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Mid-America Manufacturing Demonstrates Solid Economic Growth *41.7% of Supply Managers Reported Negative Profit Impacts from Tariffs*

September 2026 Survey Highlights

- The overall index moved above growth neutral for an eighth straight month.
- For only the fourth time in the past 12 months, the employment index rose above growth neutral. Even so, employment growth continues to lag overall economic growth.
- Approximately, 41.7% of supply managers reported that tariffs were having a negative impact on profits.
- On average, supply managers reported that approximately 28.5% of tariffs were passed along to buyers.
- Continued elevated inflation at the wholesale level points to at least one more Federal Reserve interest rate hike before the end of 2026.
- Approximately, 58% of supply managers reported that the Iran conflict has made the supply chain less reliable.

OMAHA, Neb. (October 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 eighth 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, declined to a solid 55.7 from 57.1 in August.

“Creighton’s latest survey indicates that regional manufacturing growth continues at a solid pace but with job growth less than overall manufacturing economic growth,” 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 fourth time in the past 12 months, the employment index rose above growth neutral. The index fell to 51.8 from August’s 54.4.

"Much like the national ISM manufacturing job index, the regional manufacturing job market continues to improve but at a slow pace," reported Goss.

According to U.S. Bureau of Labor Statistics, regional food processing firms shed 7,400 food manufacturing jobs in the region over the past 12 months. Nebraska and Missouri accounted for 4,100 and 1,900 of the losses, respectively, over the period.

Trade data from the International Trade Association (ITA) shows that regional exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, climbed by \$1.9 billion or +3.5%. However, 2026 regional manufacturing exports, compared to the same period in 2024, are down by \$420.2 million or -0.7%. Approximately, 41.7% of supply managers reported that tariffs were having a negative impact on profits.

Other comments from supply managers in September:

- "Fuel costs for trucks have impacted prices. Suppliers use any increases in supply chains to drastically increase their prices beyond rational."
- "Expect major price corrections downward in the next few months."
- "Business continues to be strong, due in part to increased AI infrastructure and Defense spend."
- "As a global company, the U.S. tariffs are a double-edged sword, beneficial on some U.S. items, not beneficial for exports."
- "As always, inflation is the tax that kills wealth creation!"
- "Have everyone in D.C. work from their home state and we will be far better off. Stop the madness!"

Wholesale Prices: The September price gauge was unchanged from August's 69.9.

"Even though Creighton's regional wholesale price gauge and the national ISM wholesale price index are moving sideways to slightly lower, they remain elevated and point to at least one more interest rate hike by the Federal Reserve before the end of 2026," said Goss.

Confidence: Looking ahead six months, economic optimism, as captured by the September Business Confidence Index, climbed to 54.2 from 50.1 in August.

"The continuing Iran conflict is having a significant impact on economic confidence. Oil prices above \$90 per barrel and supply blockages at the Strait of Hormuz will dampen confidence," said Goss.

Inventories: The September regional inventory index, reflecting levels of raw materials and supplies, declined to 52.1 from August's 52.5.

Trade: The regional export index sank below growth neutral for the 12th time in the past 13 months to 47.6 from 52.4 in August. As a result of supply bottlenecks, higher input prices and rising transportation costs, supply managers have pulled back on purchasing from abroad for 15 straight months. The September import index fell to 44.5 from 47.1 in August.

The index for the speed of deliveries of raw materials and supplies rose to a strong 61.6 from 60.0 in August. Higher readings indicate slowing delivery speed and/or rising supply chain disruptions and delays. Approximately 58% of supply managers reported that the Iran conflict has made the supply chain less reliable.

Other survey components of the September Business Conditions Index were: new orders decreased to 54.6 from 59.6 in August; and the production index declined to a strong 58.3 from 59.1 in August.

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 declined to 55.0 from 57.9 in August. Components from the September survey of supply managers were: new orders at 54.0; production at 57.7; delivery lead time at 61.0; inventories at 51.5; and employment at 51.1. According to trade data from the International Trade Association (ITA), Arkansas exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, climbed by \$84.1 million or +2.5%. However, 2026 state manufacturing exports, compared to the same period in 2024, are down by \$157.4 million or -4.5%.

Iowa: The state's Business Conditions Index for September rose to 54.1 from August's 53.4. Components of the overall September index were: new orders at 56.7; production at 53.0; delivery lead time at 60.0; employment at 50.1; and inventories at 50.5. According to trade data from the ITA, Iowa exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, dropped by \$254.6 million or -3.0%. Furthermore, 2026 state manufacturing exports, compared to the same period in 2024, plummeted by \$760.2 million or -8.2%.

Kansas: The Kansas Business Conditions Index for September declined to 57.1 from 62.3 in August. Components of the leading economic indicators from the monthly survey of supply managers for September were: new orders at 56.0; production at 53.2; delivery lead time at 63.0; employment at 59.7; and inventories at 53.6. According to trade data from the ITA, Kansas exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, climbed by \$445.4 million or +6.2%. Furthermore, 2026 state manufacturing exports, compared to the same period in 2024, expanded by \$309.3 million or +4.2%.

Minnesota: The September Business Conditions Index for Minnesota fell to a regional high of 60.0 from August's regional high of 75.2. Components of the overall September index were: new orders at 58.9; production or sales at 52.6; delivery lead time at 65.9; inventories at 56.4; and employment at 56.1. According to trade data from the ITA, Minnesota exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, climbed by \$337.0 million or +2.6%. However, 2026 state manufacturing exports, compared to the same period in 2024, tumbled by \$1.6 billion or -10.4%.

Missouri: The state's September Business Conditions Index dropped to 56.2 from 57.5 in August. Components of the overall index from the survey of supply managers for September were: new orders at 55.1; production at 58.8; delivery lead time at 62.1; inventories at 52.6; and employment at 52.3. According to trade data from the ITA, Missouri exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, sank by \$317.5 million or -3.1%. Furthermore, 2026 state manufacturing exports, compared to the same period in 2024, sank by \$74.8 million or -0.7%.

Nebraska: The state's September Business Conditions Index climbed to a regional low of 52.2 from 49.6 in August. Components of the index from the monthly survey of supply managers for September were: new orders at 51.2; production at 54.9; delivery lead time at 58.2; inventories at 48.7; and employment at 48.3. According to trade data from the ITA, Nebraska exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, sank by \$302.3 million or -8.2%. Furthermore, 2026 state manufacturing exports, compared to the same period in 2024, plummeted by \$836.4 million or -19.7%.

North Dakota: The state's Business Conditions Index for September expanded to 53.0 from August's 46.1. Components of the overall index for September were: new orders at 52.0; production

at 55.7; delivery lead time at 59.0; employment at 49.1; and inventories at 49.5. According to trade data from the ITA, North Dakota exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, expanded by \$1.2 billion or +32.8%. Furthermore, 2026 state manufacturing exports, compared to the same period in 2024, are up by \$2.4 billion or +99.2%.

Oklahoma: The state's Business Conditions Index for September decreased to 55.4 from 60.2 in August. Components of the overall September index were: new orders at 54.4; production at 58.0; delivery lead time at 61.3; inventories at 51.9; and employment at 51.5. According to trade data from the ITA, Oklahoma exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, soared by \$674.5 million or +16.3%. Furthermore, 2026 state manufacturing exports, compared to the same period in 2024, climbed by \$656.9 million or +16.3%.

South Dakota: The September Business Conditions Index for South Dakota dipped to 56.0 from August's 56.4. Components of the overall September index were: new orders at 54.9; production at 58.6; delivery lead time at 61.9; inventories at 52.4; and employment at 52.1. According to trade data from the ITA, South Dakota exports of manufactured goods for the first seven months of 2026, compared to the same period in 2025, rose by \$61.2 million or +6.3%. However, 2026 state manufacturing exports, compared to the same period in 2024, are down by \$154.4 million or -13.1%.

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

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