



WISCONSIN CENTER FOR
**MANUFACTURING
& PRODUCTIVITY**



The Wisconsin **Manufacturing** Report

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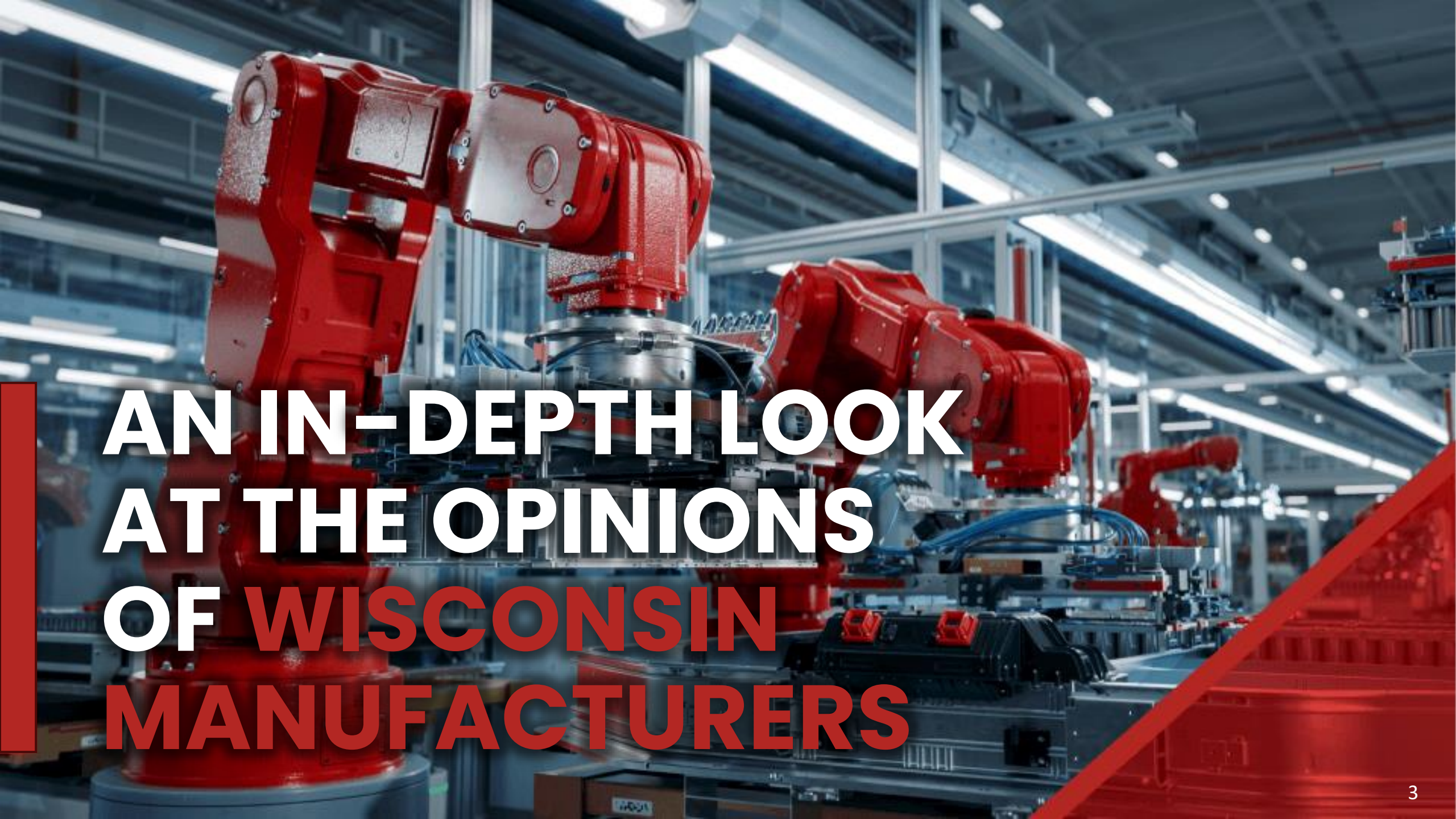
Before we dive into the data, we wanted to extend a big **"THANK YOU"** to those who helped make this possible!

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AN IN-DEPTH LOOK AT THE OPINIONS OF **WISCONSIN** **MANUFACTURERS**

FIVE BIGGEST TAKEAWAYS

1

Forged Confidence

- Rise in confidence in the state's business climate and economy
- Higher gross revenues and profitability

2

(Less) Help Wanted

- Manufacturers are generally less concerned about most issues
- Workforce challenges remain a top concern, but the labor market is softening

3

Bot To The Future

- Automation is a must
- But expertise in ROI still holds many manufacturers back

4

Sale Away

- Focused on new customers and new markets as the key driver of future growth

5

Duty Calls

- The impact of tariffs are widespread, but mixed



METHODOLOGY

RESEARCH METHODOLOGY

- On behalf of Wisconsin Center for Manufacturing & Productivity, Meeting Street Insights is pleased to present the key findings from a survey among manufacturing executives in Wisconsin.
- The quantitative survey was conducted July 30 – August 19, 2025, among 405 manufacturing executives; it has a margin of error of 4.9%.
- This is the fifth annual survey conducted among manufacturers in the state. The first study was completed August 16 – September 12, 2021, the second study was completed July 29 – August 3, 2022, the third study was conducted July 30 – August 23, 2023, and the fourth from July 28 – August 23, 2024.
- In addition to the survey, Catalyst facilitated a series of in-person focus groups among manufacturing executives in Milwaukee, Green Bay, and Menomonie, along with one virtual group, September 9-11, 2025.

SURVEY SAMPLE COMPOSITION

	This Survey Demographics	Census Statistics (County Business Patterns Survey)
Fewer Than 50 Employees	75%	75%
More Than 50 Employees	25%	25%
Metal Fabrication	22%	24%
Machinery Manufacturing	21%	14%
Printing	10%	7%
Product Manufacturing/Industrial	10%	12%
Paper/Wood Products	9%	13%
Other Type of Manufacturing	27%	30%
Seven Rivers	5%	5%
Centergy	5%	5%
Grow North	4%	4%
Madison Region	14%	14%
Milwaukee (Southeast)	35%	34%
Momentum West	9%	9%
Prosperity Southwest	3%	3%
New North	22%	23%
Visions Northwest	3%	4%

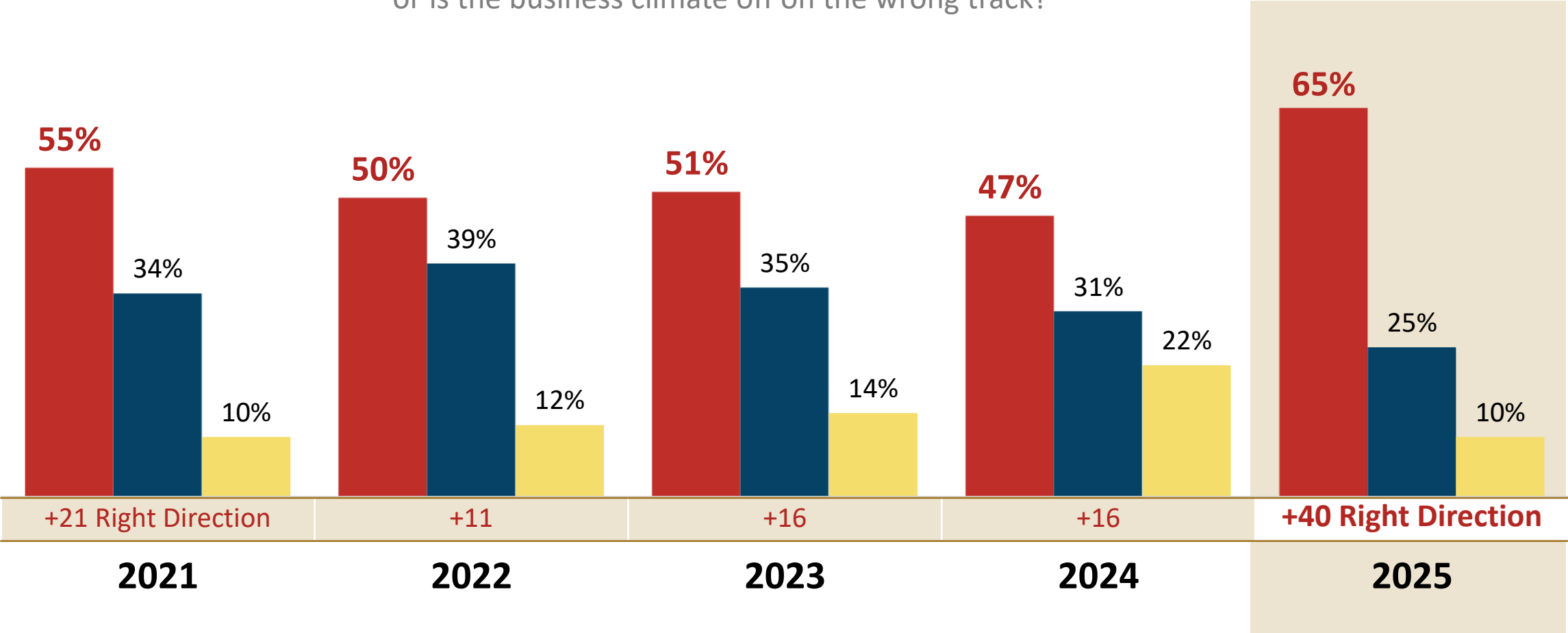
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FORGED CONFIDENCE



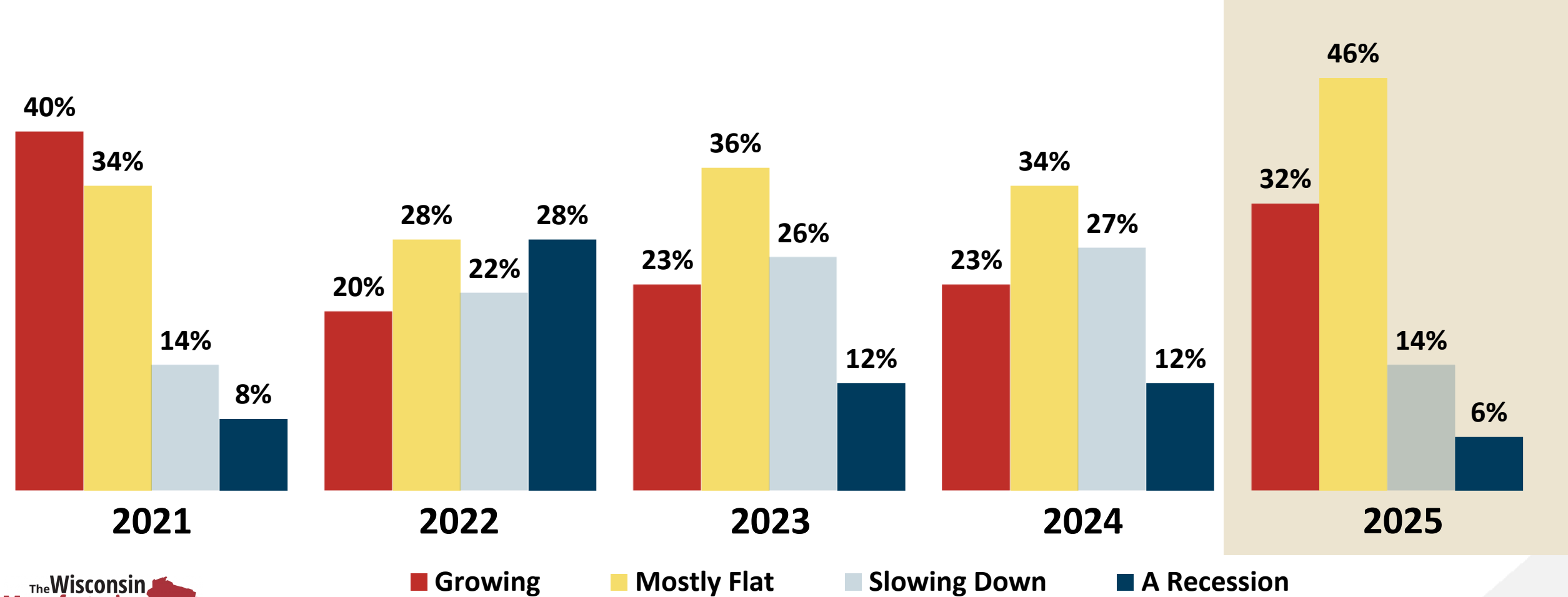
The percentage of manufacturers who say the business climate is heading in the right direction has reached its highest level yet.

“Would you say the business climate in the state is heading in the right direction, or is the business climate off on the wrong track?”



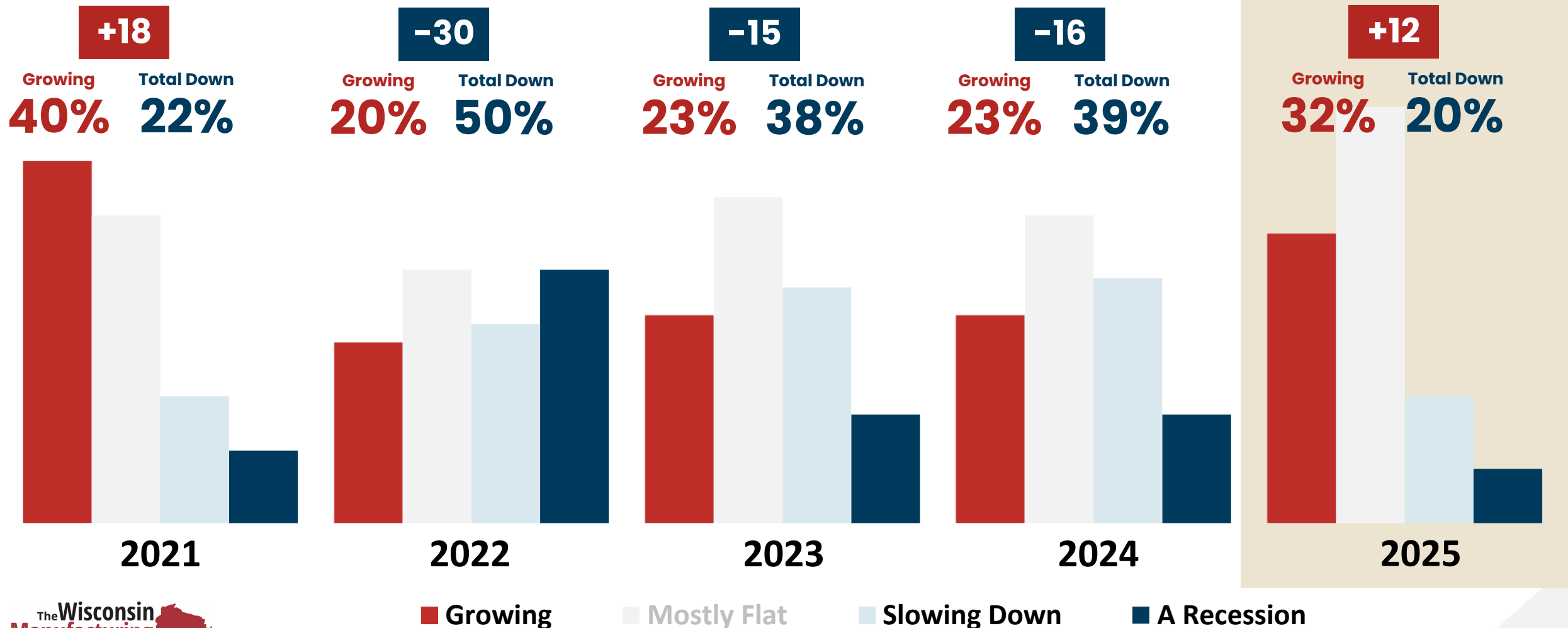
While a plurality say the state’s economy is mostly flat, one-in-three believe the economy is growing – the highest we’ve seen since 2021.

“Overall, right now, do you think Wisconsin's economy is growing, slowing down, mostly flat, or in a recession?”



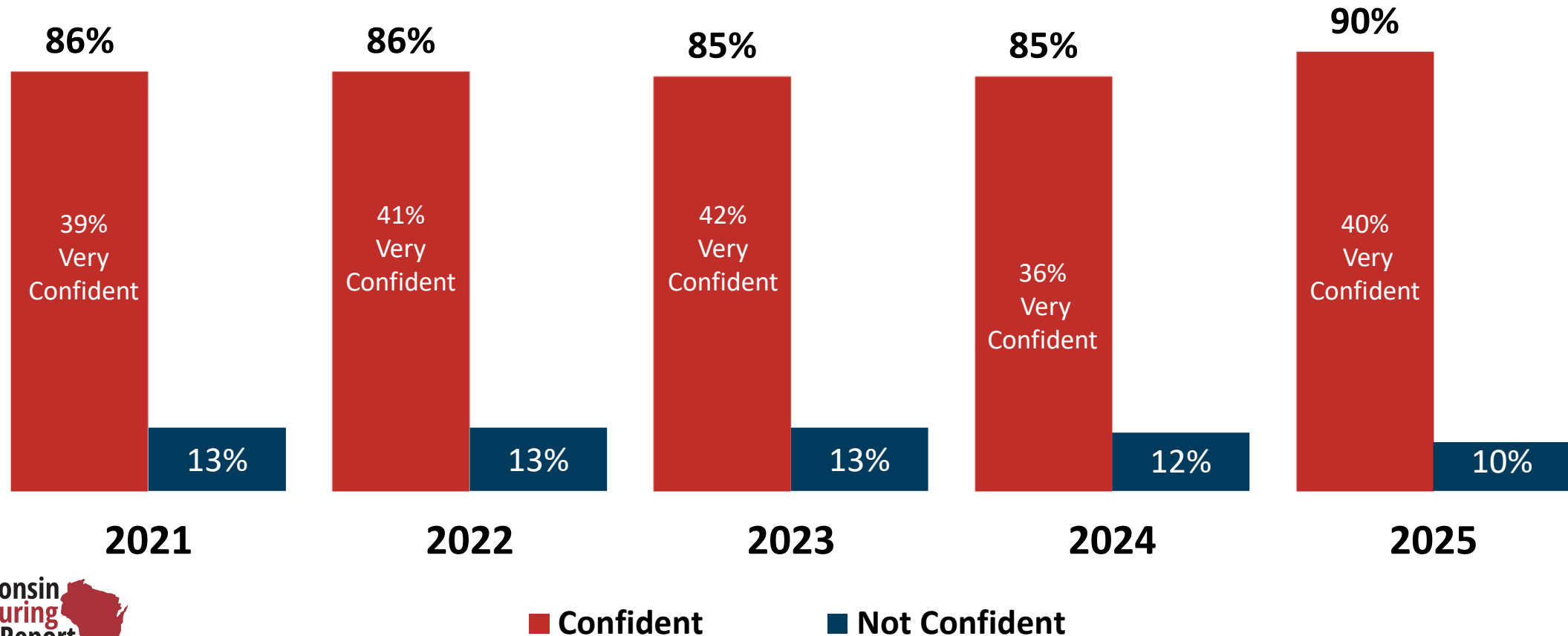
This is the first time since 2021 that economic conditions are seen in positive terms.

“Overall, right now, do you think Wisconsin's economy is growing, slowing down, mostly flat, or in a recession?”



Wisconsin manufacturing executives remain extremely confident about their own companies' financial outlook.

“Let's shift gears for a moment and focus more on your company. From a financial perspective, how do you feel right now about the future for your company?”



Financial confidence is up across-the-board, but is running higher this year with smaller sized manufacturers.

“Let's shift gears for a moment and focus more on your company. From a financial perspective, how do you feel right now about the future for your company?”

% Total Confident

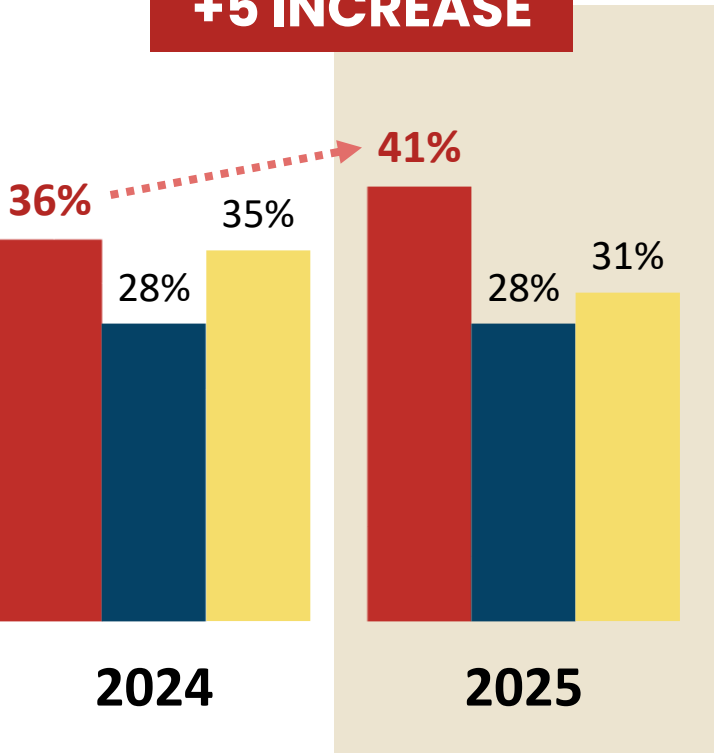
	2022	2023	2024	2025	Change Since 2024
1-49 Employees	85%	84%	82%	88%	+6
50+ Employees	93%	89%	94%	96%	+2
Revenue Under \$1M	78%	78%	72%	78%	+6
Revenue \$1 - \$5M	89%	86%	88%	90%	+2
Revenue \$5M+	94%	91%	92%	94%	+2

Manufacturers expect revenues and productivity to increase, but uncertain market conditions slow capital expenditures.

“As you look to the year-end, do you expect your company’s _____ for 2025 to increase or decrease compared to 2024, or will they probably stay the same?”

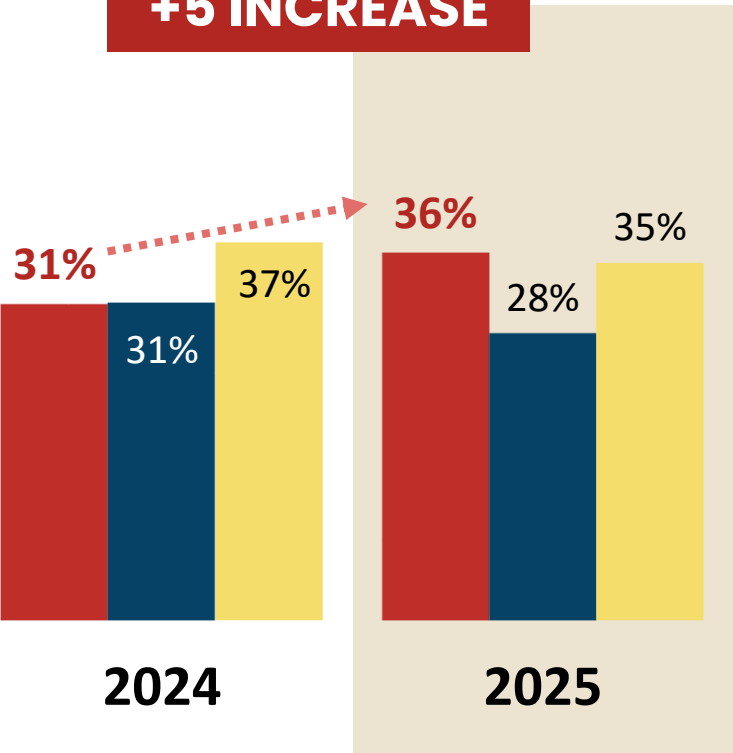
Gross Revenues

+5 INCREASE



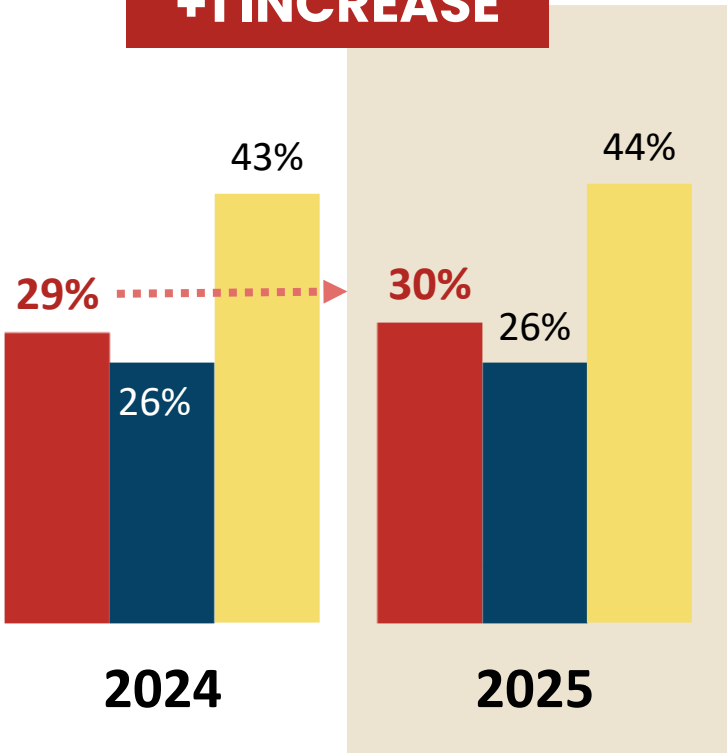
Profitability

+5 INCREASE



Capital Expenditures

+1 INCREASE



■ Increase ■ Decrease ■ Stay The Same

Manufacturers are making investments, just not capital investments.

“Overall for the year ____, do you expect to increase investment in any of the following areas?”

	2024	2025	Change Since 2024
Growing revenue and profitability	72%	71%	-1
Maximizing productivity	58%	65%	+7
Expanding sales within the United States	55%	62%	+7
Sales and marketing	60%	62%	+2
Employee development	56%	56%	0
Employee training	53%	55%	+2
Systems, technology, and automation	39%	49%	+10
Workplace and company culture	42%	47%	+5
Leadership training		37%	n/a
Research and development	32%	34%	+2
Data and cyber security	35%	31%	-4
Ecommerce	27%	25%	-2
Expanding sales globally	19%	21%	+2
Environmental, social, and governance issues	17%	12%	-5
Obtaining ISO certification	10%	8%	-2

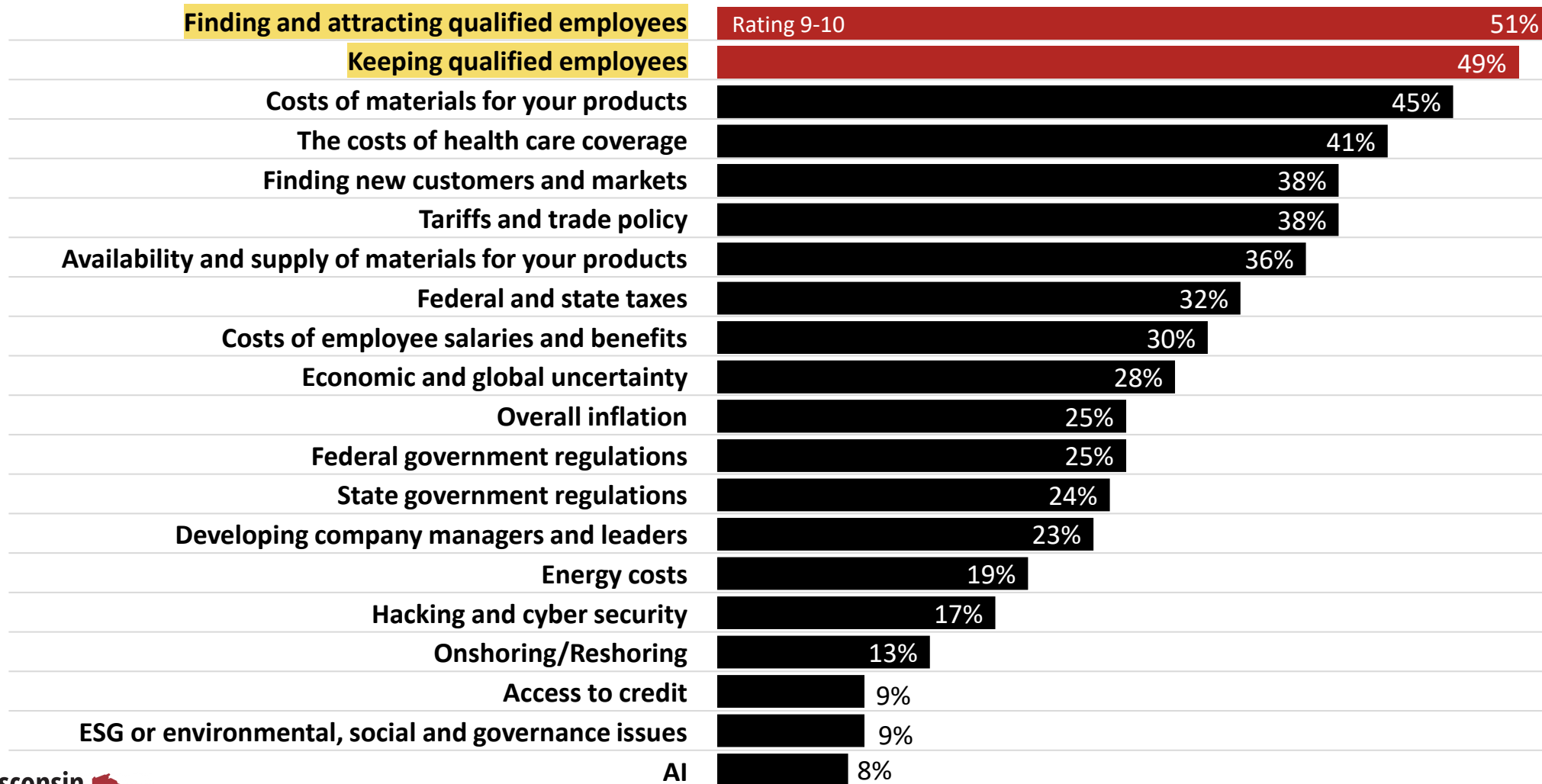
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(LESS) HELP WANTED

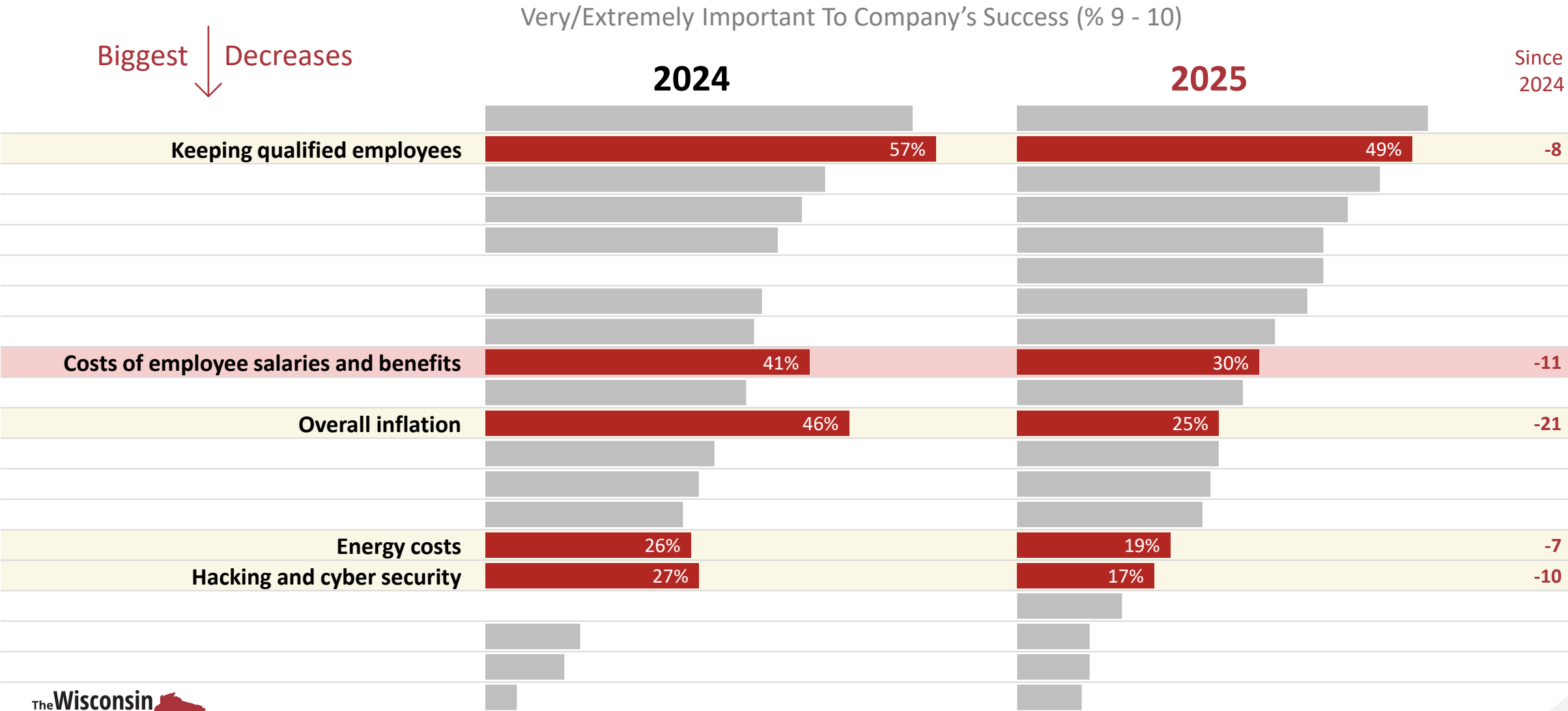


Workforce concerns remain atop the list of manufacturers' concerns.

“Next, we're going to look at a series of different issues that may or may not impact you and your company. For each one, please rate how important that issue is to you and your company's success.” (1-to-10 Scale: 1 = Not Important At All / 10 = Extremely Important)



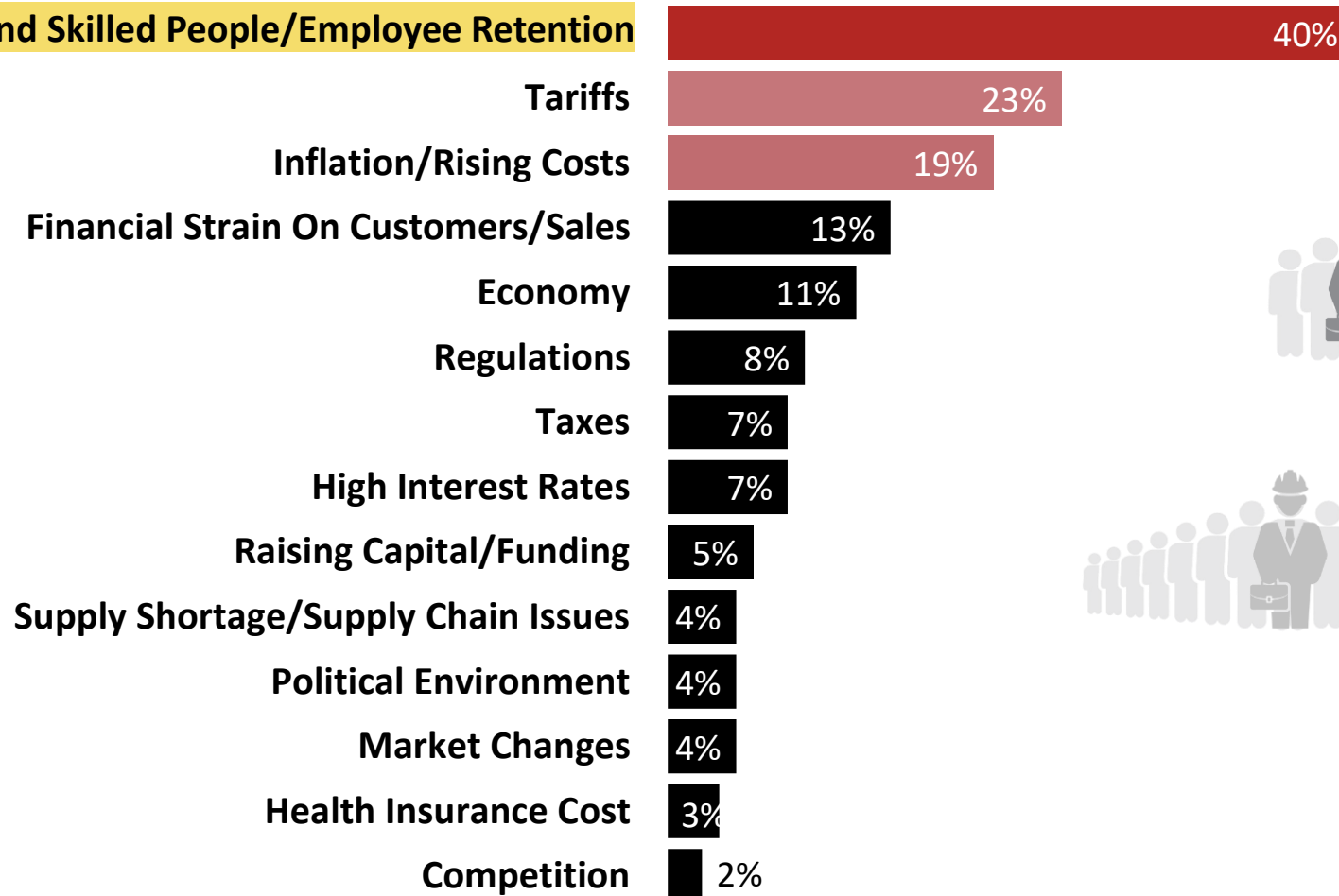
But...inflationary fears are way down, as are concerns about salaries and benefits, hacking, workforce, and energy costs.



Workforce, tariffs, and inflation concerns account for most of the top of mind issues manufacturers see affecting their success.

“Next, thinking about your company, what would you say is the one or two most important issues affecting your business and its future success?” (OPEN ENDED)

Finding Quality and Skilled People/Employee Retention



36%
Among
Companies with
1-49 Employees

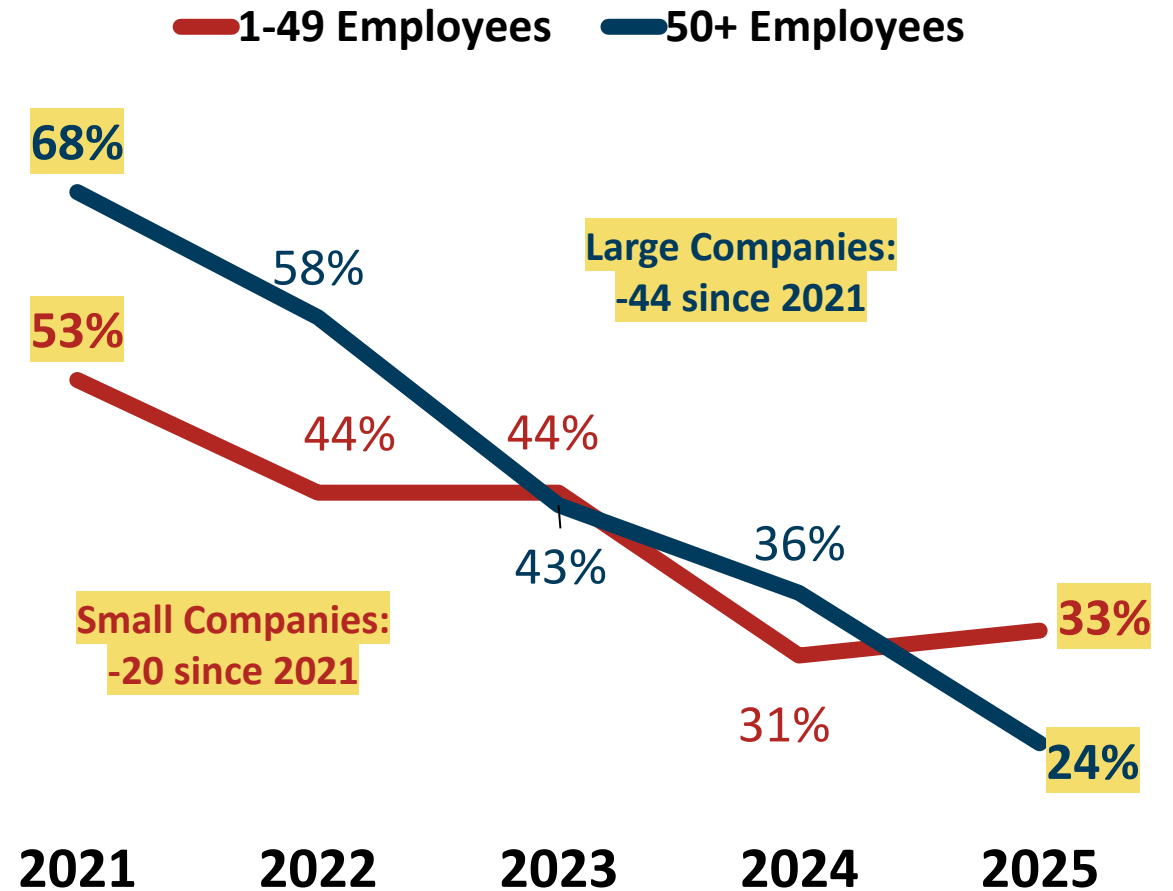
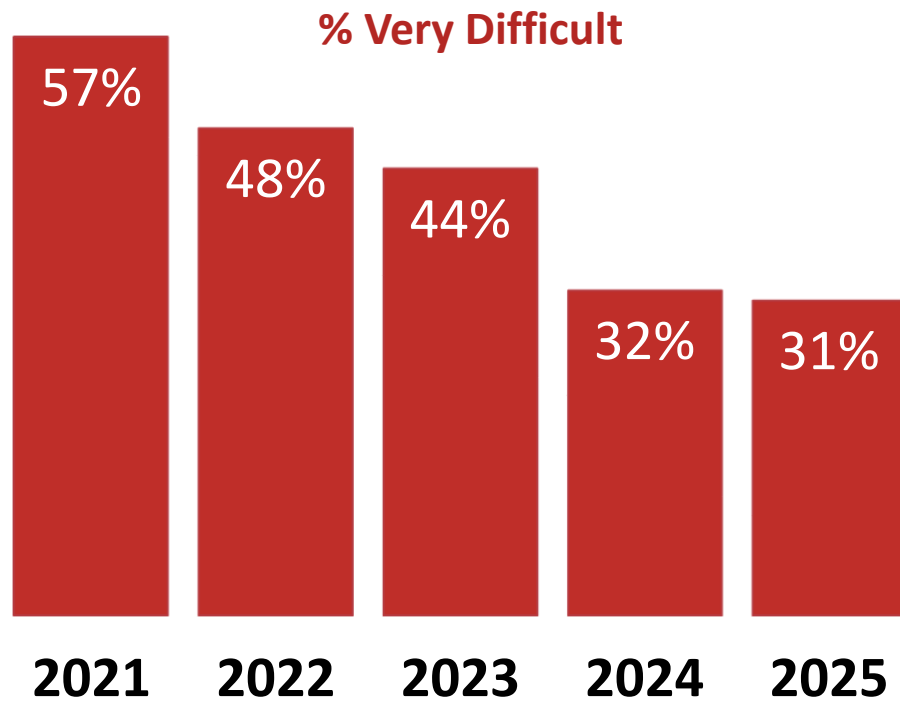


51%
Among
Companies with
50+ Employees



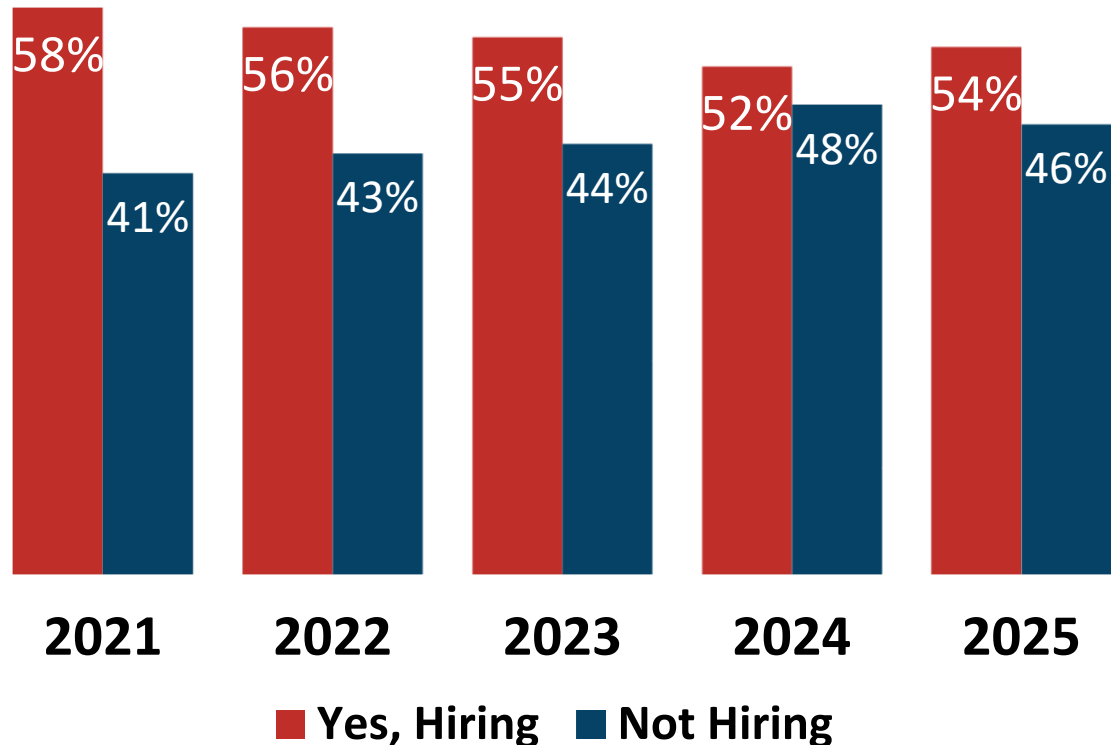
Those who say it's *very* difficult to find the workers they need continues to decline (especially among the larger companies).

“Generally speaking, how easy or difficult is it for your company currently to find qualified workers for new or open positions?”



Most manufacturers say they are hiring, but it's down from post-pandemic levels (and there's not a lot of openings).

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



(ASKED AMONG THOSE HIRING) “And, based on your best estimate, how many positions would you say your company has open that you are currently hiring for?”



	1-3 Positions	4-9 Positions	10+ Positions
2021	46%	32%	20%
2022	53%	25%	21%
2023	58%	24%	18%
2024	58%	23%	19%
2025	60%	24%	15%

Increasing wages, offering training, automating, and raising prices are the top changes companies are considering. AI is up 10 points since 2024.

“Is your company considering any of the following changes to address potential long-term workforce challenges?”



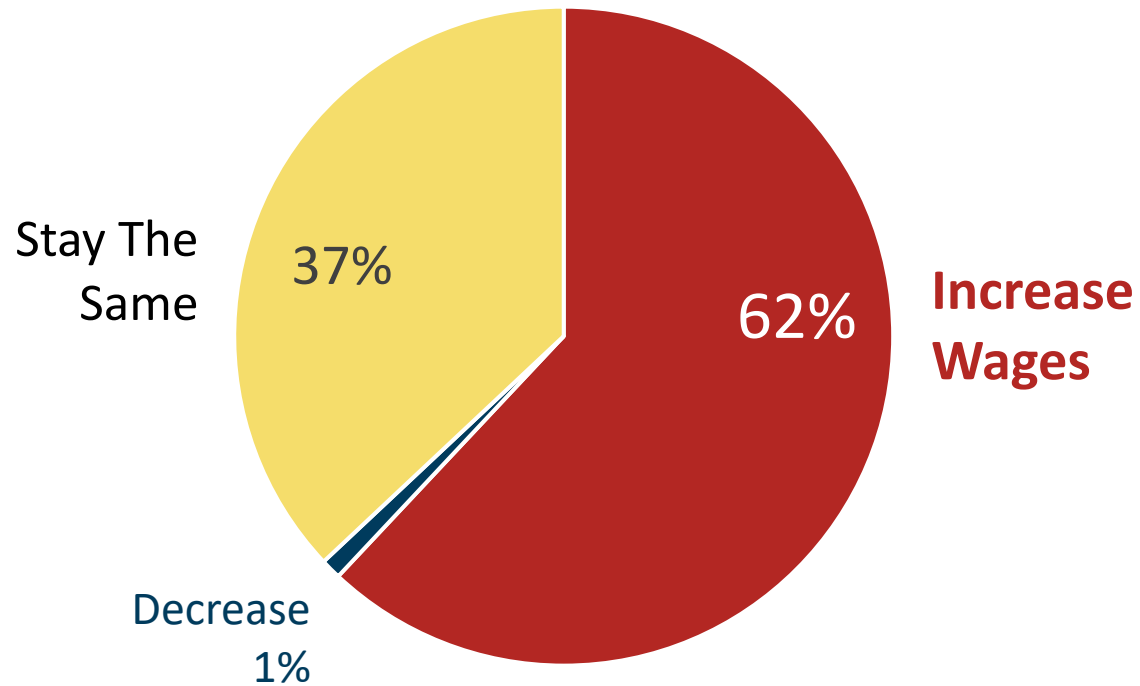
Larger manufacturers are trying more things to address workforce issues.

Considering Changes By Company Type (Results 50%+ Per Type Are Shaded)

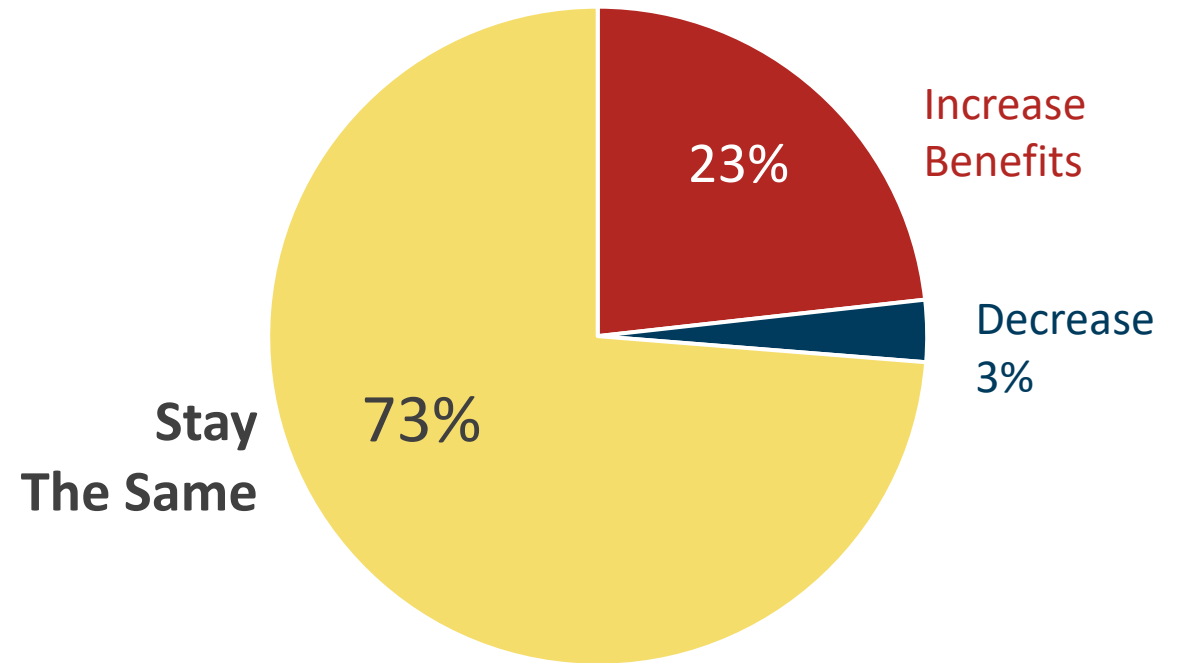
	Company Size	
	1-49 Employees	50+ Employees
Increasing wages and salaries	60%	63%
Offering employee training	53%	55%
Automating or implementing new technologies	45%	56%
Raising prices	47%	40%
Increasing recruitment efforts	37%	52%
Improving onboarding	35%	57%
Offering apprenticeship or internship programing	37%	48%
Offering more competitive employee benefits	40%	39%
Utilizing Artificial Intelligence	27%	32%
Allowing for remote work and flexible schedules	22%	24%
Changing operating hours	15%	19%
Changing shifts	14%	17%
Scaling back production	7%	6%

Manufacturers expect to increase wages, but most don't plan to make any changes to their benefit offerings.

“Overall, do you **expect wages for your employees** will increase, decrease, or stay about the same this year?”

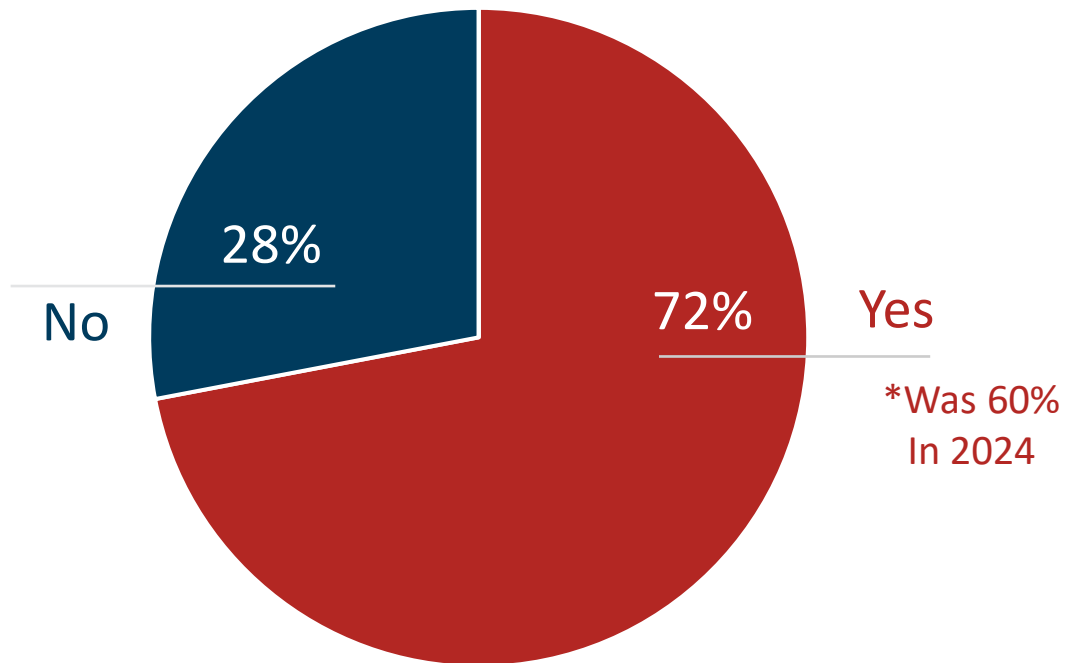


“Overall, do you expect the benefits you offer your employees will increase, decrease, or stay about the same this year?”

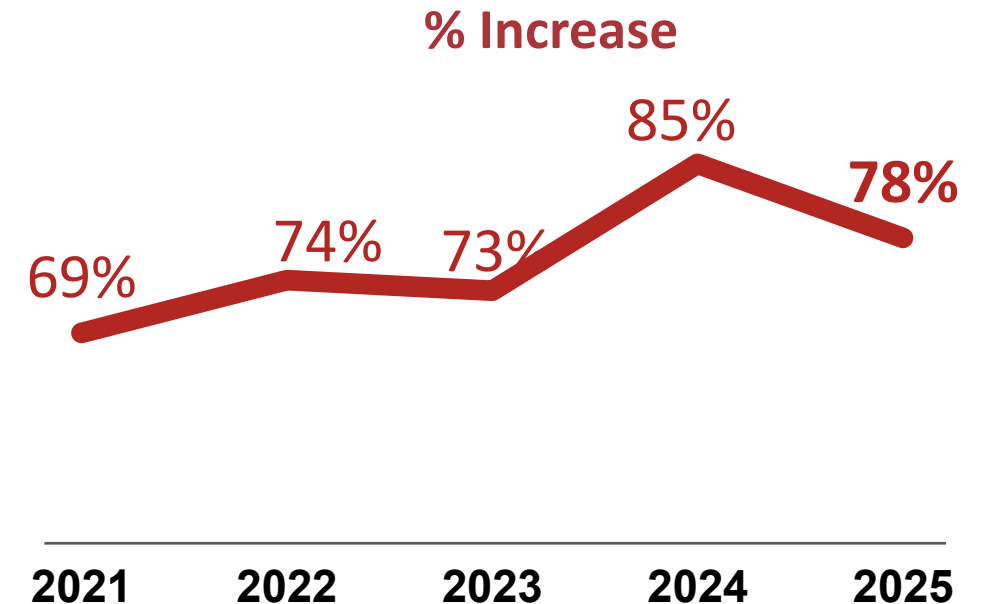


Most manufacturing companies provide health insurance to their employees, and they expect insurance costs to continue to rise.

“Does your company currently provide health insurance to your employees?”



AMONG THOSE WHO PROVIDE INSURANCE: “Do you expect the cost your company pays for health care will increase, decrease, or stay about the same in 2025?”



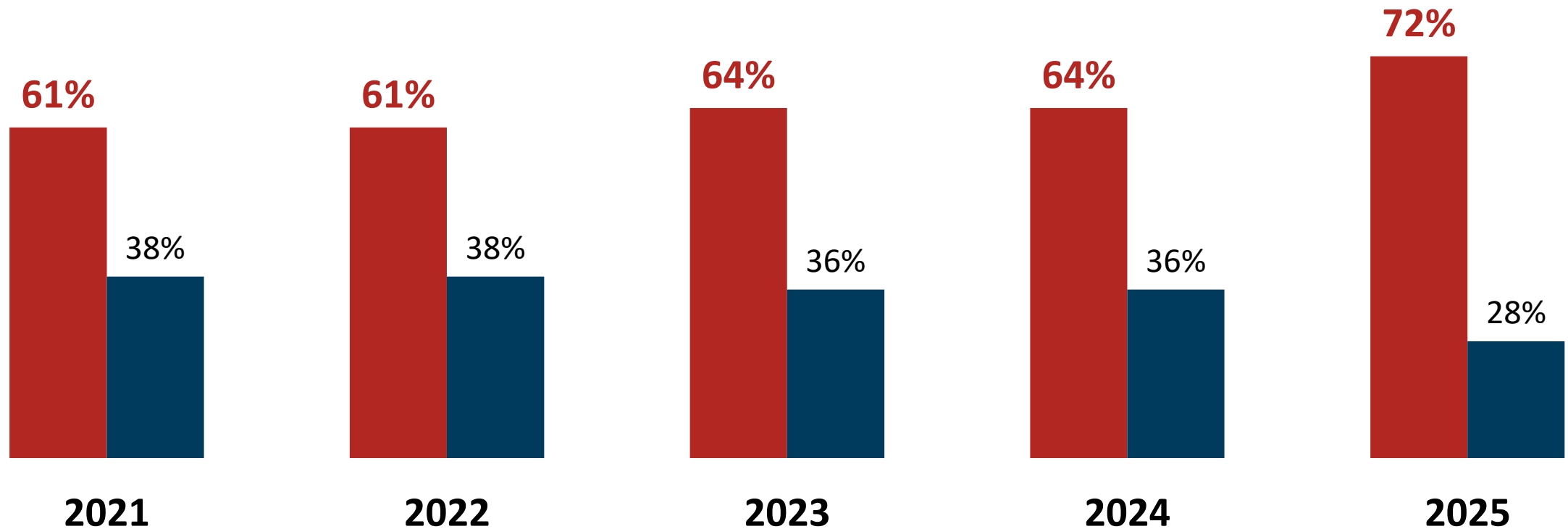
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BOT TO THE FUTURE



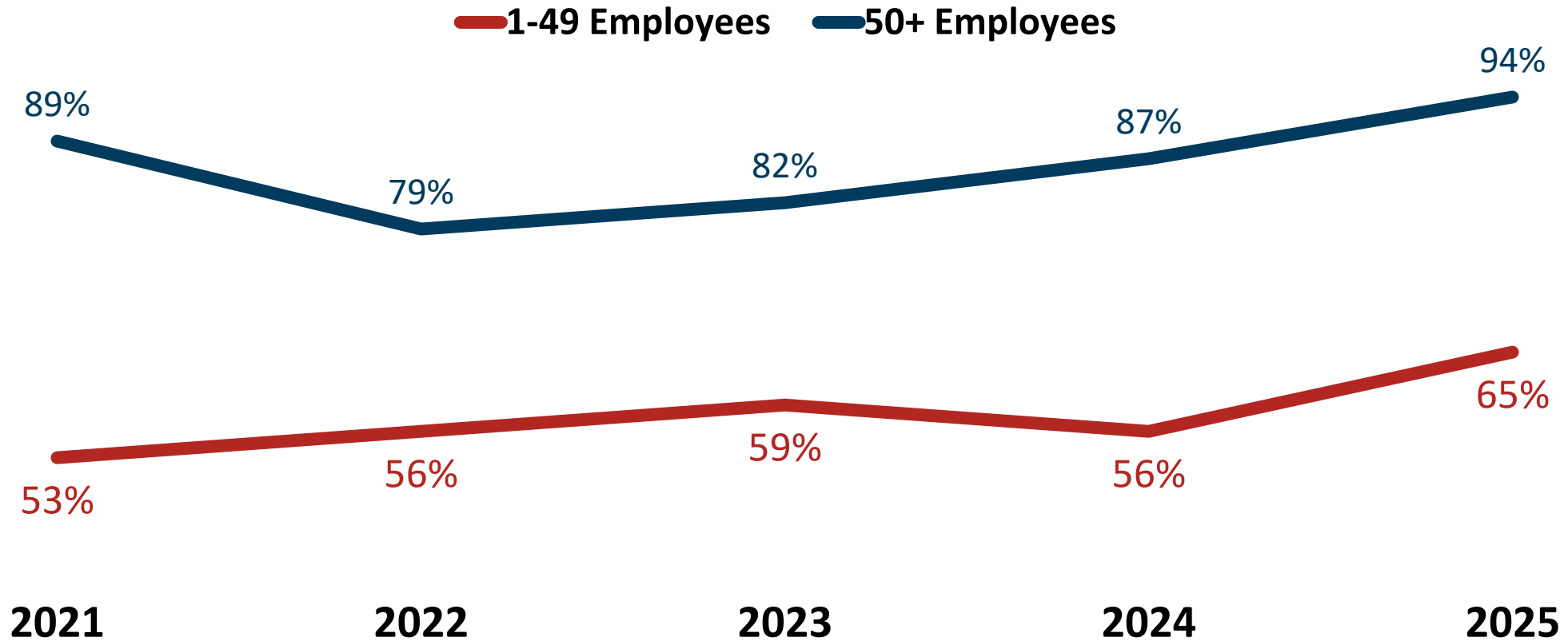
Three-in-four executives see automation as important to their company's future, a noticeable increase over the past four years.

“Generally speaking, how important do you think automation will be to your company's future?”



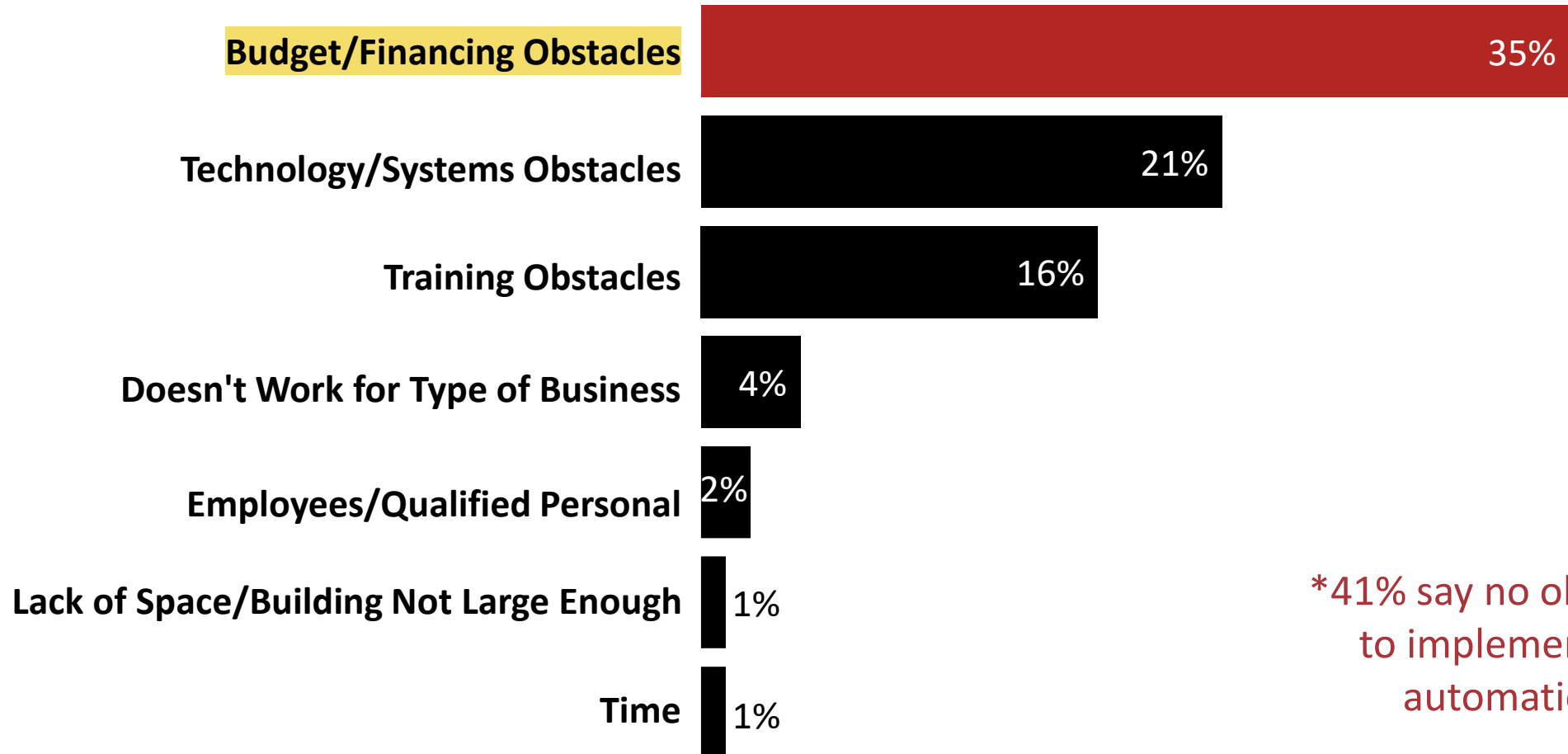
The importance of automation to both larger and smaller-sized manufacturers has grown since 2022.

Automation Importance To Company's Future By Company Size



Among those who say there are obstacles to implementing automation, financing is the top concern.

“Are there any obstacles to implementing automation at your company?”



*41% say no obstacles to implementing automation

More than a third of manufacturers say they are currently using AI, triple the amount using AI since 2023.

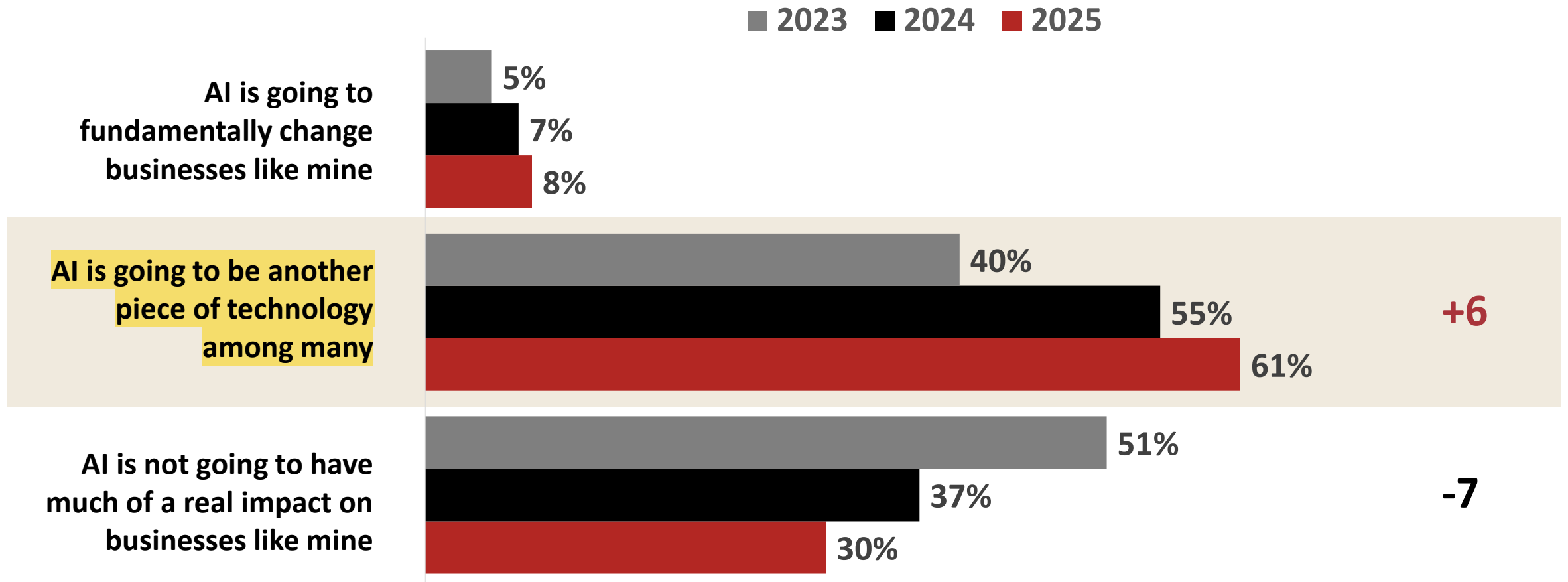
“Have you previously used, are you currently using, or are you considering using artificial intelligence, or AI, in your business operations?”

	2023	2024	2025
Currently Using AI	10%	18%	35% ← Usage tripled since 2023
Considering Using AI Within Next Year	7%	6%	13%
Considering Using AI Within Next 2-5 Years	9%	12%	11%
No, Have Never Used and Have No Plans to Use AI	72%	59%	40% ← Minority has no usage plans

1% Don't Know/Not Sure

Most manufacturers believe AI will impact their business, but few believe it's transformational technology

“Thinking about the next few years, which ONE of the following viewpoints on the impacts of artificial intelligence, or AI, on businesses like yours do you agree with more?”

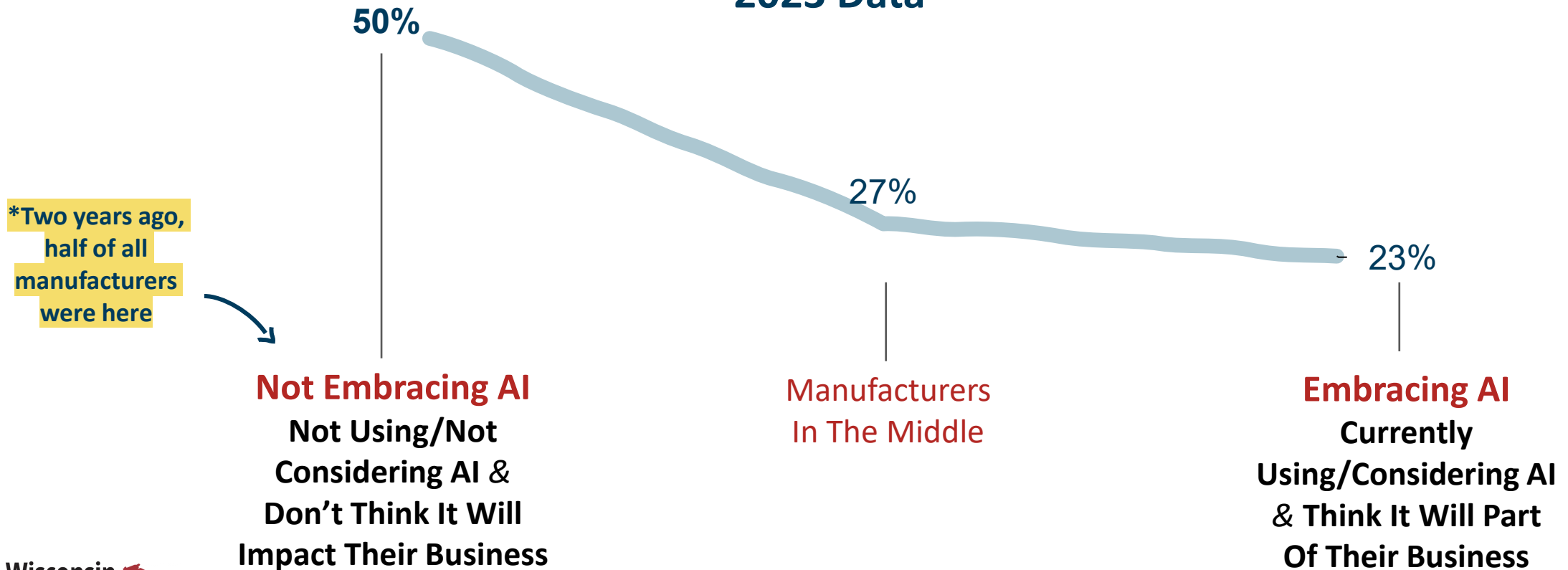


We merged the two AI questions to create an “AI Embracement Curve.”

In 2023, half of all manufacturers were not embracing AI.

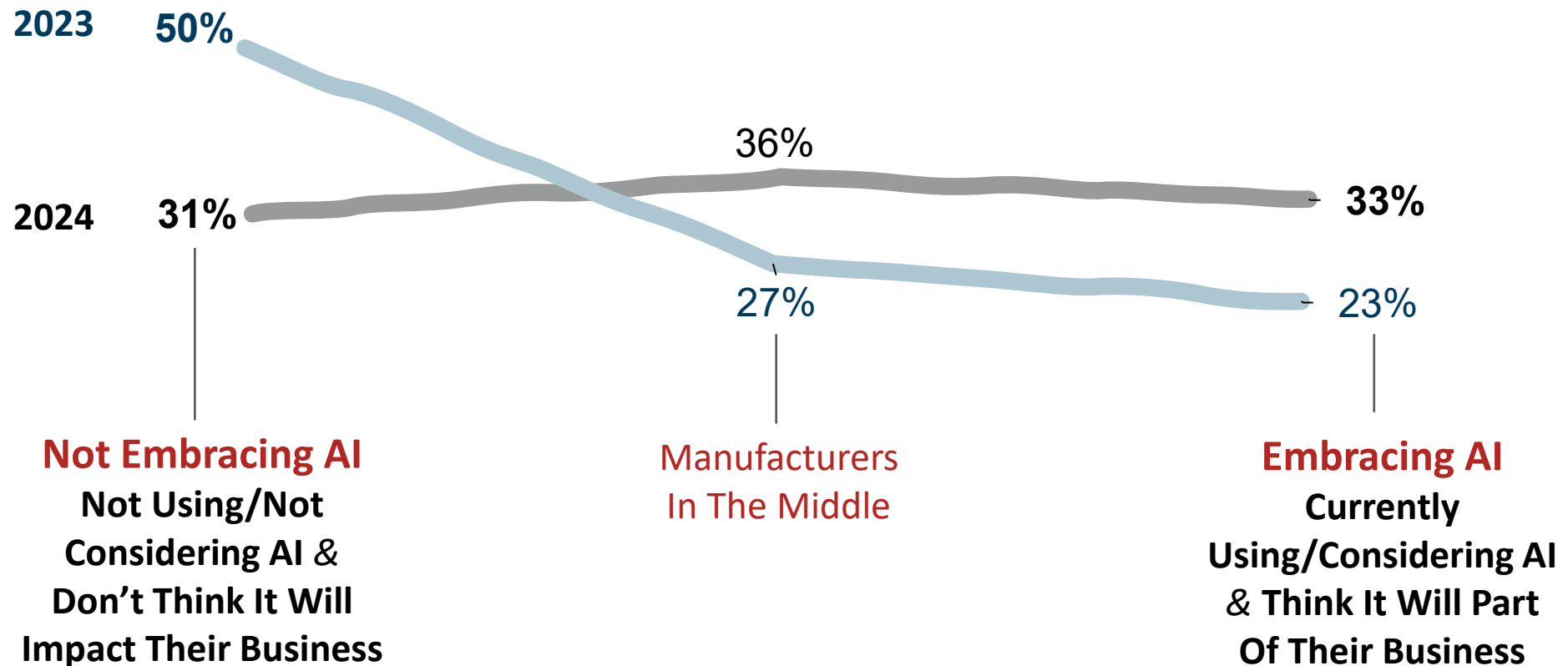
AI Embracement Curve Is The Combination Of The Two AI Questions
(Current Usage/Consideration Of AI + Perceived Impact On Their Business)

2023 Data



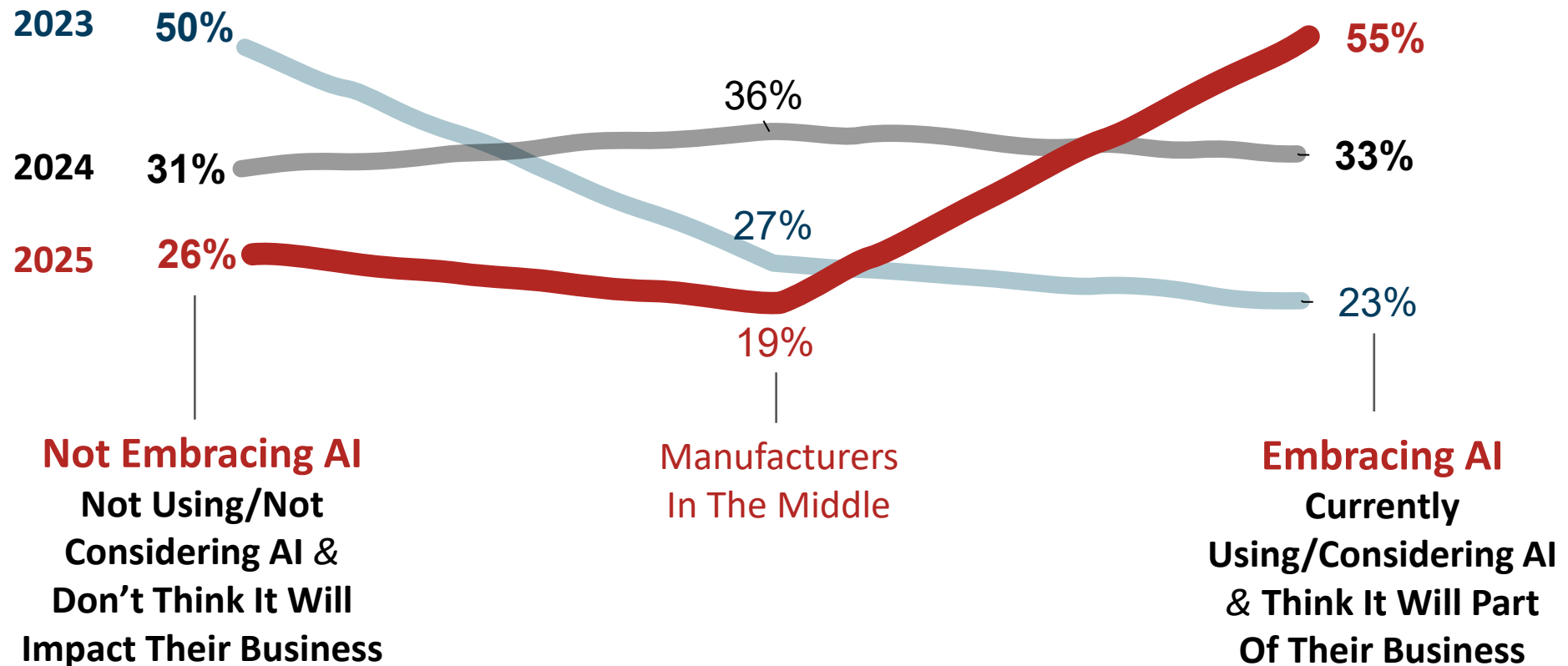
Last year, we found an equal percentage of manufacturers on both ends of the “AI Embracement Curve.”

2023 Compared To 2024



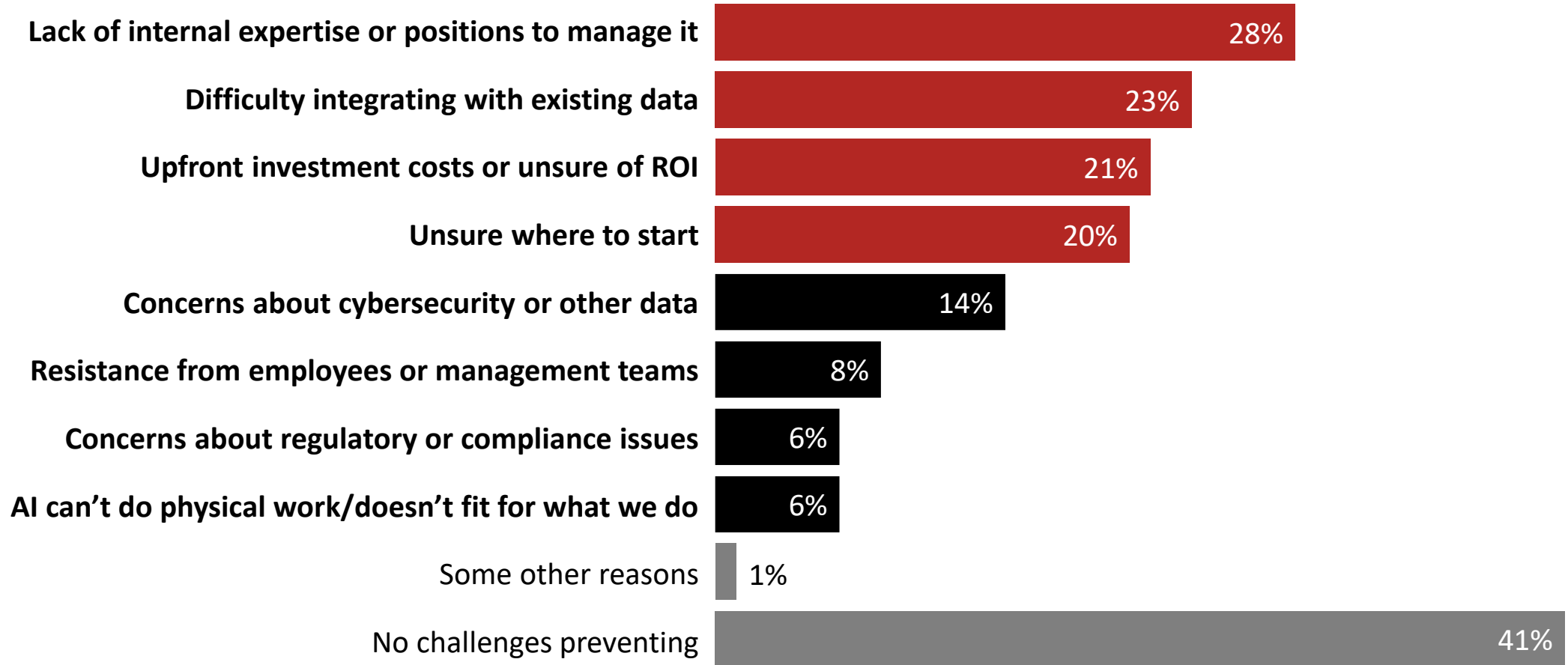
Now we find the inverse of the “AI Embracement Curve” from two years ago.

2023 Compared To 2024 And 2025



Those not using AI cite implementation and ROI challenges, but 41% say there's nothing preventing them from implementing AI.

AMONG THOSE NOT USING AI: “Is there anything that prevents you from using or implementing AI in your company?”



Larger companies see more challenges implementing AI.

Barriers to AI Usage By Company Type

Company Size

	1-49 Employees	50+ Employees
Have Some Challenges	47%	71%
Lack of internal expertise or positions to manage it	24%	45%
Difficulty integrating with existing data	21%	33%
Upfront investment costs or unsure of ROI	21%	21%
Unsure where to start	19%	21%
Concerns about cybersecurity or other data	12%	25%
Resistance from employees or management teams	8%	7%
Concerns about regulatory or compliance issues	7%	5%
AI can't do physical work/doesn't fit for what we do	7%	2%

One-in-five Wisconsin manufacturers say they have been hacked or experienced a data breach of some kind.

“On a different topic, has your company been hacked or experienced a data breach of some kind?”

79%
Have Not

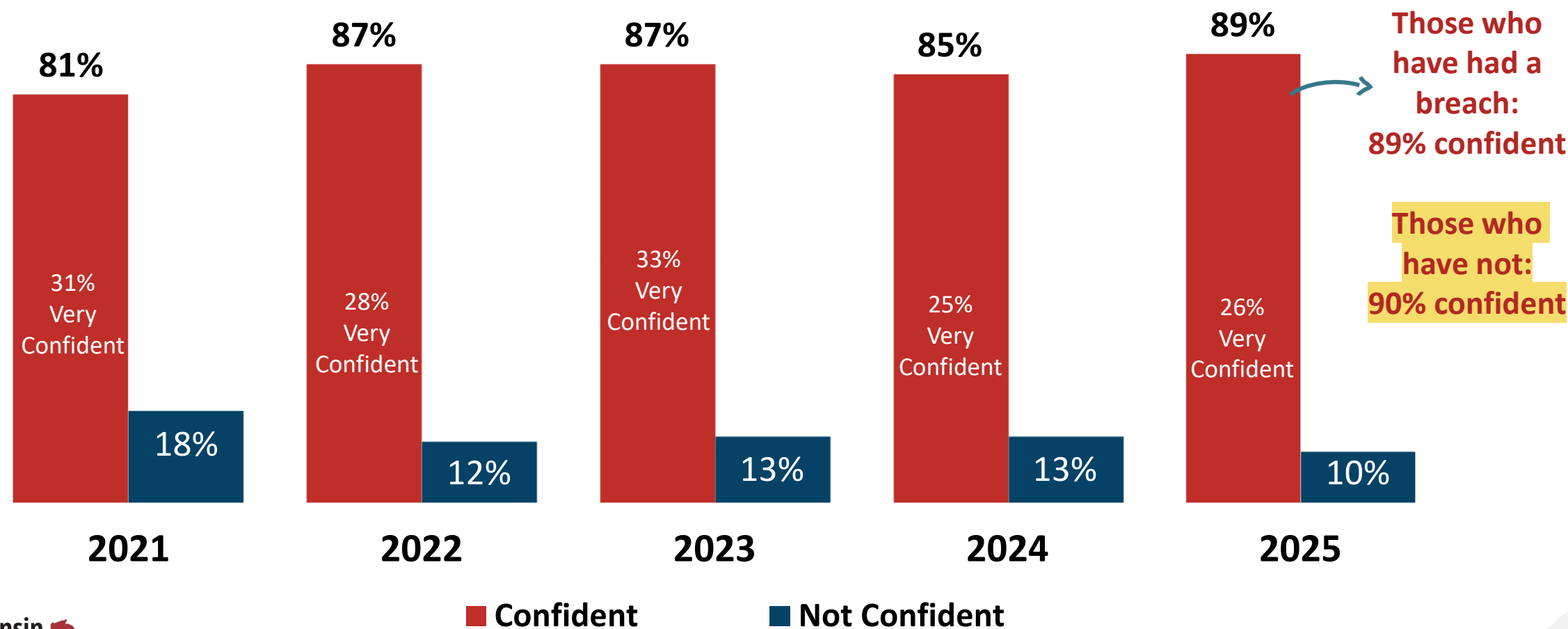


20%
Have

- *18% in 2024
- *22% in 2023
- *18% in 2022
- *16% in 2021

Manufacturer confidence in their cybersecurity continues to be high.

“How confident are you that your company is secure from hacking, data breaches, and other technological threats?”



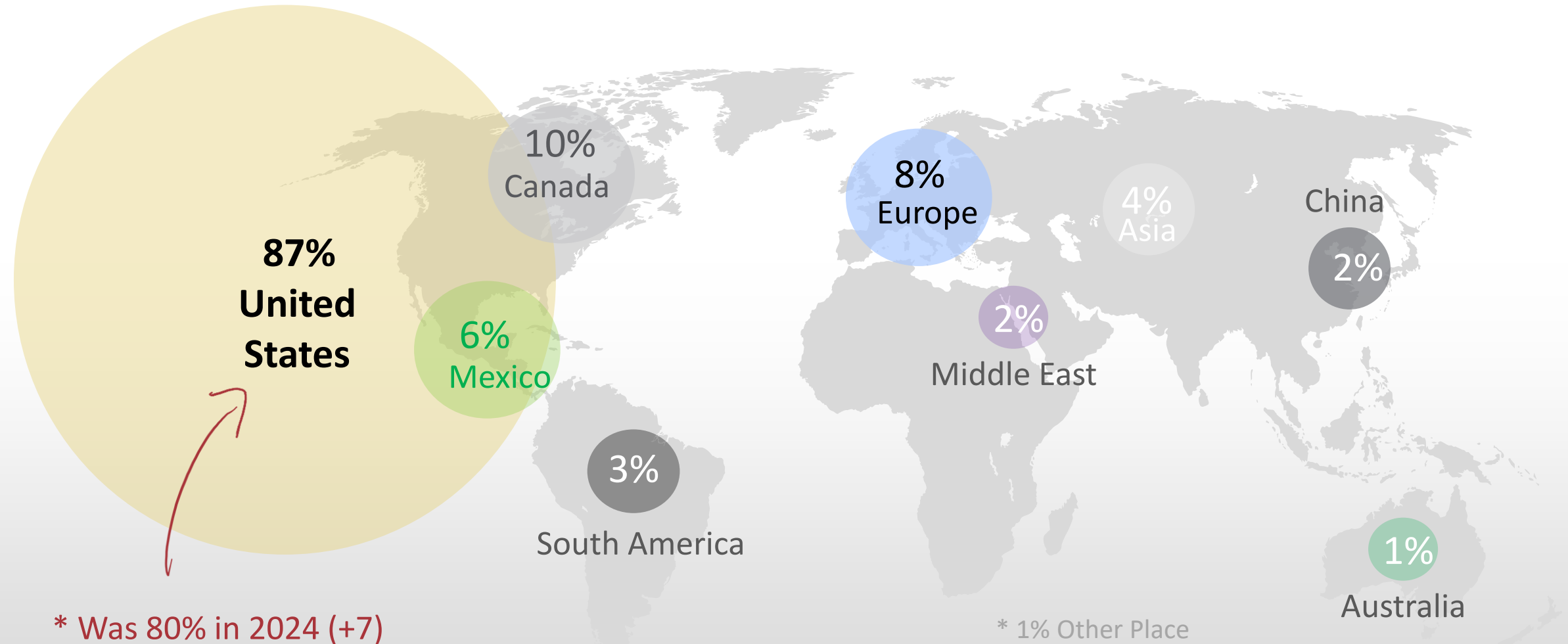
4

SALE AWAY



The United States is overwhelmingly seen as the greatest opportunity for increasing prospective business, up from last year.

“And, in what part of the world do you see greatest increase in prospective business?”



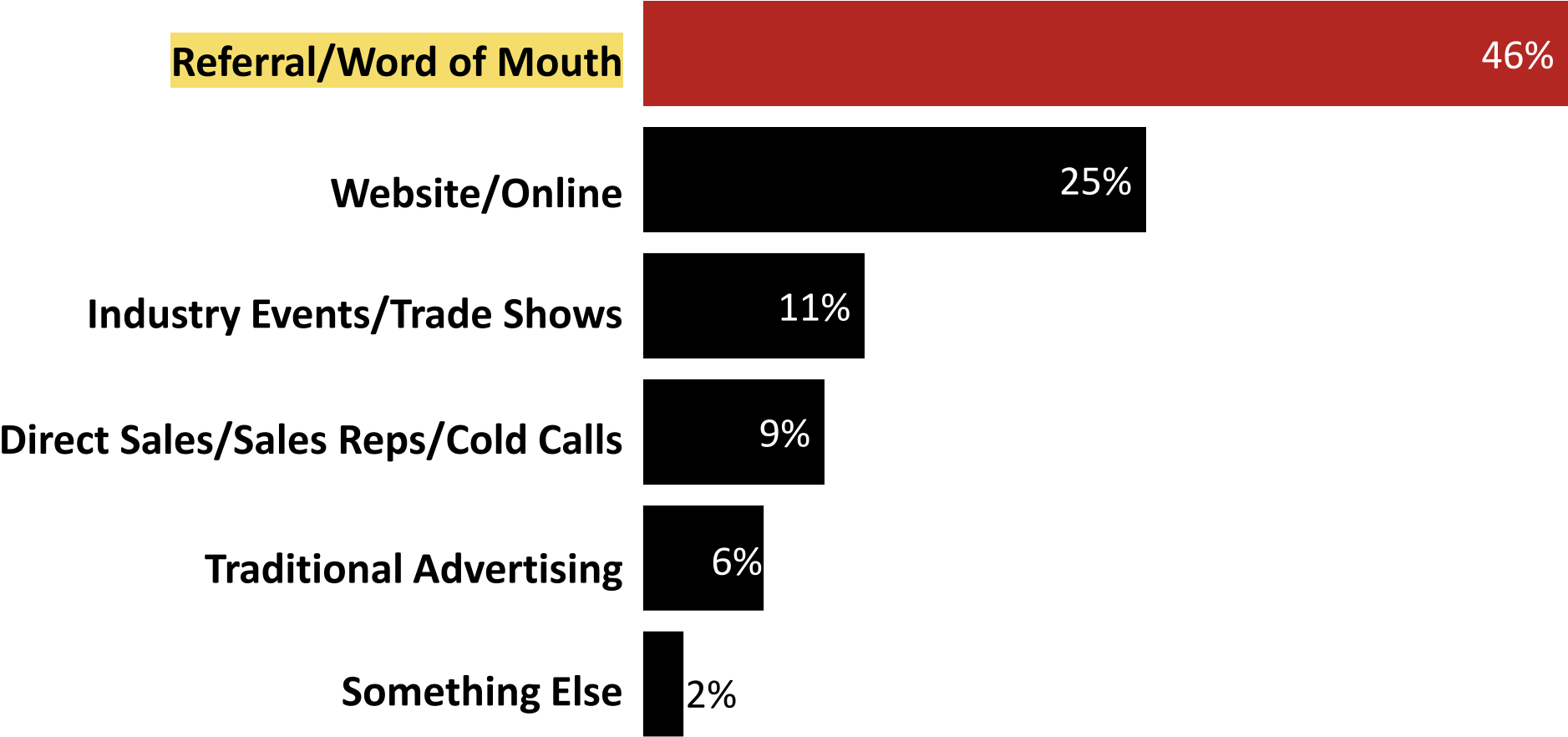
Companies see their main source of growth in finding new customers and markets, followed by finding and retaining employees.

“As you think about your company's future, what would you say are the two or three most important drivers of your company's future growth?”



New customers come primarily through referrals and word of mouth.

“What is your primary source of new customer acquisition?”



Referrals are even more important for lower revenue manufacturers.

“What is your primary source of new customer acquisition?”

	Revenue		
	Under \$1 Million	\$1- \$5 Million	\$5 Million+
Referral/Word of Mouth	62%	52%	34%
Website/Online	18%	26%	26%
Industry Events/Trade Shows	3%	7%	18%
Direct Sales/Sales Reps/Cold Calls	3%	5%	14%
Traditional Advertising	9%	6%	4%
Something Else	5%	2%	2%

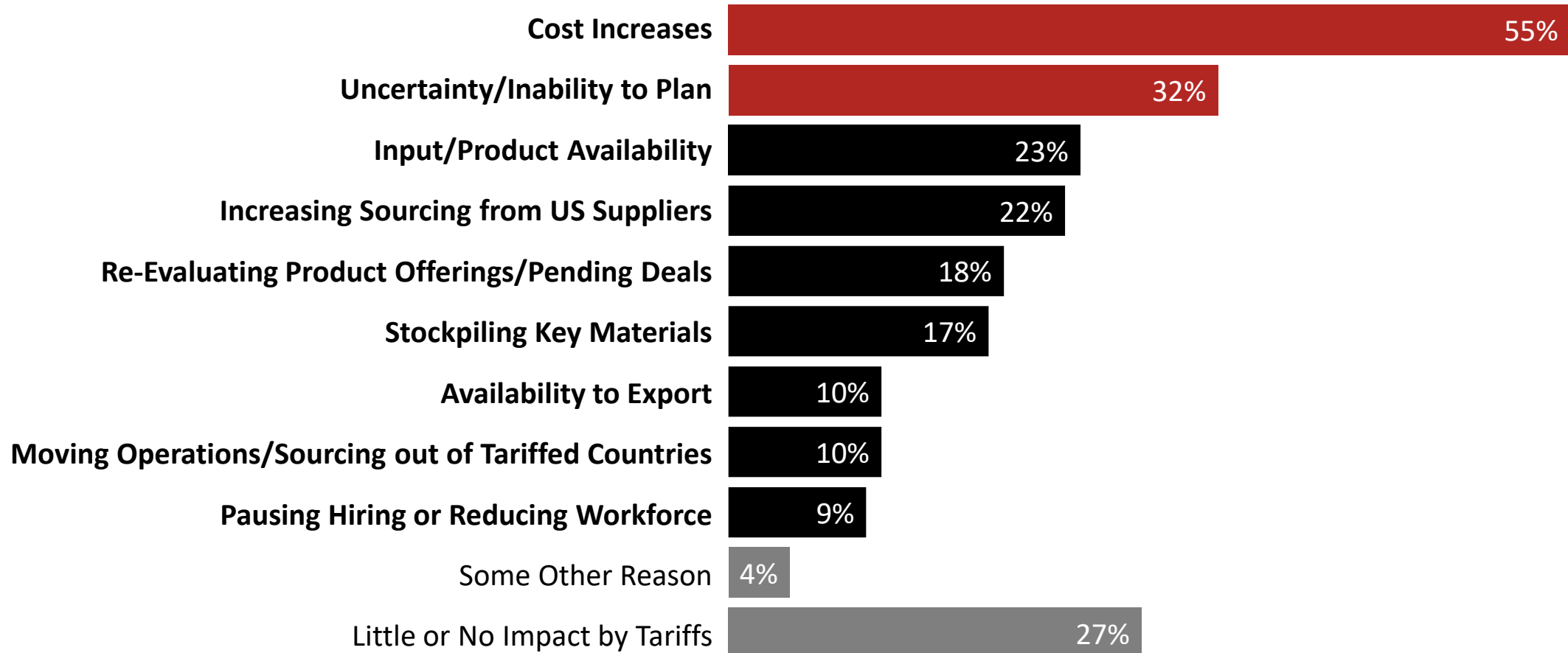
5

DUTY CALLS



Nearly three-quarters of manufacturers say tariffs affect them, with cost increases and uncertainty being the main areas of impact.

“Thinking about tariffs for a moment, has your business been impacted by tariffs?
If so, where have you been most impacted?”



Larger companies feel the tariffs more.

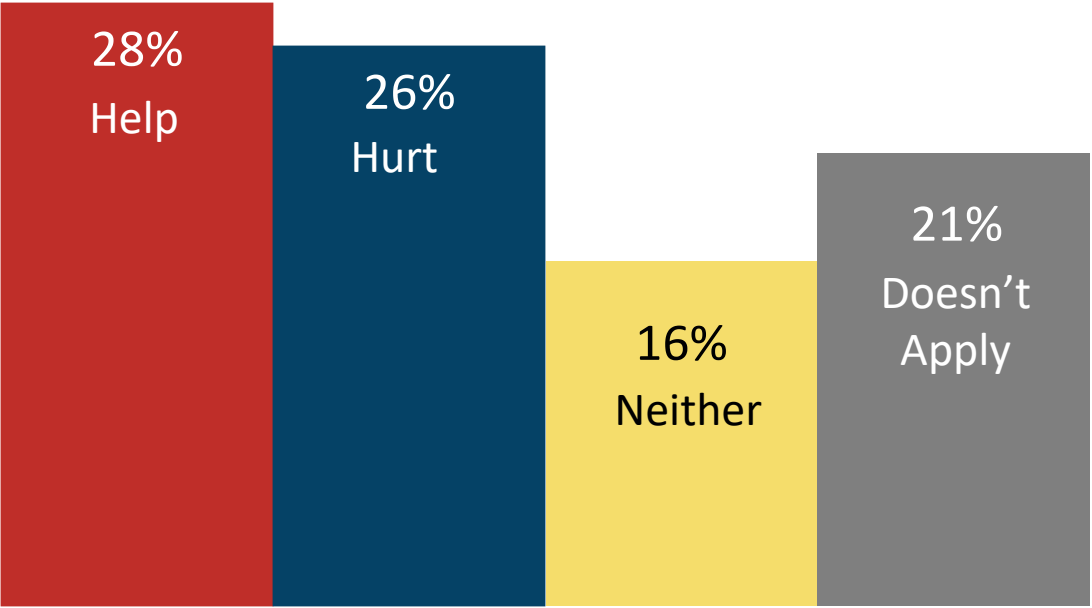
Tariff Impact By Company Type

Revenue

	Under \$1 Million	\$1- \$5 Million	\$5 Million+
Total Impact	53%	72%	81%
Cost Increases	34%	59%	62%
Uncertainty/Inability to Plan	28%	26%	37%
Input/Product Availability	24%	23%	23%
Increasing Sourcing from US Suppliers	16%	21%	24%
Re-Evaluating Product Offerings/Pending Deals	17%	17%	19%
Stockpiling Key Materials	20%	14%	17%
Availability to Export	9%	6%	14%
Moving Operations/Sourcing out of Tariffed Countries	4%	8%	14%
Pausing Hiring or Reducing Workforce	8%	7%	12%
Little or No Impact by Tariffs	47%	27%	18%

Manufacturers are divided on whether trade negotiations will help or hurt them, but there is a notable difference by revenue level.

“If you purchase from non-US suppliers or sell to non-US customers, will trade negotiations help or hurt your business?”



Companies with Revenue Under \$1 Million: **+16 Help**

Companies with Revenue Between \$1 – 5 Million: **+9 Help**

Companies with Revenue Over \$5 Million: **+11 Hurt**



THE BOTTOM LINE



THE BOTTOM LINE

1

Wisconsin manufacturers are bullish about the economy and their operations, but hesitant to make growth investments because of market uncertainty.

2

Manufacturers are split on support for tariffs. Manufacturers support and oppose tariffs for diverse reasons. Almost all manufacturers cited uncertain tariff policy as a cause for delayed actions.

3

Workforce challenges continue to be a major concern, though the labor market continues to soften. Still, employment is sticky as companies hold onto and invest in current workers.



THE BOTTOM LINE

4


Investments in productivity, technology, and company culture all showed increases, as manufacturers address long-term workforce issues.

5

Most manufacturers now embrace AI as a key technology, though many companies struggle to get a return from their investments.

6

There are still a meaningful number of manufacturers under significant stress.



ACTIONS FOR MANUFACTURERS

1

INVEST IN YOUR WORKFORCE



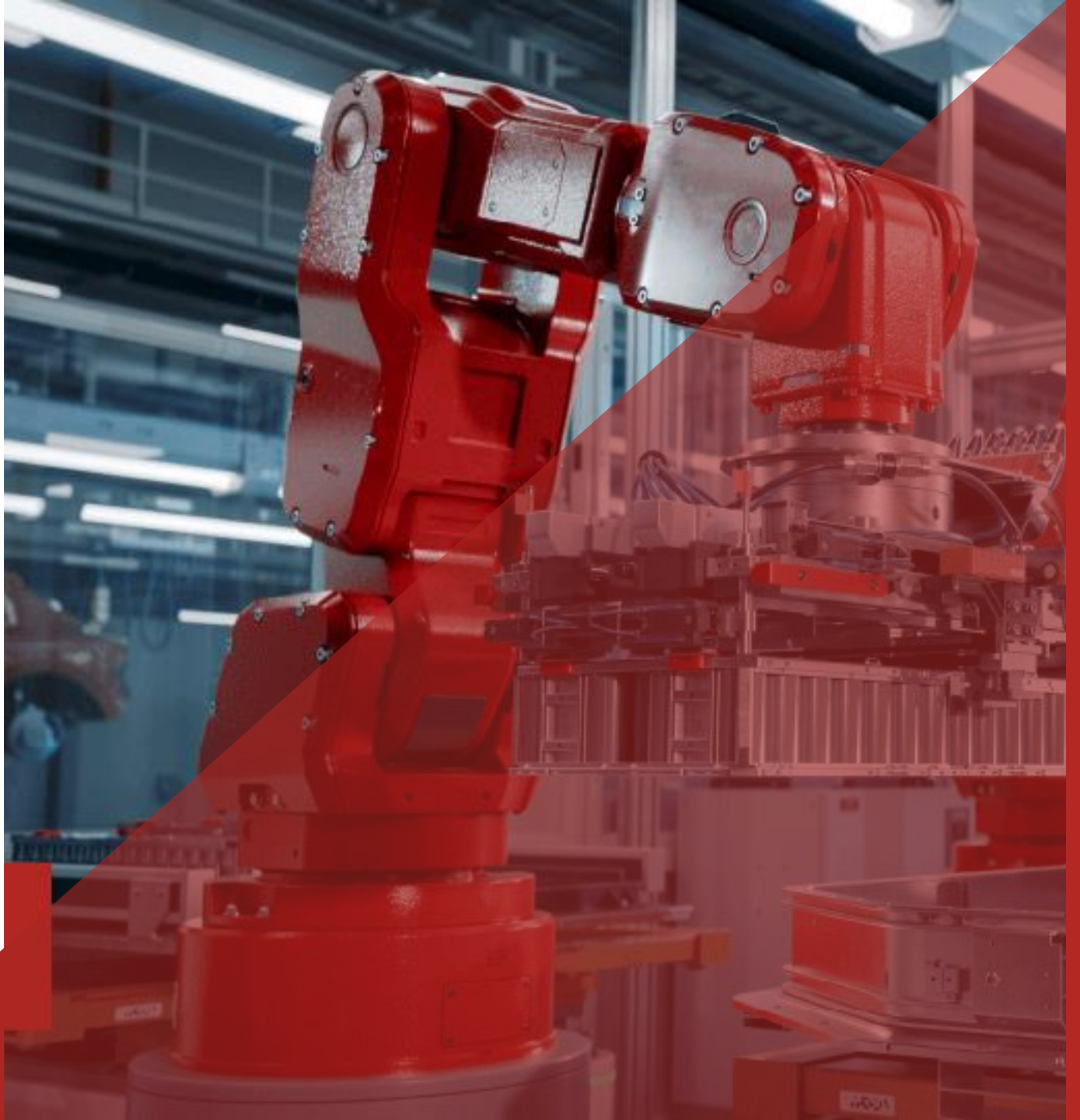
2

CREATE A PLAN TO INCREASE PRODUCTIVITY



3

EMBRACE AI AND FOCUS ON PROJECTS WITH A RETURN



4

ENGAGE GUIDES TO FIND EXPERTISE THAT FITS



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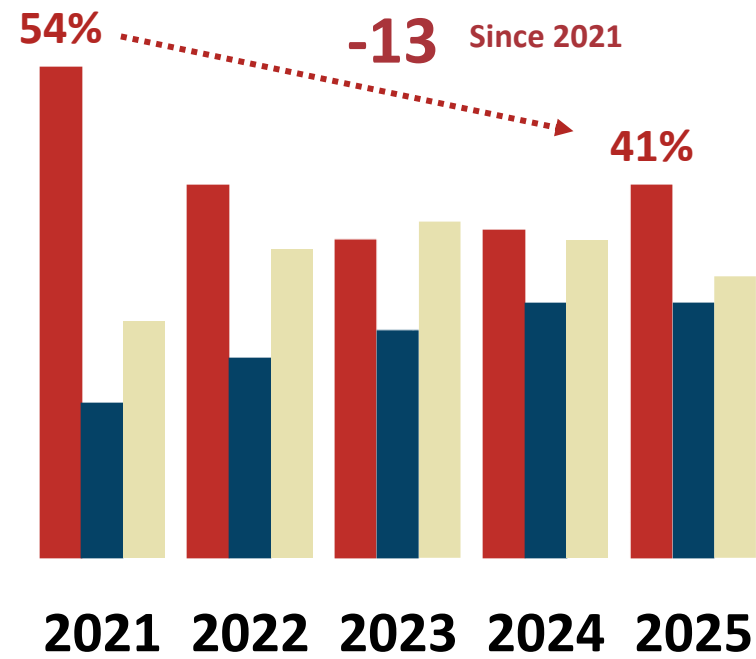


APPENDIX: ADDITIONAL SLIDES

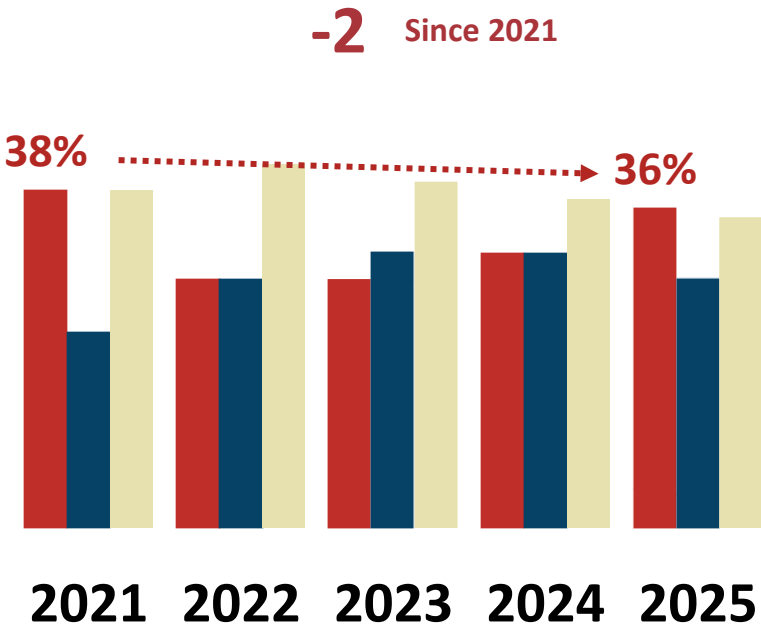
While the data is moderately up from a year ago, there remains a longer-term slide in expected gross revenues and capital expenditures.

% Expected Increases That Year

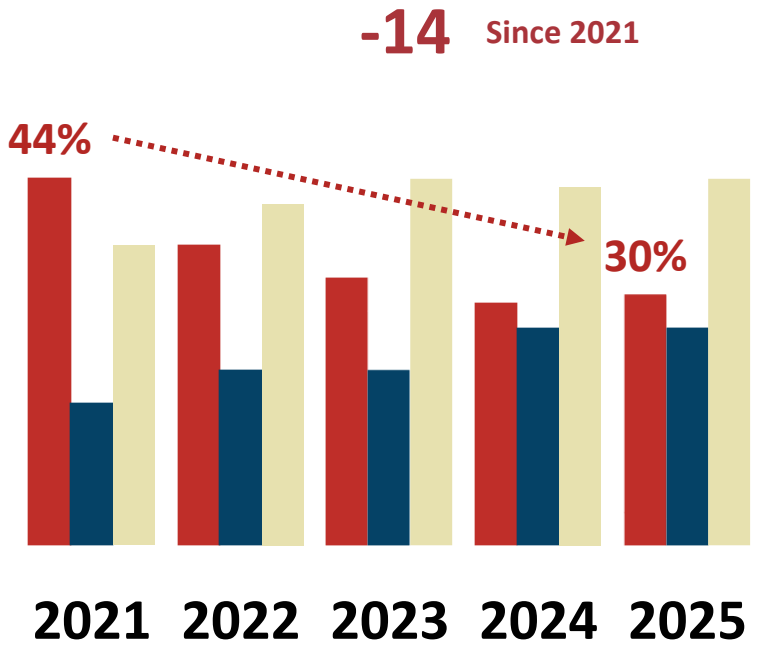
Gross Revenues



Profitability



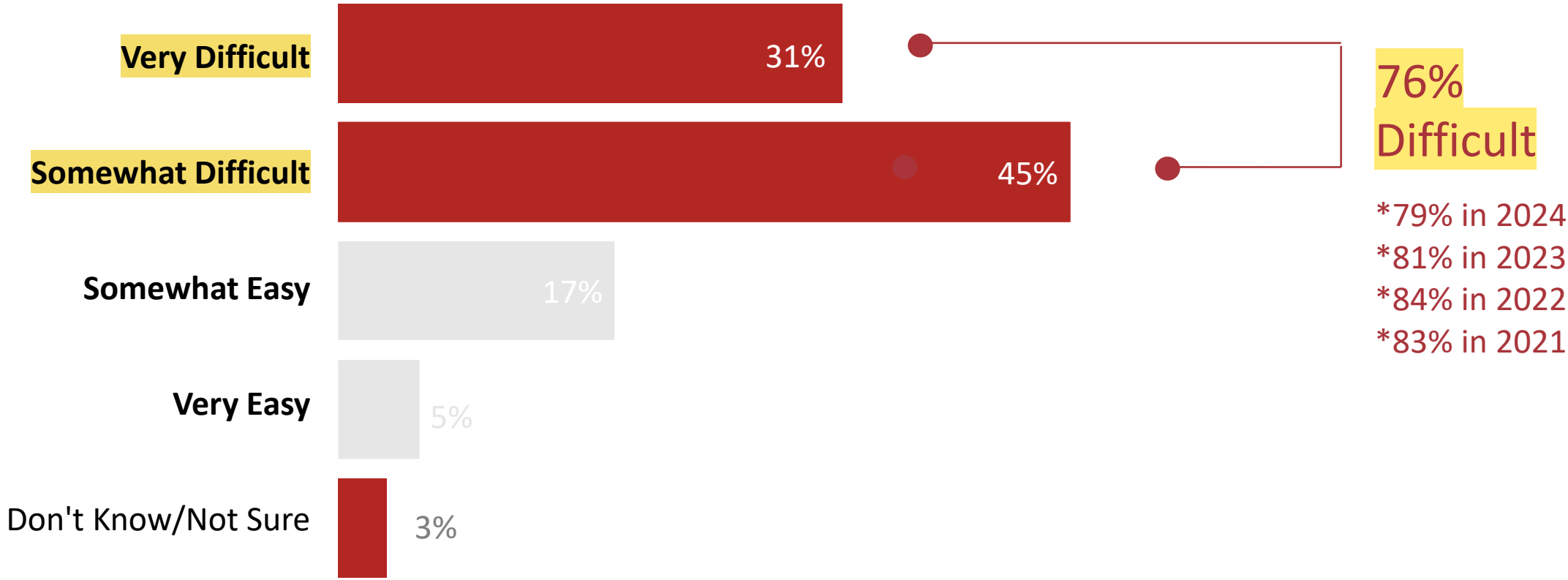
Capital Expenditures



■ Increase ■ Decrease ■ Stay The Same

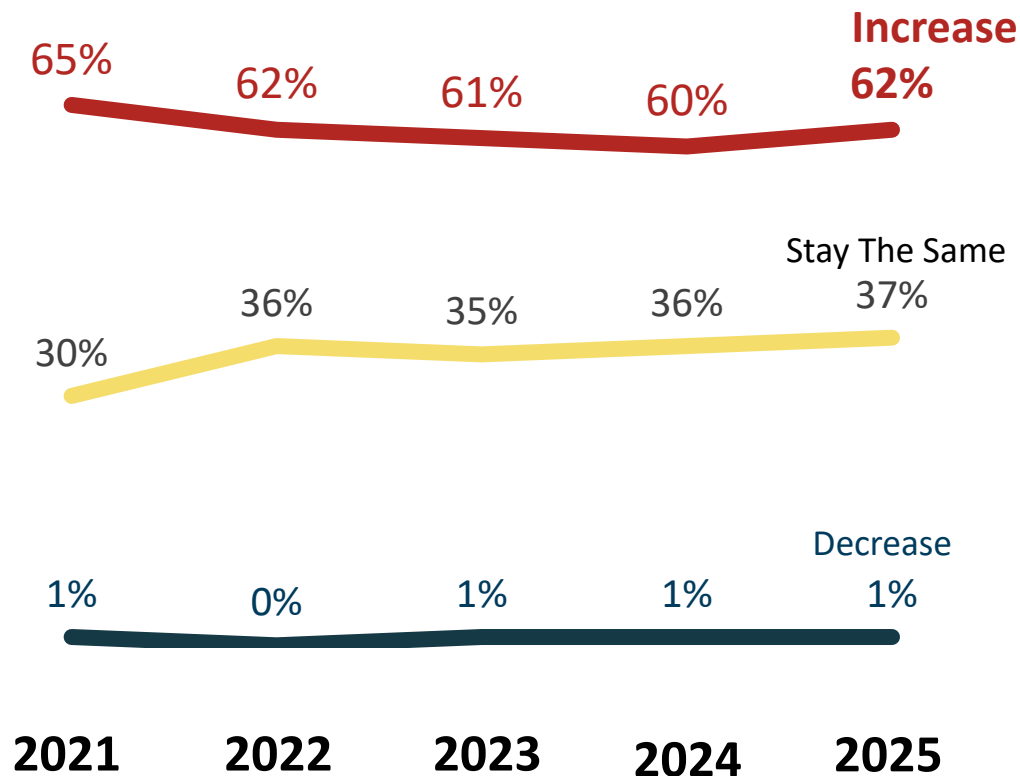
Few executives say it is easy to find qualified workers for new or open positions; one-in-three say it is *very* difficult.

“Generally speaking, how easy or difficult is it for your company currently to find qualified workers for new or open positions?”

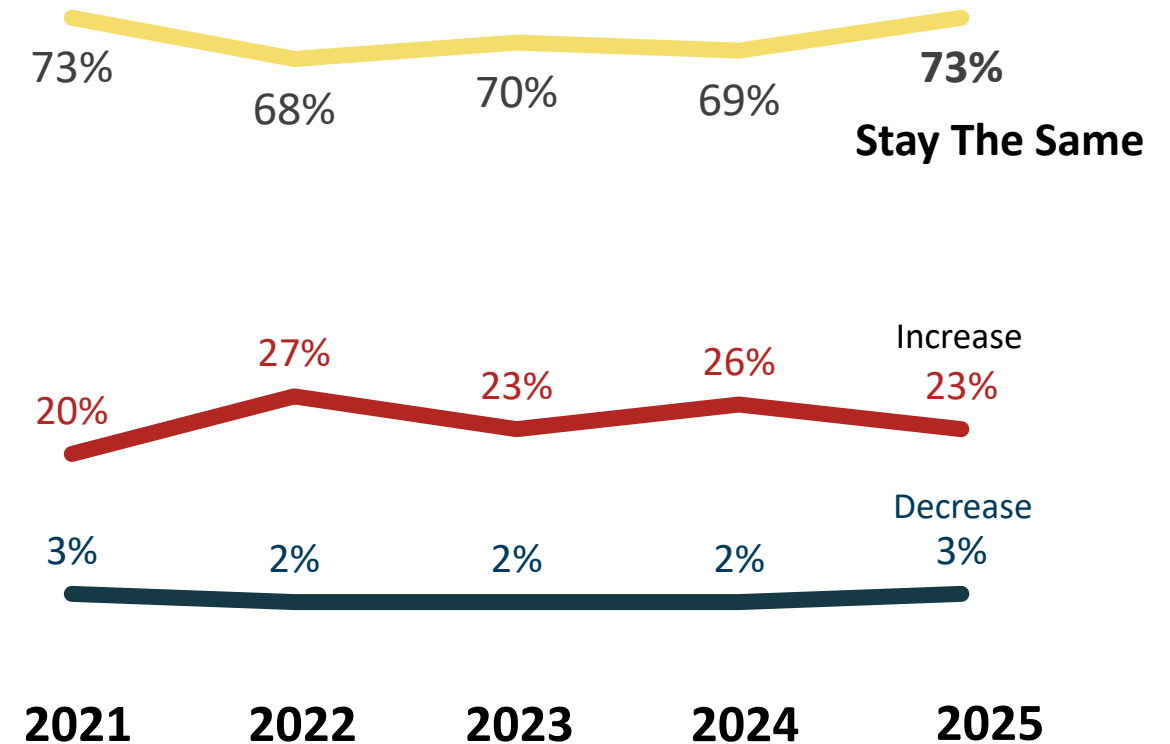


Manufacturers expect to increase wages, but most don't plan to make any changes to their benefit offerings.

“Overall, do you **expect wages for your employees** will increase, decrease, or stay about the same this year?”



“Overall, do you **expect the benefits you offer your employees** will increase, decrease, or stay about the same this year?”



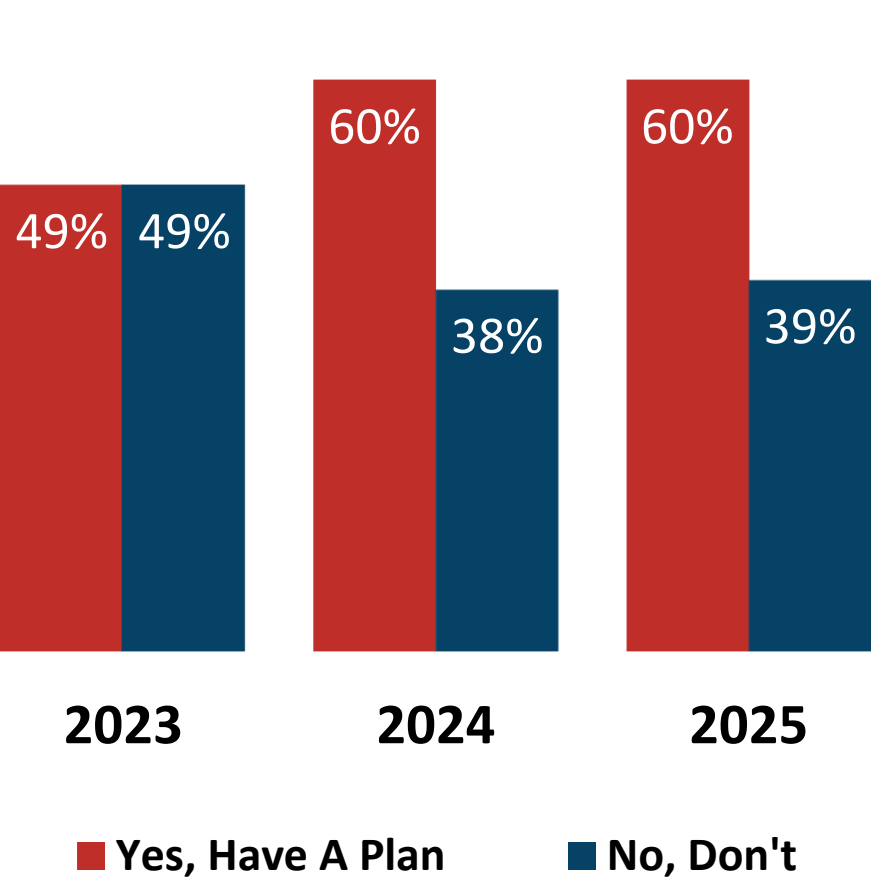
Larger firms are more likely than smaller ones to consider increasing benefits, offering training or improved onboarding, or implementing automation or new technologies.

Considering Changes By Company Type (Results 50%+ Per Type Are Shaded)

	Company Size		Revenue		
	1-49 Employees	50+ Employees	Under \$1 Million	\$1- \$5 Million	\$5 Million+
Increasing wages and salaries	60%	63%	45%	65%	65%
Offering employee training	53%	55%	38%	62%	52%
Automating or implementing new technologies	45%	56%	21%	49%	56%
Raising prices	47%	40%	49%	45%	45%
Increasing recruitment efforts	37%	52%	17%	41%	51%
Improving onboarding	35%	57%	21%	43%	46%
Offering apprenticeship or internship programing	37%	48%	26%	40%	46%
Offering more competitive employee benefits	40%	39%	24%	43%	42%
Utilizing Artificial Intelligence	27%	32%	15%	29%	32%
Allowing for remote work and flexible schedules	22%	24%	15%	22%	26%
Changing operating hours	15%	19%	12%	17%	15%
Changing shifts	14%	17%	10%	15%	16%
Scaling back production	7%	6%	4%	10%	5%

Six-in-ten manufacturers say they have a formal strategic plan, with larger companies continuing to be those more likely to have a plan.

“On a different topic, does your company have a formal strategic plan for profitable growth?”

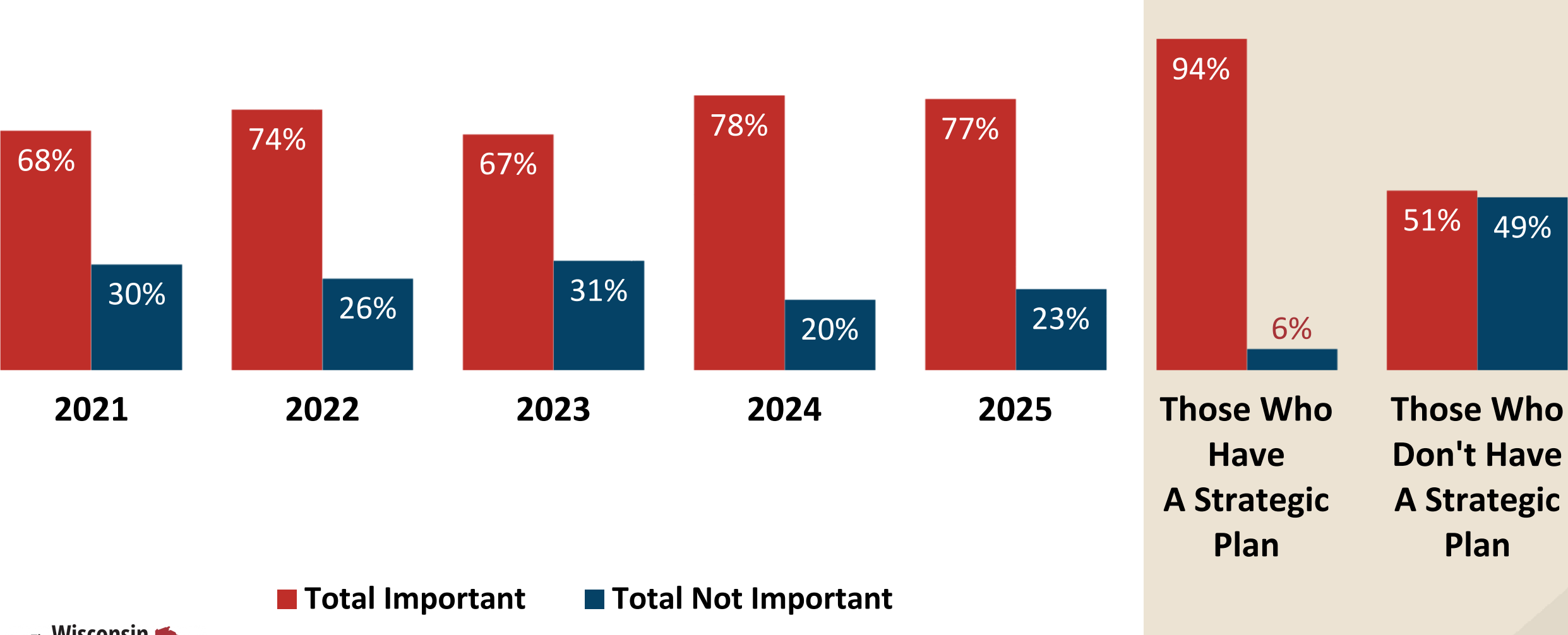


% Yes, Have A Plan

	2023	2024	2025
1-49 Employees	43%	53%	51%
50+ Employees	71%	83%	88%
Revenue Under \$1M	34%	41%	38%
Revenue \$1M - \$5M	47%	55%	47%
Revenue \$5M+	67%	77%	82%

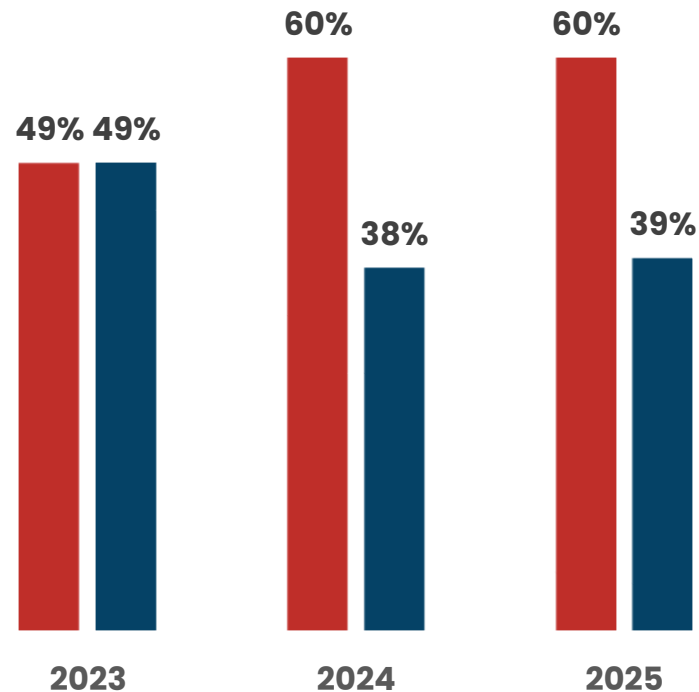
Those who have a formal strategic plan overwhelmingly say it is important to their company's future growth.

“How important is having a formal strategic plan to your company's future growth?”



Six-in-ten manufacturers say they have a formal strategic plan, with larger companies continuing to be those more likely to have a plan.

“On a different topic, does your company have a formal strategic plan for profitable growth?”



■ Yes, Have A Plan ■ No, Don't

% Yes, Have A Plan

	2021	2022	2023	2024	2025
1-49 Employees	41%	51%	43%	53%	51%
50+ Employees	78%	78%	71%	83%	88%
Revenue Under \$1M	34%	47%	34%	41%	38%
Revenue \$1M - \$5M	49%	45%	47%	55%	47%
Revenue \$5M+	68%	78%	67%	77%	82%

Referrals are even more important for smaller firms.

“What is your primary source of new customer acquisition?”

	Company Size		Revenue		
	1-49 Employees	50+ Employees	Under \$1 Million	\$1- \$5 Million	\$5 Million+
Referral/Word of Mouth	51%	30%	62%	52%	34%
Website/Online	24%	28%	18%	26%	26%
Industry Events/Trade Shows	8%	20%	3%	7%	18%
Direct Sales/Sales Reps/Cold Calls	7%	15%	3%	5%	14%
Traditional Advertising	6%	5%	9%	6%	4%
Something Else	3%	1%	5%	2%	2%

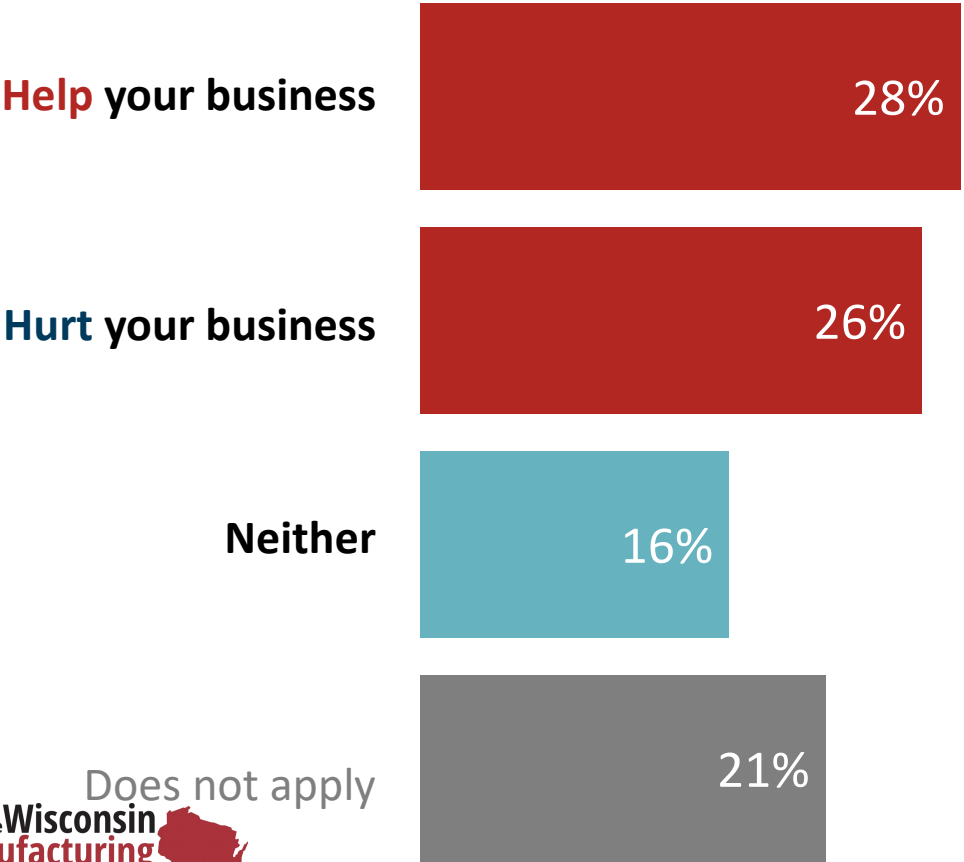
Larger firms are feeling more of an effect, specifically when it comes to cost increases.

Tariff Impact By Company Type

	Company Size		Revenue		
	1-49 Employees	50+ Employees	Under \$1 Million	\$1- \$5 Million	\$5 Million+
TOTAL IMPACT	70%	80%	53%	72%	81%
Cost Increases	52%	64%	34%	59%	62%
Uncertainty/Inability to Plan	30%	38%	28%	26%	37%
Input/Product Availability	23%	24%	24%	23%	23%
Increasing Sourcing from US Suppliers	21%	24%	16%	21%	24%
Re-Evaluating Product Offerings/Pending Deals	17%	19%	17%	17%	19%
Stockpiling Key Materials	17%	18%	20%	14%	17%
Availability to Export	11%	8%	9%	6%	14%
Moving Operations/Sourcing out of Tariffed Countries	8%	16%	4%	8%	14%
Pausing Hiring or Reducing Workforce	7%	15%	8%	7%	12%
Some Other Reason	4%	4%	5%	4%	5%
Little or No Impact by Tariffs	29%	19%	47%	27%	18%

Manufacturers are divided on whether or not trade negotiations will help or hurt their business.

“If you purchase from non-US suppliers or sell to non-US customers, will trade negotiations help or hurt your business?”



	Help	Hurt	Neither	N/A
1-49 Employees	28%	24%	17%	22%
50+ Employees	26%	34%	16%	18%
Revenue Under \$1M	31%	15%	20%	25%
Revenue \$1M - \$5M	31%	22%	11%	27%
Revenue \$5M+	24%	35%	19%	15%