business Conditions Index climbed to 57.5 from 54.1 in July. Components of the overall index from the survey of supply managers for August were: new orders at 60.0; production at 59.5; delivery lead time at 60.3; inventories at 52.8; and employment at 54.7. The latest data from the U.S. BLS indicate that over the past 12 months, the state's manufacturing sector shed 2,800 jobs for a loss of 1.0% of its manufacturing base. Food manufacturing was the big loser, shedding 1,700 jobs over the 12 months.

Nebraska: The state's August Business Conditions Index sank to 49.6 from 51.1 in July. Components of the index from the monthly survey of supply managers for August were: new orders at 52.1; production at 51.6; delivery lead time at 52.4; inventories at 45.0; and employment at 46.8. The latest data from the U.S. BLS indicate that over the past 12 months, the state's manufacturing sector dropped 5,000 jobs for a loss of 4.9% of its manufacturing base. The state's food processing industry was the top job loser, shedding 4,100 jobs over the past 12 months.

North Dakota: The state's Business Conditions Index for August slumped to a regional low of 46.1, down from July's 55.0. Components of the overall index for August were: new orders at 48.6; production at 48.1; delivery lead time at 48.9; employment at 43.3; and inventories at 41.5. The latest data from the U.S. BLS indicate that over the past 12 months, the state's manufacturing sector added 100 jobs for a 0.4% gain of the state's manufacturing base.

Oklahoma: The state's Business Conditions Index for August climbed to 60.2 from 54.3 in July. Components of the overall August index were: new orders at 62.8; production at 62.2; delivery lead time at 63.1; inventories at 55.6; and employment at 57.5. The latest data from the U.S. BLS indicate that over the past 12 months, the state's manufacturing sector shed 400 jobs for a loss of 0.3% of its manufacturing base. Durable goods manufacturers accounted for a significant portion of the jobs lost over the past 12 months.

South Dakota: The August Business Conditions Index for South Dakota expanded to 56.4 from 54.1 in July. Components of the overall August index were: new orders at 58.9; production at 58.4; delivery lead time at 59.3; inventories at 51.8; and employment at 53.7. The latest data from the U.S. BLS indicate that over the past 12 months, the state's non-durable goods manufacturing sector, including food processors, shed 200 jobs for a loss of 0.5% of its manufacturing base.

Survey results for the month of September will be released on the first business day of October.