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Mid-America Manufacturing Begins Year on Weak Note *Manufacturing Loses Jobs for 10th Straight Month*

January 2026 Survey Highlights

- The Mid-America Business Conditions Index sank below growth neutral for the fourth time in past five months.
- The regional manufacturing sector shed jobs for the 10th straight month.
- The wholesale inflation gauge has moderated over the last several months.
- Economic confidence climbed to its highest level in 12 months.
- Approximately 31% of respondents indicated that tariffs had pushed their firm to change suppliers. As reported by one supply manager, "Tariffs have pushed me to buy more domestically."
- Both export and import readings slumped below growth neutral.
- According to U.S. International Trade Administration (ITA) data, regional manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, fell by 5.2%.
- U.S. Bureau of Labor Statistics employment data show that the nine-state region has lost more than 333,000 manufacturing jobs, or roughly 20% of its manufacturing employment base, over the past 25 years.

OMAHA, Neb. (Feb. 2, 2026) — For the fourth time in the past five 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, increased to a weak 49.6 from 47.6 in December.

"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.

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

Employment: The January employment index rose to 47.2 from December's 44.0. January's job reading was the 10th consecutive month that the index has fallen below growth neutral.

Approximately 13% of supply managers reported that tariffs have resulted in job losses for their firm.

U.S. Bureau of Labor Statistics employment data show that the nine-state region has lost more than 333,000 manufacturing jobs, or roughly 20% of its manufacturing employment base, over the past 25 years.

Other comments from supply managers in January:

- “Still not a fan of the implementation style of some of the tariffs.”
- “Now that tariff frameworks are in place, barring Greenland, we can better plan on how to grow our business.”
- “Tariff impact is near the end of adjustment as we have taken action on the most significant impacts.”
- “In the USA, the long-standing 232 taxes (steel tariffs) have already been absorbed. If 232 were to ever lower, then the impacts will be felt as foreign steel will flood at much lower costs.”
- “Exporting out of the USA is essentially over. The USA is pricing itself out of markets.”
- “Complex world markets. China has been mercantilism on a worldwide stage for years. Tariffs are part of the Cold War battle.”
- “Americans will pay a high price if the current administration continues to use tariffs and military threats to pressure even long-term trading partners including the EU.”
- “The increase on tariffs will always make us consider bringing back to the states.”

Wholesale Prices: The January price gauge fell to 58.2 from December's 59.8. “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 January Business Confidence Index climbed to 59.3, its highest level in 12 months and up from 50.0 in December. Stabilizing tariffs and falling wholesale inflation pushed the economic outlook higher.

Inventories: The regional inventory index, reflecting levels of raw materials and supplies, dropped to 45.5 from 50.4 in December. “After an initial surge in inventories in quarter one of 2025 due to the fear of impending tariffs, supply managers have maintained inventory levels at lower levels,” said Goss.

Approximately 31% of January survey respondents indicated that tariffs had pushed their firm to change suppliers. As reported by one supply manager, “Tariffs have pushed me to buy more domestically.”

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 sank to 45.4 from 47.0 in December. 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 11 months. The January import index dropped to 38.2 from 41.6 in December.

As stated by a January respondent, “Exporting out of the USA is essentially over. The USA is pricing itself out of markets.”

According to U.S. International Trade Administration (ITA) data, the regional economy exported \$76.7 billion of manufactured goods for the first 10 months of 2025, compared to \$80.9 billion for the same period in 2024, for a 5.2% decline.

Other survey components of the January Business Conditions Index were: new orders increased to 48.8 from 42.9 in December; the production index climbed to 52.1 from December's 47.4; and the speed of deliveries of raw materials and supplies rose to 54.4 from December's 53.2. Higher readings indicate slowing delivery speed and/or rising 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 January Business Conditions Index rose to 53.9 from 52.2 in December. Components from the survey of supply managers were: new orders at 49.1; production at 53.2; delivery lead time at 54.6; inventories at 58.3; and employment at 54.2. According to the International Trade Association (ITA), Arkansas manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **fell** from \$5.0 billion in 2024 to \$4.6 billion in 2025, for a 7.3% decline.

Iowa: The state's Business Conditions Index for January climbed to 49.1 from December's 44.6. Components of the overall January index were: new orders at 51.4; production at 48.0; delivery lead time at 51.8; employment at 44.3; and inventories at 50.1. According to the ITA, Iowa manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **fell** from \$12.7 billion in 2024 to \$11.6 billion in 2025, for an 8.4% decline.

Kansas: The Kansas Business Conditions Index for January increased to 48.2 from 42.4 in December. Components of the leading economic indicators from the monthly survey of supply managers for January were: new orders at 51.0; production at 47.8; delivery lead time at 51.3; employment at 42.3; and inventories at 48.5. According to the ITA, Kansas manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **fell** from \$10.6 billion in 2024 to \$10.5 billion in 2025, for a decline of 0.8%.

Minnesota: The January Business Conditions Index for Minnesota rose to 54.1 from 45.7 in December. Components of the overall January index were: new orders at 49.1; production or sales at 53.3; delivery lead time at 54.8; inventories at 58.6; and employment at 54.7. According to the ITA, Minnesota manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **fell** from \$21.1 billion in 2024 to \$18.4 billion in 2025, for a 13.0% decline.

Missouri: The state's January Business Conditions Index climbed to a regional high of 57.9 from December's 55.8. Components of the overall index from the survey of supply managers for January were: new orders at 49.9; production at 54.8; delivery lead time at 57.0; inventories at 65.1; and employment at 62.5. According to the ITA, Missouri manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **fell** from \$14.4 billion in 2024 to \$13.9 billion in 2025 for a 4.0% decline.

Nebraska: The state's January Business Conditions Index improved to a weak regional low of 44.6 from December's 40.5. Components of the index from the monthly survey of supply managers for January were: new orders at 49.7; production at 47.2; delivery lead time at 45.5; inventories at 31.7; and employment at 48.7. According to the ITA, Nebraska manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **fell** from \$5.8 billion in 2024 to \$5.2 billion in 2025, for a 11.9% decline.

North Dakota: For a fourth straight month, the state's Business Conditions Index sank below the 50.0 growth neutral threshold and was 47.9, up from 41.8 in December. Components of the overall index for January were: new orders at 47.9; production at 51.1; delivery lead time at 51.4; employment at 42.9 and inventories at 48.9. According to the ITA, North Dakota manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **climbed** from \$3.4 billion in 2024 to \$5.2 billion in 2025, for a 51.6% expansion.

Oklahoma: The state's Business Conditions Index for January expanded to 51.6 from 44.8 in December. Components of the overall January index were: new orders at 48.6; production at 52.3;

delivery lead time at 53.3; inventories at 54.3; and employment at 49.4. According to the ITA, Oklahoma manufacturing exports for the 10 months of 2025, compared to the same period in 2024, **fell** from \$6.2 billion in 2024 to \$6.0 billion in 2025, for a 2.3% decline.

South Dakota: The January Business Conditions Index for South Dakota advanced to 52.8 from December's 44.6. Components of the overall January index were: new orders at 48.8; production at 52.8; delivery lead time at 54.0; inventories at 56.5; and employment at 52.0. According to the ITA, South Dakota manufacturing exports for the first 10 months of 2025, compared to the same period in 2024, **fell** from \$1.7 billion in 2024 to \$1.4 billion in 2025, for a 17.4% decline.

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

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