

NAM MANUFACTURERS' OUTLOOK SURVEY
FOURTH QUARTER 2025
 Dec.17, 2025

By Victoria Bloom and Michael Green

Percentage of Respondents Positive About Their Own Company's Outlook	Overall Facts About the Survey
69.9% (Q3: 65.0%)	Number of Responses: 241 In the Field: Nov. 13 – Dec. 4, 2025
Small Manufacturers: 61.4%	Small Manufacturers: 44 responses (18.3%)
Medium-Sized Manufacturers: 78.1%	Medium-Sized Manufacturers: 107 responses (44.4%)
Large Manufacturers: 65.1%	Large Manufacturers: 86 responses (35.7%)
	Undisclosed: 4 (1.7%)
Expected Growth Rate for <u>SALES</u> Over the Next 12 Months ↑ 2.8% (Q3: ↑ 2.6%)	Expected Growth Rate for <u>PRODUCTION</u> Over the Next 12 Months ↑ 2.4% (Q3: ↑ 2.5%)
Expected Growth Rate for <u>FULL-TIME EMPLOYMENT</u> Over the Next 12 Months 1.0% (Q3: ↑ 0.9%)	Expected Growth Rate for <u>EMPLOYEE WAGES</u> Over the Next 12 Months ↑ 2.7% (Q3: ↑ 2.6%)
Expected Growth Rate for <u>CAPITAL INVESTMENTS</u> Over the Next 12 Months ↑ 1.4% (Q3: ↑ 1.0%)	Expected Growth Rate for <u>EXPORTS</u> Over the Next 12 Months ↑ 0.1% (Q3: ↓ 0.2%)
Expected Growth Rate for <u>PRICES OF COMPANY'S PRODUCTS</u> Over the Next 12 Months ↑ 3.0% (Q3: ↑ 3.7%)	Expected Growth Rate for <u>RAW MATERIAL PRICES AND OTHER INPUT COSTS</u> Over the Next 12 Months ↑ 4.1% (Q3: ↑ 5.4%)
Expected Growth Rate for <u>INVENTORIES</u> Over the Next 12 Months ↓ 0.2% (Q3: ↓ 0.1%)	

Summary of Findings

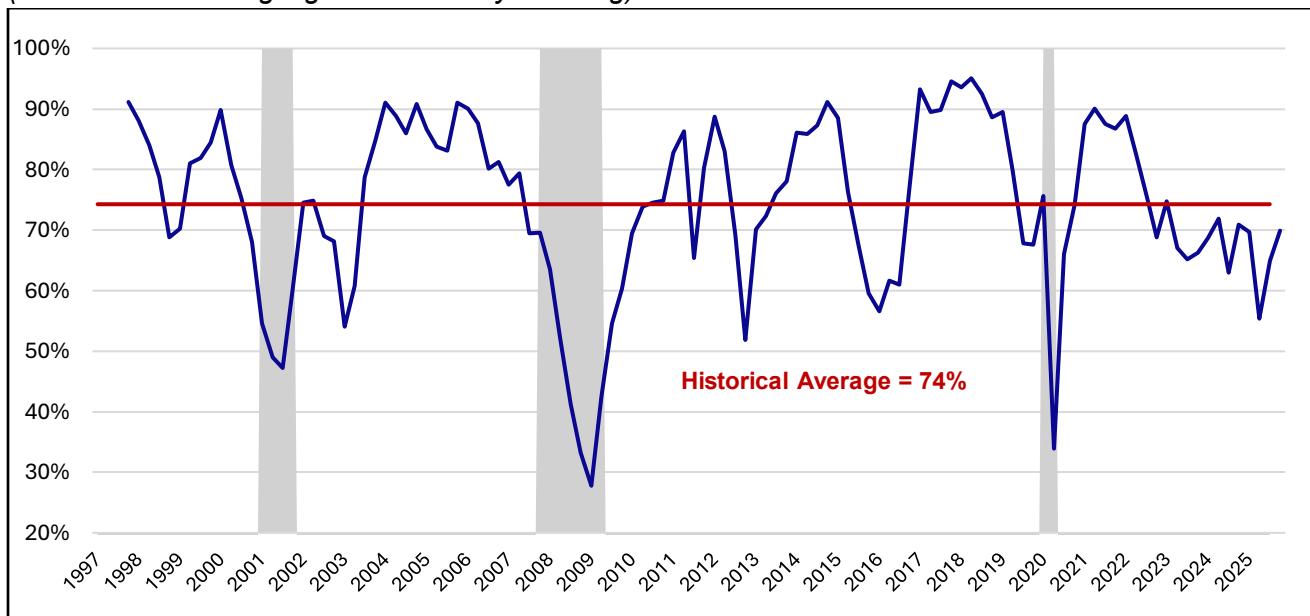
- **Manufacturing sentiment improves from the previous quarter.** The NAM conducted the Q4 2025 Manufacturers' Outlook Survey Nov. 13 – Dec. 4, 2025. In Q4, 69.9% of respondents felt either somewhat or very positive about their company's outlook, up 4.9 percentage points from Q3 2025 (Figures 1 and 2). The average sentiment over the past four quarters is 65.0%.

- **Trade uncertainties, rising health care costs and a weaker domestic economy are at the top of manufacturers' business concerns.** In Q4, 73.1% of manufacturers cited trade uncertainties as their top business challenge, followed by rising health care/insurance costs (70.2%) and a weaker domestic economy and sales to U.S. customers (60.9%) (Figures 3 and 4). When broken down by business size, 84.9% of large manufacturers (500 or more employees) cited trade uncertainties as their top business challenge. Meanwhile, 77.3% of small manufacturers (fewer than 50 employees) and 76.6% of medium-sized manufacturers (50 to 499 employees) cited rising health care and insurance costs as their top business concern, with trade uncertainties coming in as the second highest concern at 70.5% and 64.5%, respectively. Respondents were able to check more than one response; therefore, responses exceed 100%.
- **Manufacturers' health care costs are rising rapidly.** Rising health care and insurance costs rose to the second-greatest business challenge in the fourth quarter, up from the third-greatest challenge in the third quarter, rising from 65.1% to 70.2%. When asked about expected costs, more than 94% of manufacturers have seen or anticipate increased premiums in 2026, with those costs expecting to increase on average by 11% (Figure 5). Of those who anticipate increased premiums in 2026, 11% of manufacturers see costs rising by more than 20%.
- **Most manufacturers have paid tariffs on their inputs this year.** More than 80% of respondents said they have paid tariffs on imported manufacturing inputs since the start of the year, with the largest share paying Section 232 tariffs (58.6%), reciprocal tariffs on other countries under the International Emergency Economic Powers Act (52.1%) and Section 301 tariffs on China (50.0%) (Figure 6). When broken down by size, 73% of small and medium-sized manufacturers with fewer than 500 employees have paid tariffs on manufacturing inputs since the start of the year, while 97% of large manufacturers have.
- **Manufacturers need skilled production workers.** There are more than 400,000 job openings in manufacturing, and less than 10% of manufacturers are not currently looking to hire (8.6%). On the other hand, 72.1% of respondents expressed a need to fill skilled production roles, such as technicians, welders and machinists. Meanwhile, 60.1% are looking to fill roles for core production workers, such as operators, assemblers and packagers, while 33.5% need high-skilled, degreed workers, such as scientists, researchers and engineers (Figure 7).
- **Climate disclosure regulations are costing manufacturers.** More than one-third (38.2%) of manufacturers are subject to new international or state laws and regulations requiring disclosure of emissions and climate risks. Of the respondents that are impacted by these rules, 92% face increased reporting costs and are diverting funds from productive uses to pay these added costs. Nearly half (49.3%) believe these rules expose companies to increased legal liability, while 40.8% say the rules harm small businesses, including privately held companies.
- **Manufacturers want Congress to pass an infrastructure bill.** When asked if it is important to their company that Congress pass a bill to maintain robust, multiyear infrastructure investment, 82.3% of manufacturers agreed it was. Meanwhile, only 7.3% of respondents said it was not important to their company (Figure 8).

- Some other trends regarding predicted growth rates over the next 12 months (Figure 9):
 - **Sales:** Respondents expect sales to rise 2.8% over the next 12 months, up from the previous quarter (2.6%). More than 60% of manufacturers predict sales will increase over the next four quarters, with 36.7% anticipating orders will rise 5% or more. In contrast, 16.0% foresee declining sales, and 23.2% predict no change. Small and medium-sized firms forecast the strongest growth (3.1%) over the next 12 months, while large firms expect 2.2% growth.
 - **Production:** Respondents expect production to increase 2.4% on average over the next 12 months, down slightly from 2.5% in Q3. More than half of respondents (55.8%) forecast output to rise over the next year, while 16.2% predict declining production, slightly above last quarter's expectation (15.9%). Meanwhile, 27.9% of respondents anticipate production levels will stay about the same. Small and medium-sized firms forecast the strongest growth, averaging 2.9% over the next 12 months, while larger firms expect 1.4% growth.
 - **Full-Time Employment:** Respondents expect full-time employment to rise just 1.0% over the next 12 months, up slightly from 0.9% in Q3. More than one-third (34.6%) anticipate an increase in full-time hiring over the next year, while 16.7% predict reduced employment. At the same time, 48.8% forecast hiring levels to remain the same over the next year. While small and medium-sized firms expect 1.7% growth in employment, large firms predict full-time employment will fall 0.5%.
 - **Employee Wages:** Respondents forecast employee wages (excluding nonwage compensation, such as benefits) to rise 2.7% over the next 12 months, just above the prior quarter's expectation of 2.6%. While 90.5% of manufacturers predict some level of wage growth over the next year, only 4.6% forecast wage growth of 5% or more. Large and medium-sized firms anticipate employee wage growth to be the greatest, averaging 2.8% over the next 12 months, while small firms expect 2.3% growth.
 - **Input Costs:** Respondents anticipate raw material prices and other input costs to increase 4.1% over the next 12 months, down from 5.4% in Q3. Overall, 80.0% expect an increase in raw material prices over the next year, with more than one-third (37.7%) anticipating increases exceeding 5%. While 19.3% see input costs remaining the same, only 0.8% predict reduced input costs. Small and medium-sized firms expect the most significant growth in raw material prices, averaging 4.3% over the next year. Meanwhile, large firms predict a 3.6% increase.
 - **Prices:** Respondents expect prices on their company's product line to increase 3.0% over the next 12 months, down from 3.7% in Q3. Overall, 73.5% forecast an increase in prices over the next year, with 21.4% anticipating increases of more than 5%. Meanwhile, just 2.1% predict reduced prices, and 24.4% see prices remaining the same. Small and medium-sized firms expect the largest increase in prices, averaging 3.2% over the next year. Meanwhile, large firms predict a 2.6% increase.

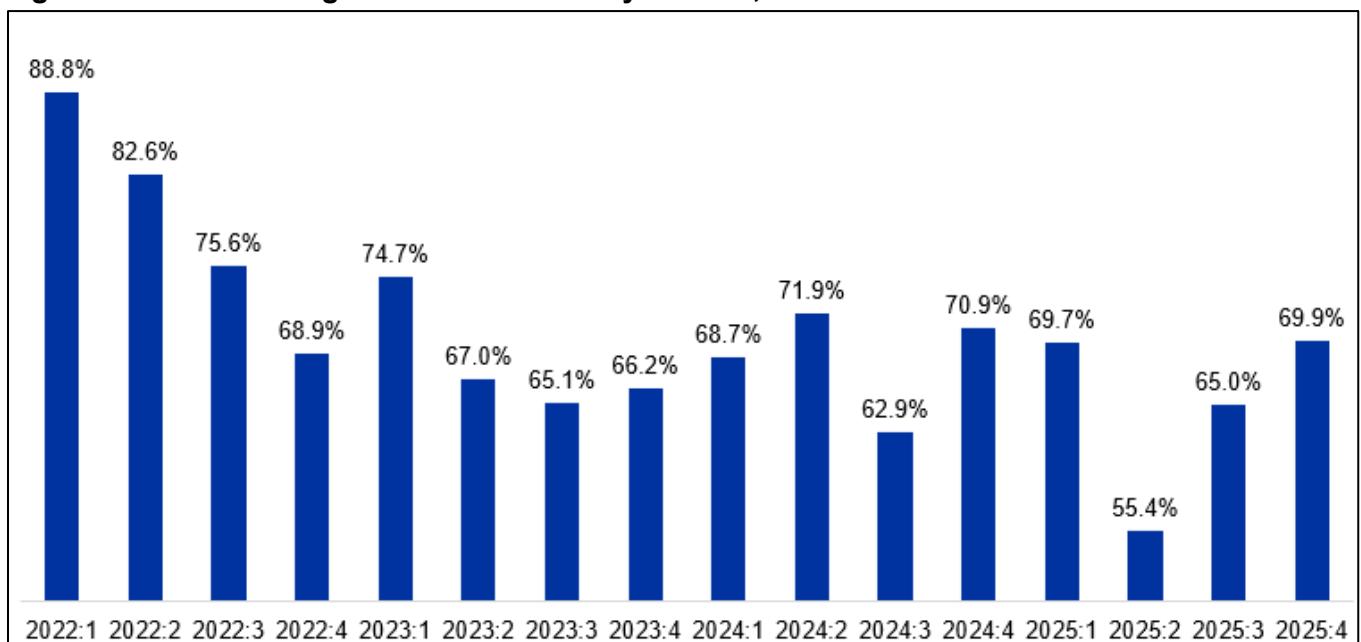
- **Capital Investments:** Respondents forecast capital spending to improve slightly, rising 1.4% over the next 12 months, an increase from the 1.0% rise expected in Q3. In this survey, 37.3% of respondents anticipate additional capital spending in the next year, an increase from last quarter (36.1%), while 46.0% predict no change, and 16.7% see reduced capital expenditures. Large firms predict the greatest level of investment, expecting 7.9% growth over the next 12 months. Small and medium-sized firms predict just 1.4% growth.
- **Exports:** Respondents predict export sales to increase 0.1% over the next 12 months, moving back into positive territory after two quarters of expected decline. Overall, 21.1% anticipate higher export sales in the next year, while 60.8% see no changes, and 18.2% forecast declines. Large and medium-sized firms predict a small increase, averaging 0.2% over the next 12 months, while small firms expect a 0.3% decline in exports.

Figure 1: Manufacturing Business Outlook by Quarter, Q4 1997 – Q4 2025
(Recessions Are Highlighted with Gray Shading)



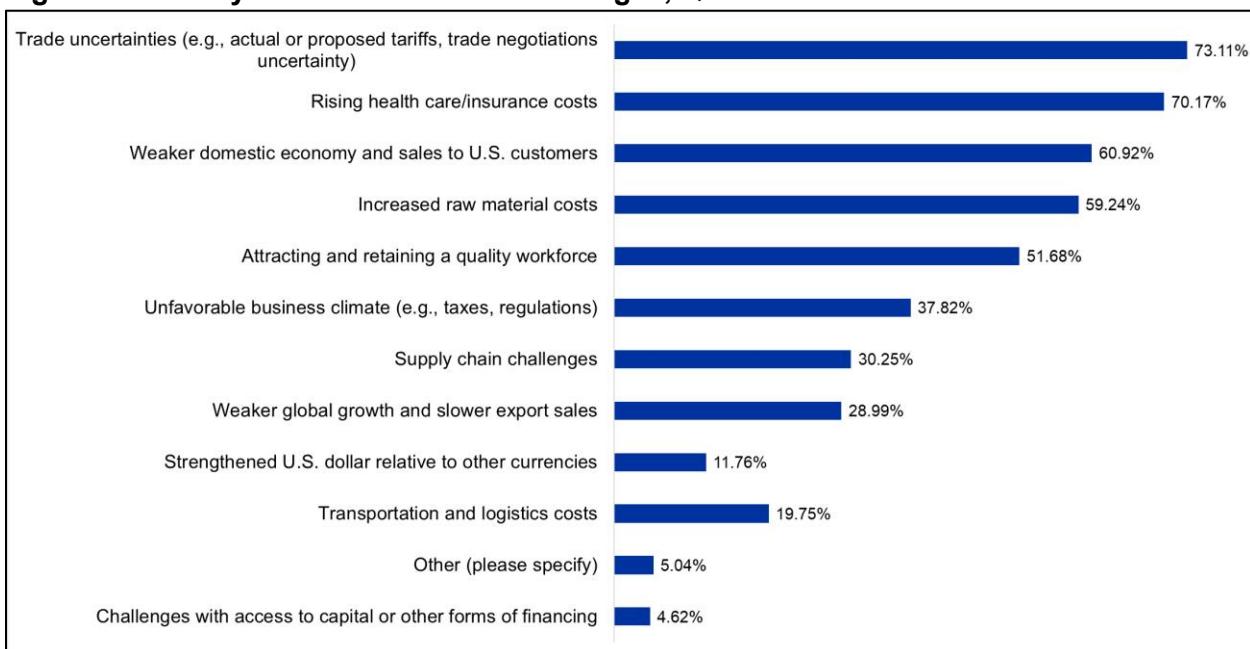
Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive.
Recessions are designated by the National Bureau of Economic Research.

Figure 2: Manufacturing Business Outlook by Quarter, Q1 2022 – Q4 2025



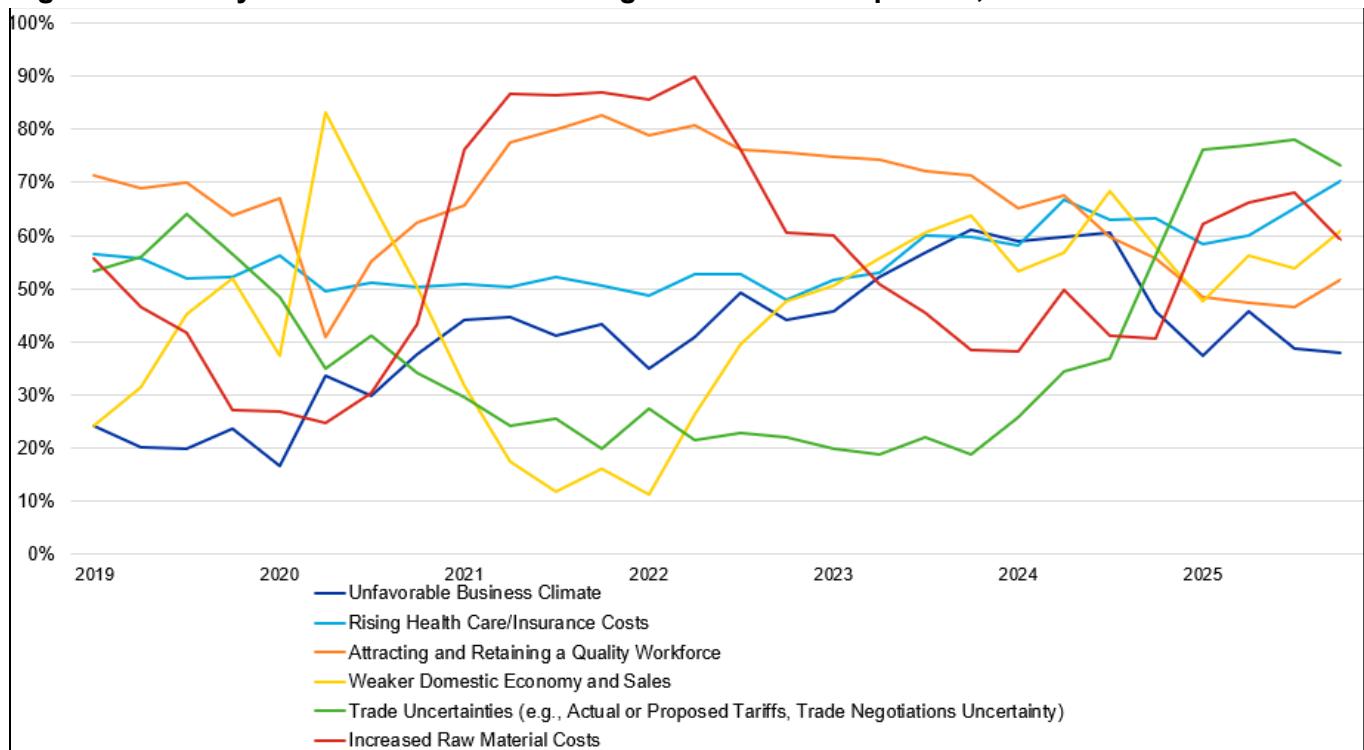
Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive.

Figure 3: Primary Current Business Challenges, Q4 2025



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

Figure 4: Primary Current Business Challenges for Select Responses, Q1 2019 – Q4 2025



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

Figure 5: Have You Seen or Anticipate an Increase in Health Insurance Premiums for 2026?

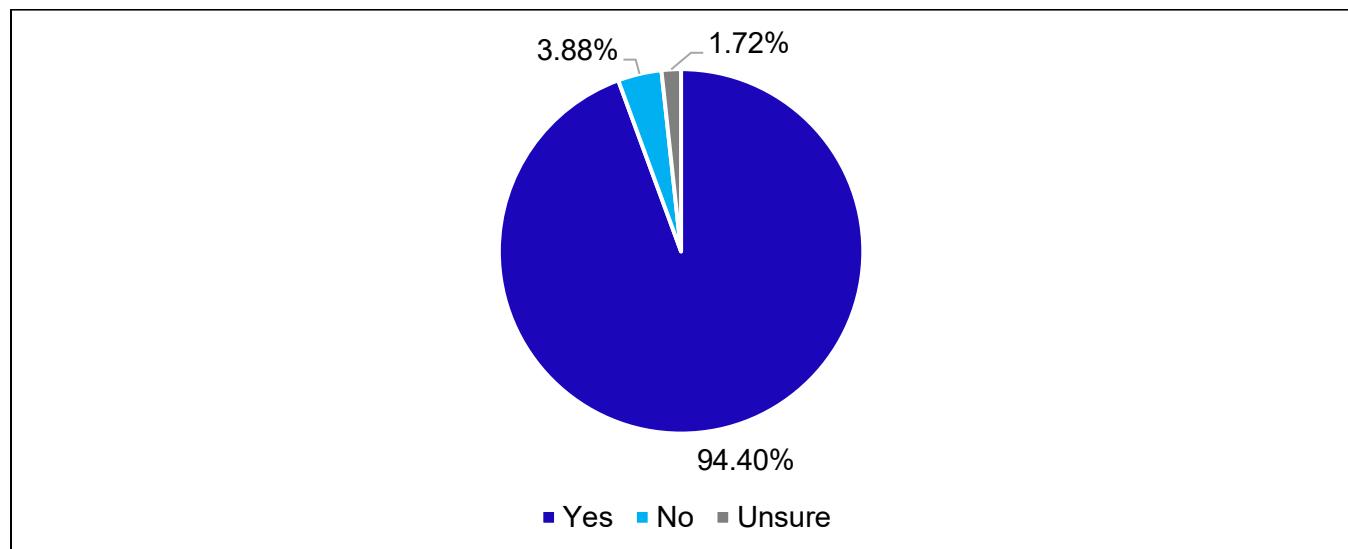


Figure 6: Which of the Following Tariffs Has Your Company Paid on Imported Manufacturing Inputs Since the Start of the Year?

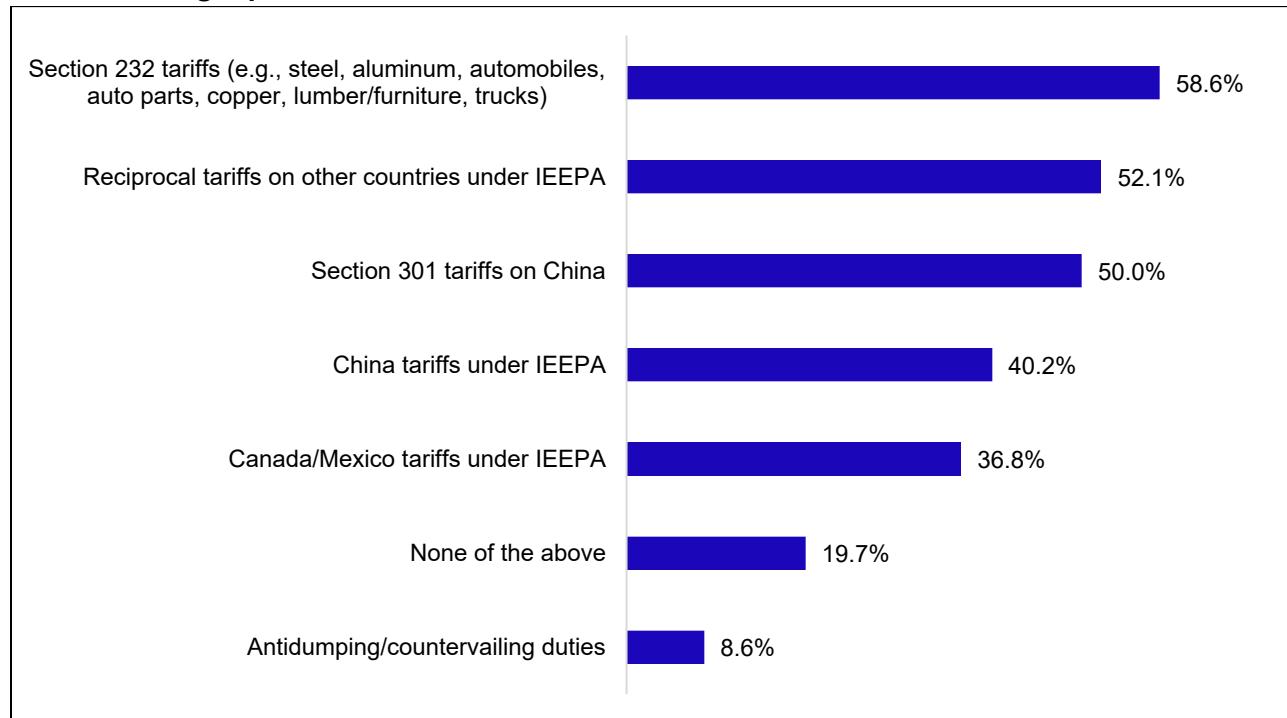


Figure 7: What Types of Jobs are Your Company Looking to Fill?

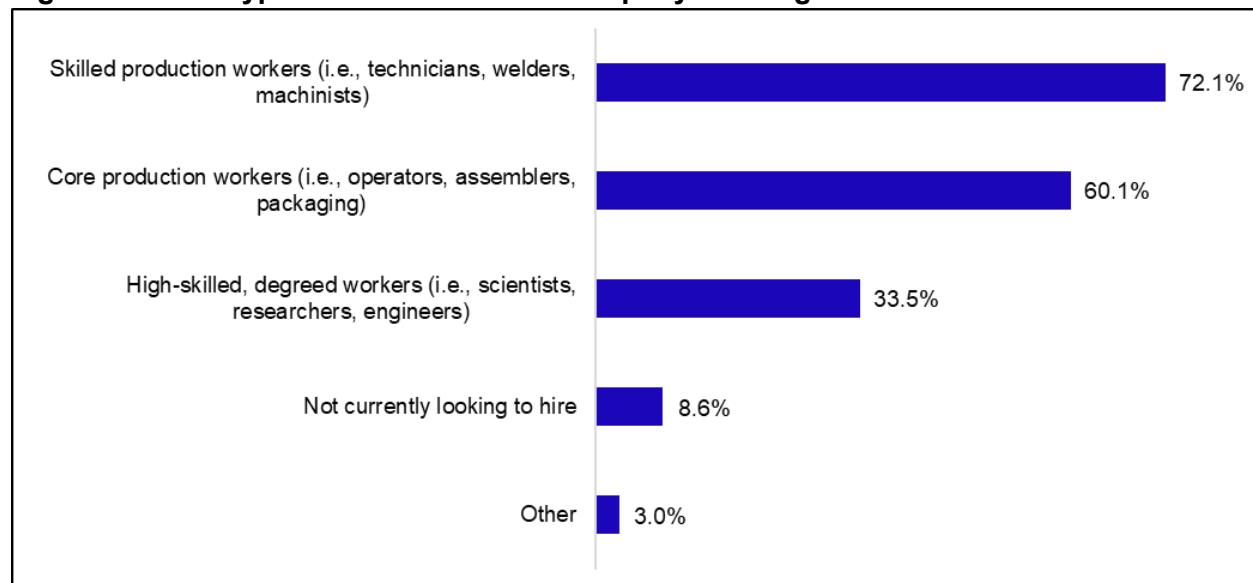


Figure 8: Is it Important to Your Company that Congress Pass a Bill to Maintain Robust, Multiyear Infrastructure to Support Manufacturing?

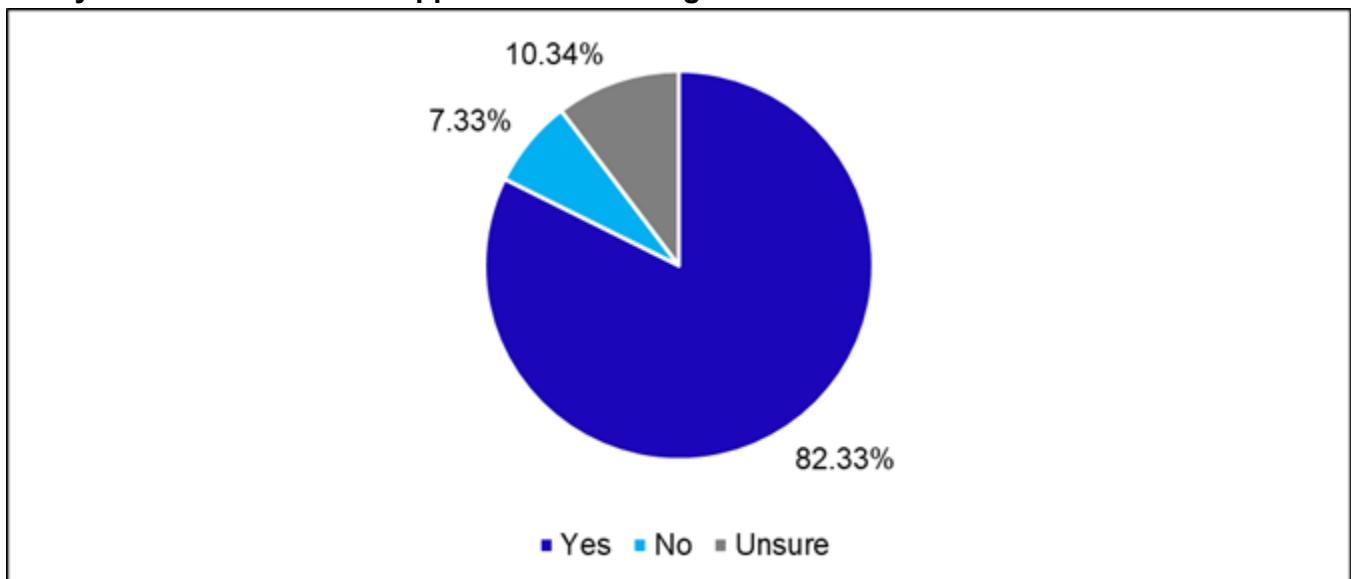
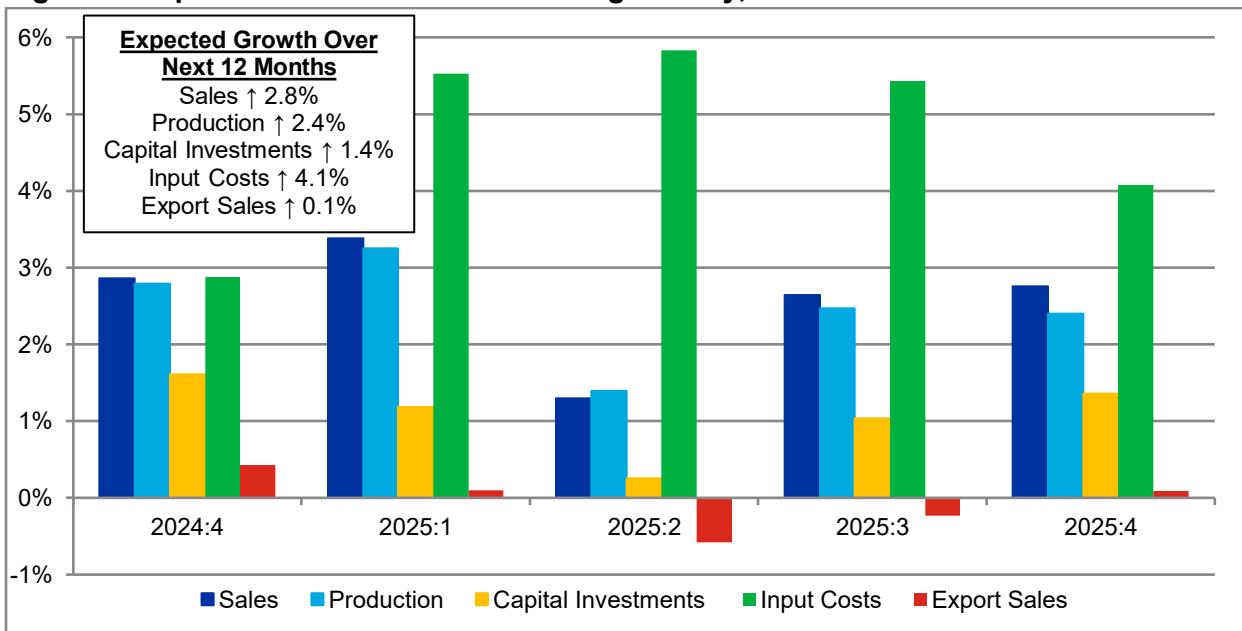


Figure 9: Expected Growth of Manufacturing Activity, Q4 2024 – Q4 2025



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 – 10.46%
 - b. Somewhat positive – 59.41%
 - c. Somewhat negative – 25.10%
 - d. Very negative – 5.02%

Percentage that is either somewhat or very positive in their outlook = 69.87%

2. Over the next year, what do you expect to happen with your company's overall sales?
 - a. Increase more than 10% – 10.13%
 - b. Increase 5–10% – 26.58%
 - c. Increase up to 5% – 24.05%
 - d. Stay about the same – 23.21%
 - e. Decrease up to 5% – 9.28%
 - f. Decrease 5–10% – 2.53%
 - g. Decrease more than 10% – 4.22%

Average expected increase in sales consistent with these responses = 2.76%

3. Over the next year, what do you expect to happen with your company's overall production levels?
 - a. Increase more than 10% – 9.58%
 - b. Increase 5–10% – 22.08%
 - c. Increase up to 5% – 24.17%
 - d. Stay about the same – 27.92%
 - e. Decrease up to 5% – 9.58%
 - f. Decrease 5–10% – 3.33%
 - g. Decrease more than 10% – 3.33%

Average expected increase in production consistent with these responses = 2.40%

4. Over the next year, what do you expect in terms of full-time employment in your company?
 - a. Increase more than 10% – 4.58%
 - b. Increase 5–10% – 9.58%
 - c. Increase up to 5% – 20.42%
 - d. Stay about the same – 48.75%
 - e. Decrease up to 5% – 11.67%
 - f. Decrease 5–10% – 2.92%
 - g. Decrease more than 10% – 2.08%

Average expected increase in full-time employment consistent with these responses = 0.97%

5. What percentage of jobs remain unfilled in your company?

- a. Less than 5% – 73.64%
- b. 5–10% – 20.08%
- c. 10–15% – 5.02%
- d. More than 15% – 1.26%

Average number of jobs expected to remain unfilled consistent with these responses = 4.16%

6. 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% – 4.56%
- b. Increase 3–5% – 47.72%
- c. Increase up to 3% – 38.17%
- d. Stay about the same – 9.13%
- e. Decrease up to 3% – 0.00%
- f. Decrease 3–5% – 0.00%
- g. Decrease more than 5% – 0.41%

Average expected increase in employee wages consistent with these responses = 2.69%

7. Over the next year, what do you expect to happen to the level of export sales at your company?

- a. Increase more than 5% – 6.75%
- b. Increase 3–5% – 6.75%
- c. Increase up to 3% – 7.59%
- d. Stay about the same – 60.76%
- e. Decrease up to 3% – 6.33%
- f. Decrease 3–5% – 5.49%
- g. Decrease more than 5% – 6.33%

Average expected increase in exports consistent with these responses = 0.09%

8. Over the next year, what do you expect to happen to prices on your company's overall product line?

- a. Increase more than 10% – 4.62%
- b. Increase 5–10% – 16.81%
- c. Increase up to 5% – 52.10%
- d. Stay about the same – 24.37%
- e. Decrease up to 5% – 2.10%

- f. Decrease 5–10% – 0.00%
- g. Decrease more than 10% – 0.00%

*Average expected increase in product prices consistent with these responses
= 2.97%*

9. Over the next year, what do you expect to happen to raw material prices and other input costs?

- a. Increase more than 10% – 8.79%
- b. Increase 5–10% – 28.87%
- c. Increase up to 5% – 42.26%
- d. Stay about the same – 19.25%
- e. Decrease up to 5% – 0.84%
- f. Decrease 5–10% – 0.00%
- g. Decrease more than 10% – 0.00%

Average expected increase in raw material prices consistent with these responses = 4.08%

10. Over the next year, what are your company's capital investment plans?

- a. Increase more than 10% – 11.72%
- b. Increase 5–10% – 11.30%
- c. Increase up to 5% – 14.23%
- d. Stay about the same – 46.03%
- e. Decrease up to 5% – 7.11%
- f. Decrease 5–10% – 5.02%
- g. Decrease more than 10% – 4.60%

Average expected increase in capital investments consistent with these responses = 1.36%

11. Over the next year, what are your inventory plans?

- a. Increase more than 10% – 1.26%
- b. Increase 5–10% – 8.82%
- c. Increase up to 5% – 11.34%
- d. Stay about the same – 50.00%
- e. Decrease up to 5% – 18.91%
- f. Decrease 5–10% – 7.14%
- g. Decrease more than 10% – 2.52%

Average expected change in inventories consistent with these responses = - 0.19%

12. What degree of emphasis will your company be placing on digital transformation of your operations in the next 12 months?

- a. Significant emphasis – 27.20%
- b. Moderate emphasis – 33.05%
- c. Slight emphasis – 29.71%
- d. No emphasis – 10.04%

13. What are the biggest challenges you are facing? (Select all that apply.)

- a. Weaker domestic economy and sales to U.S. customers – 60.92%
- b. Weaker global growth and slower export sales – 28.99%
- c. Trade uncertainties (e.g., actual or proposed tariffs, trade negotiation uncertainty) – 73.11%
- d. Strengthened U.S. dollar relative to other currencies – 11.76%
- e. Challenges with access to capital or other forms of financing – 4.62%
- f. Unfavorable business climate (e.g., taxes, regulations) – 37.82%
- g. Increased raw material costs – 59.24%
- h. Rising health care/insurance costs – 70.17%
- i. Transportation and logistics costs – 19.75%
- j. Supply chain challenges – 30.25%
- k. Attracting and retaining a quality workforce – 51.68%
- l. Other _____ – 5.04%

14. What is your company's primary industrial classification?

- a. Building materials and supplies – 5.02%
- b. Chemicals – 7.11%
- c. Computer and electronic products – 3.35%
- d. Consumer goods – 2.93%
- e. Electrical equipment and appliances – 8.37%
- f. Fabricated metal products – 22.59%
- g. Food manufacturing – 2.51%
- h. Furniture and related products – 2.51%
- i. Machinery – 9.21%
- j. Nonmetallic mineral products – 0.84%
- k. Paper and paper products – 1.26%
- l. Petroleum and coal products – 0.84%
- m. Pharmaceuticals and medical devices – 2.51%
- n. Plastics and rubber products – 5.86%
- o. Primary metals – 2.93%
- p. Transportation equipment – 6.69%
- q. Wood products – 1.67%
- r. Other _____ – 13.81%

15. What is your firm size (e.g., the parent company, not your establishment)?

- a. Fewer than 50 employees – 18.49%

- b. 50 to 500 employees – 44.96%
- c. More than 500 employees – 36.13%
- d. Uncertain – 0.42%

Special Questions

16. Is your company subject to any new international or state laws and regulations, such as California's Scope 3 disclosure rules and the European Union's Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive, that require disclosure of emissions and climate risks?

- a. Yes – 29.96%
- b. No – 48.52%
- c. Unsure – 21.52%

Taking into account that 21.52% of respondents selected “Unsure,” for those who responded definitively, 38.17% said “Yes,” while 61.83% answered “No.”

17. (IF YES) Are you concerned these new international and state laws and regulations will have any of the following impacts? (Select all that apply.)

- a. Increase reporting costs and divert funds from productive uses – 91.55%
- b. Undermine materiality and confuse investors – 26.76%
- c. Discourage companies from setting climate or other environmental, social and governance (ESG) goals – 22.54%
- d. Harm small businesses, including privately held companies – 40.85%
- e. Expose companies to increased legal liability – 49.30%
- f. Empower and encourage shareholder activists – 22.54%
- g. Expose competitively sensitive information – 25.35%
- h. Unsure – 7.04%
- i. None of the above – 1.41%

18. Which of the following tariffs has your company paid on imported manufacturing inputs since the start of the year? (Select all that apply.)

- a. Section 232 tariffs (e.g., steel, aluminum, automobiles, auto parts, copper, lumber/furniture, trucks) – 58.55%
- b. Section 301 tariffs on China – 50.00%
- c. Canada/Mexico tariffs under IEEPA – 36.75%
- d. China tariffs under IEEPA – 40.17%
- e. Reciprocal tariffs on other countries under IEEPA – 52.14%
- f. Antidumping/countervailing duties – 8.55%
- g. None of the above – 19.66%

19. (a) (IF YES) You said you have paid Section 232 tariffs on imported manufacturing inputs. What is the estimated amount your company has paid in Section 232 tariffs since the start of the year?

- a. \$0 – \$99K – 29.03%

- b. \$100K – \$249K – 15.32%
- c. \$250K – \$499K – 6.45%
- d. \$500K – \$999K – 9.68%
- e. \$1M – \$9M – 19.35%
- f. \$10M – \$24M – 8.87%
- g. \$25M – \$99M – 6.45%
- h. \$100M – \$249M – 1.61%
- i. > \$250M – 3.23%

19. (b) (IF YES) You said you have paid Section 301 tariffs on imported manufacturing inputs from China. What is the estimated amount your company has paid in Section 301 tariffs since the start of the year?

- a. \$0 – \$99K – 30.48%
- b. \$100K – \$249K – 15.24%
- c. \$250K – \$499K – 5.71%
- d. \$500K – \$999K – 11.43%
- e. \$1M – \$9M – 21.90%
- f. \$10M – \$24M – 7.62%
- g. \$25M – \$99M – 2.86%
- h. \$100M – \$249M – 1.90%
- i. > \$250M – 2.86%

19. (c) (IF YES) You said you have paid tariffs on imported manufacturing inputs from Canada/Mexico under IEEPA. What is the estimated amount your company has paid in Canada/Mexico IEEPA tariffs since the start of the year?

- a. \$0 – \$99K – 34.62%
- b. \$100K – \$249K – 12.82%
- c. \$250K – \$499K – 8.97%
- d. \$500K – \$999K – 8.97%
- e. \$1M – \$9M – 20.51%
- f. \$10M – \$24M – 5.13%
- g. \$25M – \$99M – 6.41%
- h. \$100M – \$249M – 0.00%
- i. > \$250M – 2.56%

19. (d) (IF YES) You said you have paid tariffs on imported manufacturing inputs from China under IEEPA. What is the estimated amount your company has paid in China IEEPA tariffs since the start of the year?

- a. \$0 – \$99K – 32.93%
- b. \$100K – \$249K – 12.20%
- c. \$250K – \$499K – 14.63%
- d. \$500K – \$999K – 6.10%
- e. \$1M – \$9M – 15.85%
- f. \$10M – \$24M – 12.20%

- g. \$25M – \$99M – 3.66%
- h. \$100M – \$249M – 0.00%
- i. > \$250M – 2.44%

19. (e) (IF YES) You said you have paid reciprocal tariffs on imported manufacturing inputs from other countries under IEEPA. What is the estimated amount your company has paid in other country IEEPA tariffs since the start of the year?

- a. \$0 – \$99K – 35.14%
- b. \$100K – \$249K – 15.32%
- c. \$250K – \$499K – 11.71%
- d. \$500K – \$999K – 9.01%
- e. \$1M – \$9M – 13.51%
- f. \$10M – \$24M – 8.11%
- g. \$25M – \$99M – 3.60%
- h. \$100M – \$249M – 2.70%
- i. > \$250M – 0.90%

19. (f) (IF YES) You said you have paid antidumping/countervailing duties on imported manufacturing inputs. What is the estimated amount your company has paid in antidumping/countervailing duties since the start of the year?

- a. \$0 – \$99K – 41.18%
- b. \$100K – \$249K – 11.76%
- c. \$250K – \$499K – 5.88%
- d. \$500K – \$999K – 11.76%
- e. \$1M – \$9M – 17.65%
- f. \$10M – \$24M – 5.88%
- g. \$25M – \$99M – 5.88%
- h. \$100M – \$249M – 0.00%
- i. > \$250M – 0.00%

20. Within the past year, has your company had difficulties or encountered roadblocks with obtaining critical minerals or rare earth elements from China?

- a. Yes – 14.59%
- b. No – 77.68%
- c. Unsure – 7.73%

21. Does your company employ workers utilizing H-1B visas?

- a. Yes – 25.86%
- b. No – 71.55%
- c. Unsure – 2.59%

22. What impacts do you anticipate limitations on the H-1B visa program (e.g., the Trump administration's proposed \$100,000 fee) would have on your company? (Select all that apply.)

- a. Limit the number of H-1B visas applied for – 66.67%
- b. Stop applying for H-1B visas – 35.00%
- c. Move a portion of operations to foreign locations where it would be easier to employ high-skilled immigrants – 13.33%
- d. Scale back functions and projects that require high-skilled immigrants – 21.67%
- e. Impede R&D – 28.33%
- f. Impede the implementation of artificial intelligence – 10.00%
- g. Impede the expansion of operations or productive capacity – 23.33%
- h. No effect – 5.00%

23. There are more than 400,000 job openings in manufacturing. What types of jobs are your company looking to fill? (Select all that apply.)

- a. High-skilled, degreed workers (i.e., scientists, researchers, engineers) – 33.48%
- b. Skilled production workers (i.e., technicians, welders, machinists) – 72.10%
- c. Core production workers (i.e., operators, assemblers, packaging) – 60.09%
- d. Other – 3.00%
- e. Not currently looking to hire – 8.58%

24. Have you seen or anticipate an increase in health insurance premiums for 2026?

- a. Yes – 94.40%
- b. No – 3.88%
- c. Unsure – 1.72%

25. (IF YES) By how much does your company expect health insurance premiums to increase in 2026?

- a. Increase less than 5% – 10.05%
- b. Increase 5–10% – 41.55%
- c. Increase 10–15% – 25.57%
- d. Increase 15–20% – 10.50%
- e. Increase 20–25% – 6.85%
- f. Increase more than 25% – 4.11%
- g. Unsure – 1.37%

Average expected increase in health insurance premiums consistent with these responses = 10.97%

26. Is it important to your company that Congress pass a bill to maintain robust, multiyear infrastructure investment to support manufacturing?

- a. Yes – 82.33%
- b. No – 7.33%
- c. Unsure – 10.34%