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Mid-America Manufacturing Index Falls Below Growth Neutral *Tariffs Are Negatively Impacting Imports & Exports*

September 2025 Survey Highlights

- The overall Mid-America Business Conditions Index fell below growth neutral.
- The regional manufacturing sector shed jobs for the sixth straight month.
- Approximately, 60% of supply managers reported that higher tariffs were having little or no impact on their purchasing decisions.
- Both imports and exports weakened for the month.
- According to the latest U.S. International Trade Administration (ITA) data, regional exports of manufactured goods sank by \$3.1 billion, compared to the same period in 2024, for a 5.5% decline.
- Wholesale prices increased from the previous month and remained at elevated levels.

OMAHA, Neb. (Oct. 1, 2025) — For the second time in the past three months, the Creighton University Mid-America Business Conditions Index, a leading economic indicator for the nine-state region stretching from Minnesota to Arkansas, sank 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 49.8 from 50.5 in August.

“Creighton’s latest survey indicates that the regional manufacturing economy continues to move sideways to down with elevated 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. “Supply managers reported weakness in both imports and exports along with higher prices for imported goods.”

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

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Employment: The September employment index slumped to a frail 44.9 from 45.6 in August, marking the sixth consecutive month below the growth-neutral threshold of 50. “Four out of 10 supply managers indicated that their firm was hiring with no current layoffs. Only one of 10 reported layoffs with the remaining five of 10 indicating neither hiring or layoffs,” said Goss.

Over the past 12 months, according to U.S. Bureau of Labor Statistics data, the regional manufacturing sector has lost 3,800 (-0.3%) jobs over the past 12 months, compared to 78,000 (-0.6%) jobs shed by U.S. manufacturing.

Other comments from supply managers in September:

- “While the tariffs probably needed to be implemented, the method of implementation on some of the tariffs has been horrible. Changing the rules of the game in the middle of the ocean is not fair, nor reasonable.”
- “Distributors get stuck in the middle of a losing proposition and are forced to have tough conversations with their customers. Ones, that shouldn't have needed to occur, had the implementation been handled correctly.”
- “The ever-changing tariffs have had a significant impact on how our multi-national businesses service our customers.”
- “We deal with bulk butter as a commodity. Last year, butter priced off the CME was over \$3.00, and this year (at this time) it is under \$2.00. Dairy as a whole is under pressure to lower pricing.”

Wholesale Prices: The September price gauge declined slightly to 64.1 from 64.9 in August. “The regional inflation yardstick has moved into a range indicating that inflationary pressures are elevated at the wholesale level. However, due to slowing regional and U.S. economies, I expect the Federal Reserve to cut interest rates at its next meetings on October 28-29,” said Goss.

Confidence: Looking ahead six months, economic optimism as captured by the September Business Confidence Index, sank to a frail 38.2 from August's 47.4. “Concerns regarding tariffs, inflation and slowing business activity pushed supply managers' expectations lower. Only one in four 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, dropped to 48.6 from 49.3 in August. “Rapid expansions in inventories in the first quarter are now being offset by monthly pullbacks in buildups,” said Goss.

Trade: Recent uncertainty regarding tariffs and trade restrictions pushed new export orders lower for the last five months. New export orders stood at 43.4, up from 39.5 in August. 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 seven months. The September import index slumped to 34.8 from 35.9 in August.

U.S. tariffs are negatively affecting exports as well as imports. According to the latest U.S. International Trade Administration (ITA) data, the regional economy exported \$53.9 billion in manufactured goods for the first seven months of 2025, compared to \$57.1 billion for the same period in 2024, for a 5.5% decline.

In terms of export gainers for the first seven months of 2025, compared to 2024, North Dakota registered the top percentage gain with a 50.4% addition, and South Dakota recorded the largest percentage loss with an 18.6% reduction in the export of manufactured goods.

Other survey components of the September Business Conditions Index were: new orders increased to 51.4 from 49.8 in August; the production index declined to 50.4 from 53.4 in August; and the speed of deliveries of raw materials and supplies declined to 53.7 from 54.2 in August. Higher readings indicate slower deliveries 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 September Business Conditions Index increased to 48.8 from 48.4 in August. Components from the September survey of supply managers were: new orders at 50.9, production or sales at 49.3; delivery lead time at 54.2; inventories at 47.1; and employment at 42.4. According to the latest ITA data, the Arkansas manufacturing sector exported \$3.2 billion in goods for the first seven months of 2025, compared to \$3.5 billion for the same period in 2024, for a 7.1% decline. Top 2025 manufacturing export: Transportation equipment.

Iowa: The state's Business Conditions Index for September increased to 47.4 from 45.8 in August. Components of the overall September index were: new orders at 50.5; production or sales at 48.0; delivery lead time at 52.2; employment at 39.3; and inventories at 46.8. According to the latest ITA data, the Iowa manufacturing sector exported \$8.4 billion in goods for the first seven months of 2025, compared to \$9.3 billion for the same period in 2024, for a 9.2% decline. Top 2025 manufacturing export: Machinery.

Kansas: The Kansas Business Conditions Index for September increased to 50.9 from 50.7 in August. Components of the leading economic indicators from the monthly survey of supply managers for September were: new orders at 52.4; production or sales at 50.3; delivery lead time at 55.8; employment at 44.8; and inventories at 51.2. According to latest ITA data, the Kansas manufacturing sector exported \$7.3 billion in goods for the first seven months of 2025, compared to \$7.4 billion for the same period in 2024, for a 1.4% decline. Top 2025 manufacturing export: Transportation equipment.

Minnesota: The September Business Conditions Index for Minnesota dropped to 47.6 from 48.3 in August. Components of the overall September index were: new orders at 50.4; production or sales at 47.7; delivery lead time at 51.8; inventories at 49.2; and employment at 38.7. According to the latest ITA data, the Minnesota manufacturing sector exported \$13.0 billion in goods for the first seven months of 2025, compared to \$15.0 billion for the same period in 2024, for a 12.9% decline. Top 2025 manufacturing export: Computer & electronic products.

Missouri: The state's September Business Conditions Index sank to 47.1 from 54.4 in August. Components of the overall index from the survey of supply managers for September were: new orders at 48.4; production or sales at 50.6; delivery lead time at 52.8; inventories at 43.5; and employment at 40.3. According to the latest ITA data, the Missouri manufacturing sector exported \$9.6 billion in goods for the first seven months of 2025, compared to \$10.1 billion for the same period in 2024, for a 5.2% decline. Top 2025 manufacturing export: Transportation equipment.

Nebraska: The state's September Business Conditions Index sank to 45.2 from 53.1 in August. Components of the index from the monthly survey of supply managers for September were: new orders at 50.2; production or sales at 47.1; delivery lead time at 50.9; inventories at 40.2; and employment at 37.3. According to the latest ITA data, the Nebraska manufacturing sector exported \$3.7 billion in goods for the first seven months of 2025, compared to \$4.2 billion for the same period in 2024, for a 12.7% decline. Top 2025 manufacturing export: Processed foods.

North Dakota: The state's Business Conditions Index advanced above growth neutral for a 15th consecutive month but declined slightly to 51.4 from 51.7 in August. Components of the overall index for September were: new orders at 51.4; production or sales at 50.7; delivery lead time at 56.3; employment at 45.7; and inventories at 52.7. According to ITA data, the North Dakota manufacturing sector exported \$3.7 billion in goods for the first seven months of 2025, compared to \$2.4 billion for the same period in 2024, for a 53.0% gain. Top 2025 manufacturing export: Petroleum products.

Oklahoma: The state's Business Conditions Index for September rose slightly to 50.8 from 50.3 in August. Components of the overall September index were: new orders at 51.3; production or sales at 50.4; delivery lead time at 55.9; inventories at 51.6; and employment at 45.0. According to the latest ITA data, the Oklahoma manufacturing sector exported \$4.02 billion in goods for the first seven months of 2025, compared to \$4.03 billion for the same period in 2024, for a 0.2% decline. Top 2025 manufacturing export: Transportation equipment.

South Dakota: The September Business Conditions Index for South Dakota increased slightly to 47.8 from 47.4 in August. Components of the overall September index were: new orders at 50.8; production or sales at 48.8; delivery lead time at 53.4; inventories at 45.0; and employment at 41.2. According to the latest ITA data, the South Dakota manufacturing sector exported \$1.0 billion in goods for the first seven months of 2025, compared to \$1.2 billion for the same period in 2024, for an 18.6% decline. Top 2025 manufacturing export: Processed foods.

Survey results for the month of October will be released on November 3, 2025, the first business day of the month.

For historical data and forecasts visit our website <https://www.creighton.edu/economicoutlook/> or <https://gossandassociates.com/>.