NAM MANUFACTURERS' OUTLOOK SURVEY
FOURTH QUARTER 2022 – 25th ANNIVERSARY RELEASE

Jan. 4, 2023

Percentage of Respondents Positive About Their Own Company's Outlook **68.9% – Lowest Since Q3:2020** *(September: 75.6%)* Small Manufacturers: **76.8%** *(September: 71.0%)* Medium-Sized Manufacturers: **71.1%** *(September: 78.0%)* Large Manufacturers: **61.4%** *(September: 74.8%)*	**Overall Facts About the Survey** Number of Responses: 337 In the Field: Nov. 29 – Dec. 13, 2022 Small Manufacturers: 69 responses (20.5%) Medium-Sized Manufacturers: 149 responses (44.2%) Large Manufacturers: 119 responses (35.3%) **NAM Manufacturing Outlook Index[1]** **45.8** *(September: 50.3)*
Expected Growth Rate for SALES Over the Next 12 Months **↑ 2.5% – Lowest Since Q3:2020** *(September: ↑ 3.3%)*	**Expected Growth Rate for PRODUCTION Over the Next 12 Months** **↑ 2.7% – Lowest Since Q3:2020** *(September: ↑ 3.2%)*
Expected Growth Rate for FULL-TIME EMPLOYMENT Over the Next 12 Months **↑ 1.6% – Lowest Since Q3:2020** *(September: ↑ 2.0%)*	**Expected Growth Rate for EMPLOYEE WAGES Over the Next 12 Months** **↑ 3.4%** *(September: ↑ 3.5%)*
Expected Growth Rate for CAPITAL INVESTMENTS Over the Next 12 Months **↑ 2.3%** *(September: ↑ 2.2%)*	**Expected Growth Rate for EXPORTS Over the Next 12 Months** **↑ 0.3% – Lowest Since Q2:2020** *(September: ↑ 0.7%)*
Expected Growth Rate for PRICES OF COMPANY'S PRODUCTS Over the Next 12 Months **↑ 2.9% – Lowest Since Q4:2020** *(September: ↑ 3.9%)*	**Expected Growth Rate for RAW MATERIAL PRICES AND OTHER INPUT COSTS Over the Next 12 Months** **↑ 2.7% – Lowest Since Q3:2020** *(September: ↑ 3.4%)*
Expected Growth Rate for INVENTORIES Over the Next 12 Months **↓ 0.8%** *(September: ↓ 0.8%)*	**Expected Growth Rate for HEALTH INSURANCE COSTS Over the Next 12 Months** **↑ 7.3%** *(September: ↑ 7.7%)*

[1] The NAM Manufacturing Outlook Index data series is revised each quarter to reflect the mean and standard deviation of the historical data, dating back to the fourth quarter of 1997. Currently, the historical average for those with positive responses in their outlook is 75.1%, with a standard deviation of 14.8%. An index reading of 40 would be consistent with one standard deviation below the mean (60.3% positive), and an index reading of 60 would be one standard deviation above the mean (89.9% positive). As such, the index helps to normalize the outlook data to put them into a historical context.

Summary of Findings

While manufacturing proved to be quite resilient through the challenges of the past few years, the sector ended 2022 with weaker conditions, both in the U.S. and globally. Manufacturers continue to report concerns with workforce shortages, inflationary pressures and lingering supply chain bottlenecks, even with the latter showing signs of improvement. This is on top of other economic and geopolitical uncertainties. Nearly all the sentiment surveys show activity at post-pandemic lows. Manufacturing production declined 0.6% in November, with just 1.2% growth over the past 12 months. Yet, despite such softness, the labor market has remained solid, with manufacturers adding more workers in 2022 than in any year since 1994 and with job openings still at highly elevated levels.

For its part, the Federal Reserve is determined to slow demand in its effort to tame inflationary pressures, which remain stubbornly high despite easing from 40-year highs earlier in 2022. Indeed, these efforts have begun to weaken growth, most notably to date in the housing market, and there are ongoing worries about a recession in 2023.

With that as context, the National Association of Manufacturers conducted the Manufacturers' Outlook Survey for the fourth quarter of 2022 from Nov. 29 to Dec. 13, and 68.9% of respondents felt either somewhat or very positive in their company outlook, down from 75.6% in the third quarter (Figures 1 and 2). It was the weakest reading since the third quarter of 2020, with growth slowing notably across the board. Indeed, it was the first reading below the historical average (75.1%) in two years. Along those lines, the NAM Manufacturing Outlook Index measured 45.8 in the fourth quarter, down from 50.3 in the third quarter and consistent with other measures reporting contracting activity in the sector.

Large manufacturers (those with 500 or more employees) felt the least upbeat in their outlook, likely reflecting greater concern with global growth. Indeed, expectations for export growth for large firms was half of the predicted rates for small (those with fewer than 50 employees) and medium-sized (those with 50 to 499 employees) companies. Interestingly, large manufacturers had the greatest anticipated sales growth (2.7%) and capital spending plans (3.1%) over the next 12 months relative to their small and medium-sized counterparts (2.3% and 1.8%, respectively). At the same time, small and medium-sized firms had the greatest pricing pressures, both for product prices (3.5%) and input costs (3.2%) relative to their larger peers (1.8% and 1.7%, respectively).

In addition, 62.4% of manufacturing leaders believed that the U.S. economy would slip officially into a recession in 2023, if it has not already (Figure 3). Despite worries about a downturn, manufacturers plan to continue to invest in their companies, which is encouraging (Figure 4). In fact, respondents say that, even in a recession, they plan to do the following: capital spending on new equipment and technological investments (65.3%), upskilling and training of existing workforce (64.1%), seeing solid demand for their company's products (63.2%), hiring new employees (55.1%), investing in research and development (52.1%) and spending on new structures and existing facilities (38.6%).

Meanwhile, attracting and retaining a quality workforce returned to being the number-one primary business challenge in the fourth quarter (Figure 5), cited by 75.7% of respondents. This was followed by supply chain challenges (65.7%), increased raw material costs (60.7%), transportation and logistics costs (50.0%), rising health care and insurance costs (47.9%) and a weaker domestic economy (47.6%), among other challenges.

To address ongoing workforce challenges, respondents were asked about various immigration programs that they might have considered or utilized (Figure 6), with 53.6% citing high-skilled immigration visas (e.g., H-1B, STEM OPT). Other immigration programs either considered or utilized included lesser-skilled immigration visas (45.1), refugees and other special immigrant visa holders (29.8%), Temporary Protected Status workers (26.3%) and Dreamers (DACA) (23.5%). At the same time, 26.7% said that none of those immigration programs fit their current workforce needs.

For the fifth straight quarter, respondents were asked when they expect supply chain disruptions to abate. Just 11.1% suggest that these disruptions have already improved, with 59.7% expecting some abatement in 2023 (Figure 7). These results were roughly similar to the previous survey, but respondents clearly expect supply chain issues to linger longer than desired, even as other surveys suggest that bottlenecks are improving, with data trending in the right direction.

Those completing the survey were asked about the most pressing priorities for the 118th Congress (Figure 8). More than three-quarters of respondents said pushing back against regulatory overreach should be the top priority. Other top choices included supporting increased domestic energy production (69.3%), passing comprehensive immigration reform (65.4%), maintaining and permanently extending tax reform (63.0%), controlling rising health care costs (55.5%), addressing the skills gap facing manufacturers (50.5%) and modernizing permitting to reduce red tape (40.0%), among others. At the same time, 88.9% of manufacturing leaders said their company would find it more difficult to expand their workforce, invest in new equipment or expand facilities if the tax burden on income from manufacturing activities increased.

Regarding labor issues, 65.7% of respondents would be less likely to utilize federal incentives to increase domestic manufacturing investment if they included conditions such as a requirement to stay neutral in union-organizing efforts, limitations on executive compensation or prohibitions on specific uses of company funds (e.g., stock buybacks), with one-quarter of those completing the survey uncertain. Likewise, no respondent said that the Protecting the Right to Organize (PRO) Act would have a positive impact on their business operations or with their existing relationships with employees, with 55.9% saying it would have a negative impact and 44.1% uncertain.

Among publicly traded companies, 77.3% of respondents were concerned that the Securities and Exchange Commission's focus on ESG disclosures would increase reporting costs and divert funds from productive uses (Figure 9). Other impacts cited included empowering and encouraging shareholder activists (53.0%), exposing companies to increased legal liability (53.0%), undermining materiality and confusing investors (53.0%), discouraging companies from setting ambitious climate or other ESG goals (33.3%), exposing competitively sensitive information (30.3%) and harming small businesses, including privately held businesses (28.8%). In addition, 77.6% of publicly traded manufacturers were either somewhat or very concerned that the recent increase in outside pressure on environmental, social and political topics from activist investors, institutional investors, proxy advisory firms and other third parties would increase costs for public companies, divert management and board time and resources and endanger long-term value creation.

Congress and the administration are considering imposing new "Right to Repair" restrictions, which would require manufacturers to give customers access to trade secrets and embedded software in their products. These restrictions could affect a wide range of industries, including industrial machinery, automotives, technology, medical devices and more. Among those companies that said they would be impacted by federal "Right to Repair" restrictions, 83.6% were concerned about intellectual property protections (Figure 10). Other concerns or impacts included product safety risks (54.3%), the ability to provide parts due to supply chain issues (50.9%), reputational damage (50.0%), consumer privacy and cybersecurity worries (47.4%) and environmental regulatory compliance (38.8%) challenges

On the topic of health care, 90.8% of respondents anticipated their health care premiums would increase. Indeed, those filing out the survey expected 7.3% growth in health insurance costs over the next 12 months on average.

Seventy-one percent of respondents said the increase in health insurance costs could be explained by inflation, with other drivers including health events impacting individuals and/or families (38.7%), chronic conditions (31.5%) and the lack of provider competition (30.5%).

For the past nine quarters, manufacturers were asked about production, employment and capital spending in the current quarter relative to the previous one (Figure 11 and the below table). This information can be expressed as purchasing managers' indices. The data were consistent with weaker manufacturing growth, and in this case, with production declining. For instance, the percentage reporting higher production decelerated from 36.8% in the third quarter to 23.5% in the fourth quarter, with those citing declining output rising from 20.9% to 33.9%. Meanwhile, employment and capital spending growth were both positive, but slowed materially from the previous survey.

	Previous	**Fourth Quarter 2022 Relative to Third Quarter 2022**			
	PMI	**Higher**	**No Change**	**Lower**	**PMI**
Production	57.9	23.5%	42.6%	33.9%	**44.8**
Employment	61.7	23.6%	58.7%	17.7%	**53.0**
Capital Spending	58.7	21.3%	61.5%	17.2%	**52.1**

Some other trends regarding predicted growth rates over the next 12 months:

- **Sales:** Respondents expect sales to rise 2.5% over the next 12 months, down from 3.3% in the third quarter and the slowest pace since the third quarter of 2020. As such, respondents saw demand increasing modestly over the next year, easing from the more robust paces in recent quarters. Almost 57% of manufacturers predict sales will increase over the next four quarters, with 38.7% feeling orders will rise 5% or more.

- **Production:** Respondents expect production to increase 2.7% over the next 12 months, down from 3.2% in the previous survey and also the weakest reading since the third quarter of 2020. More than 57% forecast output to rise over the coming months, with 20.8% seeing declining production.

- **Full-Time Employment:** Respondents expect full-time employment to rise 1.6% over the next 12 months, down from 2.0% in the third quarter. Nearly 48% anticipate more full-time hiring over the next year, with 19.3% predicting employment growth of 5% or more. Sixteen percent expect employment reductions. Small and medium-sized manufacturers felt the most upbeat in their hiring plans, predicting 2.0% growth over the next 12 months. In contrast, large firms expect employment to rise just 0.9%.

- **Employee Wages:** Respondents anticipate employee wages (excluding nonwage compensation, such as benefits) to rise 3.4% over the next 12 months, edging down from 3.5% in the third quarter. Overall, 19.1% see wages rising more than 5%, with 51.8% of respondents predicting a wage hike of between 3% and 5%.

- **Capital Investments:** Respondents expect capital spending to rise 2.3% over the next 12 months, inching up from 2.2% in the previous survey. In this survey, 45.7% expect additional capital spending in the next year, with 38.9% predicting no change and 15.4% forecasting reduced capital expenditures.

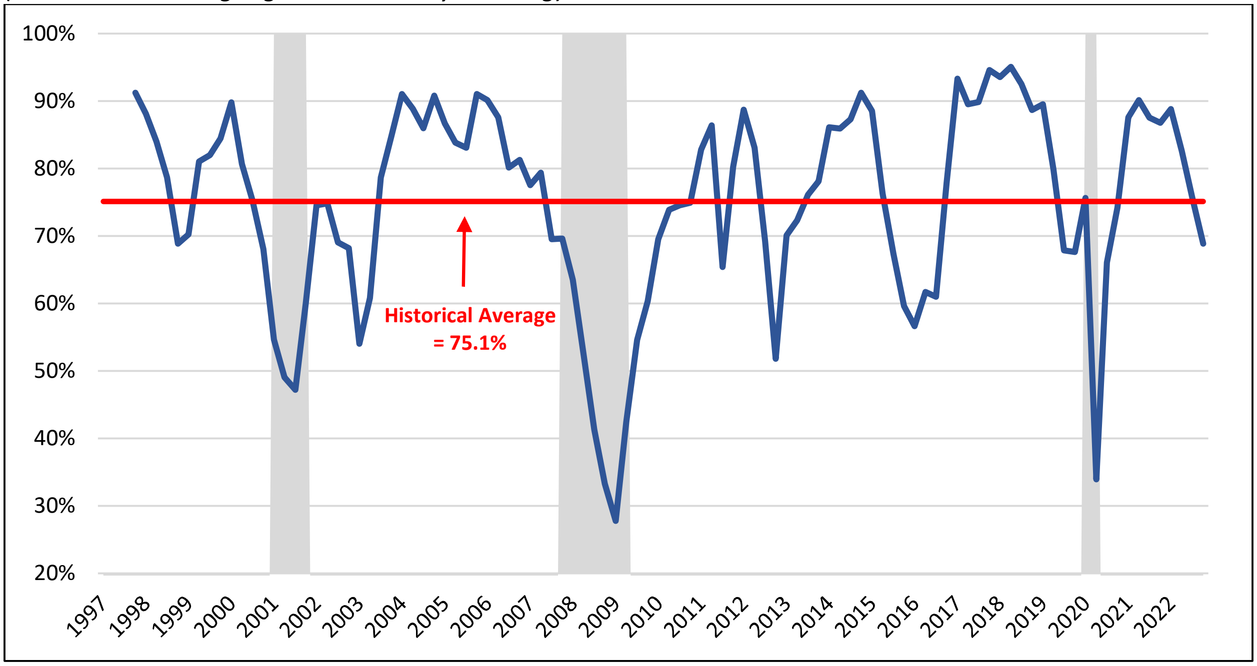
- **Exports:** Respondents expect exports to increase 0.3% over the next 12 months, down from 0.7% in the third quarter and the slowest pace since the second quarter of 2020. Overall, 22.3% anticipate higher exports in the next year, with 61.1% seeing no changes and 16.6% forecasting declines.

- **Inventories:** Respondents anticipate inventories shrinking by 0.8% for the second straight survey. Nearly 39% of manufacturers expect falling inventories over the next year, with 23.1% predicting increases and 38.3% seeing no changes.

- **Health Insurance Costs:** Manufacturers predict health insurance costs will rise 7.3% over the next 12 months, down from 7.7% in the second quarter. In the latest figures, just more than 70% expect costs to increase 5% or more, including 28.1% seeing costs rising 10% or more.

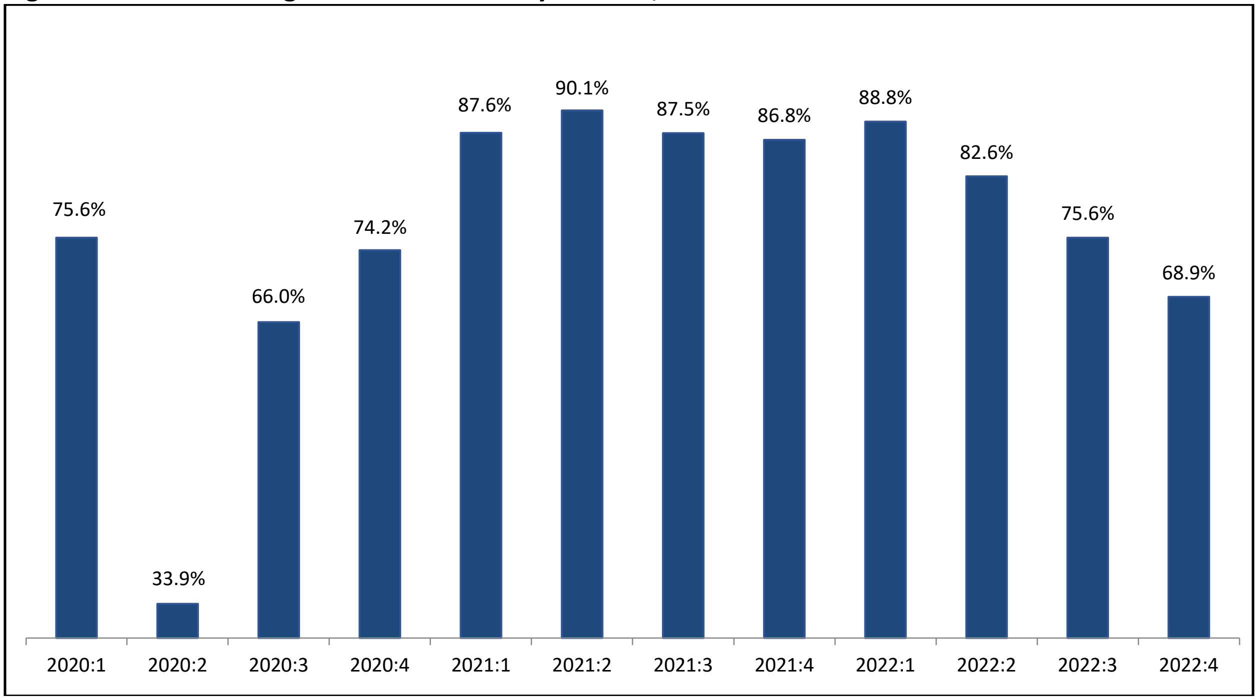
Figure 1: Manufacturing Business Outlook by Quarter, 1997–2022

(Recessions Are Highlighted with Gray Shading)



Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive. Recessions are designated by the National Bureau of Economic Research.

Figure 2: Manufacturing Business Outlook by Quarter, 2020–2022



Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive.

Figure 3: "Do You Think That the U.S. Economy Will Slip Officially into a Recession in 2023, If It Has Not Already?"

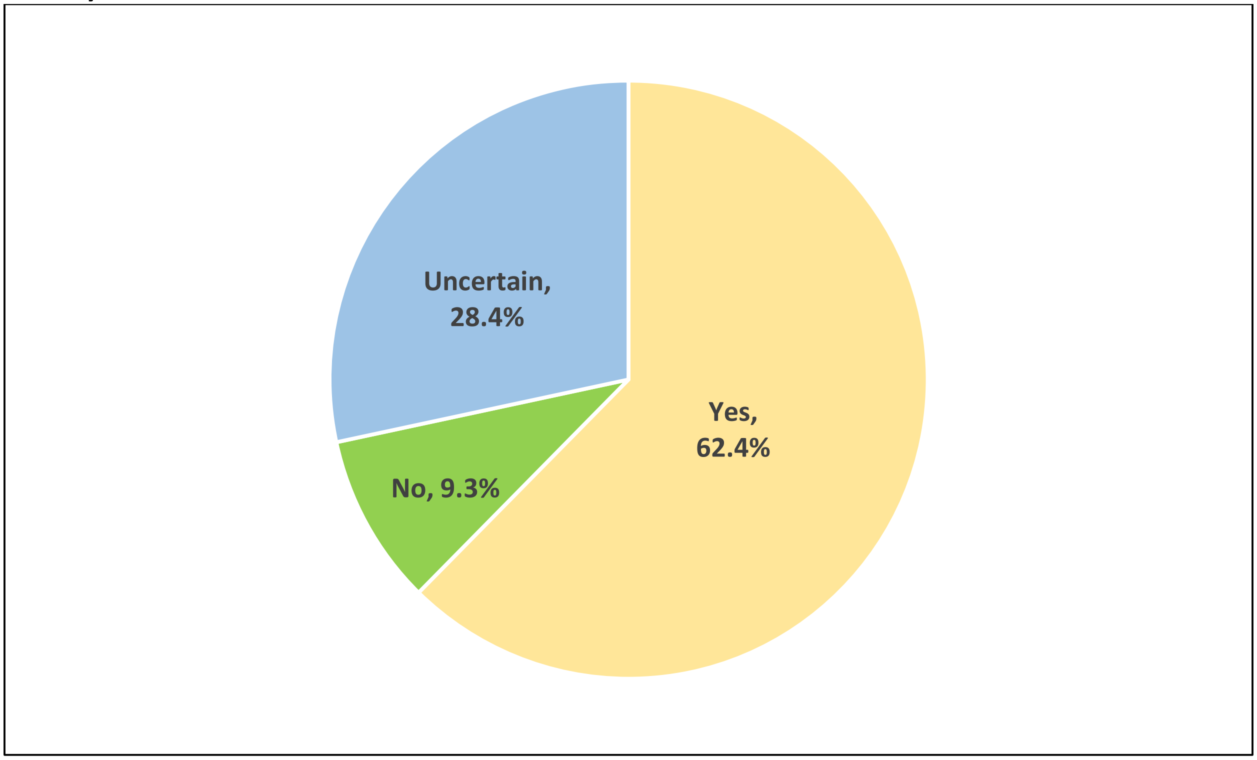
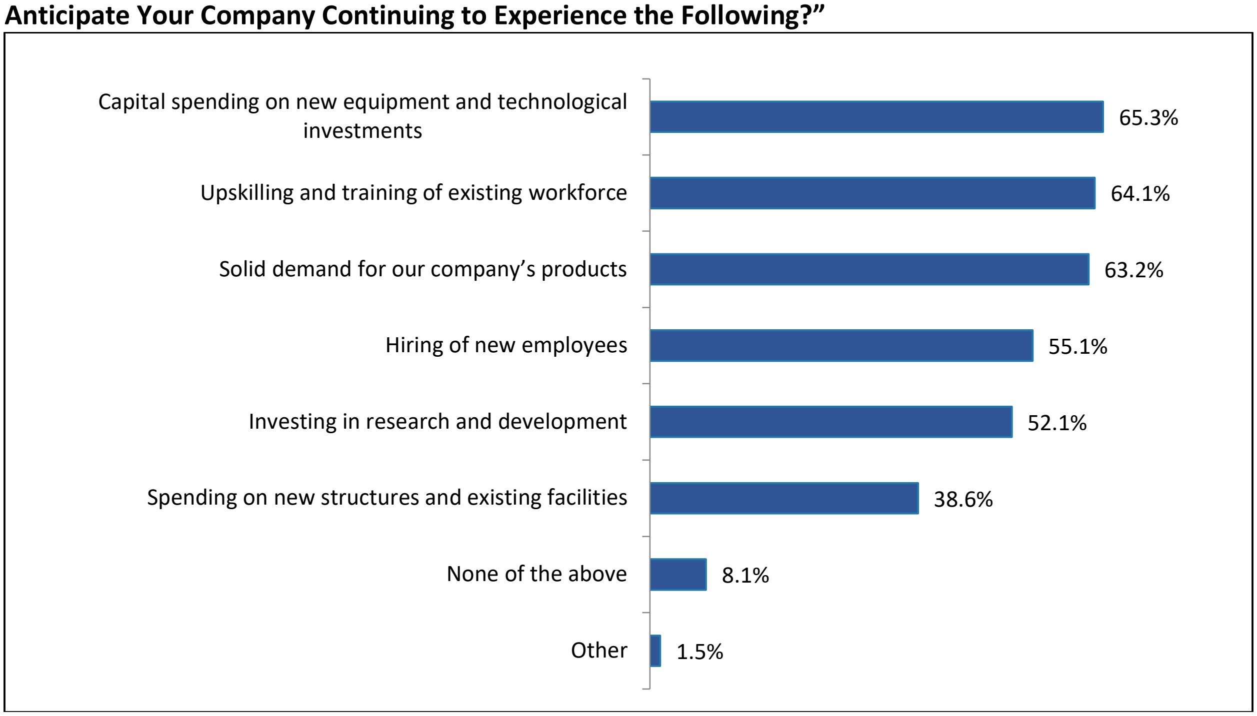


Figure 4: "There Has Been Some Surprising Resilience in the Manufacturing Sector Over the Past Year or So Despite Numerous Challenges. Moving Forward, Even If There Is an Economic Downturn, Do You Anticipate Your Company Continuing to Experience the Following?"

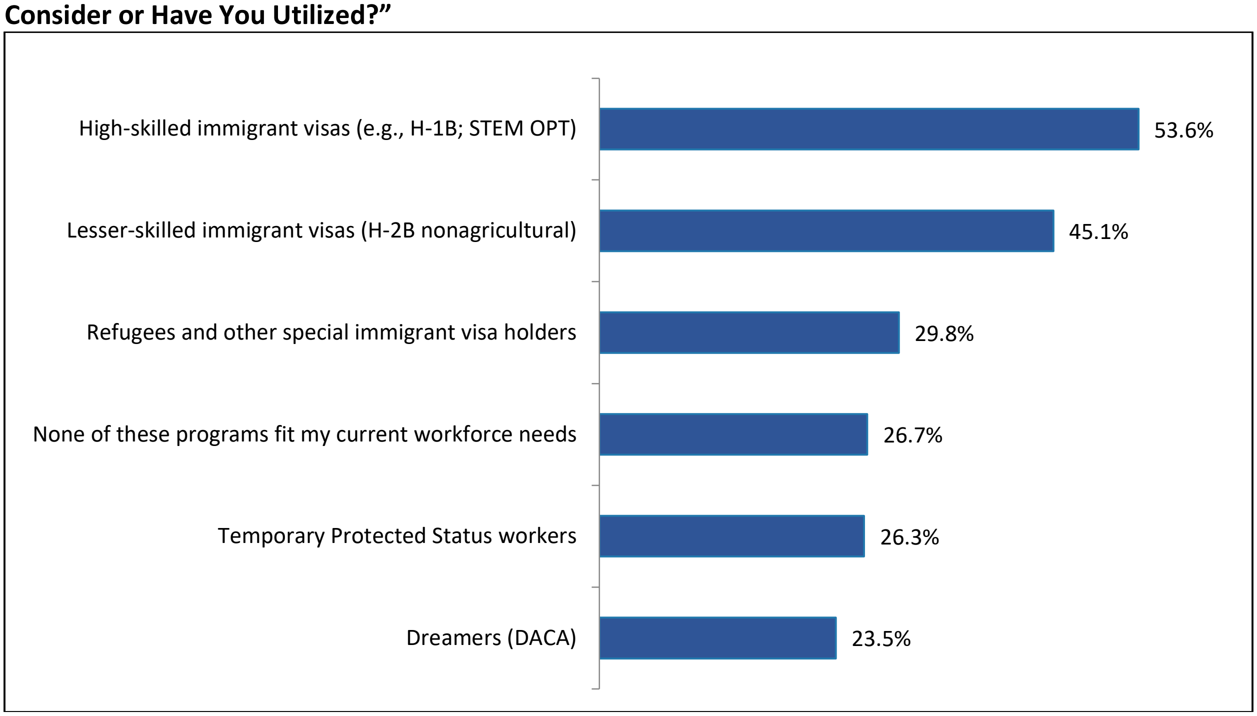


Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 5: Primary Current Business Challenges, Fourth Quarter 2022

Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 6: "To Address the Ongoing Workforce Challenge, Which Immigration Programs Would You Consider or Have You Utilized?"



Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 7: When Firms Expect Supply Chain Disruptions to Abate

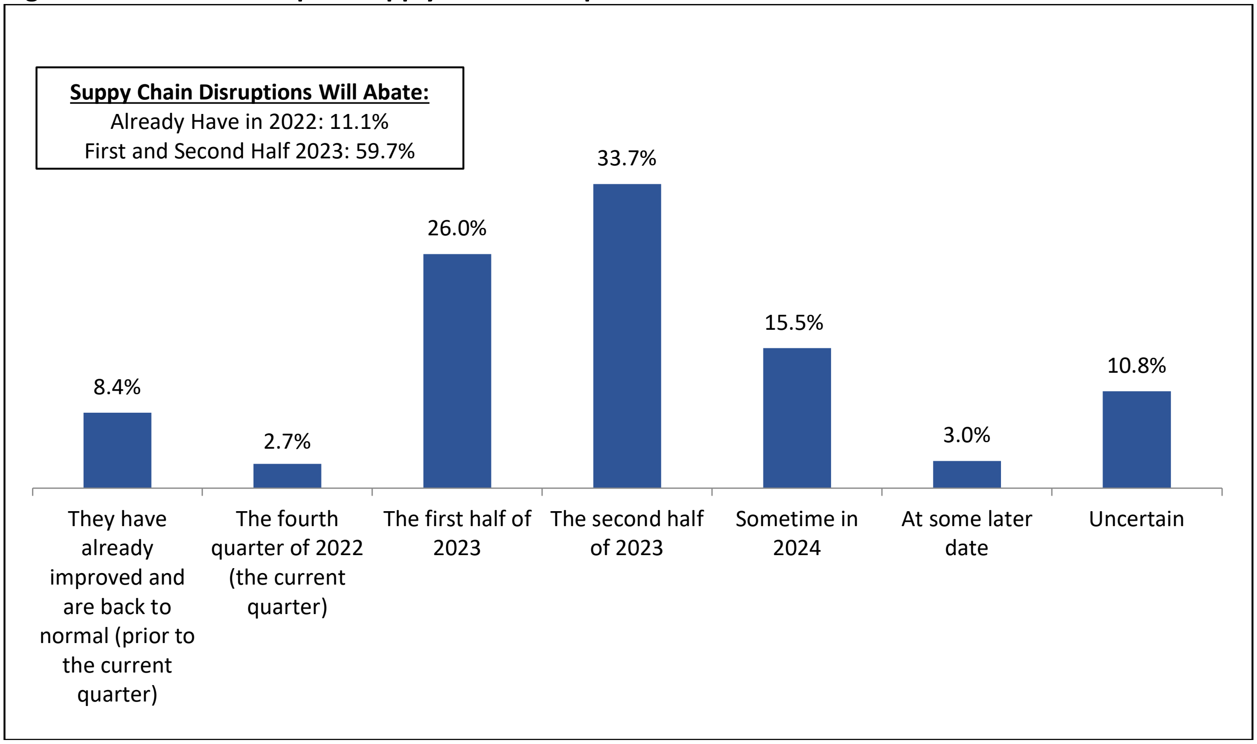
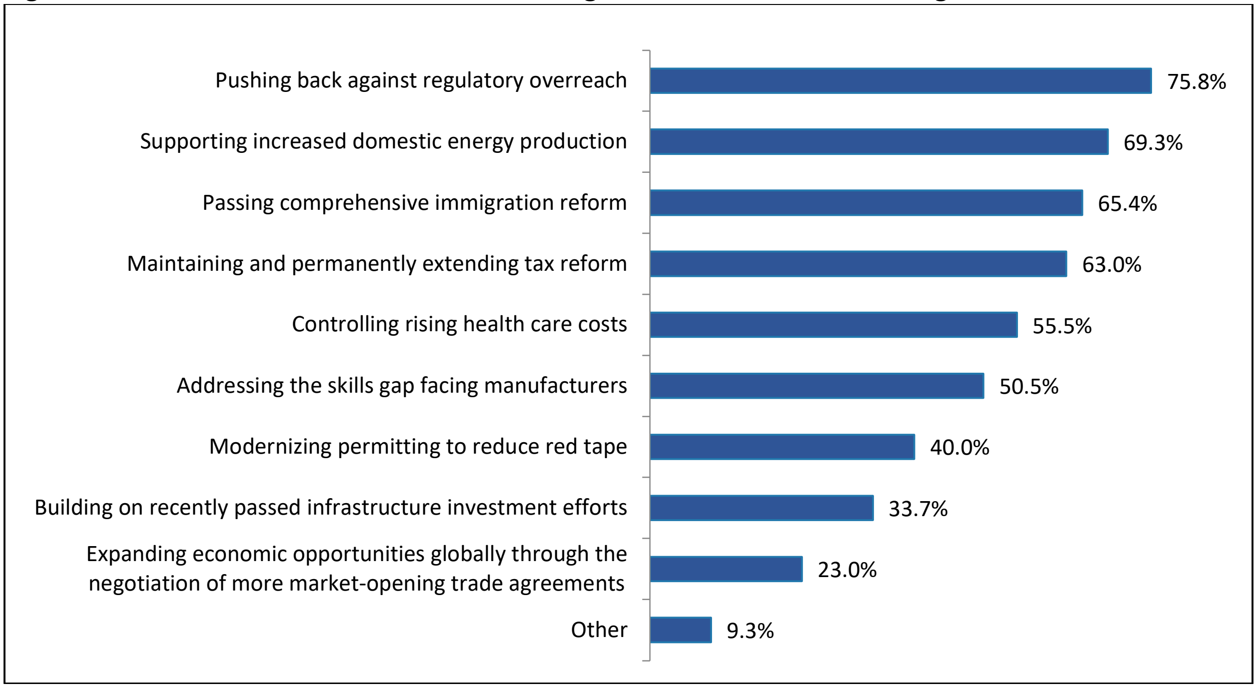
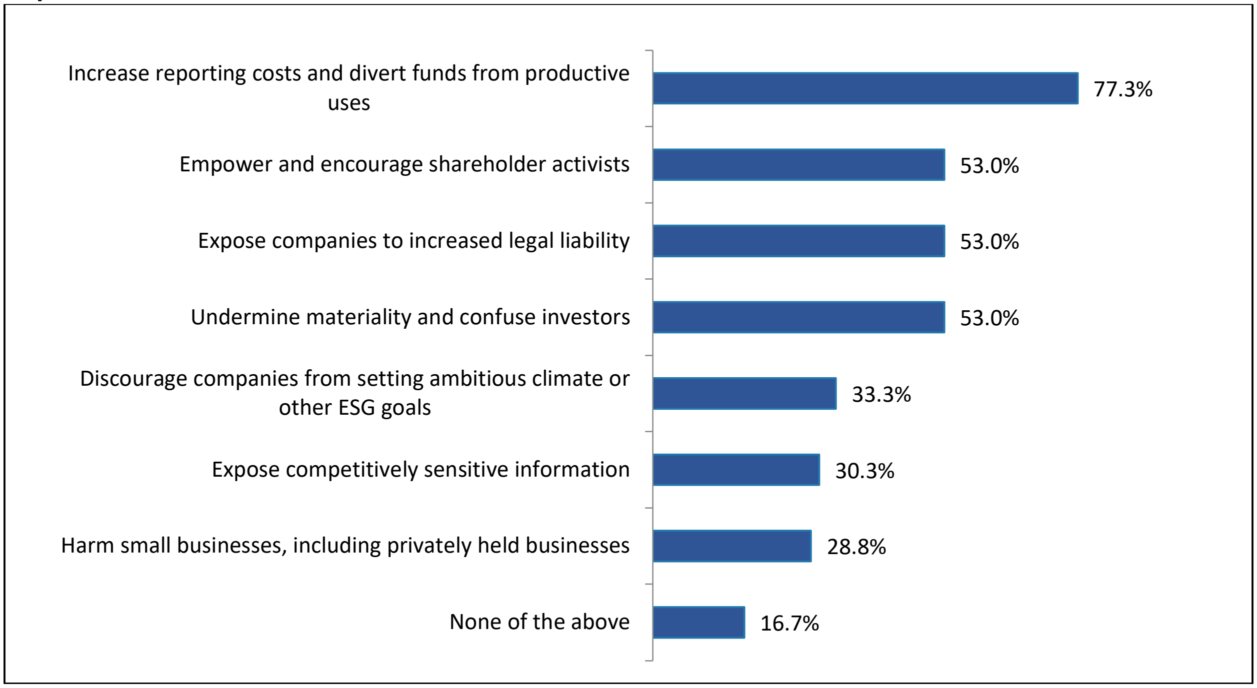


Figure 8: "What Do You See as the Most Pressing Priorities for the 118th Congress?"



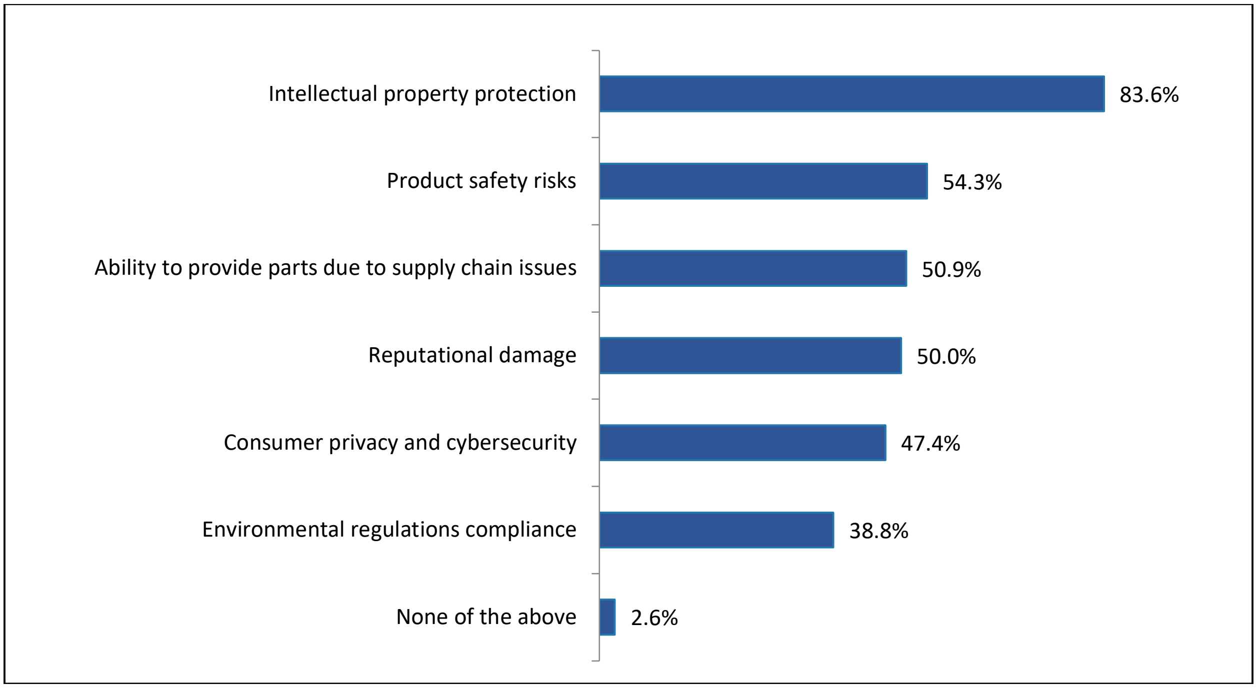
Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 9: "Are You Concerned That the Securities and Exchange Commission's Focus on ESG Disclosures (Such as the SEC's Proposed Climate Disclosure Rule) Will Have Any of the Following Impacts?"



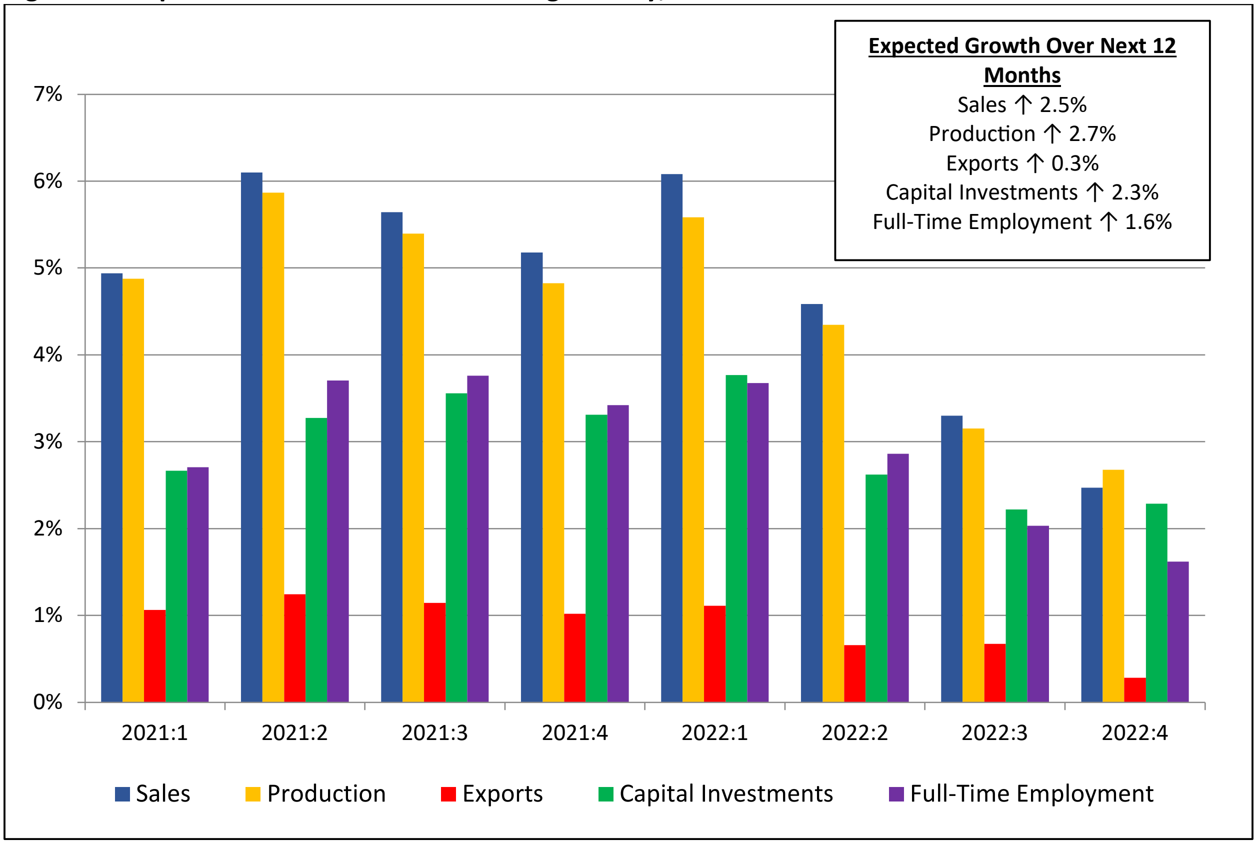
Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 10: Areas of Concern or Impacts for Manufacturers Affected by Federal "Right to Repair" Restrictions



Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 11: Expected Growth of Manufacturing Activity, 2021–2022



Note: Expected growth rates are annual averages.

Survey Responses

1. How would you characterize the business outlook for your firm right now?
    a. Very positive – 14.84%
    b. Somewhat positive – 54.01%
    c. Somewhat negative – 28.78%
    d. Very negative – 2.37%

    Percentage that is either somewhat or very positive in their outlook = 68.85%

2. Over the next year, what do you expect to happen with your company's overall sales?
    a. Increase more than 10 percent – 14.29%
    b. Increase 5 to 10 percent – 24.40%
    c. Increase up to 5 percent – 18.15%
    d. Stay about the same – 19.64%
    e. Decrease up to 5 percent – 12.50%
    f. Decrease 5 to 10 percent – 6.85%
    g. Decrease more than 10 percent – 4.17%

    Average expected increase in sales consistent with these responses = 2.47%

3. Over the next year, what do you expect to happen with your company's overall production levels?
    a. Increase more than 10 percent – 14.24%
    b. Increase 5 to 10 percent – 22.85%
    c. Increase up to 5 percent – 20.18%
    d. Stay about the same – 21.96%
    e. Decrease up to 5 percent – 13.06%
    f. Decrease 5 to 10 percent – 5.34%
    g. Decrease more than 10 percent – 2.37%

    Average expected increase in production consistent with these responses = 2.68%

4. Over the next year, what do you expect to happen with the level of exports from your company?
    a. Increase more than 5 percent – 7.53%
    b. Increase 3 to 5 percent – 7.53%
    c. Increase up to 3 percent – 7.23%
    d. Stay about the same – 61.14%
    e. Decrease up to 3 percent – 7.83%
    f. Decrease 3 to 5 percent – 5.12%
    g. Decrease more than 5 percent – 3.61%

    Average expected increase in exports consistent with these responses = 0.28%

5. Over the next year, what do you expect to happen with prices on your company's overall product line?
    a. Increase more than 10 percent – 5.04%
    b. Increase 5 to 10 percent – 28.49%
    c. Increase up to 5 percent – 32.64%
    d. Stay about the same – 20.18%
    e. Decrease up to 5 percent – 9.50%
    f. Decrease 5 to 10 percent – 3.26%
    g. Decrease more than 10 percent – 0.89%

Average expected increase in product prices consistent with these responses = 2.89%

6. Over the next year, what do you expect to happen with raw material prices and other input costs?
   a. Increase more than 10 percent – 8.93%
   b. Increase 5 to 10 percent – 24.11%
   c. Increase up to 5 percent – 27.08%
   d. Stay about the same – 20.54%
   e. Decrease up to 5 percent – 15.48%
   f. Decrease 5 to 10 percent – 2.98%
   g. Decrease more than 10 percent – 0.89%

   Average expected increase in raw material prices consistent with these responses = 2.68%

7. Over the next year, what are your company's capital investment plans?
   a. Increase more than 10 percent – 21.96%
   b. Increase 5 to 10 percent – 10.39%
   c. Increase up to 5 percent – 13.35%
   d. Stay about the same – 38.87%
   e. Decrease up to 5 percent – 5.64%
   f. Decrease 5 to 10 percent – 3.86%
   g. Decrease more than 10 percent – 5.93%

   Average expected increase in capital investments consistent with these responses = 2.29%

8. Over the next year, what are your inventory plans?
   a. Increase more than 10 percent – 3.26%
   b. Increase 5 to 10 percent – 9.20%
   c. Increase up to 5 percent – 10.68%
   d. Stay about the same – 38.28%
   e. Decrease up to 5 percent – 19.88%
   f. Decrease 5 to 10 percent – 11.57%
   g. Decrease more than 10 percent – 7.12%

   Average expected increase in inventories consistent with these responses = -0.79%

9. Over the next year, what do you expect in terms of full-time employment in your company?
   a. Increase more than 10 percent – 6.23%
   b. Increase 5 to 10 percent – 13.06%
   c. Increase up to 5 percent – 28.49%
   d. Stay about the same – 36.20%
   e. Decrease up to 5 percent – 10.68%
   f. Decrease 5 to 10 percent – 4.15%
   g. Decrease more than 10 percent – 1.19%

   Average expected increase in full-time employment consistent with these responses = 1.62%

10. Over the next year, what do you expect to happen to employee wages (excluding nonwage compensation, such as benefits) in your company?
    a. Increase more than 5 percent – 19.05%
    b. Increase 3 to 5 percent – 51.79%
    c. Increase up to 3 percent – 22.02%
    d. Stay about the same – 7.14%
    e. Decrease up to 3 percent – none

f. Decrease 3 to 5 percent – none
g. Decrease more than 5 percent – none

Average expected increase in employee wages consistent with these responses = 3.35%

11. Over the next year, what do you expect to happen to health insurance costs for your company?
    a. Increase 15.0 percent or more – 6.80%
    b. Increase 10.0 to 14.9 percent – 21.30%
    c. Increase 5.0 to 9.9 percent – 42.01%
    d. Increase less than 5.0 percent – 20.41%
    e. No change – 7.10%
    f. Decrease less than 5.0 percent – 0.89%
    g. Decrease 5.0 percent or more – none
    h. Uncertain – 1.48%

    Average expected increase in health insurance costs consistent with these responses = 7.32%

12. What are the biggest challenges you are facing right now? (Check all that apply.)
    a. Weaker domestic economy and sales for our products to U.S. customers – 47.63%
    b. Weaker global growth and slower export sales – 23.96%
    c. Trade uncertainties (e.g., actual or proposed tariffs, trade negotiation uncertainty) – 21.89%
    d. Strengthened U.S. dollar relative to other currencies – 26.63%
    e. Challenges with access to capital or other forms of financing – 8.58%
    f. Unfavorable business climate (e.g., taxes, regulations) – 44.08%
    g. Increased raw material costs – 60.65%
    h. Rising health care/insurance costs – 47.93%
    i. Transportation and logistics costs – 50.00%
    j. Supply chain challenges – 65.68%
    k. Attracting and retaining a quality workforce – 75.74%
    l. Other – 8.28%

13. What is your company's primary industrial classification?
    a. Chemicals – 7.72%
    b. Computer and electronic products – 3.26%
    c. Electrical equipment and appliances – 5.93%
    d. Fabricated metal products – 27.00%
    e. Food manufacturing – 2.08%
    f. Furniture and related products – 1.48%
    g. Machinery – 11.57%
    h. Nonmetallic mineral products – 2.08%
    i. Paper and paper products – 2.67%
    j. Petroleum and coal products – 0.59%
    k. Plastics and rubber products – 7.42%
    l. Primary metals – 2.67%
    m. Transportation equipment – 4.45%
    n. Wood products – 2.08%
    o. Other – 18.99%

14. What is your firm size (e.g., the parent company, not your establishment)?
    a. Fewer than 50 employees – 20.41%
    b. 50 to 499 employees – 44.38%
    c. 500 or more employees – 35.21%
    d. Uncertain – none

15. How would you characterize **production** in the fourth quarter relative to the third quarter?
    a. Higher – 23.51%
    b. No change – 42.56%
    c. Lower – 33.93%

Production Purchasing Managers' Index = 44.79

16. How would you characterize **employment** in the fourth quarter relative to the third quarter?
    a. Higher – 23.60%
    b. No change – 58.70%
    c. Lower – 17.70%

Employment Purchasing Managers' Index = 52.95

17. How would you characterize **capital spending** in the fourth quarter relative to the third quarter?
    a. Higher – 21.30%
    b. No change – 61.54%
    c. Lower –17.16%

Capital Spending Purchasing Managers' Index = 52.07

SPECIAL QUESTIONS

18. When do you expect that supply chain disruptions will abate?
    a. They have already improved and are back to normal (prior to the current quarter) – 8.36%
    b. The fourth quarter of 2022 (the current quarter) – 2.69%
    c. The first half of 2023 – 25.97%
    d. The second half of 2023 – 33.73%
    e. Sometime in 2024 – 15.52%
    f. At some later date – 2.99%
    g. Uncertain – 10.75%

19. Do you think that the U.S. economy will slip officially into a recession in 2023, if it has not already?
    a. Yes – 62.39%
    b. No – 9.25%
    c. Uncertain – 28.36%

20. There has been some surprising resilience in the manufacturing sector over the past year or so despite numerous challenges. Moving forward, even if there is an economic downturn, do you anticipate your company continuing to experience the following? (Select all that apply.)
    a. Solid demand for our company's products – 63.17%
    b. Hiring of new employees – 55.09%
    c. Upskilling and training of existing workforce – 64.07%
    d. Capital spending on new equipment and technological investments – 65.27%
    e. Spending on new structures and existing facilities – 38.62%
    f. Investing in research and development – 52.10%
    g. None of the above – 8.08%
    h. Other – 1.50%

22. What do you see as the most pressing priorities for the 118th Congress? (Select all that apply.)
    a. Maintaining and permanently extending tax reform – 62.99%
    b. Pushing back against regulatory overreach – 75.82%

c. Passing comprehensive immigration reform – 65.37%
d. Expanding economic opportunities globally through the negotiation of more market-opening trade agreements – 22.99%
e. Supporting increased domestic energy production – 69.25%
f. Modernizing permitting to reduce red tape – 40.00%
g. Controlling rising health care costs – 55.52%
h. Building on recently passed infrastructure investment efforts – 33.73%
i. Addressing the skills gap facing manufacturers – 50.45%
j. Other – 9.25%

23. Would you be less likely to utilize federal incentives to increase domestic manufacturing investment if they included conditions such as a requirement to stay neutral in union-organizing efforts, limitations on executive compensation or prohibitions on specific uses of company funds (e.g., stock buybacks)?
    a. Yes – 65.67%
    b. No – 9.25%
    c. Uncertain – 25.07%

24. If the tax burden on income from manufacturing activities increased, would your company find it more difficult to expand its workforce, invest in new equipment or expand facilities?
    a. Yes – 88.92%
    b. No – 11.08%

25. Are you a publicly traded company?
    a. Yes – 20.60%
    b. No (Skip to #28) – 79.40%

26. (IF YES) Are you concerned that the Securities and Exchange Commission's focus on ESG disclosures (such as the SEC's proposed climate disclosure rule) will have any of the following impacts? (Select all that apply.)
    a. Increase reporting costs and divert funds from productive uses – 77.27%
    b. Undermine materiality and confuse investors – 53.03%
    c. Discourage companies from setting ambitious climate or other ESG goals – 33.33%
    d. Harm small businesses, including privately held businesses – 28.79%
    e. Expose companies to increased legal liability – 53.03%
    f. Empower and encourage shareholder activists – 53.03%
    g. Expose competitively sensitive information – 30.30%
    h. None of the above – 16.67%

27. (IF YES) How concerned are you that the recent increase in outside pressure on environmental, social and political topics from activist investors, institutional investors, proxy advisory firms and other third parties will increase costs for public companies, divert management and board time and resources and endanger long-term value creation?
    a. Very concerned – 32.84%
    b. Somewhat concerned – 44.78%
    c. Neutral – 11.94%
    d. Not very concerned – 8.96%
    e. Not at all concerned – 1.49%

Congress and the administration are considering imposing new "Right to Repair" restrictions, which would require manufacturers to give customers access to trade secrets and embedded software in their products. These restrictions could affect a wide range of industries, including industrial machinery, automotives, technology, medical devices and more.

28. Would your company be affected by federal “Right to Repair” restrictions?
    a. Yes – 35.74%
    b. No – 30.03%
    c. Uncertain – 34.23%

29. If you answered “yes” to question #28, check all the areas of concern or impact below:
    a. Environmental regulations compliance – 38.79%
    b. Product safety risks – 54.31%
    c. Ability to provide parts due to supply chain issues – 50.86%
    d. Consumer privacy and cybersecurity – 47.41%
    e. Reputational damage – 50.00%
    f. Intellectual property protections – 83.62%
    g. None of the above – 2.59%

30. If the Protecting the Right to Organize (PRO) Act were to become law or if similar objectives were to be achieved by administrative actions, what impact do you expect the new rules to have on your business operations and your existing relationships with employees?
    a. Positive impact – none
    b. Negative impact – 55.86%
    c. Uncertain – 44.14%

31. To address the ongoing workforce challenge, which immigration programs would you consider or have you utilized? (Select all that apply.)
    a. High-skilled immigrant visas (e.g., H-1B; STEM OPT) – 53.61%
    b. Lesser-skilled immigrant visas (H-2B nonagricultural) – 45.14%
    c. Temporary Protected Status workers – 26.33%
    d. Refugees and other special immigrant visa holders – 29.78%
    e. Dreamers (DACA) – 23.51%
    f. None of these programs fit my current workforce needs – 26.65%

32. Do you anticipate an increase in health care premiums?
    a. Yes – 90.77%
    b. No – 4.00%
    c. Unsure – 5.23%

33. What is driving your health care premium costs? (Select all that apply.)
    a. Chronic conditions – 31.45%
    b. Health events impacting individuals and/or families – 38.68%
    c. Lack of provider competition – 30.50%
    d. Inflation – 71.00%
    e. Other – 12.58%