

Ernie Goss' monthly interview: <https://youtu.be/fdWq9zGT8IQ>

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Mid-America Manufacturing Index Points to Solid Growth Despite Job Losses and Highest Inflation Reading in Four Years

May 2026 Survey Highlights

- The overall index moved above growth neutral for a fourth straight month.
- The nine-state region lost manufacturing jobs for the 10th time in the past 12 months.
- Iowa, Missouri and Nebraska accounted for approximately 83.3% of the manufacturing jobs lost in the past 12 months.
- The May price gauge climbed to its highest level in almost four years, reducing the likelihood of a Federal Reserve rate cut in 2026.
- Approximately, 81% of supply managers indicated that the Iran War was putting upward pressure on input prices.
- Trade, both exports and imports, pulled back for May.

OMAHA, Neb. (June 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 fourth straight month, pointing to solid economic growth in regional manufacturing, which 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, declined to a still solid 54.4 from 56.0 in April.

“Creighton’s latest survey indicates that the regional manufacturing sector continues to improve, albeit slowly, with manufacturing job losses for the month and escalating wholesale inflation,” 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: The May employment index sank to 47.0 from 50.2 in April and 50.7 in March. “Much like the national ISM manufacturing job index, the regional manufacturing job market remains weak. However, only one in 15 firms reported layoffs 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 17,500 jobs while the nation lost roughly

75,000 manufacturing jobs during the same period of time. Iowa, Missouri and Nebraska accounted for approximately 83.3% of the manufacturing jobs lost in the past 12 months.

Other comments from supply managers in May:

- “Fuel charges are starting to increase again, which require additional documented tracking as one element to explain higher costs of goods (same with continued tariff tracking).”
- “Inflation is the killer of progress! Government spending is the hidden tax that is unsustainable.”
- “Cost of materials have increased but only from input freight.”
- “Iran is a dangerous country. I'm not against what the President did, but it needs to be finished. This dilly dally is difficult on everyone.”
- “Expect even further inflation if the Iran conflict is not resolved shortly.”

Wholesale Prices: The May price gauge climbed to 81.7, its highest level since July 2022, and was up from 75.6 in April. “The Creighton regional price gauge and the national ISM wholesale price index are elevated and undermine any chance of rate cuts at the Federal Reserve’s rate-setting committee’s next meetings on June 16-17, and for the remainder of 2026,” said Goss.

“Approximately, 81% of supply managers indicated in the May survey that the war with Iran was pushing input prices higher,” said Goss. As reported by one supply manager in May, “expect even further inflation if the Iran conflict is not resolved shortly.”

Confidence: Looking ahead six months, economic optimism, as captured by the May Business Confidence Index, increased to a weak 42.3 from 36.7 in April. “I expect rising energy prices, along with supply chain disruptions, to push the confidence index even lower in the coming months,” said Goss.

Inventories: The May regional inventory index, reflecting levels of raw materials and supplies, rose to 52.0 from April’s 49.0.

Almost three of four supply managers expect no additional supply chain disruptions resulting from the war with Iran. However, one in four reported that their firm had advanced purchases of supplies as a precaution against delivery disruptions related to the Iran War.

Trade: Retaliation from higher U.S. tariffs and trade restrictions pushed the new export orders below growth neutral for the last nine months. The new export orders index sank to 47.4 from 49.9 in April. As a result of supply bottlenecks and higher input prices, supply managers have pulled back on purchasing from abroad in the last 12 months. The May import index increased to a weak 45.9 from 44.6 in April.

The index for the speed of deliveries of raw materials and supplies expanded to 63.9 from 63.1 in April. Higher readings indicate slowing delivery speed and/or rising supply chain disruptions and/or delays. One in four supply managers reported supply chain disruptions and delivery slowdowns resulting from the Iran War.

Other survey components of the May Business Conditions Index were: new orders declined to 55.5 from 60.0 in April; and the production index fell to 53.8 from April 57.8.

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 May Business Conditions Index fell to 53.9 from April's 56.0. Components from the May survey of supply managers were: new orders at 54.6; production at 54.5; delivery lead time at 63.1; inventories at 51.6; and employment at 46.6. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector shed 700 jobs for a loss of 0.4% of its manufacturing base.

Iowa: The state's Business Conditions Index for May increased to 51.8 from 51.0 in April. Components of the overall May index were: new orders at 51.4; production at 52.5; delivery lead time at 59.9; employment at 44.8; and inventories at 50.2. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector shed 3,500 jobs for a loss of 1.5% of its manufacturing base.

Kansas: The Kansas Business Conditions Index for May fell to 53.3 from 55.0 in April. Components of the leading economic indicators from the monthly survey of supply managers for May were: new orders at 53.7; production at 53.3; delivery lead time at 62.2; employment at 46.1; and inventories at 51.2. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector shed 1,500 jobs for a loss of 0.9% of its manufacturing base.

Minnesota: The May Business Conditions Index for Minnesota declined to a regional high 56.4 from 65.0 in April. Components of the overall May index were: new orders at 58.4; production or sales at 54.7; delivery lead time at 66.9; inventories at 53.4; and employment at 48.7. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector added 2,500 jobs for a gain of 0.8% of its manufacturing base.

Missouri: The state's May Business Conditions Index slumped to 50.0 from April's regional high 65.6. Components of the overall index from the survey of supply managers for May were: new orders at 48.8; production at 51.7; delivery lead time at 57.3; inventories at 49.0; and employment at 43.3. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector shed 5,800 jobs for a loss of 2.1% of its manufacturing base.

Nebraska: The state's May Business Conditions Index increased to a weak 50.5 from April's regional low 46.4. Components of the index from the monthly survey of supply managers for May were: new orders at 49.5; production at 51.9; delivery lead time at 58.0; inventories at 49.3; and employment at 43.7. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector shed 5,200 jobs for a loss of 5.0% of its manufacturing base. The closure of the Tyson Foods plant in January continues to spill over into other manufacturers in the state.

North Dakota: The state's Business Conditions Index for May dropped to 54.4 from April's 62.8. Components of the overall index for May were: new orders at 55.5; production at 53.8; delivery lead time at 63.9; employment at 47.0; and inventories at 52.0. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, jobs in the state's manufacturing sector were flat with a base of almost 28,000 jobs.

Oklahoma: The state's Business Conditions Index for May increased to 52.5 from 47.0 in April. Components of the overall May index were: new orders at 52.5; production at 52.9; delivery lead time at 61.0; inventories at 50.6; and employment at 45.4. The latest data from the U.S. Bureau of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector shed 2,600 jobs for a loss of 1.8% of its manufacturing base.

South Dakota: The May Business Conditions Index for South Dakota climbed to 53.9 from April's 49.0. Components of the overall May index were: new orders at 54.6; production at 53.5; delivery lead time at 63.1; inventories at 51.6; and employment at 46.6. The latest data from the U.S. Bureau

of Labor Statistics (BLS) indicate that over the past 12 months, the state's manufacturing sector shed 200 jobs for a loss of 1.6% of its manufacturing base.

Survey results for the month of June will be released on the first business day of July.

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