



2026 MONTANA MANUFACTURERS SURVEY

Sponsored by the Montana Manufacturing Extension Center

ABSTRACT

This survey provides reliable information about the 2025 business performance of Montana manufacturers, the 2026 business outlook of manufacturers, and topics of interest to Montana's manufacturers.

University of
Montana Bureau
of Business and
Economic
Research
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Cover photo: Shutterstock. October 7, 2025. Precision CNC coordinate measuring machine analyzing engine part in high-tech manufacturing conveyor. [Shutterstock website link](#).

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1. Executive Summary

This document presents the results of the 2026 Montana Manufacturers Survey. Montana Manufacturing Extension Center (MMEC) sponsored the survey. The survey provides MMEC reliable information about the 2025 business performance of Montana manufacturers, the 2026 business outlook of manufacturers, and topics of interest to Montana's manufacturers. BBER collected data during the period March 26, 2026 through May 20, 2026. BBER administered the survey by mail, and data was collected either via the internet or using a hardcopy questionnaire that was returned using a pre-stamped envelope. BBER obtained 158 completed questionnaires from Montana manufacturers. The following paragraphs summarize the results.

2025 Business performance

Business conditions improved slightly

Montana manufacturers experienced a slight improvement in business activity in 2025. The percentage of firms reporting increases in gross sales increased to 36% from 35% in 2024. Production and profits also increased slightly, while employment rate remaining unchanged from 2024.

Small decline in investment and innovation

Capital expenditures declined slightly for manufacturers, with 38% of firms reporting major facility or equipment investments, down from 41% in 2024. Innovation also declined slightly with 29% of manufacturers launching new product lines, down from 31% in 2024.

Stable employment

Fifty-nine percent of manufacturers maintained steady employment levels. Labor shortages decreased with 25% of manufacturers reporting significant difficulty finding workers, down from 31% in 2024.

Top challenges

Staffing continued to dominate concerns, with 17% of responding manufacturers mentioning it. Other leading challenges included tariffs (14%), decreased demand (13%), and raw material costs (9%).

2026 Business outlook

Optimistic outlook

Manufacturers entering 2026 are more optimistic concerning growth than they were in 2025. Fifty-eight percent anticipate increased sales, and 50% expect greater production. Fifty-one percent anticipate increased profit. Capital investment sentiment remained relatively stable; 47% of respondents plan equipment expenditures, 16% plan expenditures for a new or expanded facility and 15% plan information systems expenditures.

Trade and supply chain adjustments

Only 35% of manufacturers reported any sales to international markets, while 65% of Montana manufacturers said all their sales are to domestic markets. Durable goods producers account for most export activity, particularly to Canada, Europe, and Asia. Turning to imports, 23% of Montana manufacturers reported importing from China and 16% reported importing from other Asian markets, a decrease from 2025 (36% and 24% respectively). Tariffs continue to be a concern. Fifty-two percent of manufacturers report that tariffs are increasing their costs. In response, manufacturers are increasingly turning to domestic and regional sourcing: more firms plan to optimize (46%), de-risk (37%), or localize (22%) their supply chains in 2026.

Input costs rising

Most firms expect rising input costs in 2026, with 64% anticipating higher prices for materials and components. These expectations reflect concerns around the cost of raw materials, fuel costs, and availability of raw materials.

Workforce outlook

While 70% of firms expect employment levels to remain unchanged in 2026, challenges in recruitment and retention remain. The most frequently cited staffing barrier is compensation concerns, followed by the quality of new hires, and cost of living in Montana. Just 22% of manufacturers expect to grow their workforce in the year ahead.

Effect of AI on operations

Sixty percent of responding manufacturers reported that AI is currently in use within their company, and 54% anticipate that AI will act as another piece of technology in their operation among many. However, only 8% of responding manufacturers reported plans to hire for AI-specific skills.

2. Introduction

Purpose of the survey

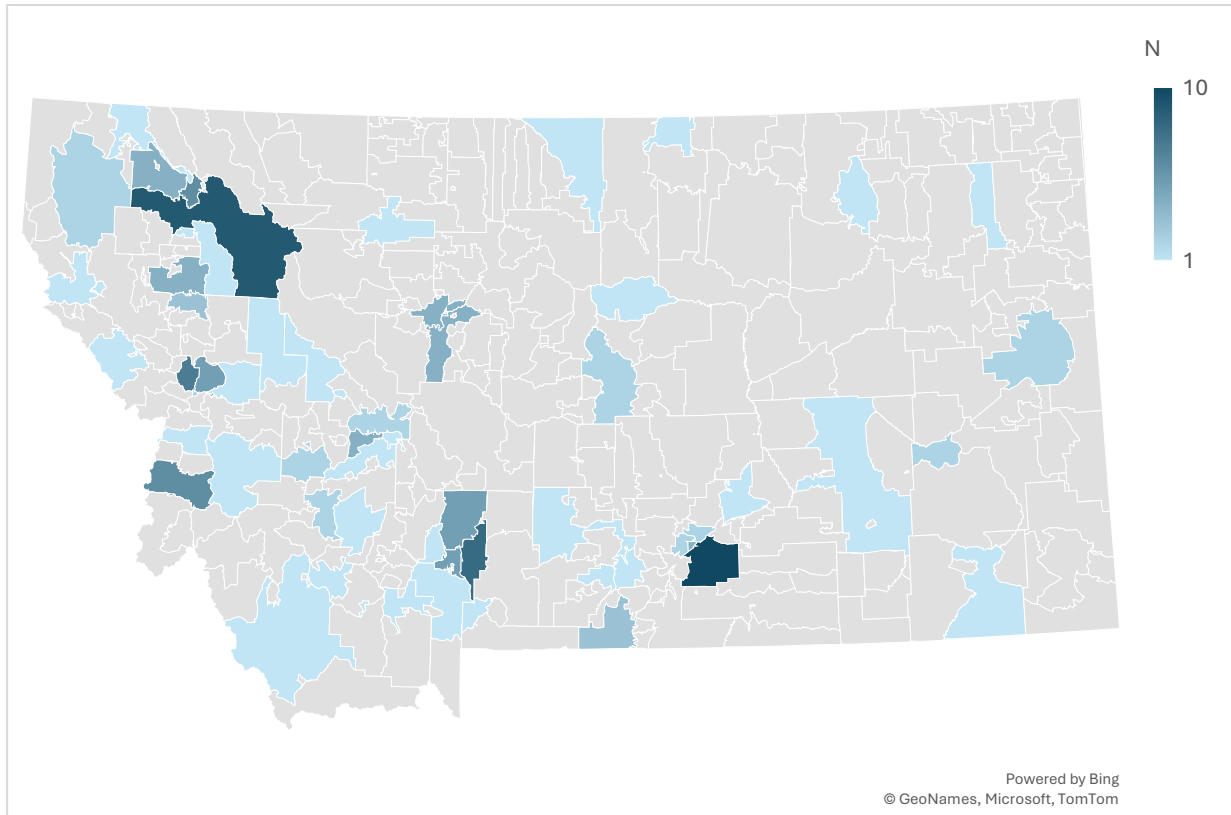
This document presents the results of the 2026 Montana Manufacturers Survey. Montana Manufacturing Extension Center (MMEC) sponsored this survey. The purpose of the survey is to provide MMEC reliable information about the 2025 business performance of Montana manufacturers, the 2026 business outlook, and topics of particular interest to Montana's manufacturers.

Survey description

BBER collected the data for this survey during the period March 26, 2026 through May 20, 2026. The survey was administered by mail, and data was collected either via the internet or using a hardcopy questionnaire that was returned using a pre-stamped envelope. Sampled manufacturers received up to three mailed contacts. BBER obtained 158 completed questionnaires during the course of data collection, nearly the same number obtained in 2025 (157). The response rate for this survey is 27% using American Association for Public Opinion Research response rate formula 3 (American Association for Public Opinion Research, 2023).

The study sample for this survey was Montana manufacturers for which BBER or MMEC had contact information. A map illustrating the Montana zip codes in which the responding manufacturers are located may be found in Figure 1 below.

FIGURE 1: MAP OF THE LOCATIONS OF THE 2026 RESPONDING MANUFACTURERS



Description of the respondents

Table 1 (below) presents the 3-digit 2022 North American Industry Classification System (NAICS) labels for the manufacturers that responded to this survey.

TABLE 1: RESPONDING MANUFACTURERS' NAICS CLASSIFICATIONS

2022 NAICS 3-digit classification	Type of manufacturer		
	Durable Count	Non-durable Count	Total Count
Food manufacturing	0	24	24
Beverage and tobacco product manufacturing	0	24	24
Wood product manufacturing	21	0	21
Fabricated metal product manufacturing	19	0	19
Machinery manufacturing	14	0	14
Chemical manufacturing	0	10	10
Miscellaneous manufacturing	10	0	10
Nonmetallic mineral product manufacturing	6	0	6
Furniture and related product manufacturing	6	0	6
Computer and electronic product manufacturing	5	0	5
Omitted to protect manufacturer identity	*	*	*
Total	88	70	158

* Classifications with under 5 count omitted to protect manufacturer identity.

Guidance for readers

This report presents the results of the 2026 Montana Manufacturers Survey in three sections. The first section presents an executive summary of the survey findings. The second section describes the survey and the manufacturers that responded. The third section presents the detailed results obtained by the survey. The full text is provided for each question, and questions with answers are presented in the order they appeared in the questionnaire.

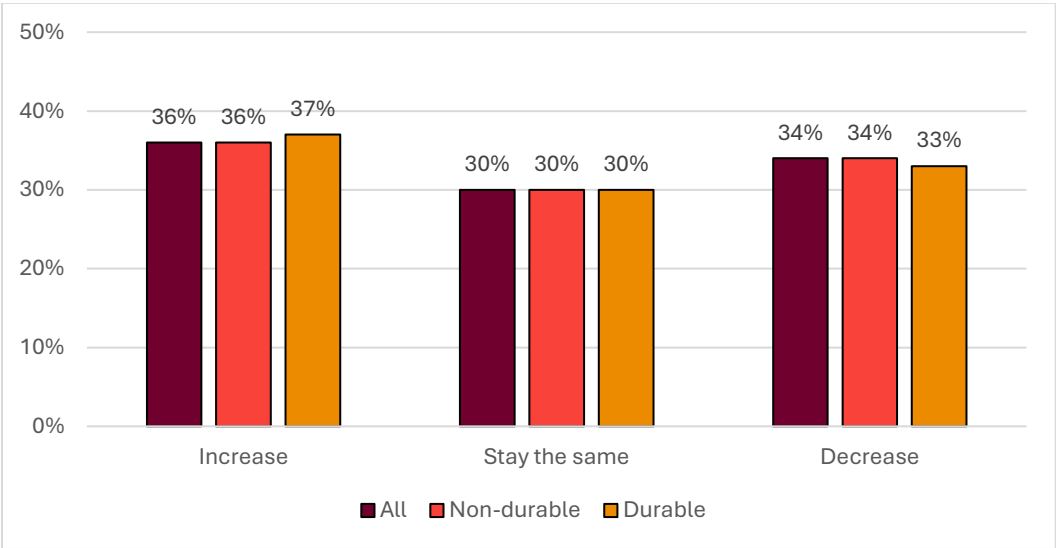
Section three presents survey responses and trends in responses when previous survey data are available. BBER's method of coding answers to open-ended questions changed in 2026. Readers should keep in mind that the change in coding method makes trend analysis for open-ended questions less precise. Percentages in this report may not add to 100% due to rounding.

3. Detailed Survey Results

1. For calendar year 2025, did your plant’s GROSS SALES increase, stay about the same, or decrease from 2024?

Just over a third of responding manufacturers (36%) reported that gross sales increased in 2025 compared to 2024 (see Figure 2). Less than a third (30%) reported that in 2025 gross sales stayed the same compared to 2024. Approximately a third (34%) reported that in 2025 gross sales decreased compared to 2024. Very little difference in reported gross sales change was seen between durable and non-durable goods manufacturers.

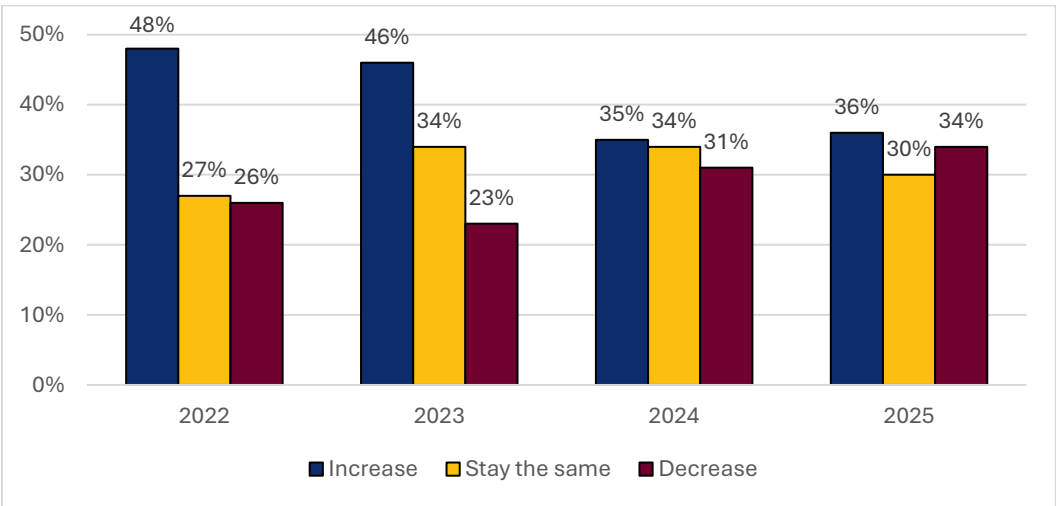
FIGURE 2: 2025 GROSS SALES COMPARED TO 2024



Trend

For 2025 the percentage of manufacturers reporting an increase in gross sales increased slightly to 36% from 35% in 2024 but still well below the 46% in 2023 and 48% in 2022 (see Figure 3).

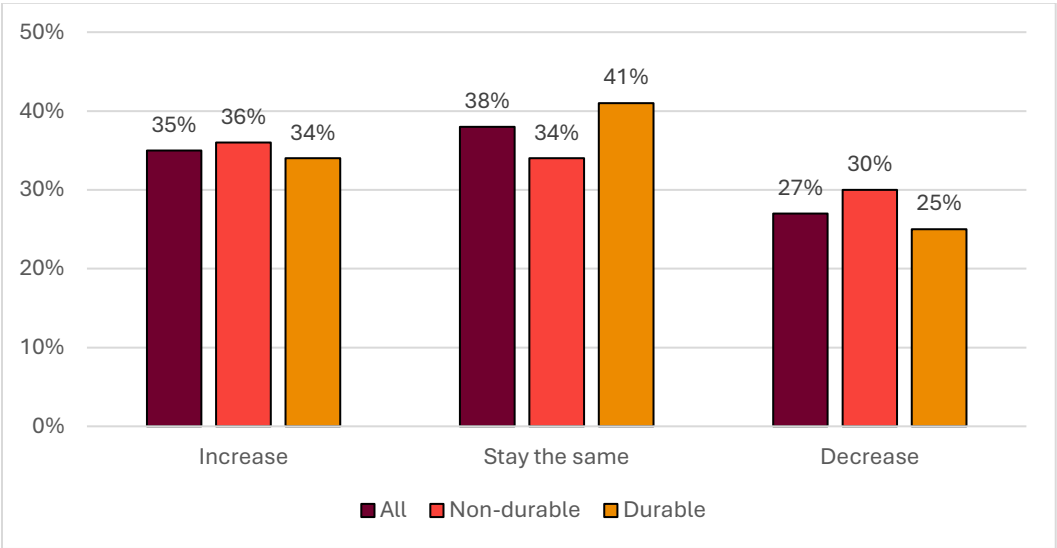
FIGURE 3: YEAR OVER YEAR TREND IN GROSS SALES



2. For calendar year 2025, did your plant’s PRODUCTION increase, stay about the same, or decrease from 2024?

Approximately two thirds of responding manufacturers reported either an increase (35%) in 2025 production or the same (38%) production compared to 2024 (see Figure 4). Just under a third (27%) reported 2025 production decreased compared to 2024. Slightly more non-durable goods manufacturers reported a decrease in 2025 production (30%) than did durable goods manufacturers (25%).

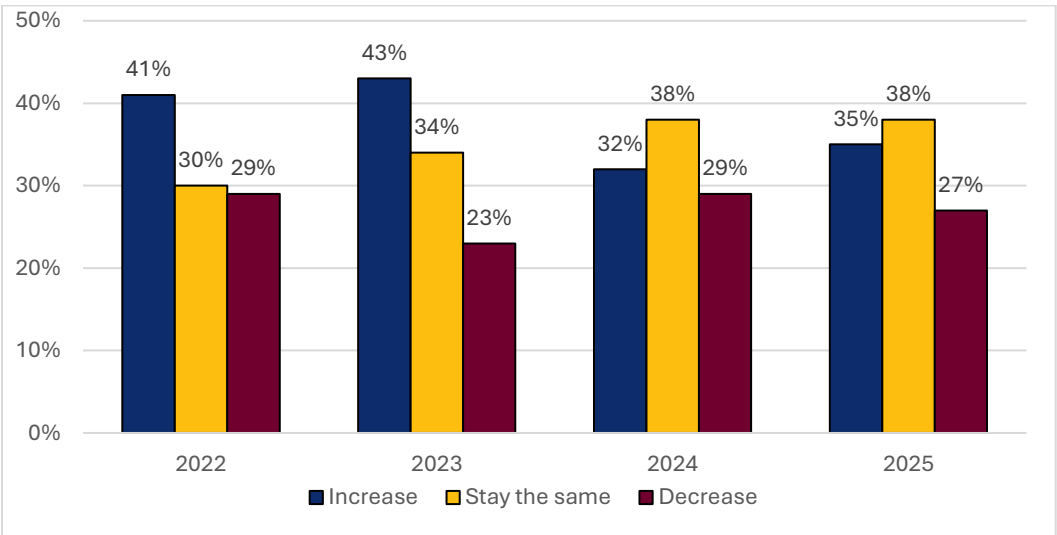
FIGURE 4: 2025 PRODUCTION COMPARED TO 2024



Trend

For 2025 the 35% of manufacturers reporting an increase in production was up slightly from 32% in 2024, but remained well below the 43% in 2023 and 41% in 2022 (see Figure 5).

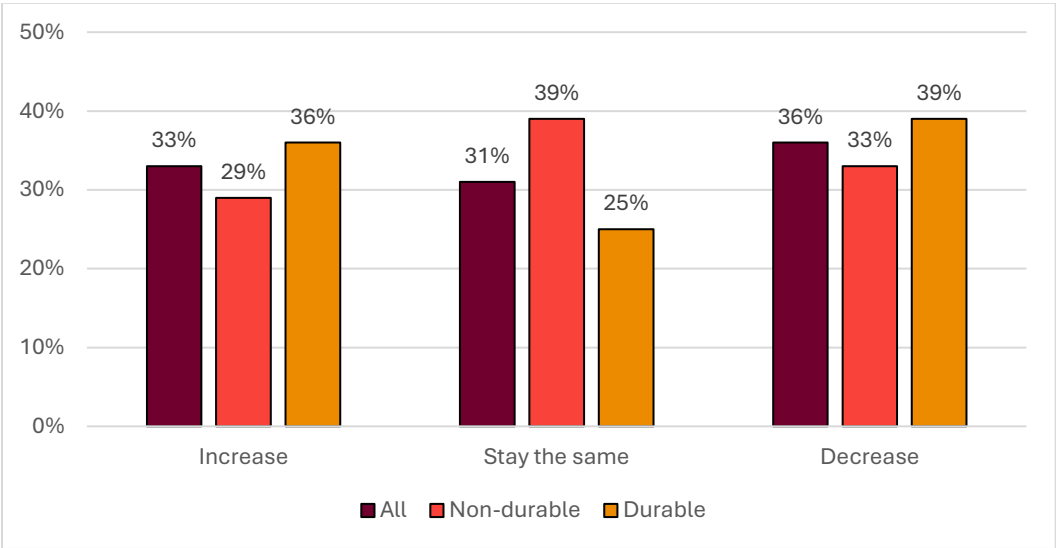
FIGURE 5: YEAR OVER YEAR TREND IN PRODUCTION



3. For calendar year 2025, did your plant’s PROFITS increase, stay about the same, or decrease from 2024?

Just under a third (32%) of responding manufacturers reported an increase in 2025 profits compared to 2024 (see Figure 6). Another 31% reported profits stayed the same in 2025, while 36% reported 2025 production decreased compared to 2024. Slightly more durable goods manufacturers reported either an increase (36%) or a decrease (39%) in 2025 production, while slightly more non-durable goods manufacturers reported profits staying the same (39%).

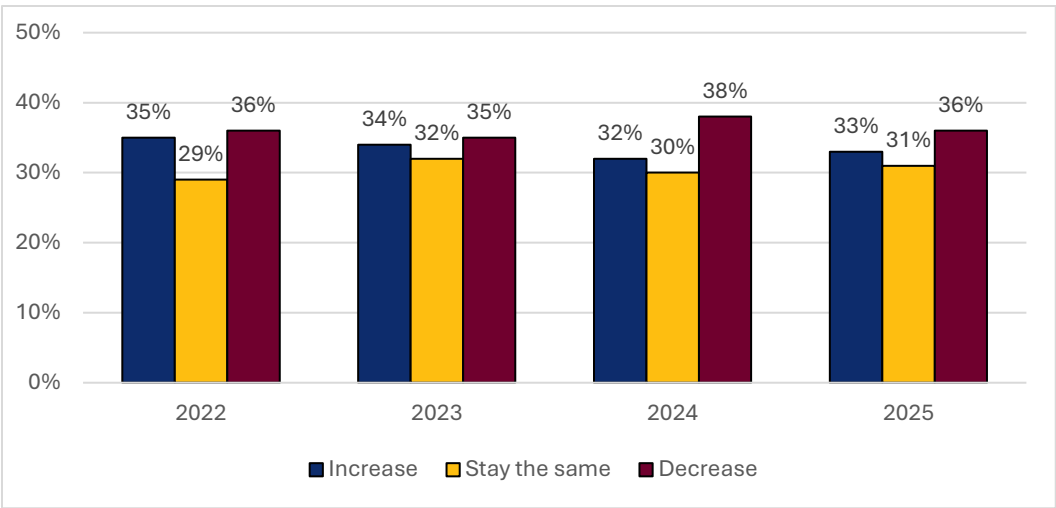
FIGURE 6: 2025 PROFITS COMPARED TO 2024



Trend

Reported profit increases and decreases have remained relatively consistent over the past three years only changing by one or two percentage points (see Figure 7), with 2025 reported profits falling close to 2022, 2023, and 2024 reports.

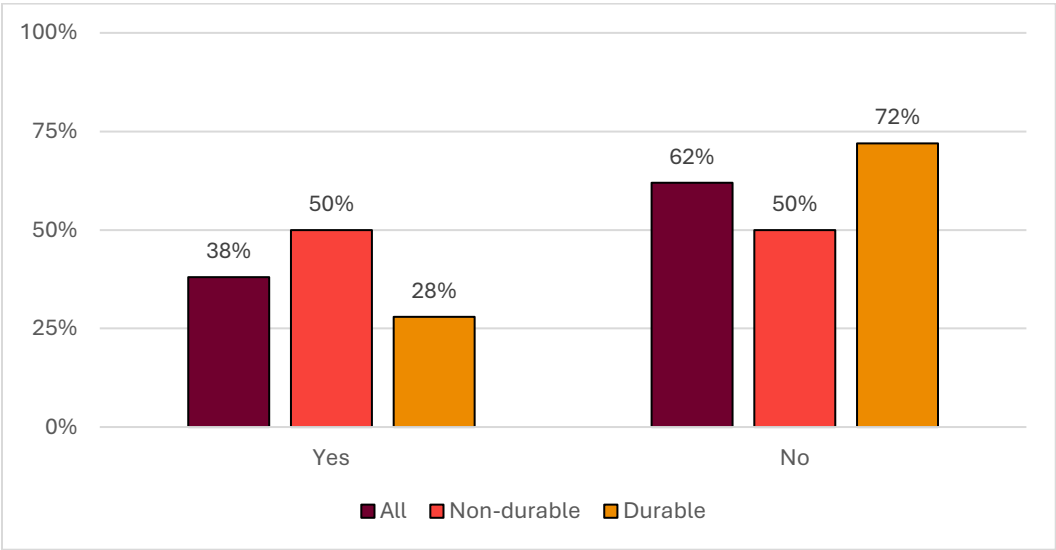
FIGURE 7: YEAR OVER YEAR TREND IN PROFITS



4. In calendar year 2025, did your plant make any major capital expenditure in facilities or equipment during the year?

In 2025, 38% of responding manufacturers reported making a major capital expenditure (see Figure 8). More non-durable goods manufacturers (50%) made major capital expenditures in 2025 than did durable goods manufacturers (28%).

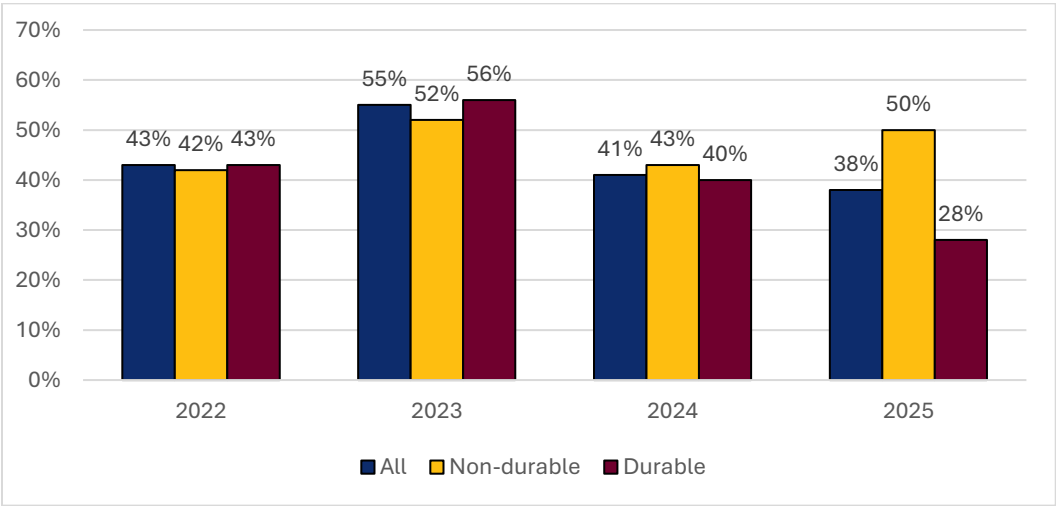
FIGURE 8: 2025 MAJOR CAPITAL EXPENDITURE



Trend

The percentage of all manufacturers reporting a major capital expenditure in 2025 has dropped to 38% from a high of 55% in 2023 (see Figure 9). As non-durable manufacturer capital expenditures actually rose in 2025 (50%) from a drop in 2024 (43%), most of the overall drop is from durable manufacturers dropping from 56% in 2023 down to 28%, its lowest percentage in four years.

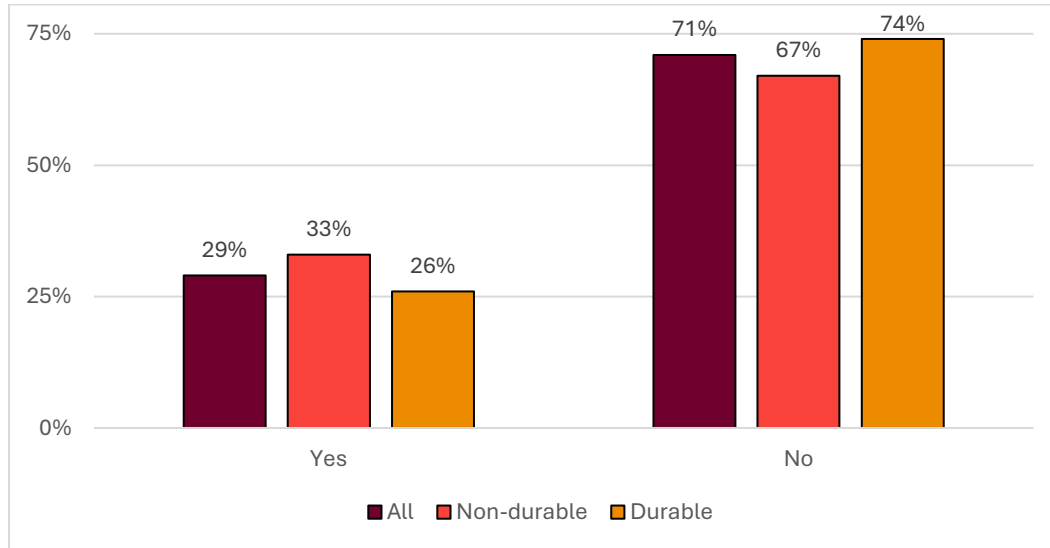
FIGURE 9: YEAR OVER YEAR TREND IN MAJOR CAPITAL EXPENDITURE



5. In calendar year 2025, did your plant introduce any new product lines?

In 2025, 29% of responding manufacturers reported introducing a new product line (see Figure 10). More non-durable goods manufacturers (33%) reported introducing a new product line in 2025 than durable goods manufacturers (26%).

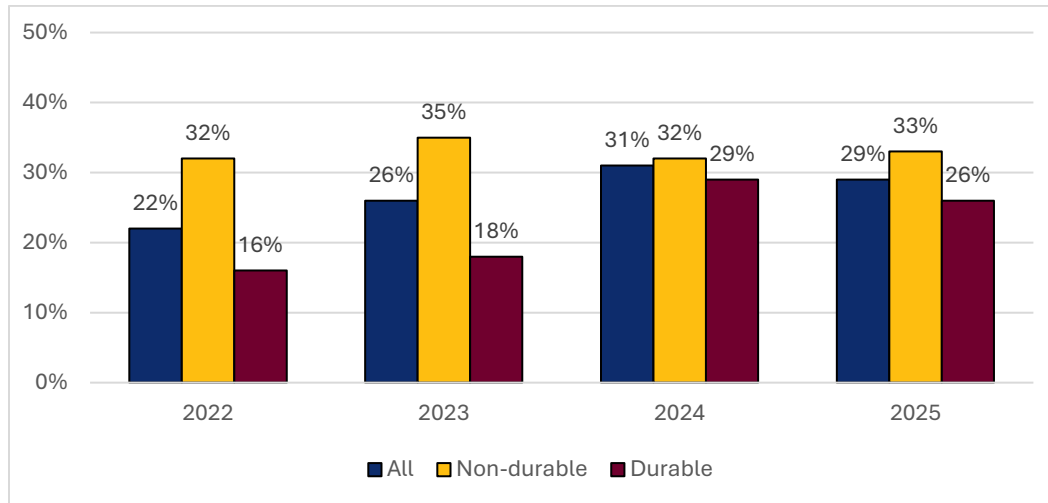
FIGURE 10: INTRODUCED A NEW PRODUCT LINE IN 2025



Trend

For 2025, the percentage of manufacturers that reported introducing a new product line decreased to 29% from 31% in 2024 (see Figure 11), though this still stays higher than the previous two years of 2022 and 2023. Some differences show up when looking at the different types of manufacturers. Non-durable goods manufacturers have maintained a steadier percentage over the past four years between 32% and 35%, while more durable goods manufacturers report introducing new product lines in 2024 (29%) and 2025 (26%) than in 2022 (16%) and 2023 (18%).

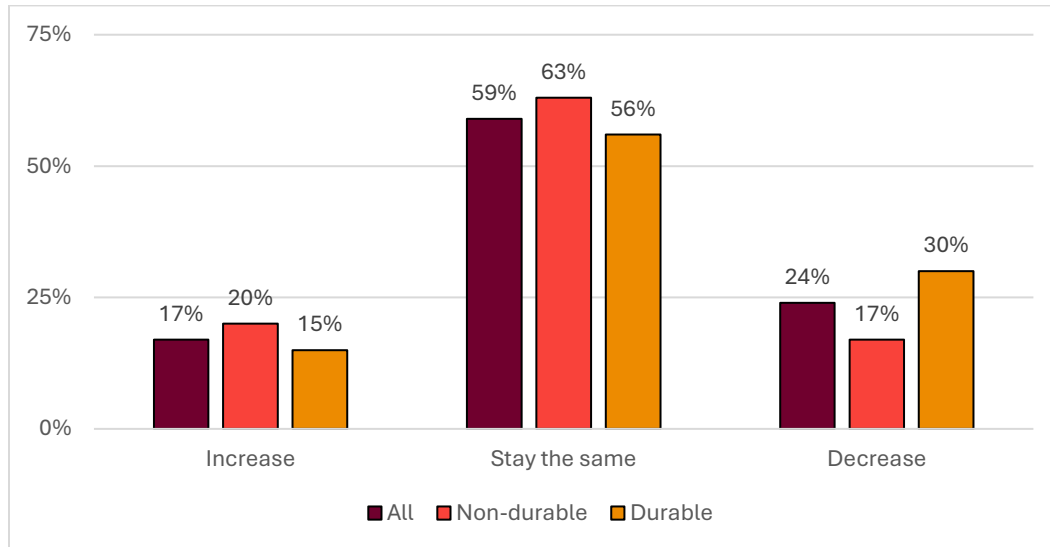
FIGURE 11: YEAR OVER YEAR TREND IN INTRODUCING NEW PRODUCT LINES



6. Over calendar year 2025, did your plant's number of employees ...?

In 2025, 17% of responding manufacturers reported increased employment compared to 2024 (see Figure 12), while 59% reported employment stayed the same, and 24% reported employment decreased compared to 2024. More non-durable goods manufacturers reported an increase in 2025 employment (20%) than did durable goods manufacturers (15%). Of those reporting a decrease in employment, more durable goods manufacturers reported a decrease (30%) than non-durable goods manufacturers (17%).

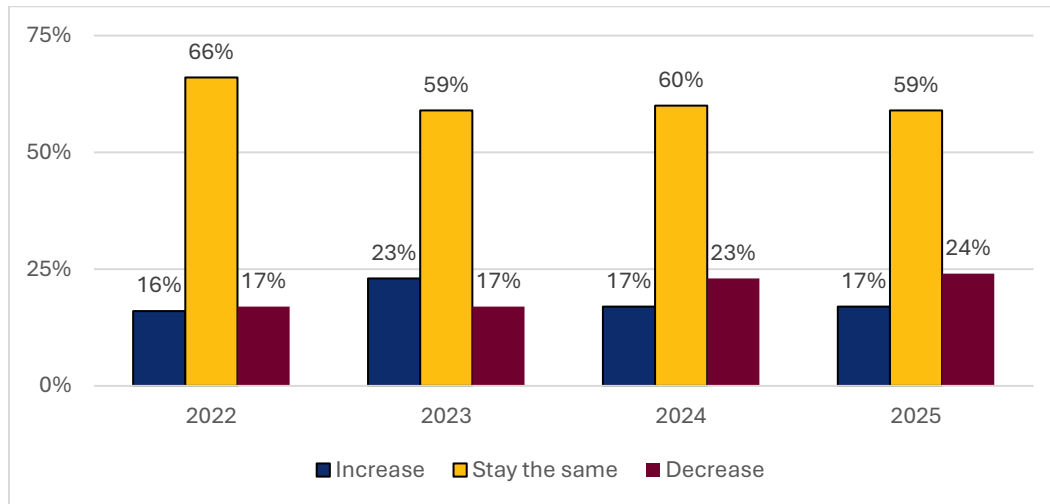
FIGURE 12: 2025 EMPLOYMENT COMPARED TO 2024



Trend

The percentage of manufacturers reporting an increase in employment continued at the same rate of 17% as in 2024 (see Figure 13), down from a jump to a higher rate (23%) in 2023. Those reporting that hiring has stayed at the same rate has been fairly consistent over the past few years dipping slightly from 66% in 2022 to 59% in 2025. More manufacturers say the rate of hiring has decreased in 2024 and 2025 than in 2022 and 2023.

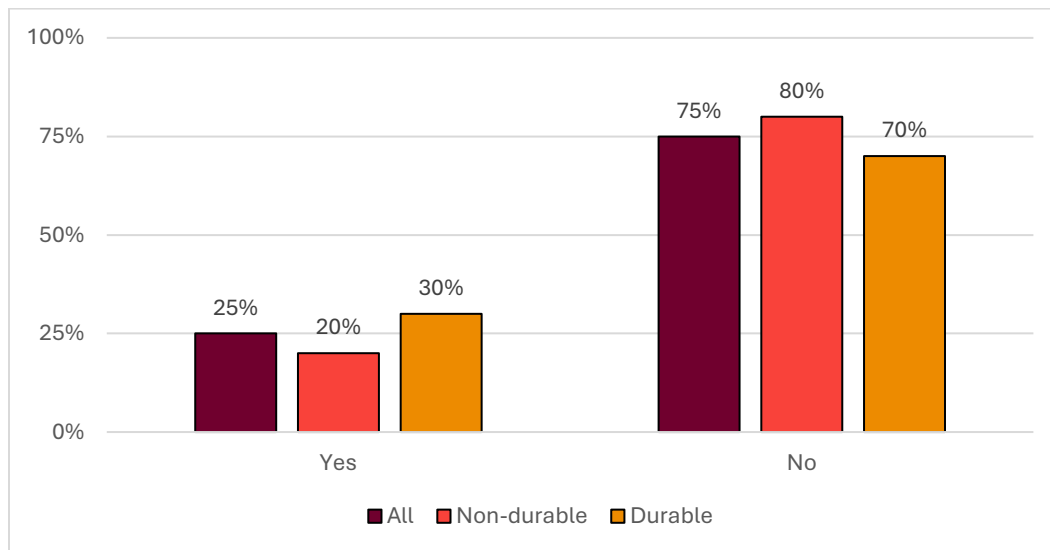
FIGURE 13: YEAR OVER YEAR TREND IN EMPLOYMENT



7. Did your plant have a significant shortage of workers at any time during 2025?

A quarter (25%) of responding manufacturers reported having a significant shortage of workers in 2025 (see Figure 14). More durable goods manufacturers (30%) reported a shortage of workers in 2025 than non-durable goods manufacturers (20%).

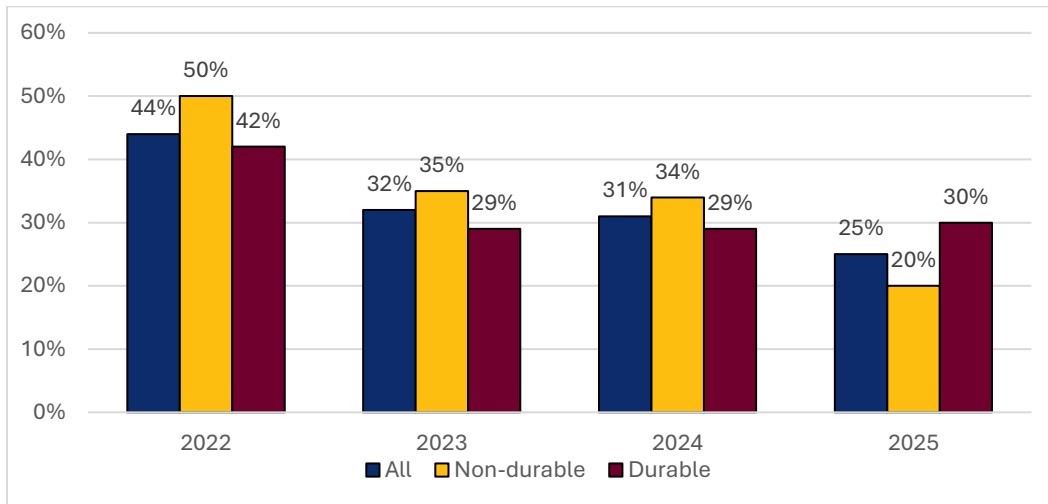
FIGURE 14: SHORTAGE OF WORKERS IN 2025



Trend

Overall, the percentage of manufacturers that reported a shortage of workers (25% in 2025) continue to decrease from 44% in 2022 (see Figure 15). From 2022 through 2024 non-durable goods manufacturers were more likely to report a shortage of workers than durable goods manufacturers. In 2025, that changed and more durable goods manufacturers (30%) reported a shortage of workers than non-durable goods manufacturers (20%).

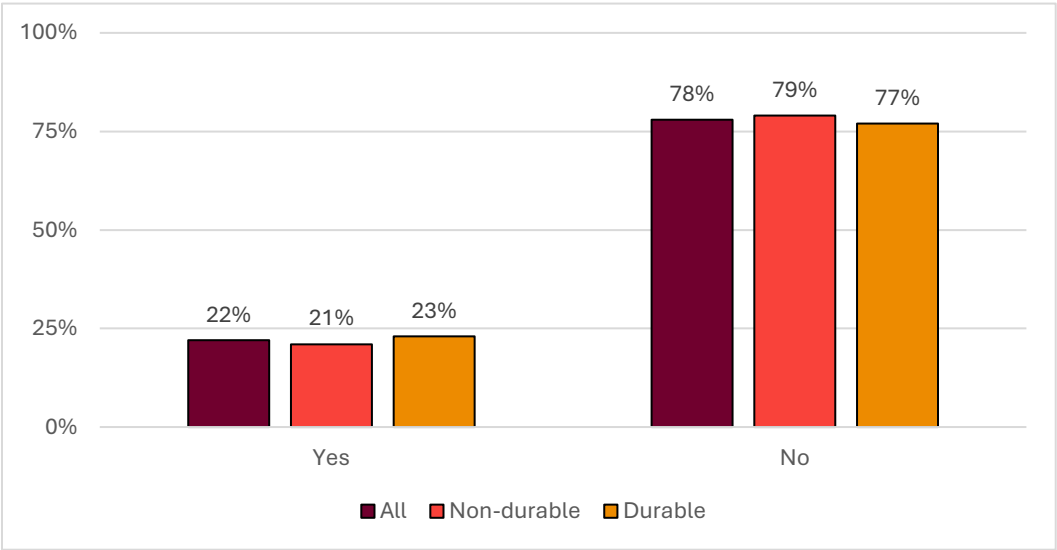
FIGURE 15: YEAR OVER YEAR TREND IN HAVING A SHORTAGE OF WORKERS



8. Did your plant lose sales at any time during 2025 because of a disruption to your supply chain?

In 2025, 22% of responding manufacturers reported losing sales due to a supply chain disruption (see Figure 16). Almost the same percent of non-durable goods manufacturers (21%) and durable goods manufacturers (23%) reported losing sales due to supply chain disruption.

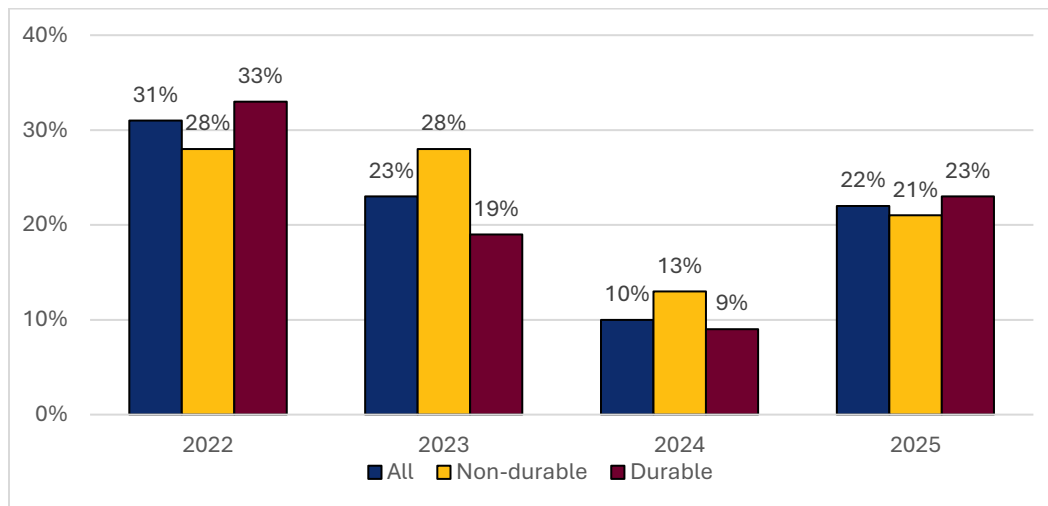
FIGURE 16: LOST SALES DUE TO A SUPPLY CHAIN DISRUPTION



Trend

The percent of both durable and non-durable goods manufacturers losing sales due to supply chain disruption declined from 2022 through 2024, with durable goods manufacturers showing the steepest decline from 33% in 2022 to 9% in 2024 (see Figure 17). However, in 2025, that trend ended and the percentage of both types reporting losing sales due to supply chain disruption doubled, with non-durable goods manufacturers reporting that losing sales increased from 13% in 2024 to 21% in 2025, and durable goods manufacturers reporting sales losses increased from 9% in 2024 to 23% in 2025.

FIGURE 17: YEAR OVER YEAR TREND IN LOST SALES DUE TO A SUPPLY CHAIN DISRUPTION



9. What major issues affected your plant in 2025?

The top three issues affecting respondents were the inability to find employees (17%), tariffs (14%), and decreased demand (13%), see Table 2. It should be noted that non-durable goods manufacturers also mentioned cost of raw materials at a similar rate as the top three issues at 14%, however durable goods manufacturers only mentioned this at 6%.

TABLE 2: MAJOR 2025 ISSUES

	Type of manufacturer		
	Durable Column N %	Non-durable Column N %	Total Column N %
Inability to find employees	19%	14%	17%
Tariffs specifically mentioned	9%	20%	14%
Decreased demand	14%	13%	13%
Cost of raw materials	6%	14%	9%
Availability of raw materials	7%	7%	7%
Transport slow, shipping, supply chain problems	6%	9%	7%
Plant efficiency, equipment issues	7%	6%	6%
Costs unspecified or other	5%	7%	6%
Current government administration or Iran War specifically mentioned	6%	6%	6%
None	7%	4%	6%
Costs wages benefits	1%	10%	5%
Economy bad	7%	3%	5%
Cost of fuel transport	1%	9%	4%
Internal issues or personal issues unrelated to business such as health	3%	4%	4%
Weather climate change	5%	1%	3%
Capital access poor	3%	3%	3%
Increased competition	2%	1%	2%
Unclassifiable	1%	0%	1%
Total	100%	100%	100%

Trend

Staff hiring and retention ranked as the top past-year problem faced by responding manufacturers in three of the last four years (see Table 3). Various rising costs featured prominently as a major issue over the last four years. New in 2025, specific tariff issues became the second most mentioned issue. BBER's method of coding answers to open-ended questions changed in 2025. Readers of Table 3 should keep in mind that the change in coding method makes direct time series analysis for this question less precise.

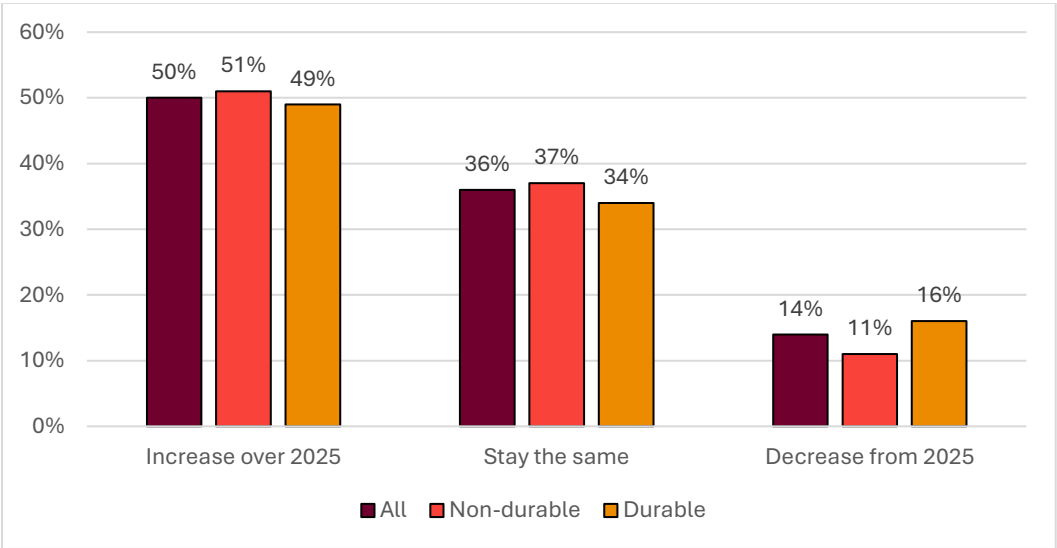
TABLE 3: TREND IN PAST YEAR MAJOR ISSUES

2025 top 5 issues	2024 top 5 issues	2023 top 5 issues	2022 top 5 issues
1. Inability to find employees	1. Staff (lack of)/staff retention/hiring	1. Availability or cost of raw materials	1. Inability to find employees or qualified employees
2. Tariffs specifically mentioned	2. Staff knowledge/ expertise (lack of)	2. Transport problems, fuel cost, shipping, supply chain problems	2. Availability or cost of raw materials
3. Decreased demand	3. Financial/ economy/ inflation/ rising costs	3. Inflation or bad economy	3. Transport problems, fuel cost, shipping
4. Cost of raw materials	4. Rules/regulations/ red-tape/government policies	4. Equipment issues	4. Inflation, increased operational costs
5. Availability of raw materials	5. Cost of goods to produce	5. Increased competition	5. Decreased demand

10. Looking ahead to calendar year 2026, what do you anticipate will happen to your plant's production in 2026?

About half of both types of manufacturers reported an anticipated increase in 2026 production compared to 2025 (see Figure 18). Just over a third of all respondents reported anticipated production will stay the same in 2026. Just 14% reported anticipated 2026 production will decrease compared to 2025. Slightly more durable goods manufacturers reported an anticipated decrease in 2026 production (16%) than did non-durable goods manufacturers (11%).

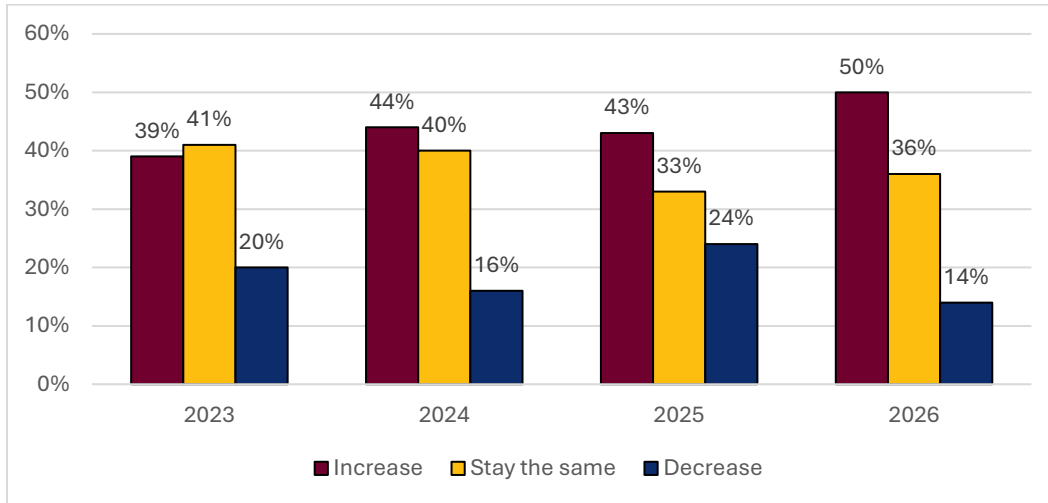
FIGURE 18: ANTICIPATED 2026 PRODUCTION



Trend

The percentage of manufacturers reporting an anticipated increase in production for the following year has slowly increased from 39% for 2023 to 50% for 2026 (see Figure 19). Percentages of manufacturers anticipating production to stay the same or to decrease has fluctuated over the years.

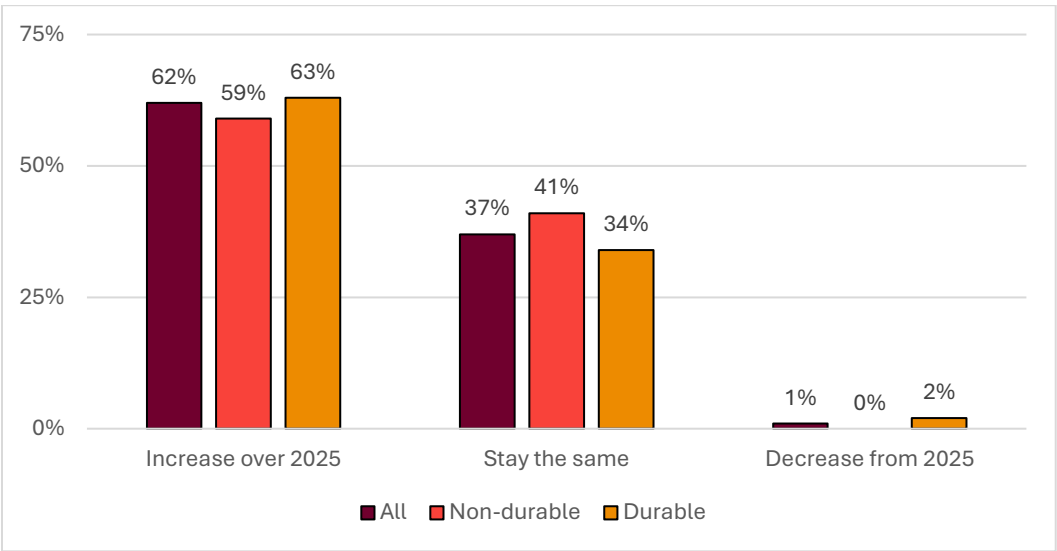
FIGURE 19: YEAR OVER YEAR TREND IN ANTICIPATED NEXT YEAR PRODUCTION



11. What do you anticipate will happen to the prices you receive for your plant's products in 2026?

More than half (62%) of responding manufacturers reported an anticipated increase in 2026 prices received for their products compared to 2025 (see Figure 20). Another 37% reported anticipated prices received for their products will stay the same in 2026. Very few (1%) reported anticipated 2026 prices received for their products will decrease compared to 2025.

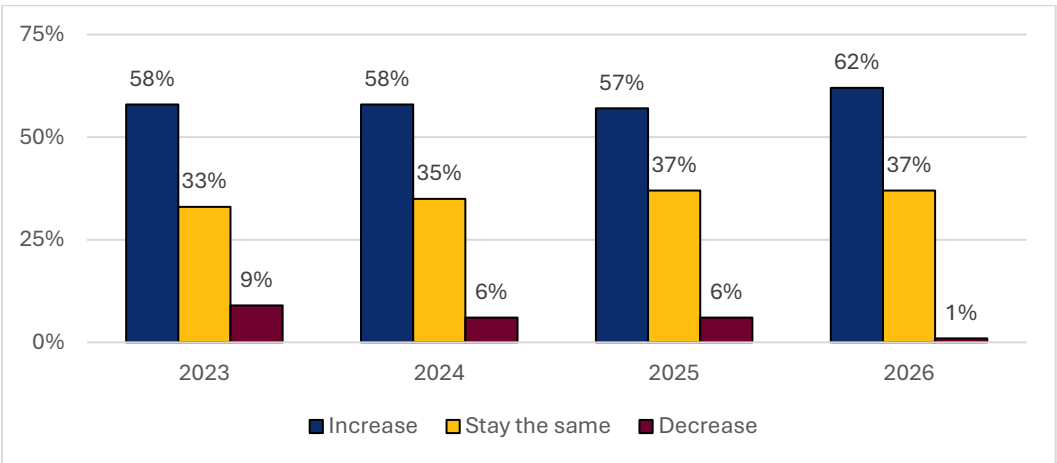
FIGURE 20: ANTICIPATED 2026 PRICE CHANGE FOR PRODUCTS PRODUCED



Trend

After staying steady for three years around 58%, this year the percentage of manufacturers reporting an anticipated increase in 2026 prices received for their products increased slightly to 62% (see Figure 21). Those expecting prices to remain the same rose slightly also from 33% expected in 2023 to 37% expected in 2026. The noticeable change comes in the number reporting they expect prices to decrease; The percentage of manufacturers expecting prices to decrease has dropped from 9% for 2023 to only 1% for 2026.

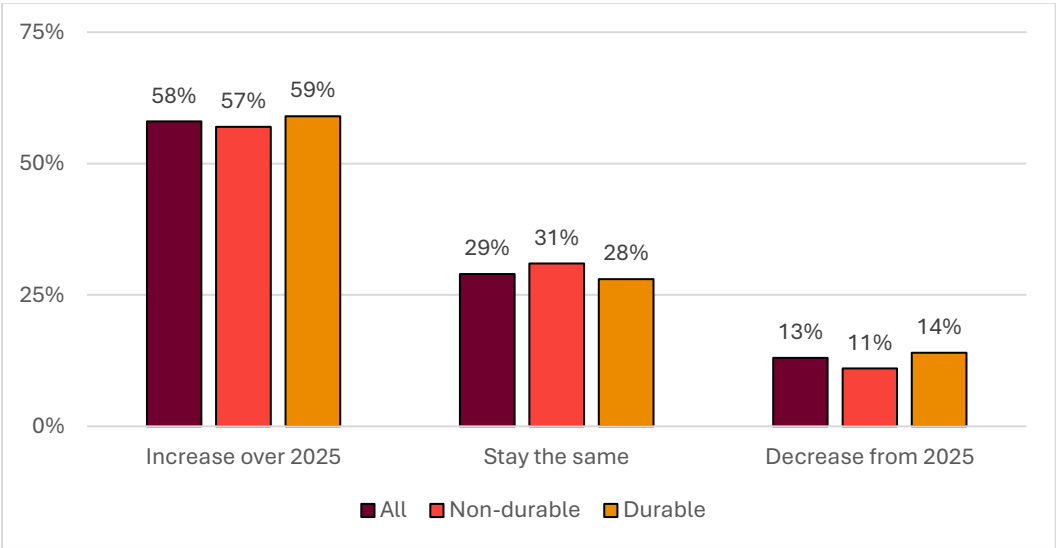
FIGURE 21: YEAR OVER YEAR TREND IN ANTICIPATED PRICE CHANGE FOR PRODUCTS PRODUCED



12. What do you anticipate will happen to your plant's gross sales in 2026?

Over half (58%) of responding manufacturers reported an anticipated increase in 2026 gross sales compared to 2025 (see Figure 22). Just under a third (29%) reported anticipated gross sales will stay the same in 2026. Only 13% reported anticipated 2026 gross sales will decrease compared to 2025. Slightly more durable goods manufacturers reported an anticipated decrease in 2026 gross sales (14%) than did non-durable goods manufacturers (11%).

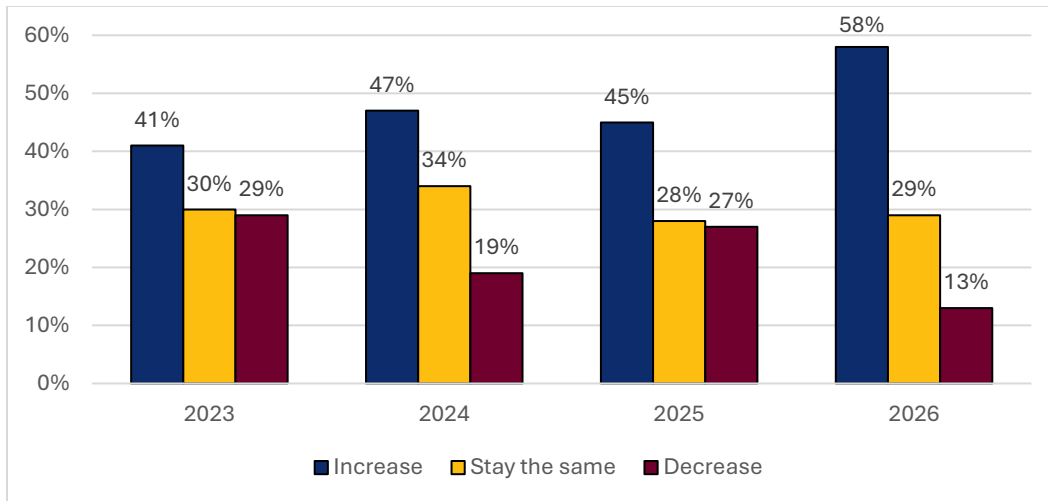
FIGURE 22: ANTICIPATED 2026 GROSS SALES



Trend

The percentage of manufacturers reporting an anticipated increase in gross sales for the next year has increased over the years from 41% for 2023 to 58% for 2026 (see Figure 23). Those expecting a decrease in sales is down from 29% for 2023 to 13% for 2026.

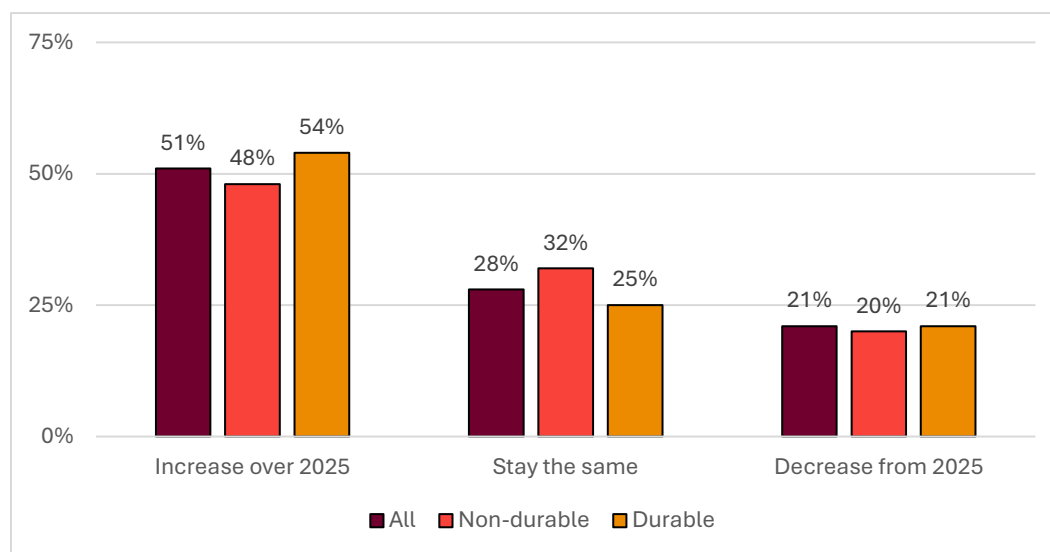
FIGURE 23: YEAR OVER YEAR TREND IN ANTICIPATED NEXT YEAR SALES



13. What do you anticipate will happen to your plant's profit in 2026?

Half, or 51%, of responding manufacturers reported an anticipated increase in gross profit for 2026 compared to 2025 (see Figure 24), with slightly more durable goods manufacturers reporting an increase (54%) than non-durable goods manufacturers (48%). While 28% of all manufacturers reported anticipated gross profit will stay the same in 2026, slightly more non-durable goods manufacturers expect profit to remain the same (32%) than durable goods manufacturers (25%). Consistency was seen between the types of manufacturers anticipating a decrease in profits, with 21% reporting anticipated 2026 gross profit decreasing compared to 2025.

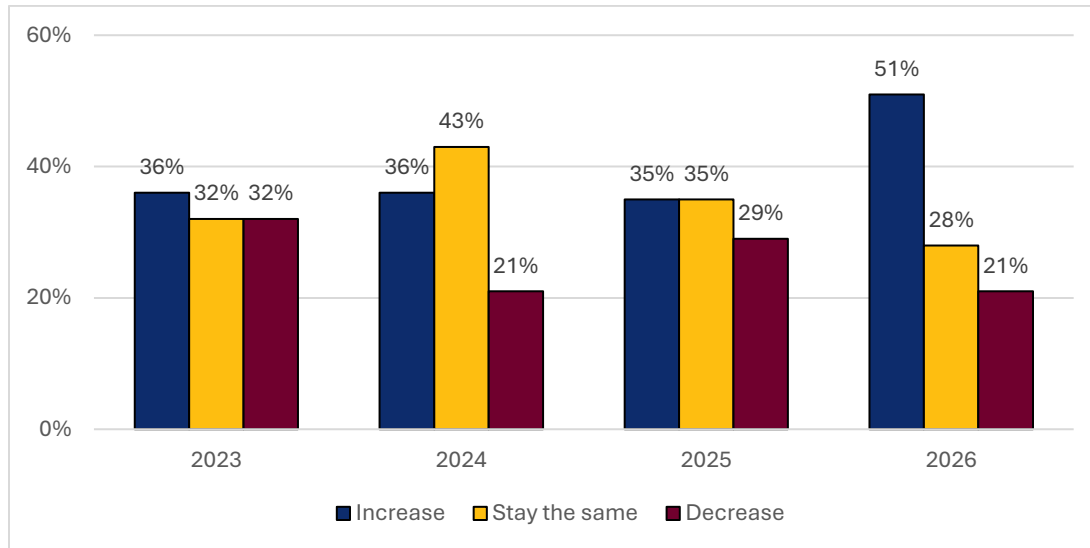
FIGURE 24: ANTICIPATED 2026 PROFIT



Trend

The percentage of manufacturers anticipating an increase in the next year's gross profit stayed the same for the past few years at about 36%, but is showing a considerable jump this year to 51% reporting they expect gross profit to increase (see Figure 25). The percentage of manufacturers expecting gross profit to stay the same has fluctuated over the years between a high of 43% for 2024 and a low of 28% for 2026. Likewise, the percentage of manufacturers expecting gross profits to decrease has also fluctuated between a high of 32% for 2023 to a low of 21% for 2024 and 2026.

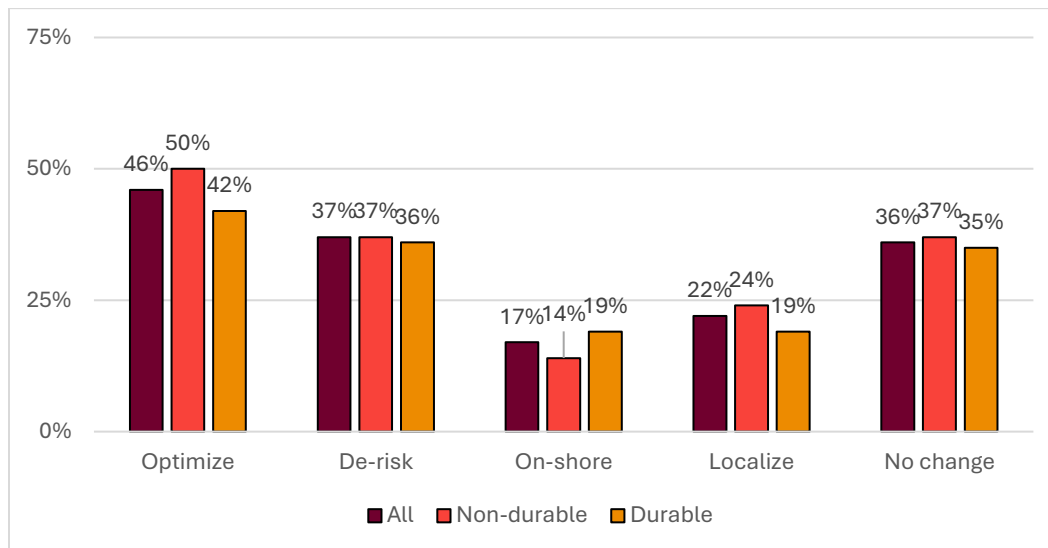
FIGURE 25: YEAR OVER YEAR TREND IN ANTICIPATED NEXT YEAR PROFIT



14. Do you anticipate the need to de-risk, optimize, onshore, or localize your plant's supply chain in 2026?

Almost half, 46%, of responding manufacturers cited the need to optimize their supply chain in 2026 (see Figure 26). Just over a third, 37% cited the need to de-risk their supply chain. Just 17% cited the need to on-shore their supply chain, and 22% cited the need to localize their supply chain. Just over a third, 36%, said they would make no changes. Manufacturers of non-durable goods were slightly more likely than manufacturers of durable goods to cite the need to optimize or localize their supply chain, while durable goods manufacturers were slightly more likely to cite the need to on-shore their supply chain.

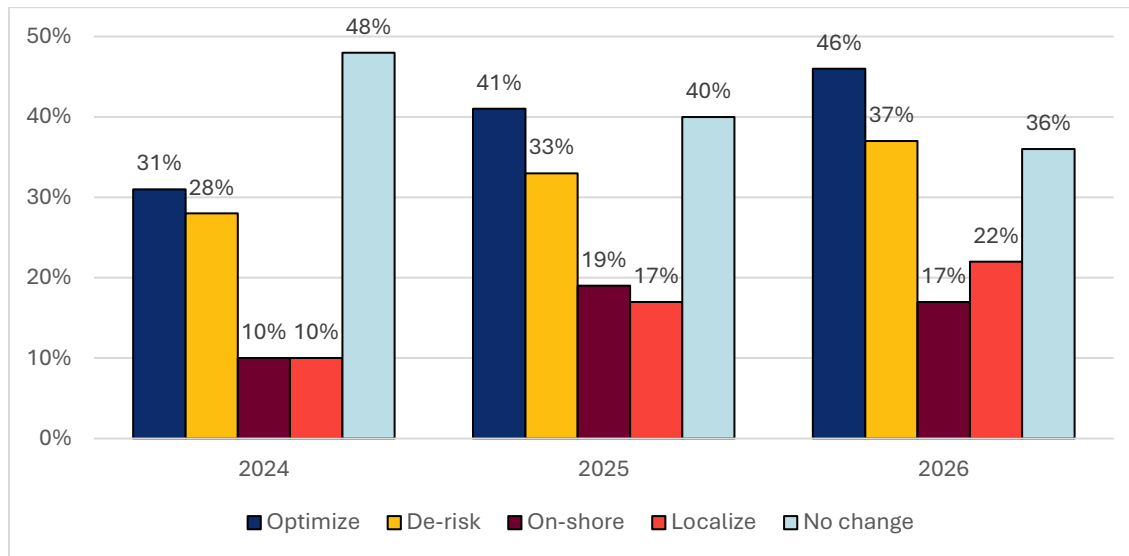
FIGURE 26: SUPPLY CHAIN CHANGES ANTICIPATED IN 2026



Trend

The percentage of manufacturers planning to make supply chain changes in the next year are rising across the board, conversely, the percentage of manufacturers not planning to make any changes is dropping from 48% for 2024 to 36% for 2026 (see Figure 27) The percentage that cited the need to optimize increased to 46% for 2026 from 31% for 2024. Manufacturers citing the need to de-risk in 2026 rose from 28% for 2024 to 37% for 2026. Manufacturers citing the need to on-shore rose from only 10% for 2024 up to 17% for 2026. Manufacturers planning to localize their supply chain in the next year also rose from 10% for 2024 to 22% for 2026. This question was not asked prior to the data shown here (2023).

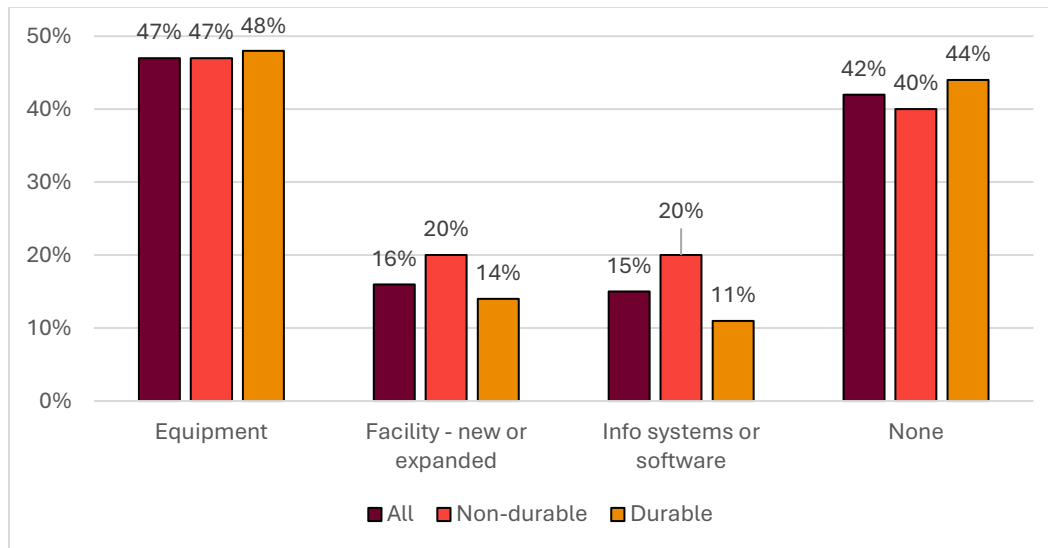
FIGURE 27: YEAR OVER YEAR TREND IN SUPPLY CHAIN CHANGES ANTICIPATED



15. What major capital expenditures will be made in your plant during 2026?

Just under half of responding manufacturers (42%) do not plan any capital expenditures for 2026 (see Figure 28). Equipment was the most cited capital expenditure (47%) expected in 2026. Facility expenditures and information systems expenditures were cited more by non-durable goods manufacturers (20% each for facility and information systems) than durable goods manufacturers (14% for facility, 11% for information systems).

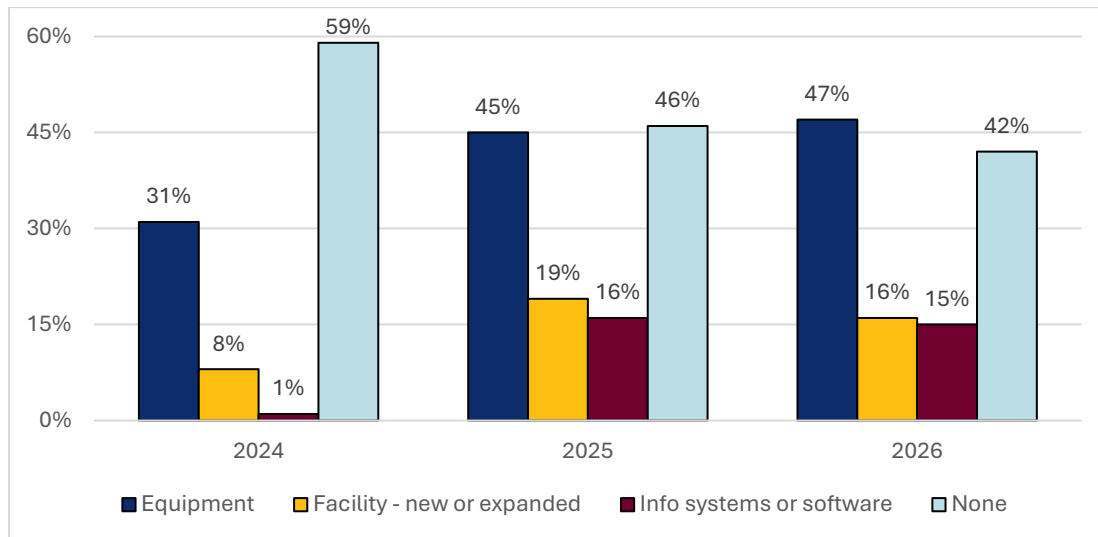
FIGURE 28: MAJOR CAPITAL EXPENDITURES ANTICIPATED IN 2026



Trend

Over the past three years, more manufacturers are anticipating major capital expenditures in the next year (see Figure 29); the percentage reporting no expected capital expenditures has decreased from 59% for 2024 to 42% for 2026. There was jump of all types of anticipated capital expenditures from 2024 anticipated percentages of 31% for equipment, 8% for facilities, and 1% for information systems to 2025 manufacturers anticipating major capital expenditures on equipment (45%), facilities (19%), and info systems of software (16%). The percentage of manufacturers anticipating capital expenditures then remained within two percentage points for all categories for 2026. This question was not asked prior to the data shown here (2023).

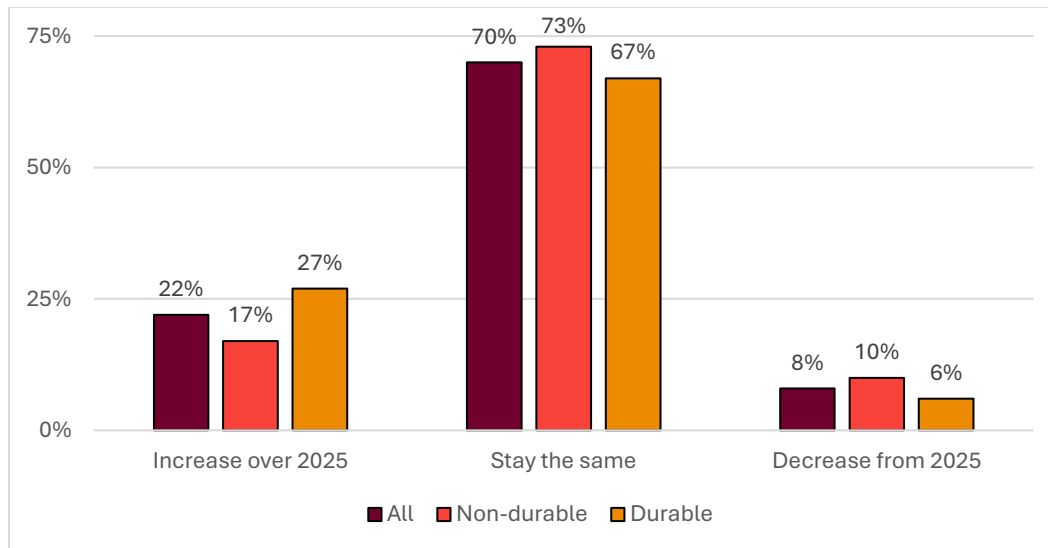
FIGURE 29: YEAR OVER YEAR TREND IN MAJOR CAPITAL EXPENDITURES ANTICIPATED



16. What do you anticipate will happen to the number of employees in your plant in 2026?

Almost three quarters, 70%, of responding manufacturers anticipate employment staying the same in 2026 (see Figure 30). While only 8% anticipate 2026 employment decreasing, nearly triple that amount (22%) expect employment to increase in 2026. Durable goods manufacturers (27%) in particular reported an anticipated increase in 2026 employment compared to 17% of non-durable goods manufacturers.

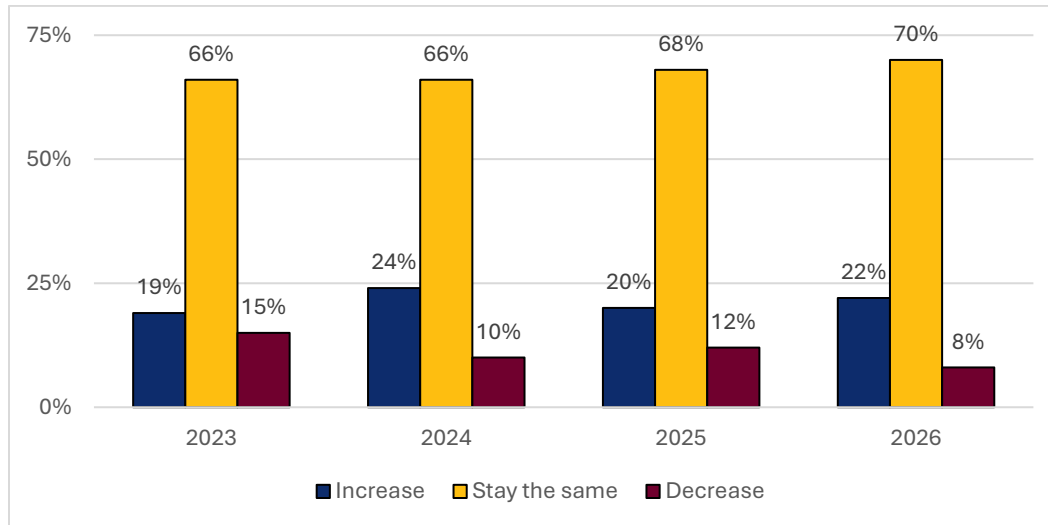
FIGURE 30: ANTICIPATED 2026 EMPLOYMENT



Trend

Expected employment reported by manufacturers over the past 4 years has been fairly consistent with just some slight variations, with those expecting employment to stay the same ranging from 66% to 70% (see Figure 31). The percentage of manufacturers reporting an anticipated increase unemployment in the next year range between 19% and 24%, with 2026 coming in at the middle at 22%. The percentage of those anticipating a decrease in employment has decreased from a high of 15% for 2023 to a low of 8% for 2026.

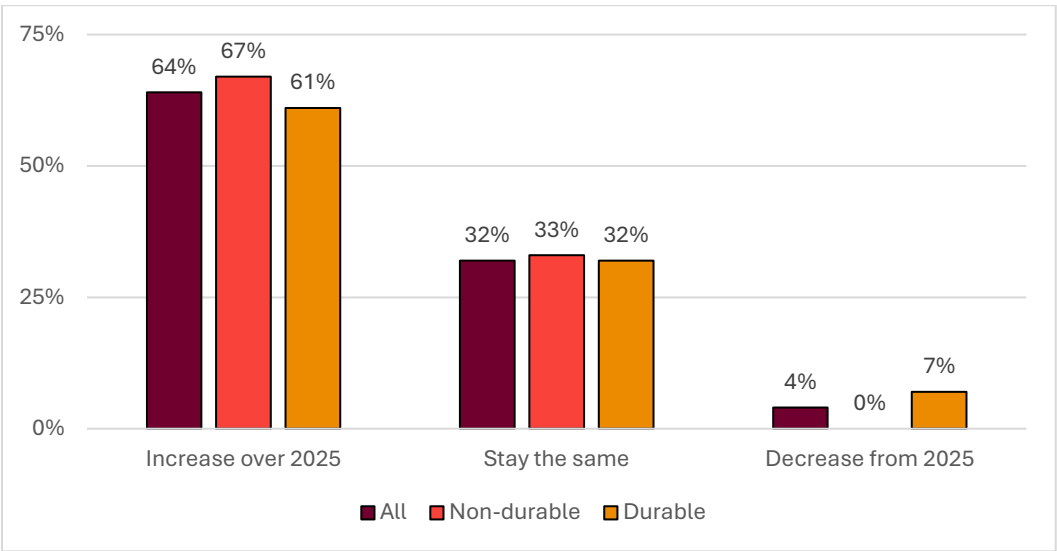
FIGURE 31: YEAR OVER YEAR TREND IN ANTICIPATED NEXT YEAR EMPLOYMENT



17. What do you anticipate will happen to the cost of your plant's major inputs in 2026?

About two thirds (64%) of responding manufacturers reported an anticipated increase in the 2026 cost of major inputs compared to 2025 (see Figure 32). About a third (32%) reported anticipated costs will stay the same in 2026. Only 7% of durable goods manufacturers expect a decrease in input costs, while no (0%) non-durable goods manufacturers expect a decrease.

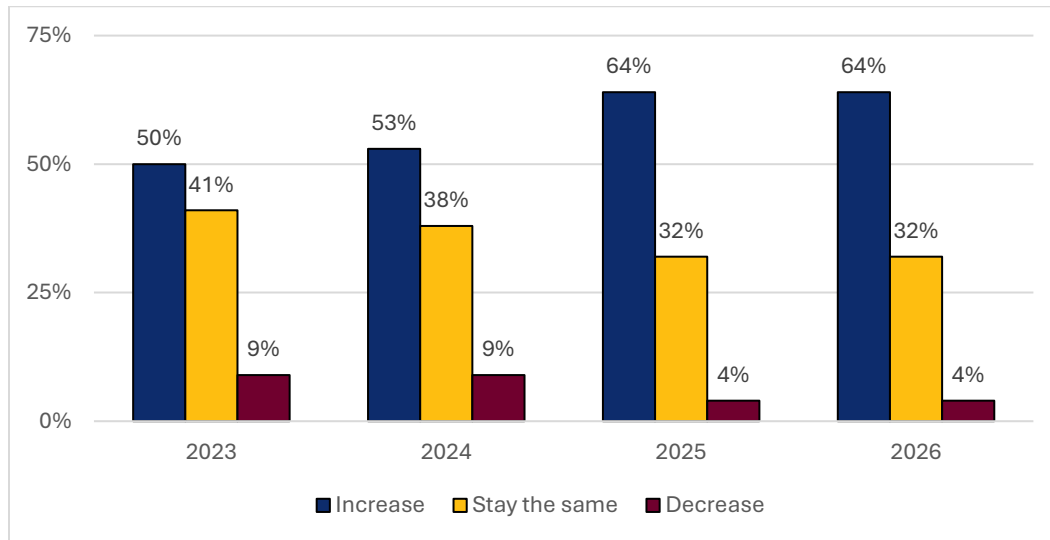
FIGURE 32: ANTICIPATED 2026 CHANGE IN MAJOR INPUT COSTS



Trend

The percentage of manufacturers reporting an anticipated increase in major input costs in the next year has steadily increased from 50% for 2023 to 64% for 2026 (see Figure 33). The percentage of manufacturers expecting input costs to stay the same or decrease have both steadily decreased. Those expecting costs to stay the same have decreased from 41% for 2023 to 32% for 2026, those expecting costs to decrease have decreased from 9% for 2023 to 4% for 2026.

FIGURE 33: YEAR OVER YEAR TREND IN ANTICIPATED CHANGE IN MAJOR INPUT COSTS



18. What is the primary challenge you face in recruiting or retaining employees for your plant?

The top 3 challenges in recruiting or retaining employees were wages or benefits cost, cannot compete with higher wages elsewhere at 22%; quality of hires is low, no ethics, drug use at 20%; and housing and cost of living at 19%. Manufacturers of non-durable goods were, in general, more likely to mention challenges in recruiting or retaining employees than durable goods manufacturers.

TABLE 4: PRIMARY EMPLOYEE RECRUITING OR RETENTION CHALLENGE

	Type of manufacturer		
	Durable Column N %	Non-durable Column N %	Total Column N %
Wages or benefits cost cannot compete with higher wages elsewhere	19%	26%	22%
Quality of hires is low drug use no ethics	18%	21%	20%
Housing and cost of living	17%	21%	19%
Work conditions unfavorable	8%	16%	11%
General lack of applicants	7%	10%	8%
Skill or ability lacking need to train	10%	4%	8%
Unclassifiable	2%	3%	3%
None	11%	9%	10%

Trend

Cost of employees and lack of quality workers continue to rank in the top five issues pertaining to hiring. BBER's method of coding answers to open-ended questions changed in 2025. Readers of Table 5 should keep in mind that the change in coding method makes time series analysis for this question less precise.

TABLE 5: TREND IN PAST YEAR RECRUITING OR RETENTION CHALLENGES

2025 top 5 issues	2024 top 5 issues	2023 top 5 issues	2022 top 5 issues
Wages or benefits cost cannot compete with higher wages elsewhere	1.Skill-set/ qualifications/ knowledge (lack of)	1. Wages or benefits cost cannot compete with higher wages elsewhere	1. General lack of applicants
Quality of hires is low	2. Pay-rate/wages/salary	2. Quality of hires is low	2. Particular skill or experience lacking
Housing or cost of living	3. Retention/no-shows/ poor work ethic	3. Skill or ability lacking, need to train	3. Wages or benefits
Work conditions unfavorable	4. Finding staff/ recruiting	4. Cost of housing / living	4. Cost of living
General lack of applicants	5. Cost of housing / living	5. General lack of applicants	5. Unappealing work, hard labor

19. What are the major issues that will affect your plant in 2026?

Costs of raw materials, general costs, and costs of transportation fuel were the top three issues expected in 2026 (see Table 6). Durable goods manufacturers mentioned the inability to find employees and decreased demand higher than non-durable goods manufacturers.

TABLE 6: MAJOR 2026 ISSUES

	Type of manufacturer		
	Durable Column N %	Non-durable Column N %	Total Column N %
Cost of raw materials	15%	17%	16%
Costs unspecified or other	7%	20%	13%
Cost of fuel transport	10%	14%	12%
Inability to find employees	14%	10%	12%
Decreased demand	13%	9%	11%
Current government administration or Iran War specifically mentioned	8%	10%	9%
Availability of raw materials	9%	4%	7%
Costs wages benefits	3%	10%	6%
Tariffs specifically mentioned	5%	7%	6%
Economy bad	3%	9%	6%
Transport slow, shipping, supply chain problems	6%	4%	5%
Capital access poor	3%	7%	5%
Plant efficiency, equipment issues	2%	6%	4%
None	3%	4%	4%
Weather climate change	1%	4%	3%
Regulations	2%	3%	3%
Unclassifiable	1%	3%	2%
Internal issues or personal issues unrelated to business such as health	0%	3%	1%
Increased competition	2%	0%	1%

Trend

The negative impact of tariffs, which ranked #1 for 2025, is an anomaly - having appeared as a top ranked issue only once in the last 4 years (see Table 7), dropping to a lower rank for 2026. Costs of some type have remained in the top five issues expected in the next year for the past 4 four years. BBER's method of coding answers to open-ended questions changed in 2025. Readers of Table 7 should keep in mind that the change in coding method makes time series analysis for this question less precise.

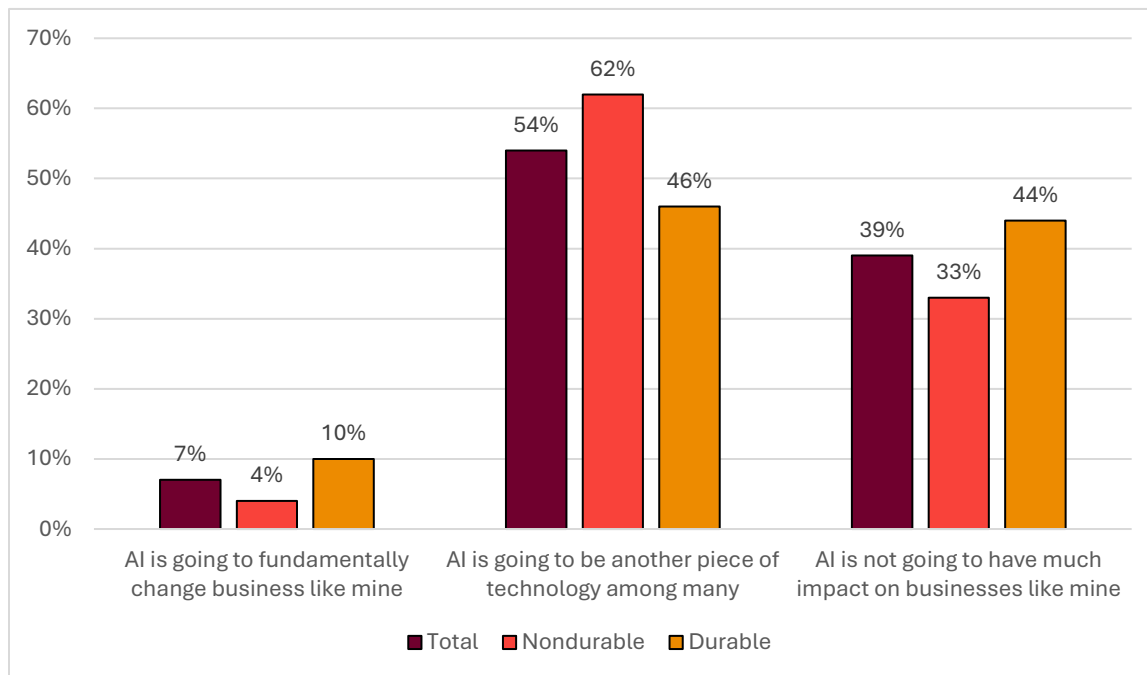
TABLE 7: TREND IN NEXT YEAR MAJOR ISSUES

2026 top 5 issues	2025 top 5 issues	2024 top 5 issues	2023 top 5 issues
1. Cost of raw materials	1. Tariffs - negative impact	1. Inability to find employees	1. Inability to find employees or qualified employees
2. Costs unspecified or other	2. Cost of goods to produce	2. Availability or cost of raw materials	2. Availability or cost of raw materials
3. Cost of fuel transport	3. Financial/ economy/ inflation/ rising costs	3. Inflation or bad economy	3. Inflation, increased operational costs
4. Inability to find employees	4. Staff (lack of)/ staff retention/ hiring	4. Decreased demand	4. Transport problems, fuel cost, shipping, supply chain problems
5. Decreased demand	5. Inventory/ supply shortage/ supply chain disruptions	5. Transport problems, fuel cost, shipping, supply chain problems	5. Decreased demand

20. Thinking strategically, which ONE of the following viewpoints on the impact of AI in businesses like yours do you agree with more?

About half of respondents view AI as just being another technology tool among many (see Figure 34), with more non-durable goods manufacturers (62%) viewing it this way than durable goods manufacturers (46%). Only 10% of durable goods manufacturers believe that AI will fundamentally change business like theirs. One third of Non-durable goods manufacturers and a few more of durable goods manufacturers (44%) think that AI will not have much impact on business like theirs.

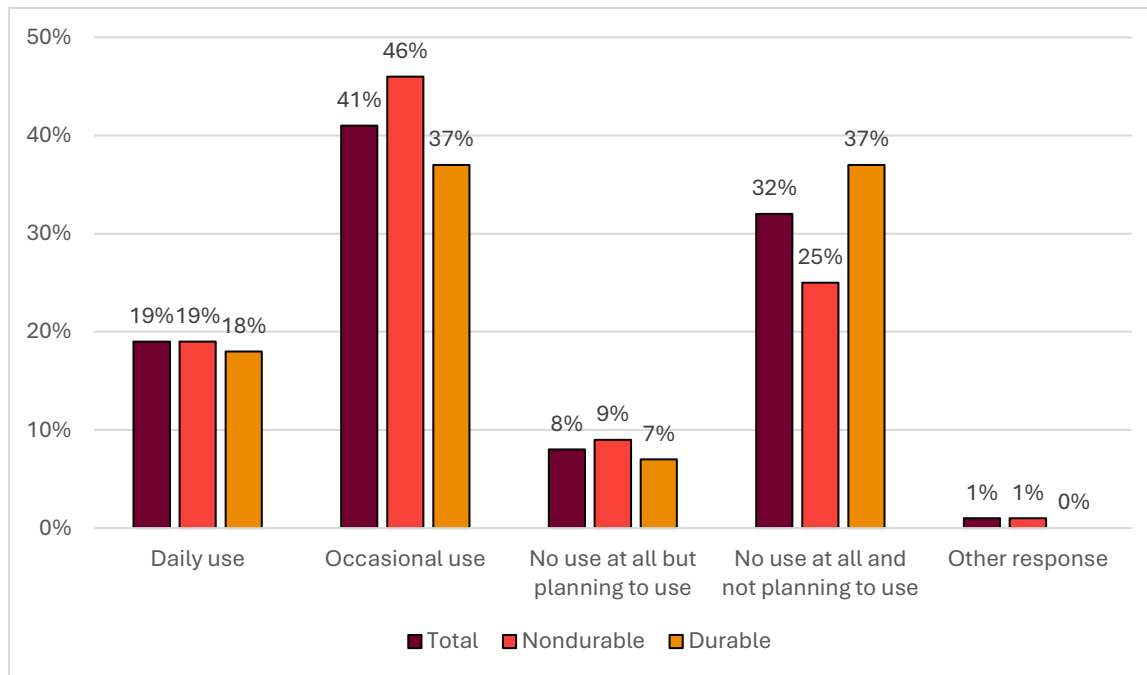
FIGURE 34: VIEW OF AI IMPACT ON BUSINESSES



21. Is AI currently in use within your company, or not?

Over half of respondents use AI either daily (19%) or occasionally (41%). This is fairly consistent across durable and non-durable goods manufacturers (see Figure 35). Another 8% do not currently use AI, but plan to use it in the future. About a third of all respondents (32%) do not use AI and do not plan on using it in the future, with more durable goods manufacturers (37%) falling into this category than non-durable goods manufacturers (25%).

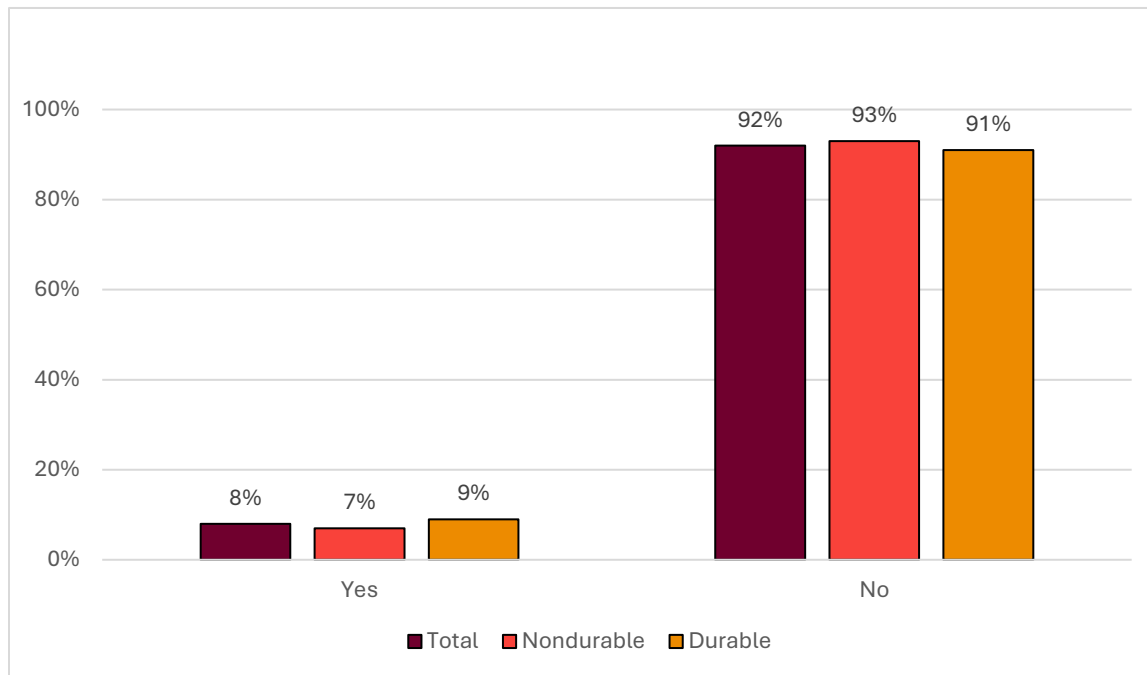
FIGURE 35: CURRENT AND FUTURE AI USE



22. Do you have current or future plans to hire for AI skills?

Only (8%) of all manufacturing respondents either currently hire for AI skills or plan to do so in the future (see Figure 36).

FIGURE 36: AI SKILL HIRING



23. What is the main product that your plant produces?

The top 4 products (see Table 8) produced by responding manufacturers are casting/fabrication/molding (other than concrete) at 17%; Food production at 13%; beer/alcohol/wine at 12%; and chemical processing and pharmaceuticals at 6%.

TABLE 8: MAIN PRODUCT PRODUCED

	% of responding manufacturers
Casting fabrication molding	17%
Food production	13%
Beer alcohol wine	12%
Chemical processing and pharmaceuticals	6%
Lumber wood products	4%
Cabinetry custom furniture	3%
Farming industry equipment	3%
Signs	3%
Other secondary wood products	3%
Sports industry	3%
Electronics	3%
Mining equipment	3%
Other textile	3%
Framing trim siding	2%
Doors	2%
Beauty products	2%
Apparel embroidery	2%
Concrete casting	1%
Posts rails	1%
Beverages	1%
Countertops	1%
Modification of mined materials	1%
Dental	1%
Printed products	1%
Other	1%

Trend

Casting, fabrication, and molding; food production; and alcoholic beverages continue to be the top three representative product groups reported by manufacturers in 2026 (see Table 9). As sampling changes slightly from year to year, and as self-reporting and coding is not always clear, for a clearer picture of represented products, please see Table 1 Responding manufacturers' NAICS classifications.

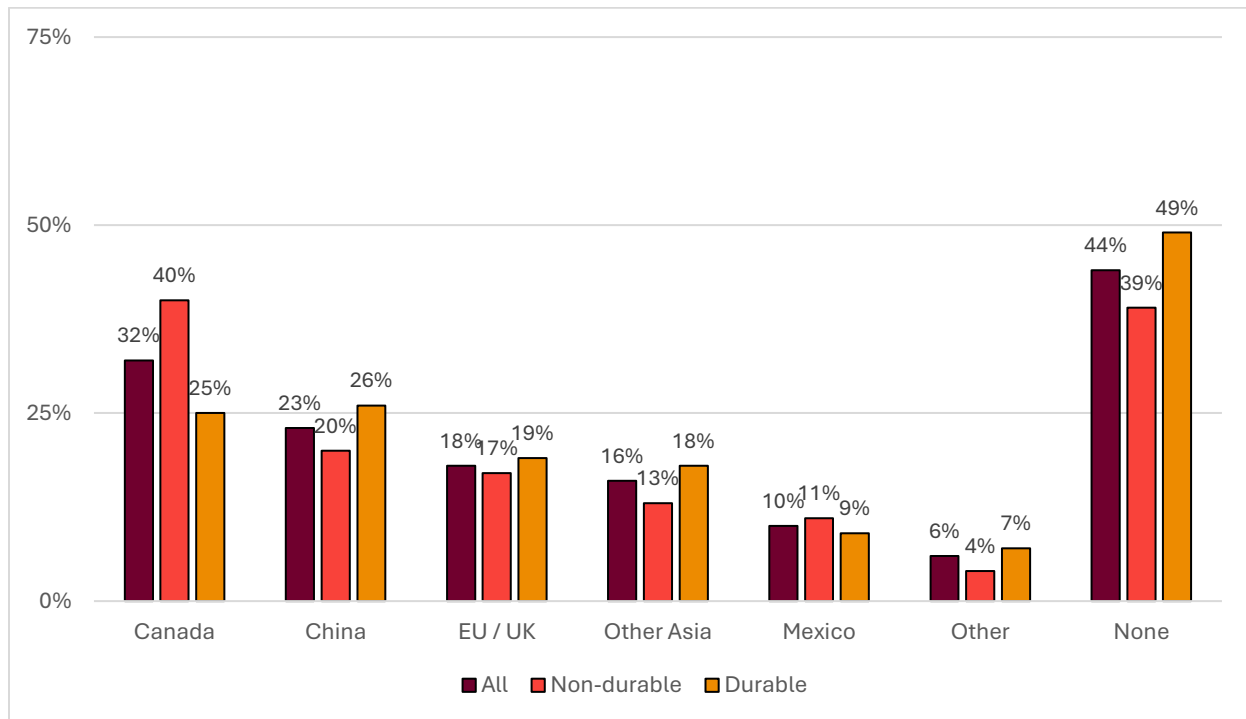
TABLE 9: TRENDS IN MAIN PRODUCT

	2025	2026
Casting fabrication molding	10%	17%
Food production	10%	13%
Beer alcohol wine	7%	12%
Chemical processing handling	5%	6%
Lumber wood products	5%	4%
Cabinetry custom furniture	7%	3%

24. Which of these countries do you import from?

About a third (32%) of responding manufacturers import from Canada (see Figure 37). And 23% import from China. More non-durable goods manufacturers (40%) than durable goods manufacturers (25%) import from Canada. For China imports those reverse, with more durable goods manufacturers (26%) importing from China than non-durable goods manufacturers (20%). Just under half (44%) of respondents claim they do not import.

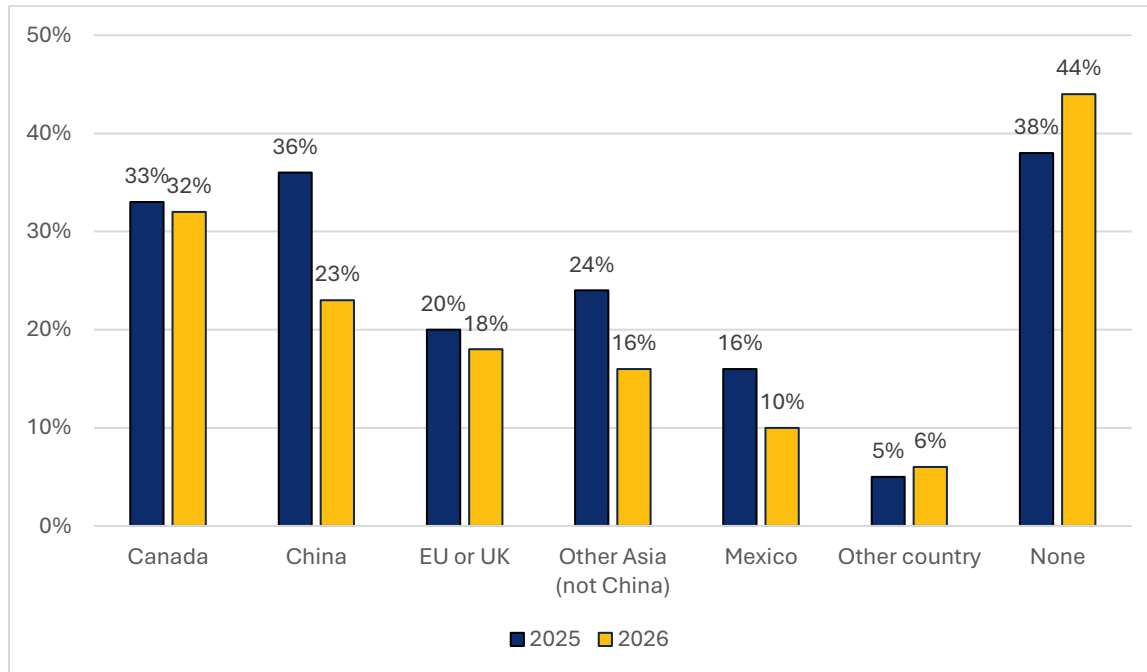
FIGURE 37: COUNTRIES FROM WHICH MANUFACTURERS IMPORT



Trend

The most notable change since last year is the drop in manufacturers reporting imports from China this year being 23%, while last year in 2025 it was 36% (see Figure 38). Canada imports reports stayed the same, so the drop in imports from China has brought China down to the number 2 spot in imports behind Canada which was number 2 in 2025. Imports from other Asian markets and Mexico also dropped this year. The number of manufacturers reporting no imports has risen from last year.

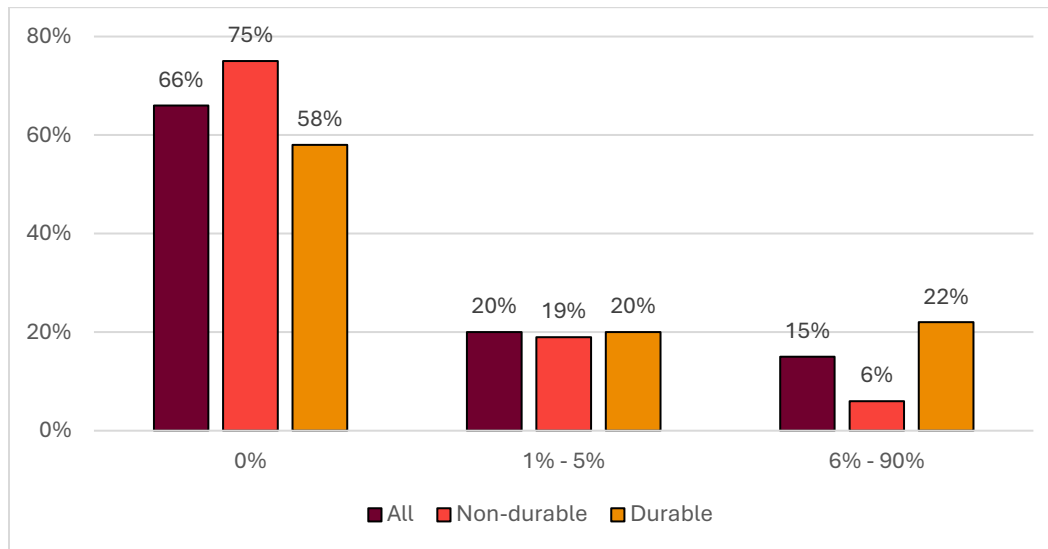
FIGURE 38:TREND IN IMPORT



25. What share, or percentage, of your plant's current sales are to international customers?

Most manufacturers (66%) reported 0% of current sales were to international customers (see Figure 39). About 20% of both durable and non-durable goods manufacturers reported just 1%-5% of sales were to international customers. Only 22% of durable and just 6% of non-durable goods manufacturers reported that more than 5% of their sales were to international customers.

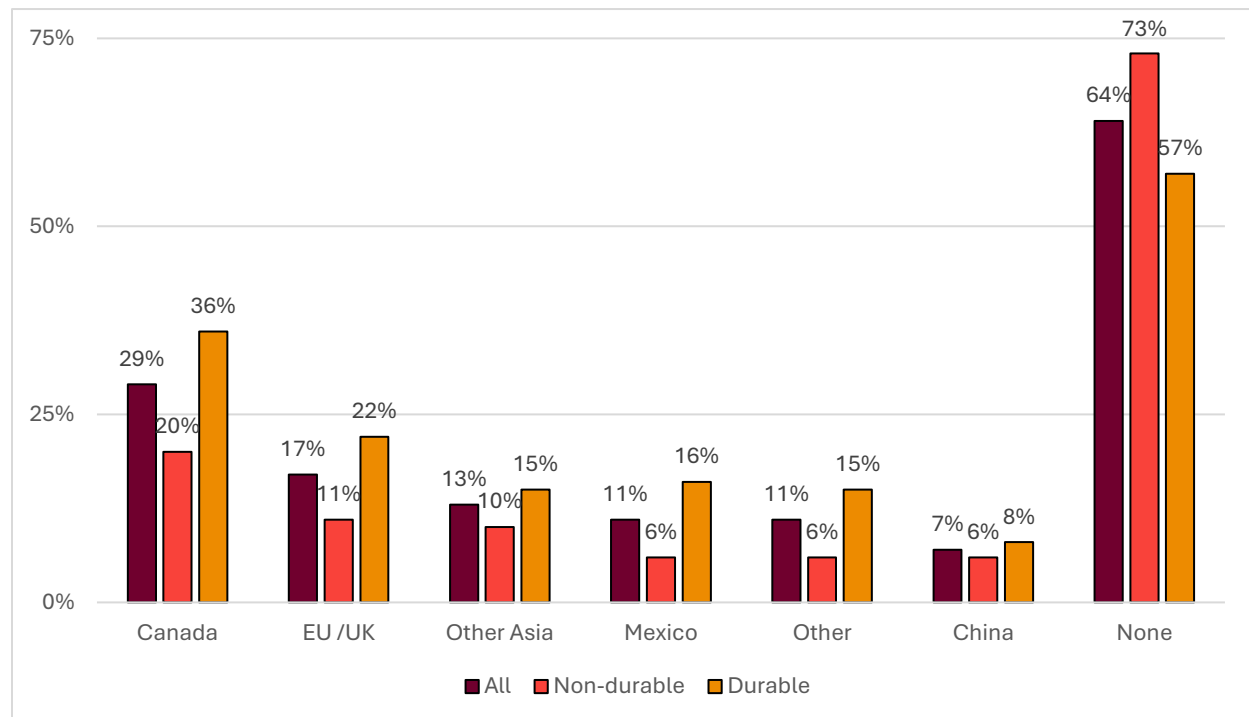
FIGURE 39: PERCENTAGE OF SALES TO INTERNATIONAL CUSTOMERS



26. Which of these countries do you export to?

Canada is the leading country for exports at 29% of responding manufacturers (see Figure 40), followed by the European Union and United Kingdom at 17%. Durable goods manufacturers reported exporting to all the international customers at a higher rate than non-durable goods manufacturers. For example, 36% of durable goods manufacturers reported exporting to Canada, compared to 20% of non-durable goods manufacturers. About two thirds (64%) of responding manufacturers do not export, with non-durable goods manufacturers (73%) more likely to report not exporting than durable goods manufacturers (57%)

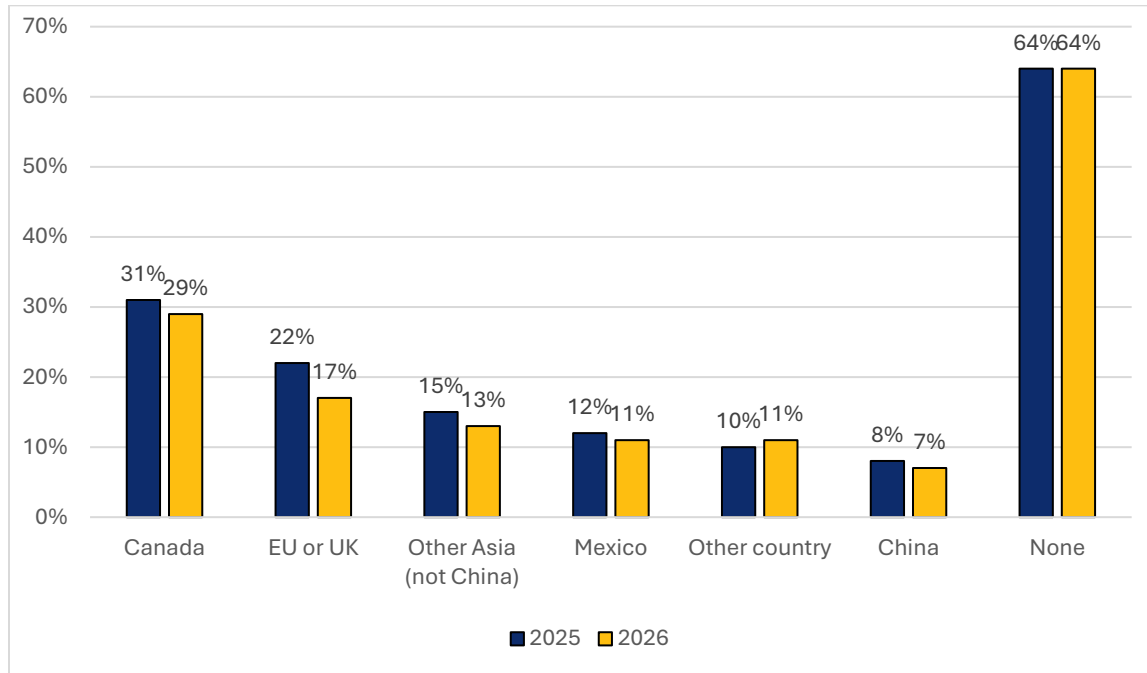
FIGURE 40: COUNTRIES TO WHICH MANUFACTURERS EXPORT



Trend

In 2026 reported exports to Canada, European Union, other Asian markets, Mexico, and China all fell slightly (see Figure 41). There was a very slight rise in reported exports to other markets.

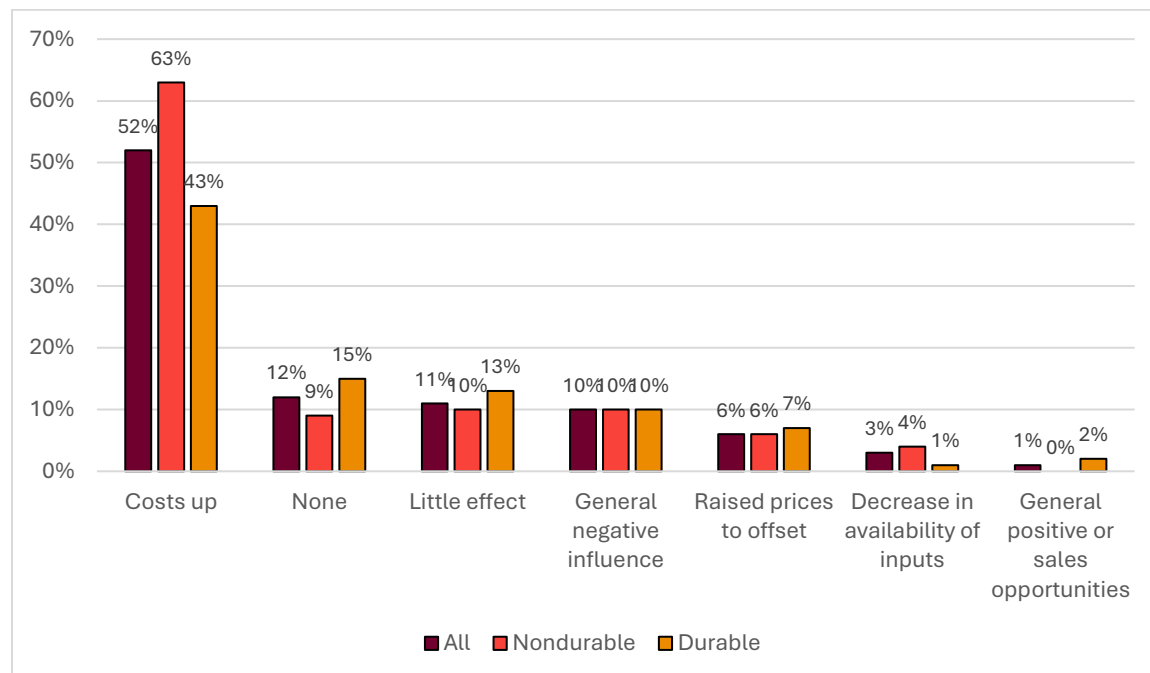
FIGURE 41: TREND IN EXPORTS



27. How are your operations being affected by tariffs (sales, costs, hiring, investments, etc.), if at all?

About half (52%) of all responding manufacturers report cost increases due to tariffs (see Figure 42). Non-durable goods manufacturers (63%) were more likely to report an increase in costs due to tariffs than durable goods manufacturers (43%). Only 12% stated there were no effects of tariffs with durable goods manufacturers (15%) more likely to claim no effect than non-durable goods manufacturers (9%).

FIGURE 42: TARIFF EFFECTS



Appendix: Questionnaire

1. For calendar year 2025, did your plant's GROSS SALES increase, stay about the same, or decrease from 2024? Mark one box (X).

- ☐ Increase
- ☐ Stay about the same
- ☐ Decrease

2. For calendar year 2025, did your plant's PRODUCTION increase, stay about the same, or decrease from 2024? Mark one box (X).

- ☐ Increase
- ☐ Stay about the same
- ☐ Decrease

3. For calendar year 2025, did your plant's PROFITS increase, stay about the same, or decrease from 2024? Mark one box (X).

- ☐ Increase
- ☐ Stay about the same
- ☐ Decrease

4. In calendar year 2025, did your plant make any major capital expenditure in facilities or equipment during the year? Mark one box (X).

- ☐ Yes
- ☐ No

5. In calendar year 2025, did your plant introduce any new product lines? Mark one box (X).

- ☐ Yes
- ☐ No

6. Over calendar year 2025, did your plant's number of employees ...? Mark one box (X).

- ☐ Increase over 2024
- ☐ Stay about the same as 2024
- ☐ Decrease from 2024

7. Did your plant have a significant shortage of workers at any time during 2025? Mark one box (X).

- ☐ Yes
- ☐ No

8. Did your plant lose sales at any time during 2025 because of a disruption to your supply chain? Mark one box (X).

- ☐ Yes
- ☐ No

9. What major issues affected your plant in 2025? Please write your answer below.

10. Looking ahead to calendar year 2026, what do you anticipate will happen to your plant's production in 2026? Mark one box (X).

- ☐ Increase over 2025
- ☐ Stay about the same as 2025
- ☐ Decrease from 2025

11. What do you anticipate will happen to the prices you receive for your plant's products in 2026? Mark one box (X).

- ☐ Increase over 2025
- ☐ Stay about the same as 2025
- ☐ Decrease from 2025

12. What do you anticipate will happen to your plant's gross sales in 2026? Mark one box (X).

- ☐ Increase over 2025
- ☐ Stay about the same as 2025
- ☐ Decrease from 2025

13. What do you anticipate will happen to your plant's profit in 2026? Mark one box (X).

- ☐ Increase over 2025
- ☐ Stay about the same as 2025
- ☐ Decrease from 2025

14. Do you anticipate the need to de-risk, optimize, on-shore, or localize your plant's supply chain in 2026? Mark all that apply (X).

- ☐ De-risk (find alternative or backup suppliers)
- ☐ Optimize (work with your suppliers to find savings opportunities for both of you)
- ☐ On-shore (find domestic suppliers)
- ☐ Localize (find suppliers that are in Montana or close-by)
- ☐ No change

15. What major capital expenditures will be made in your plant during 2026? Mark all that apply (X).

- ☐ None – no major capital expenditures
- ☐ Facility – new or expanded
- ☐ Equipment
- ☐ Information systems or software
- ☐ Other, please specify

16. What do you anticipate will happen to the number of employees in your plant in 2026? Mark one box (X).

- ☐ Increase over 2025
- ☐ Stay about the same as 2025
- ☐ Decrease from 2025

17. What do you anticipate will happen to the cost of your plant's major inputs in 2026? Mark one box (X).

- ☐ Increase over 2025
- ☐ Stay about the same as 2025
- ☐ Decrease from 2025

18. What is the primary challenge you face in recruiting or retaining employees for your plant? Please write your answer below.

19. What are the major issues that will affect your plant in 2026? Please write your answer below.

20. Thinking strategically, which ONE of the following viewpoints on the impact of AI on businesses like yours do you agree with more? Mark one box (X).

- ☐ AI is going to fundamentally change business like mine
- ☐ AI is going to be another piece of technology among many
- ☐ AI is not going to have much impact on businesses like mine

21. Is AI currently in use within your company, or not? Mark one box (X).

- ☐ Daily use
- ☐ Occasional use
- ☐ No use at all but planning to use
- ☐ No use at all and not planning to use
- ☐ Other, please explain: _____

22. Do you have current or future plans to hire for AI specific skills? Mark one box (X).

☐ Yes

☐ No

23. What is the main product that your plant produces? Please write your answer below.

24. Which of these countries do you import from? Mark all that apply (X).

☐ None

☐ Canada

☐ Mexico

☐ China

☐ Other Asia (not China)

☐ EU/UK

☐ Some other country, please specify.

25. What share, or percentage, of your plant's current sales are to international customers? Please write your answer below.

_____ %

26. Which of these countries do you export to? Mark all that apply (X).

☐ None

☐ Canada

☐ Mexico

☐ China

☐ Other Asia (not China)

☐ EU/UK

☐ Some other country, please specify.

27. How are your operations being affected by tariffs (sales, costs, hiring, investments, etc.), if at all?
Please write your answer below.

THANK YOU VERY MUCH FOR YOUR HELP WITH THIS IMPORTANT SURVEY.