

Welcome
to

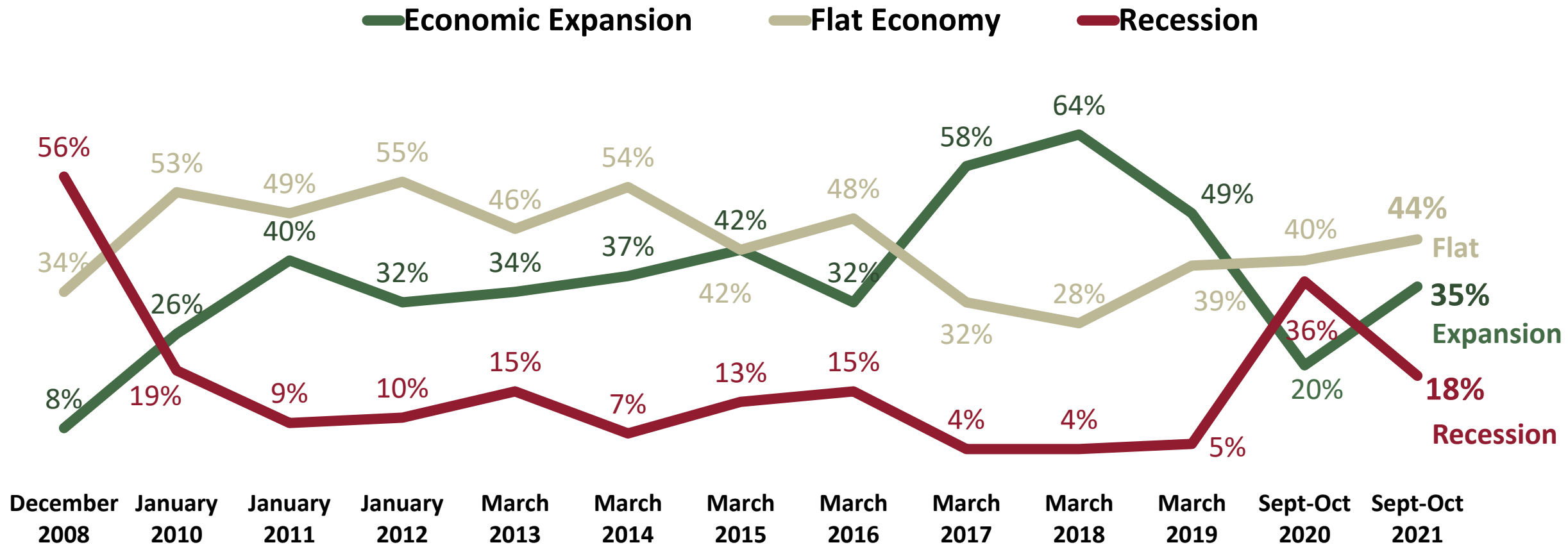
The State of Manufacturing[®]

2012



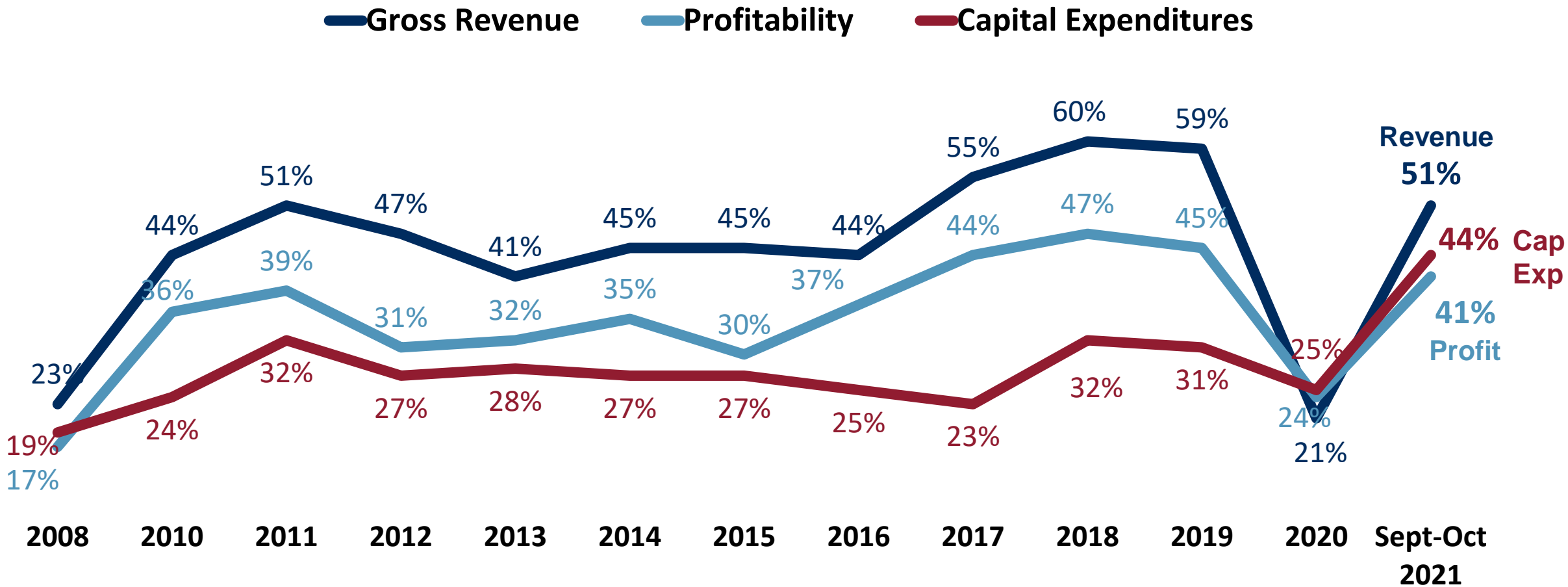
Recessionary fears have dropped over the past year, but opinions about the state's economy are quite mixed.

“Thinking about the upcoming year, in 2021, do you anticipate economic expansion, a flat economy, or a recession?”



We do see an upward trend in key business metrics from a year ago.

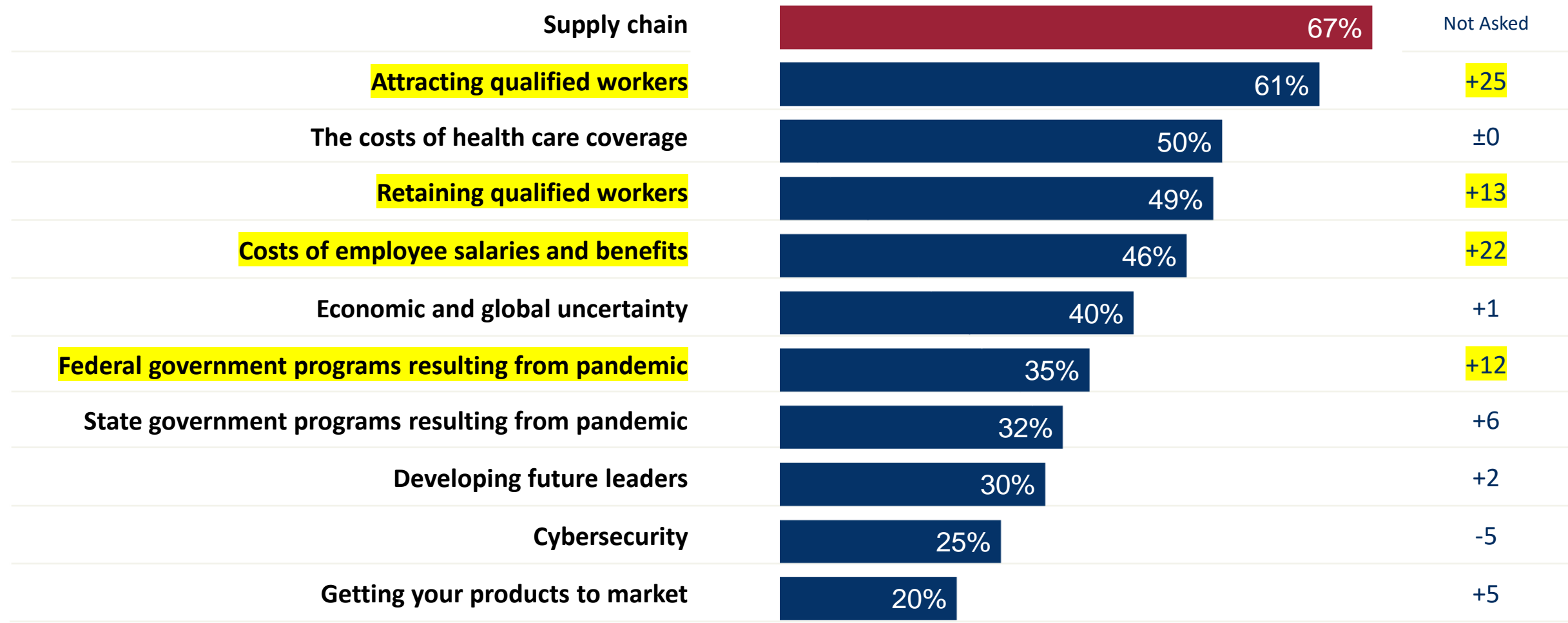
Percent of Manufacturers Expecting Increases in 2021 for...



Supply chains are now at the top of manufacturers list of concerns.

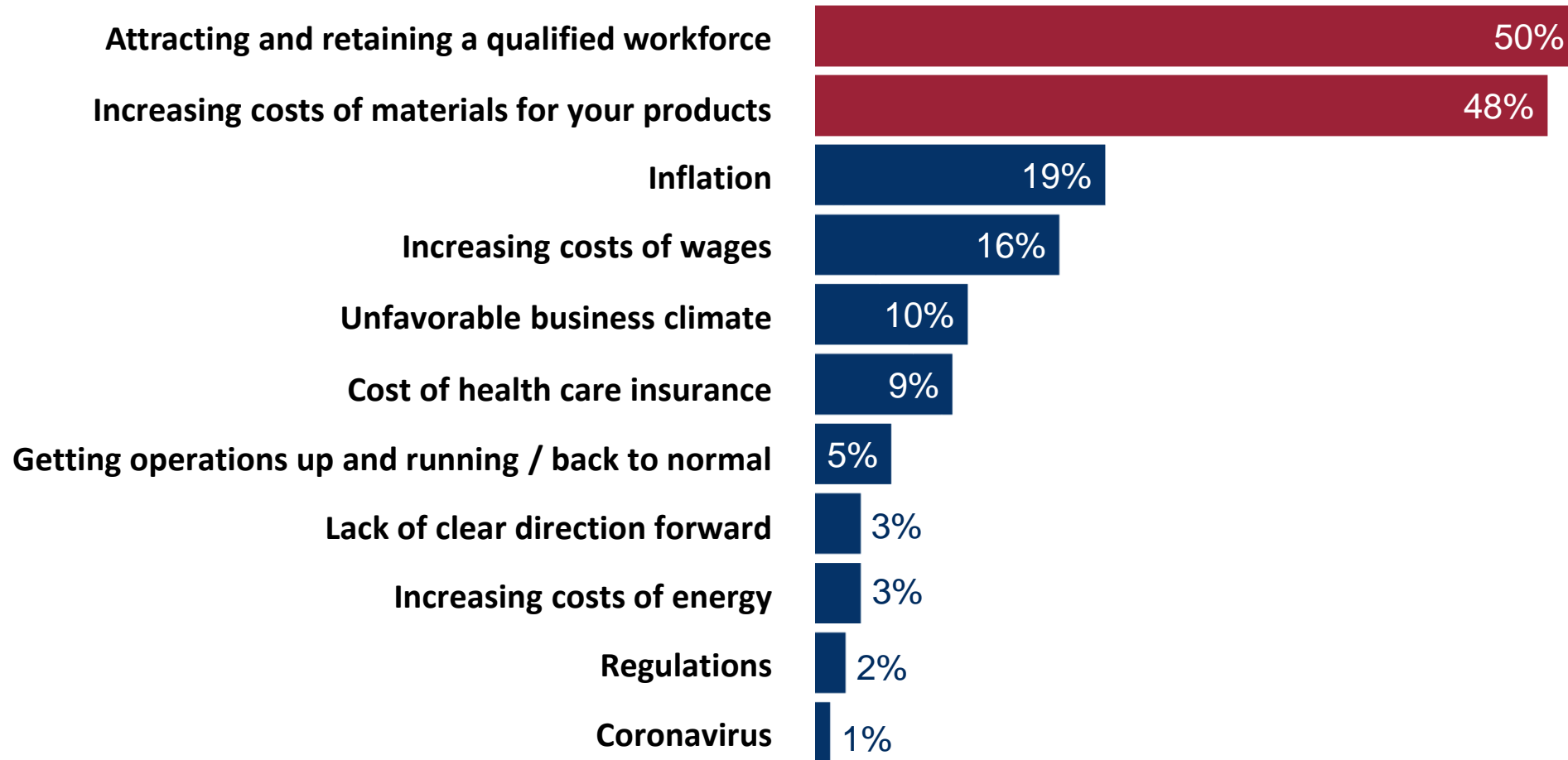
Concerns ranked by % concern (8-10) (Highlighted issues have increased 10%+ since 2020)

Change Since 2020
Not Asked



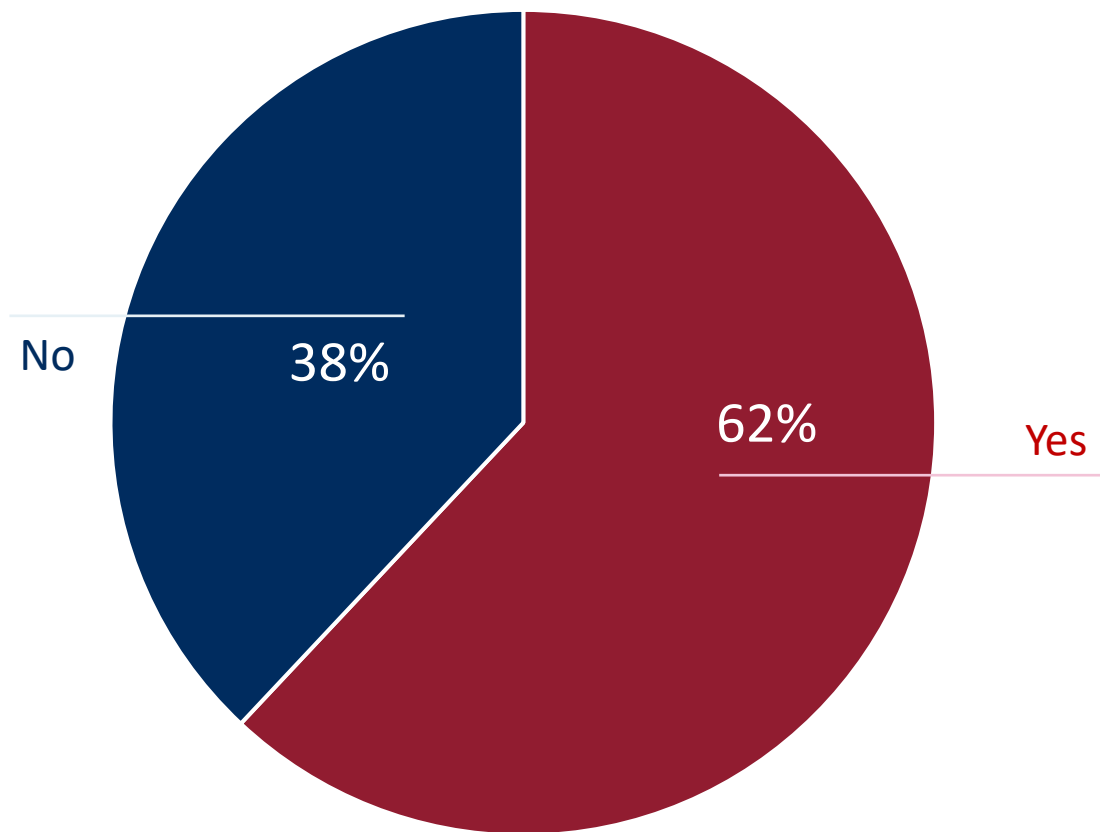
Workforce and supply chains are also seen as the biggest challenge to growth.

“What would you say are the one or two biggest challenges your company is facing that might negatively impact future growth?”

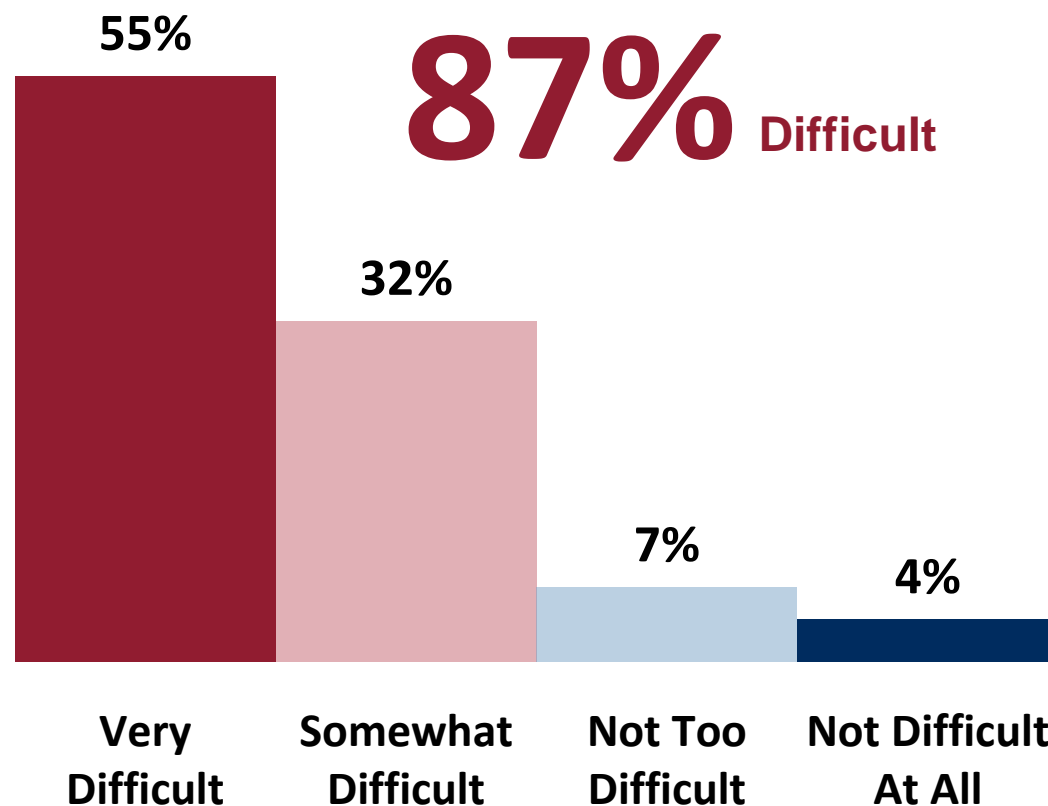


Most are looking to hire and having a very difficult time finding candidates.

“Does your company currently have positions that are open and are hiring?”

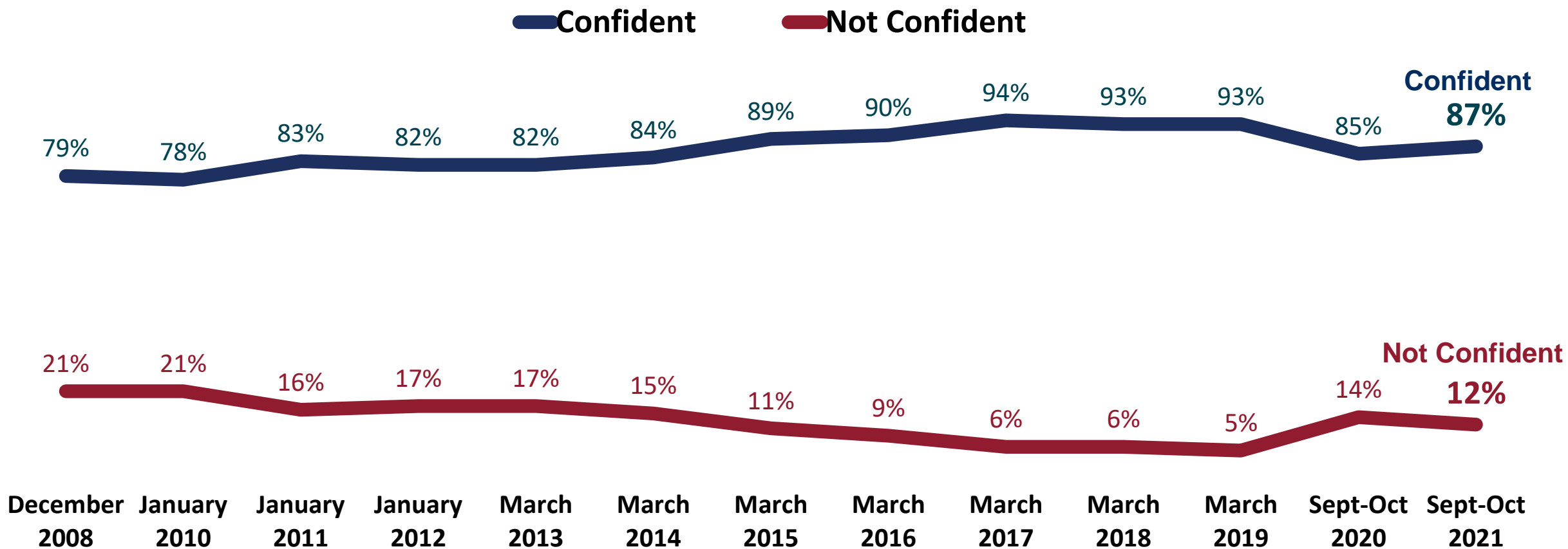


“Overall, how difficult do you think it is to attract qualified candidates to manufacturers like you?”



Individual confidence hasn't fully rebounded to where it was pre-COVID.

“From a financial perspective, how do you feel right now about the future for your company?”



Supply chain concerns run high outside the metro area.

Top Five Concerns by Foundation (% 8-10 Concern)

Northwest Minnesota Foundation

Supply Chain Issues (75%)

- Retaining Workers (60%)
- Costs of Health Care (60%)
- Attracting Workers (55%)
- State Government Programs (55%)

West Central Initiative

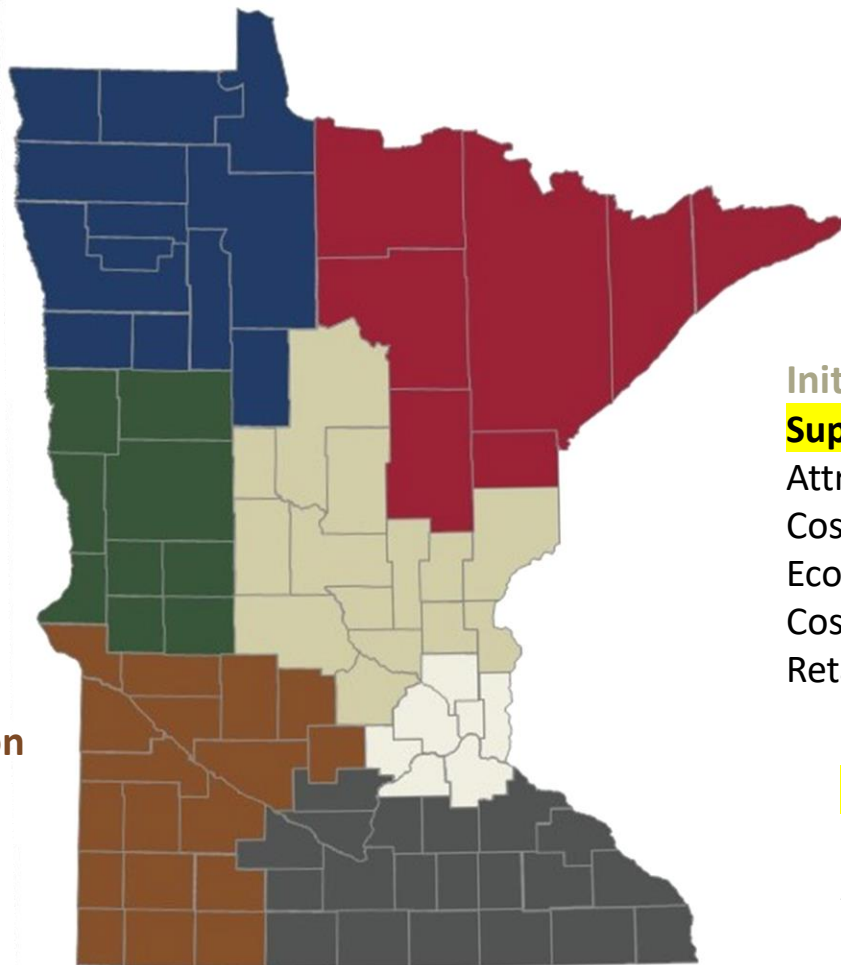
Attracting Workers (73%)

- Supply Chain Issues (69%)
- Costs of Health Care (56%)
- Retaining Workers (56%)
- Costs of Salaries (47%)
- Economic Uncertainty (47%)

Southwest Initiative Foundation

Supply Chain Issues (75%)

- Attracting Workers (55%)
- Retaining Workers (48%)
- Costs of Health Care (48%)
- Costs of Salaries (45%)



Northland Foundation

Supply Chain Issues (65%)

- Attracting Workers (53%)
- Costs of Health Care (51%)
- Federal Government Programs (49%)
- Retaining Workers (47%)

Initiative Foundation

Supply Chain Issues (69%)

- Attracting Workers (54%)
- Costs of Salaries (52%)
- Economic Uncertainty (45%)
- Costs of Health Care (44%)
- Retaining Workers (44%)

Southern Minnesota Initiative Foundation

Supply Chain Issues (57%)

- Costs of Health Care (55%)
- Attracting Workers (53%)
- Retaining Workers (45%)
- Costs of Salaries (45%)



2022

The Bottom Line

- It's undeniable that the COVID-19 pandemic has had a big impact on manufacturers in Minnesota. This survey data shows COVID-19's impact on manufacturers to be just as significant (if not more so) than it was a year ago today.
- The pandemic has intensified attention around a core set of issues facing manufacturing industry: supply chain and workforce concerns.



2022

The Bottom Line

- Confidence among manufacturing executives hasn't returned to pre-pandemic levels, though we do see more optimistic data on the key business metrics (grow revenue, profit, and capital expenditure increases) than we did a year ago.
- Finally, when it comes to what issue or issues might be on the horizon for manufacturers, we're keeping a close eye on cybersecurity. While it doesn't make the top tier of concerns facing the industry today, neither did workforce concerns 10 years ago (!).