

ECONOMIC CONDITIONS IN THE NINTH DISTRICT AND THE U.S.

April 15, 2026

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Regional Outreach Director



FEDERAL RESERVE BANK
OF MINNEAPOLIS

DISCLAIMER

The views expressed here are the presenter's and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.



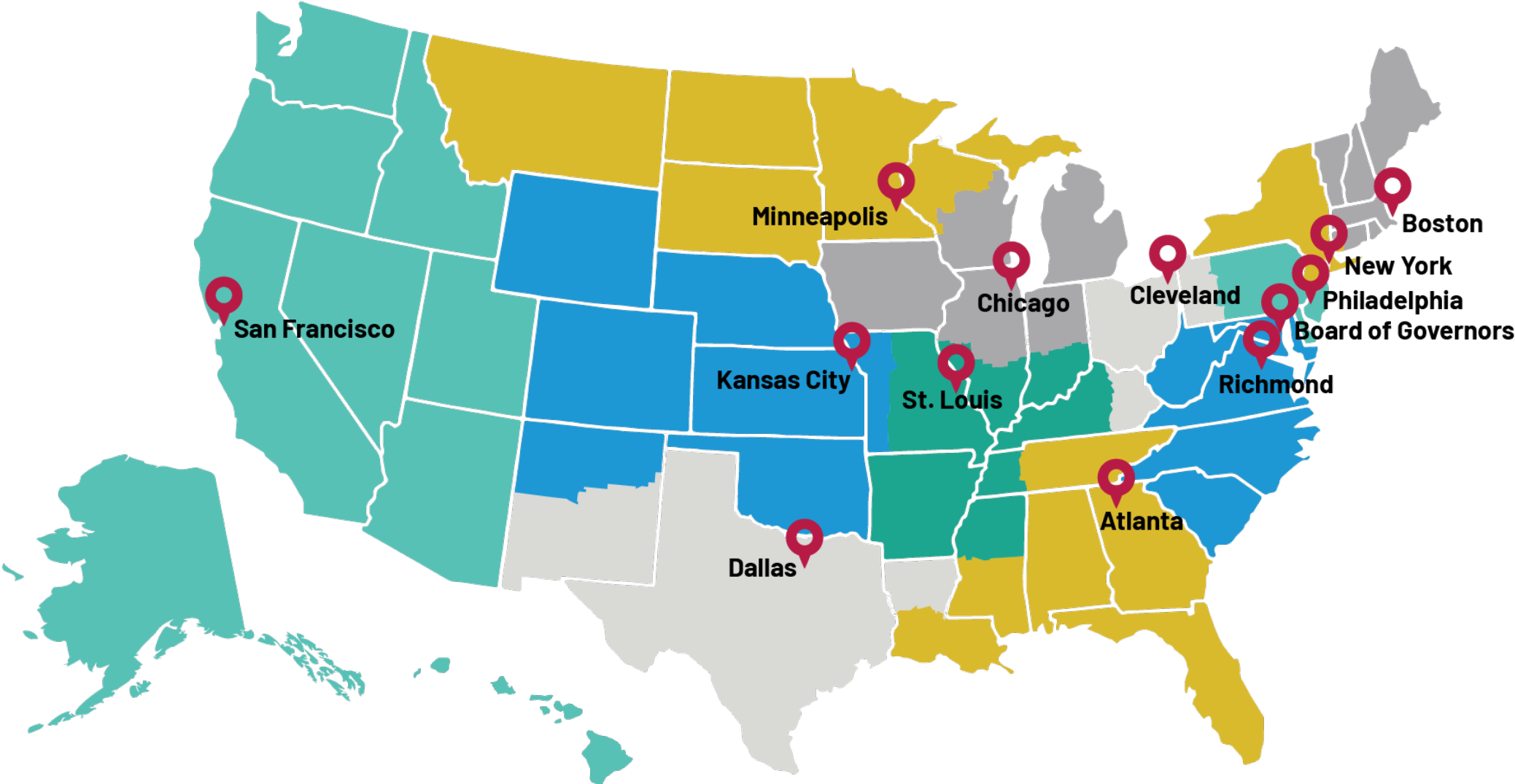


AGENDA

- **Federal Reserve Bankground**
- **Economic update**
 - Labor market dynamics
 - Inflation progress
- **Regional business conditions**
 - **Manufacturing**

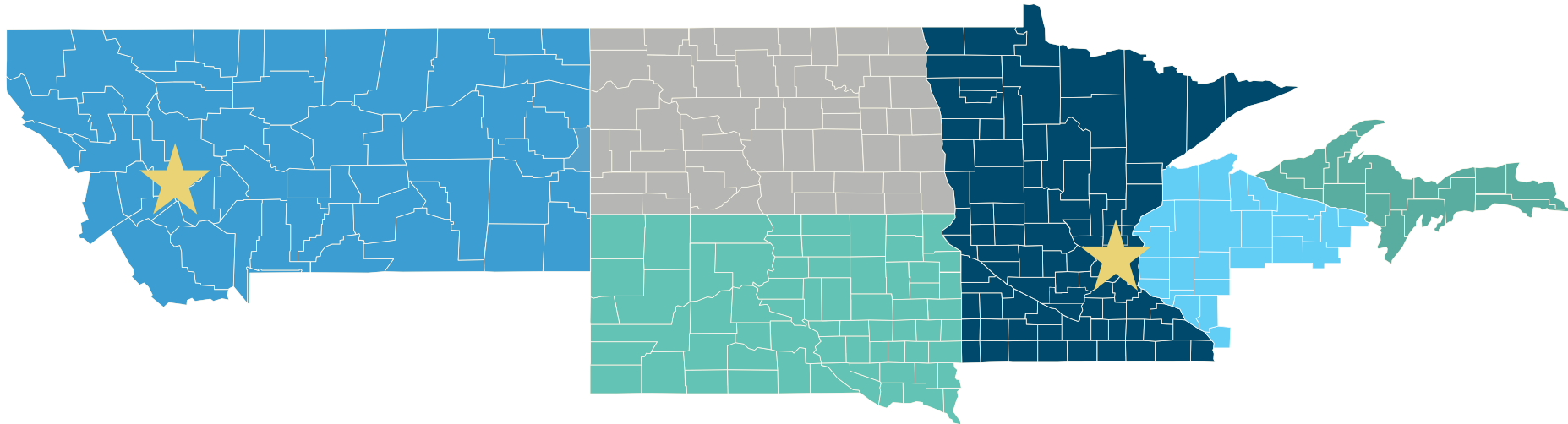


ORGANIZATION OF THE FED



MISSION OF THE MINNEAPOLIS FED

We serve the public by pursuing a growing economy and stable financial system that work for all of us.



FEDERAL RESERVE BANK OF MINNEAPOLIS

THE FEDERAL RESERVE'S CONGRESSIONAL MANDATE

The Federal Reserve Act mandates that the Federal Reserve conduct monetary policy “*so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates.*”

Dual Mandate: maximum employment and price stability



CROWN JEWELERS

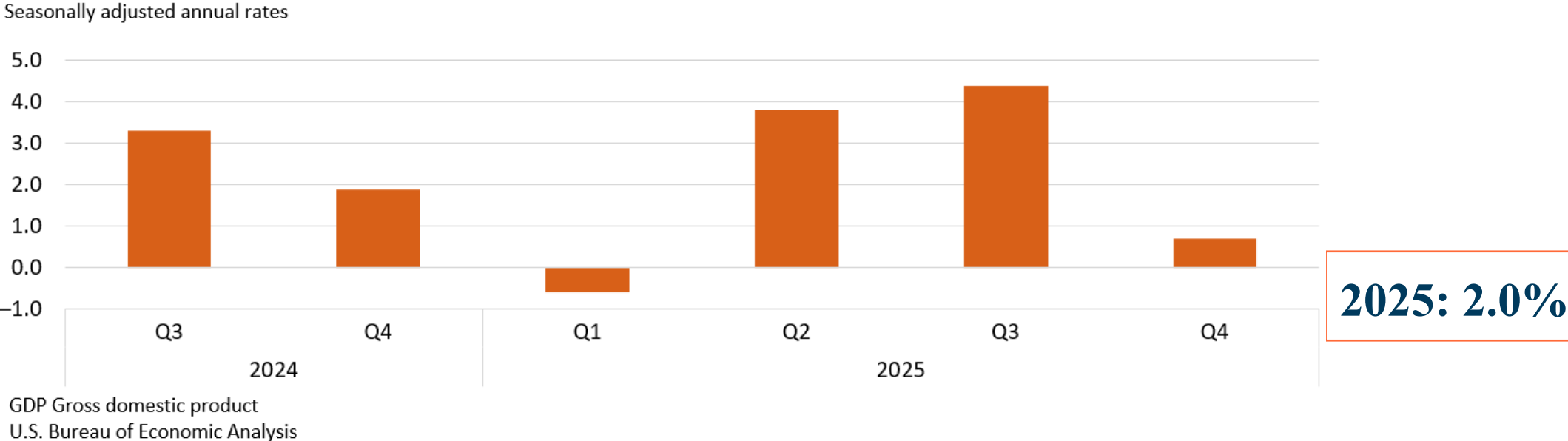
GOURMET PIZZA

U.S. ECONOMIC UPDATE

Boar's Head
MON-TUES
SPECIALS
LARGE 18" PIE
\$8.99
WHOLE TH COM
\$9.99

U.S. REAL GDP GREW SLIGHTLY IN Q4

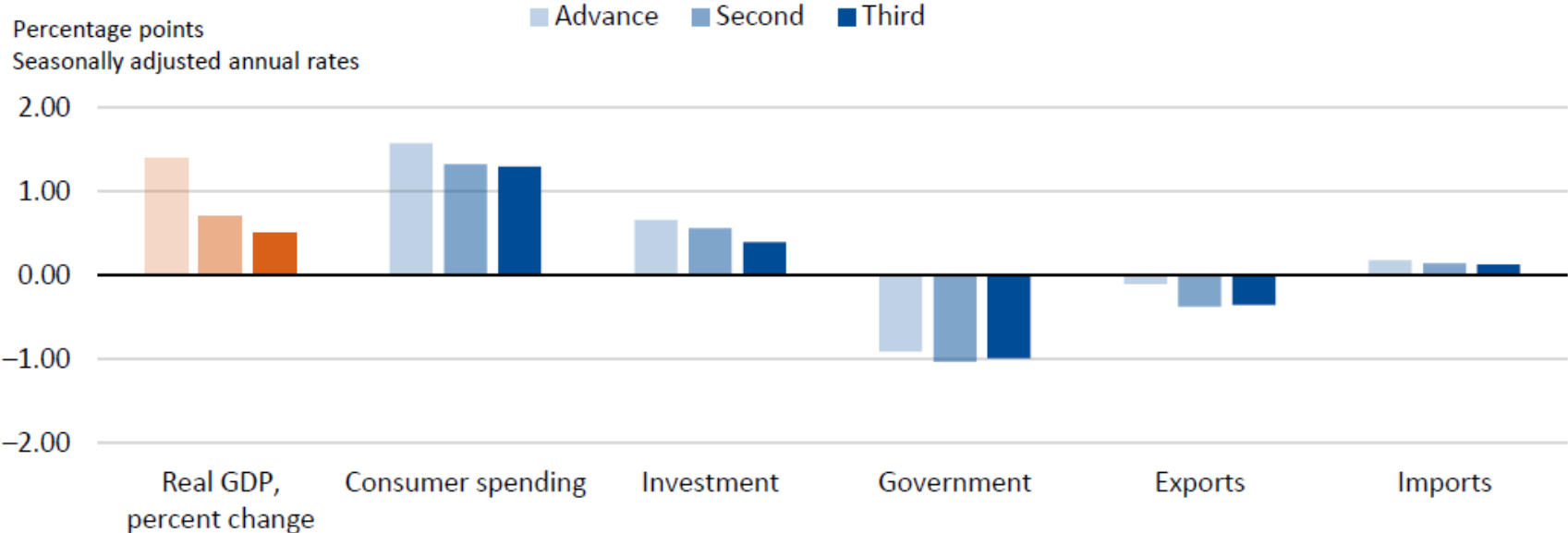
Real GDP, Percent Change From Preceding Quarter



U.S. REAL GDP GREW SLIGHTLY IN Q4

Contributions to the Percent Change in Real GDP, 2025:Q4

Real GDP increased 0.5 percent



GDP Gross domestic product

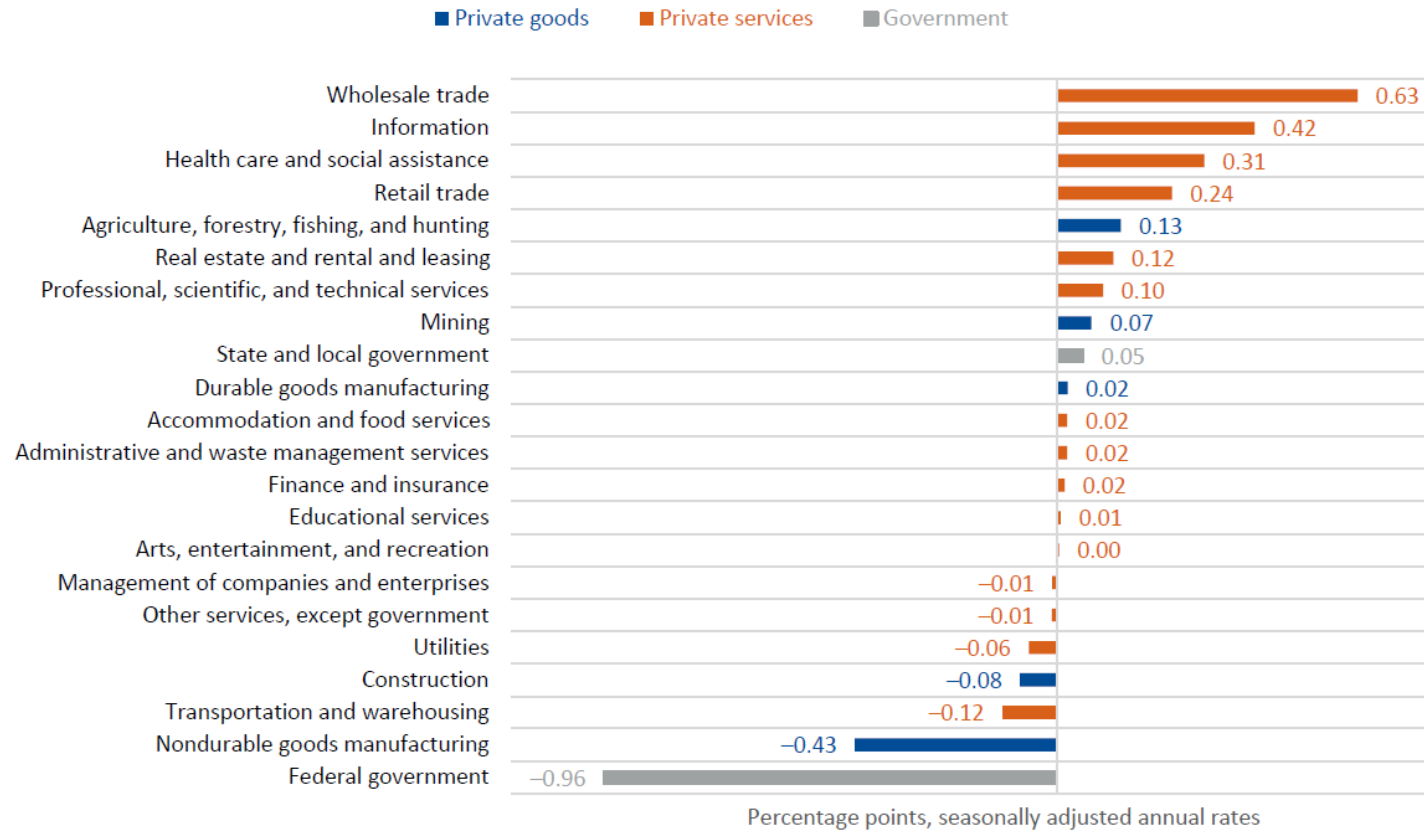
Note. Imports are a subtraction in the calculation of GDP; thus, a decrease in imports results in a positive contribution to GDP.

U.S. Bureau of Economic Analysis

U.S. REAL GDP GREW SLIGHTLY IN Q4

Contributions to Percent Change in Real GDP by Industry Group, 2025:Q4

Real GDP increased 0.5 percent



U.S. Bureau of Economic Analysis

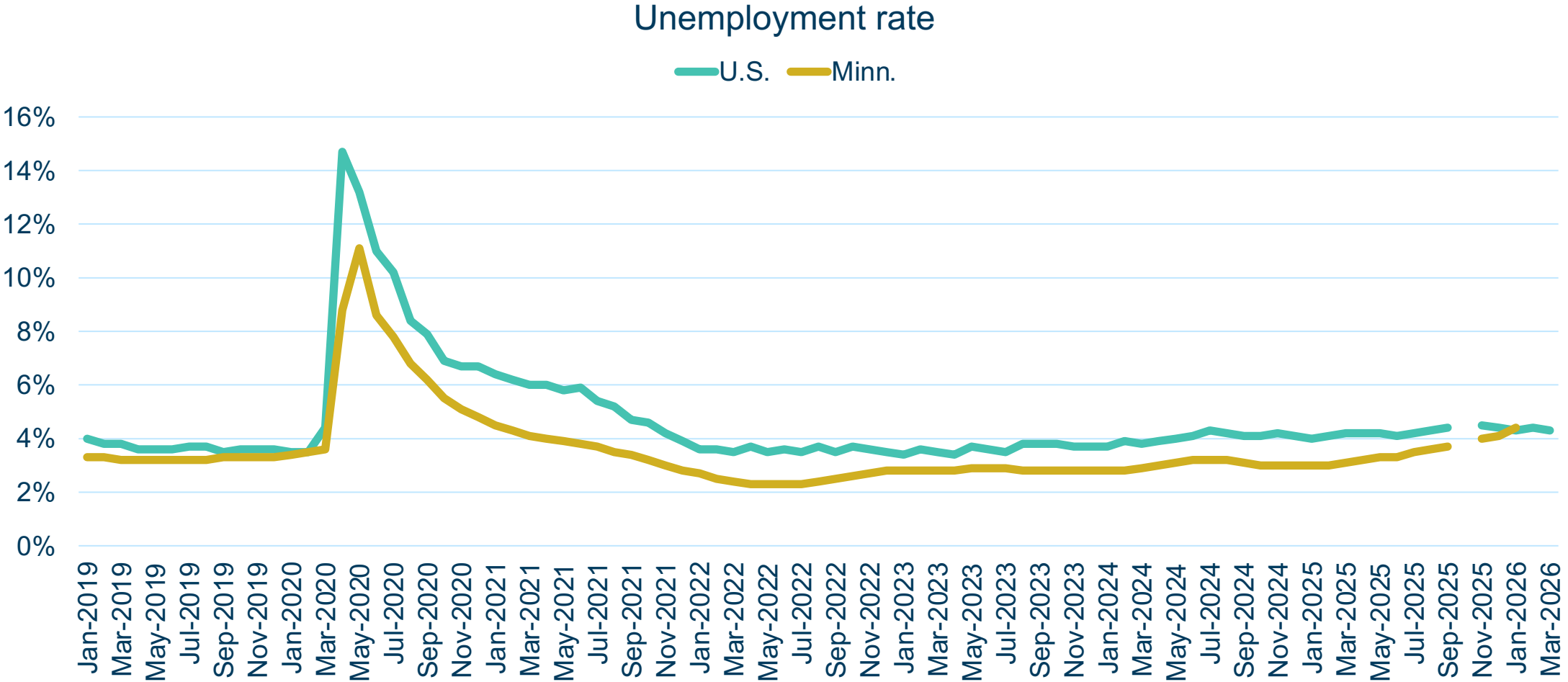


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EMPLOYMENT MANDATE

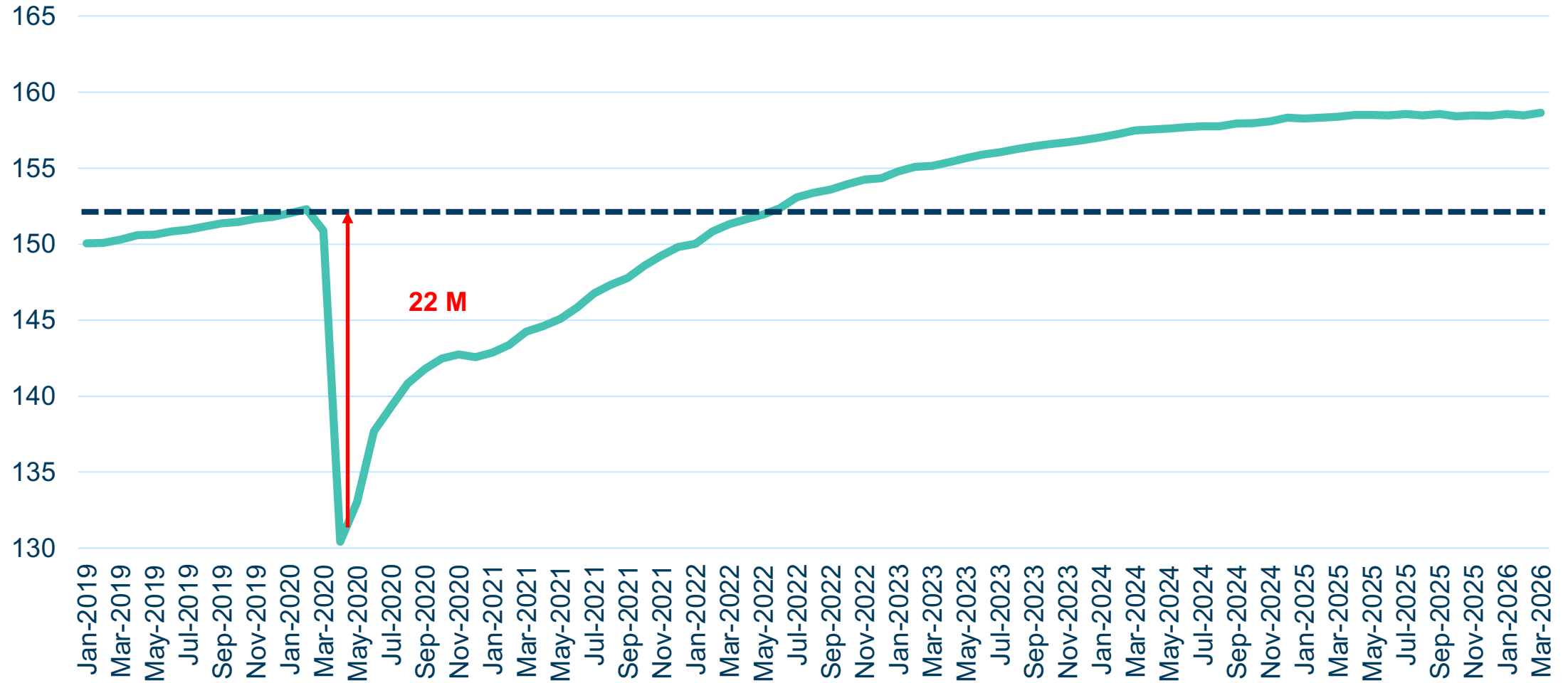
UNEMPLOYMENT LOW BUT RISING SLOWLY



Source: Bureau of Labor Statistics

EMPLOYMENT HIGH, GROWTH SLOWING

MILLIONS, LEVEL



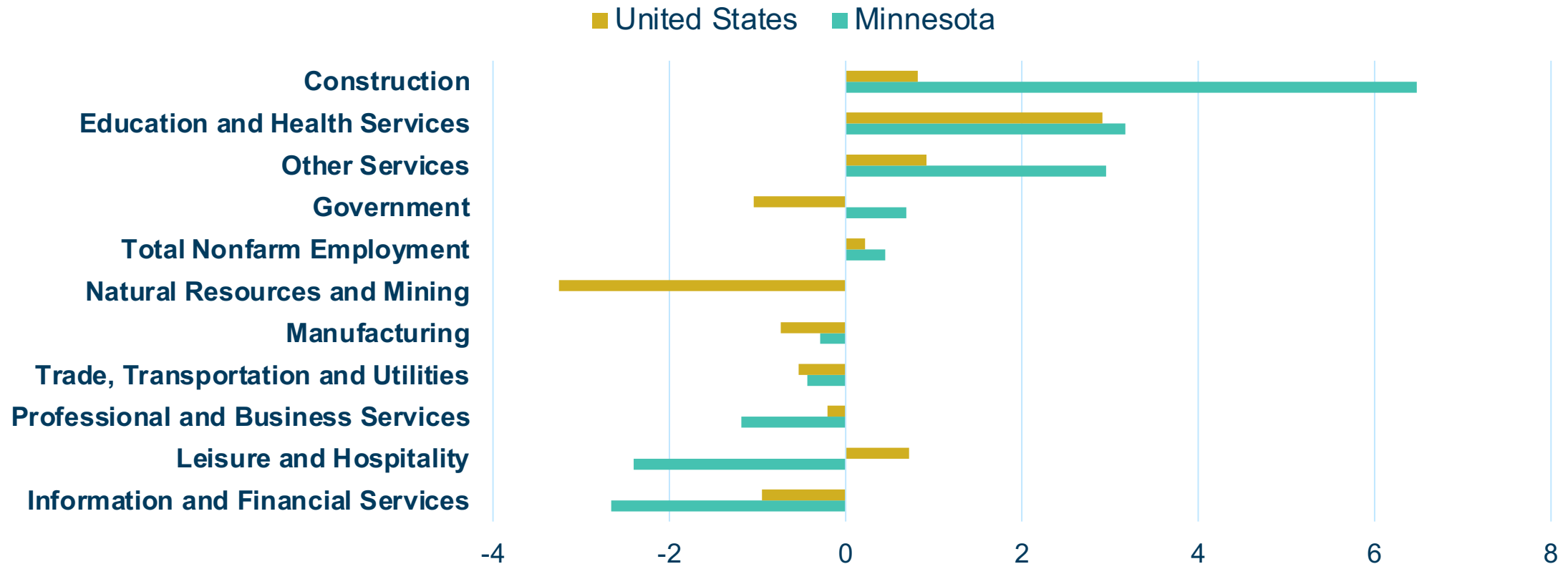
Source: Bureau of Labor Statistics



FEDERAL RESERVE BANK OF MINNEAPOLIS

EMPLOYMENT DECLINING IN SOME KEY INDUSTRIES

Nonfarm employment increases by industry
Percent change from a year earlier as of January 2026



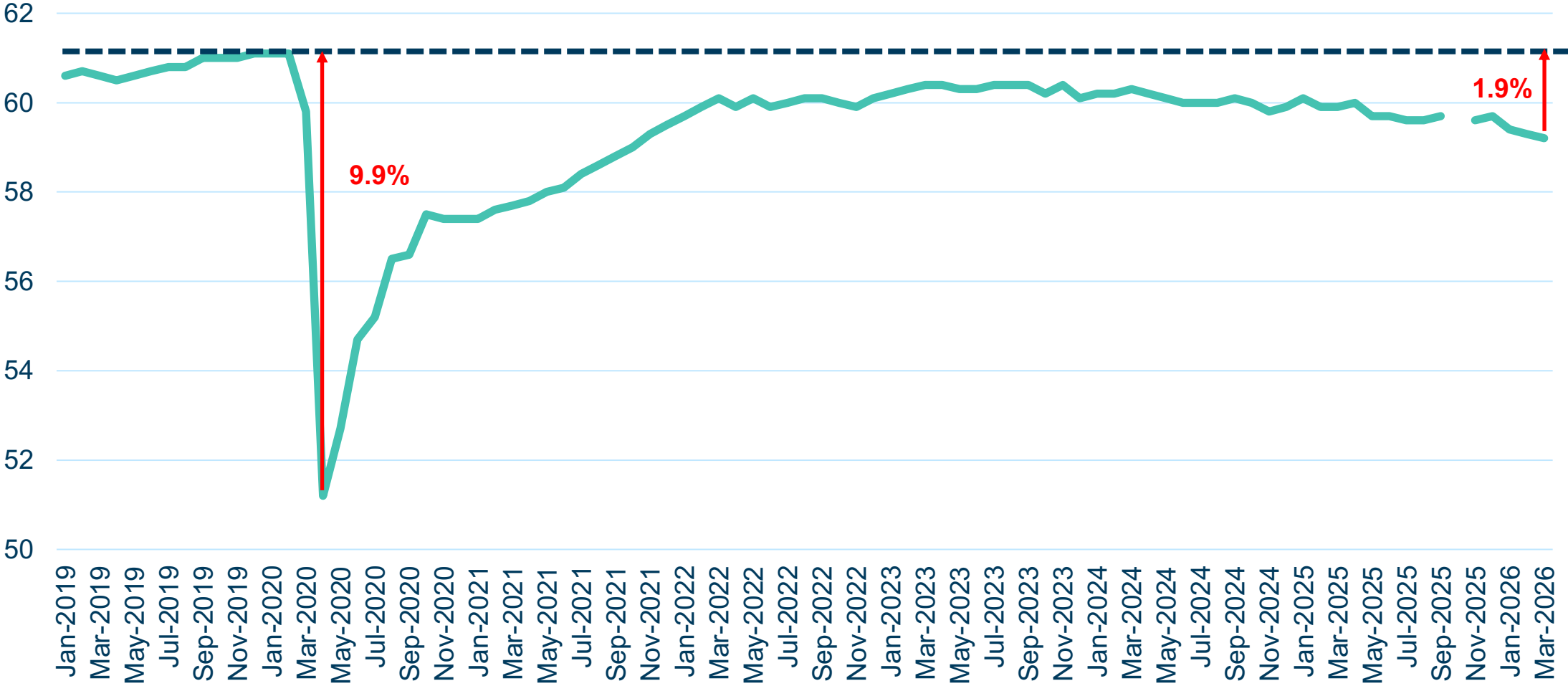
Source: Bureau of Labor Statistics



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EMPLOYMENT-POPULATION RATIO

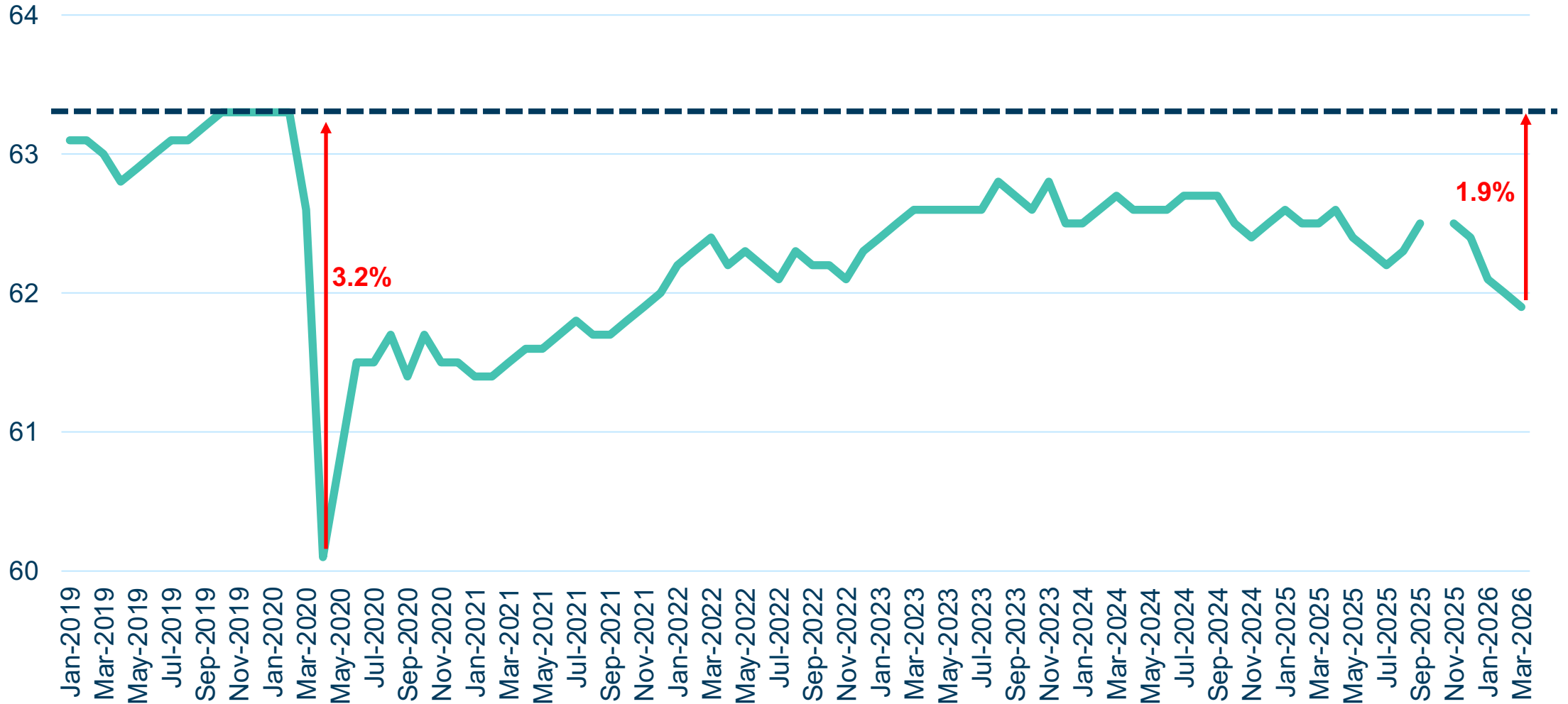
16+, PERCENT



Source: Bureau of Labor Statistics

LABOR FORCE PARTICIPATION RATE

16+, PERCENT



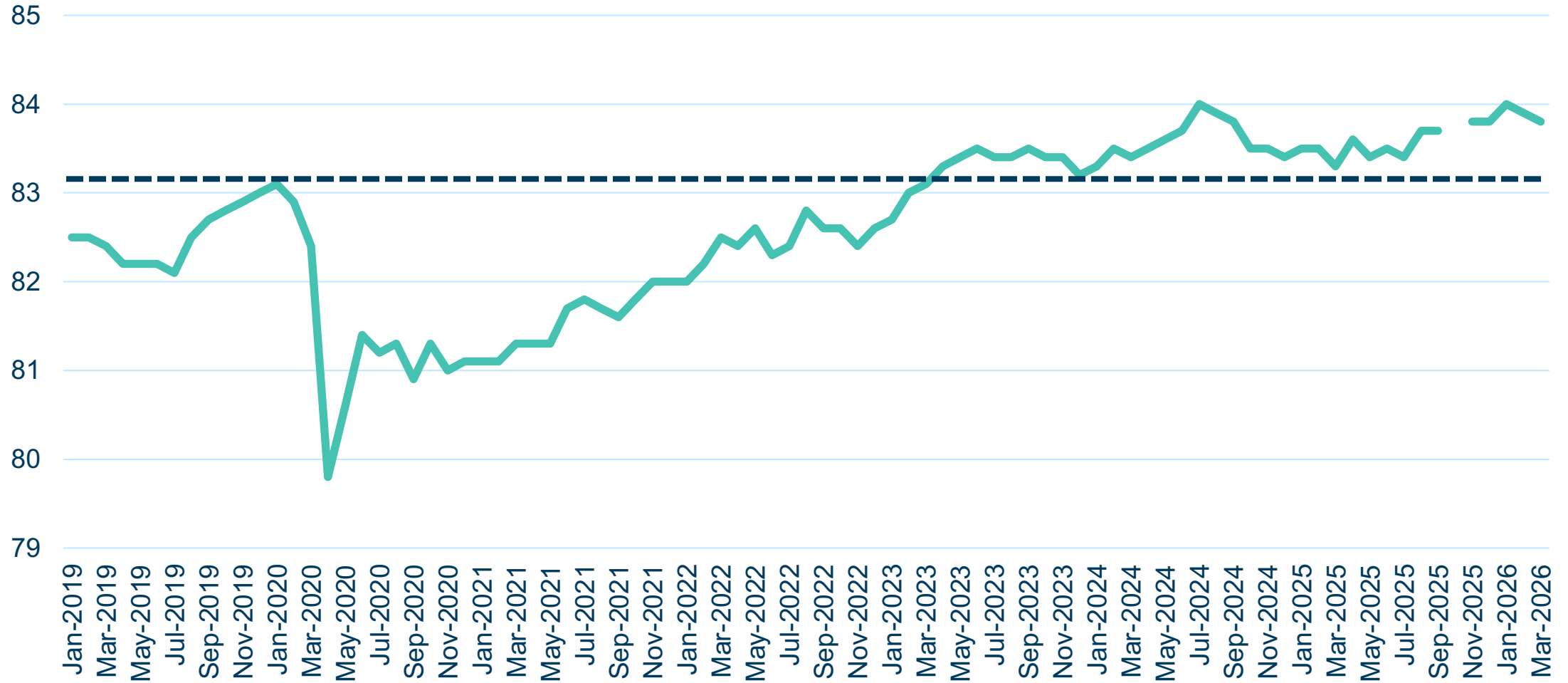
Source: Bureau of Labor Statistics



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PRIME AGE LABOR FORCE PARTICIPATION RATE

AGE 25-54, PERCENT



Source: Bureau of Labor Statistics



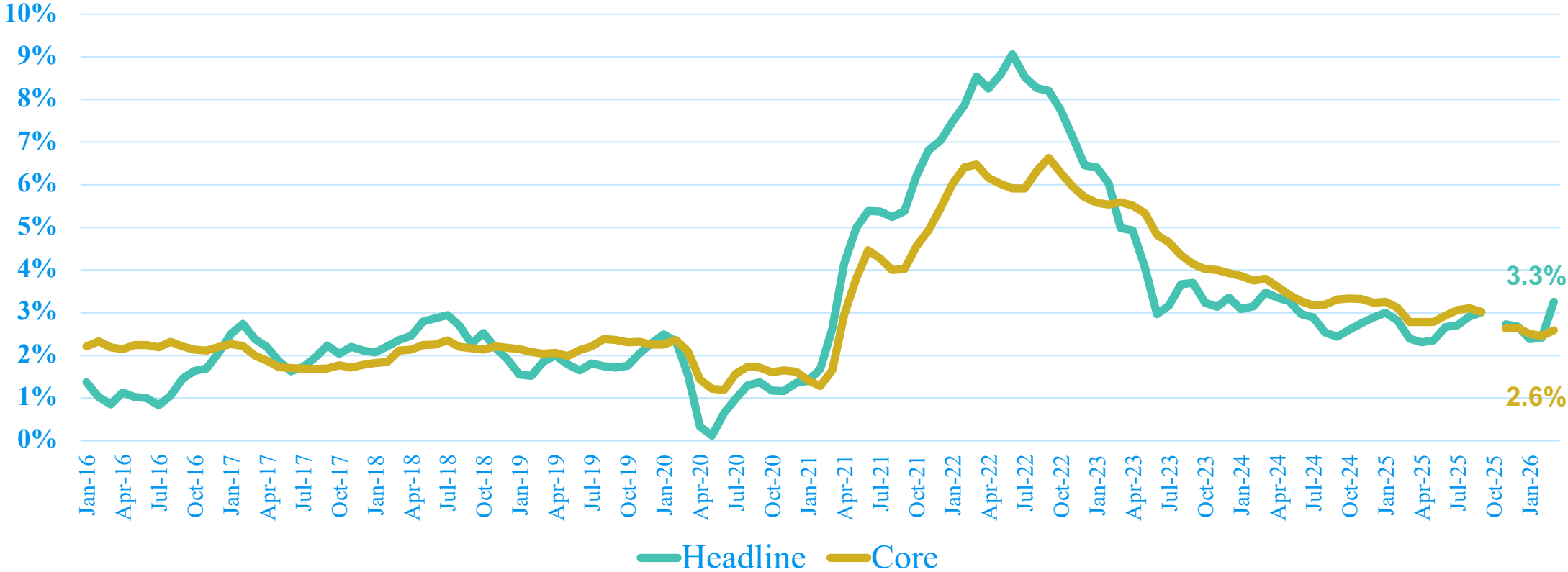
FEDERAL RESERVE BANK OF MINNEAPOLIS



INFLATION MADATE

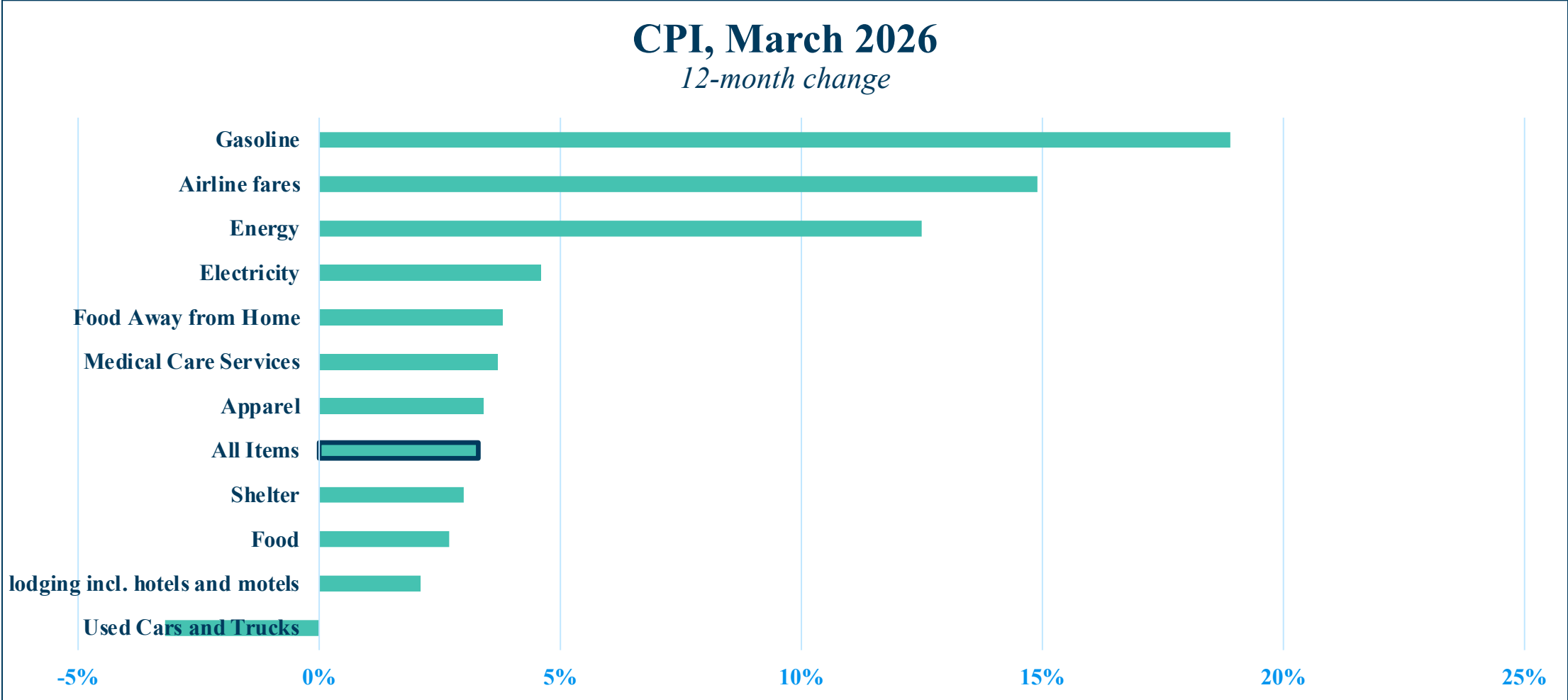
OVERALL INFLATION RATE JUMPED IN MARCH

Consumer Price Index *12-month percent change*



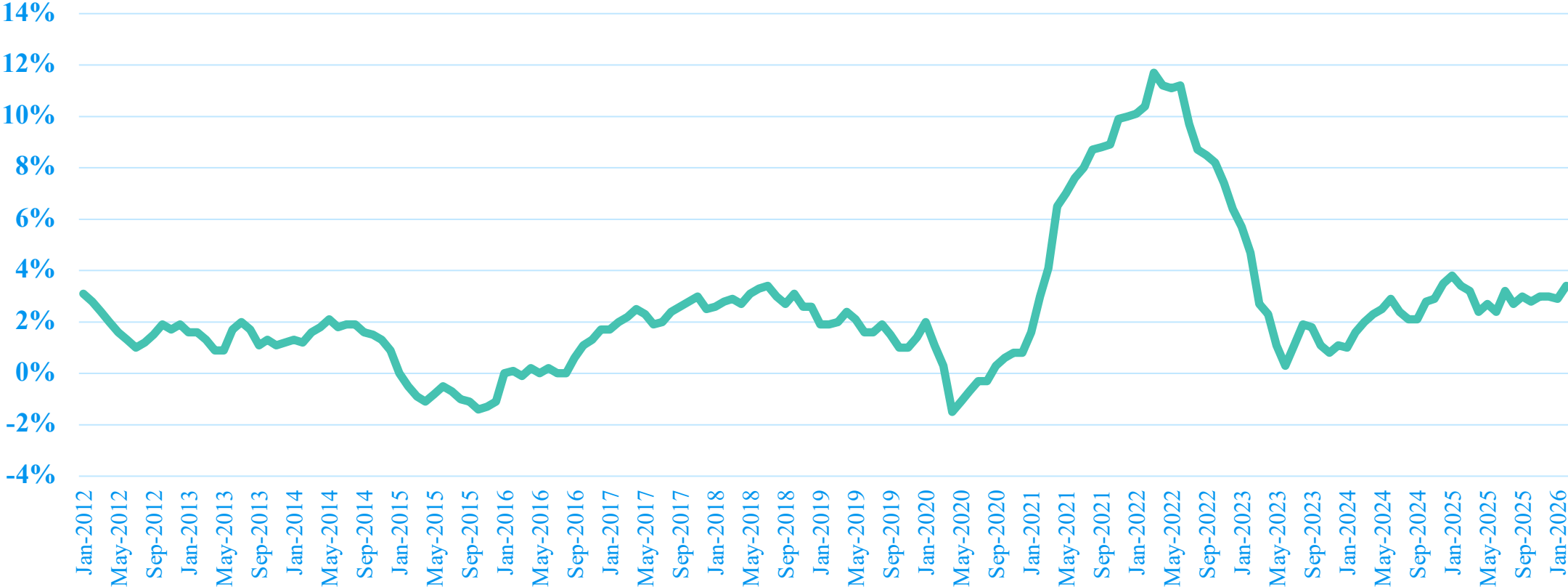
Source: Bureau of Labor Statistics

WHAT'S GOING UP/DOWN THE MOST?



WHOLESALE PRICES TRENDING UP

Producer Price Index *12-month percent change*

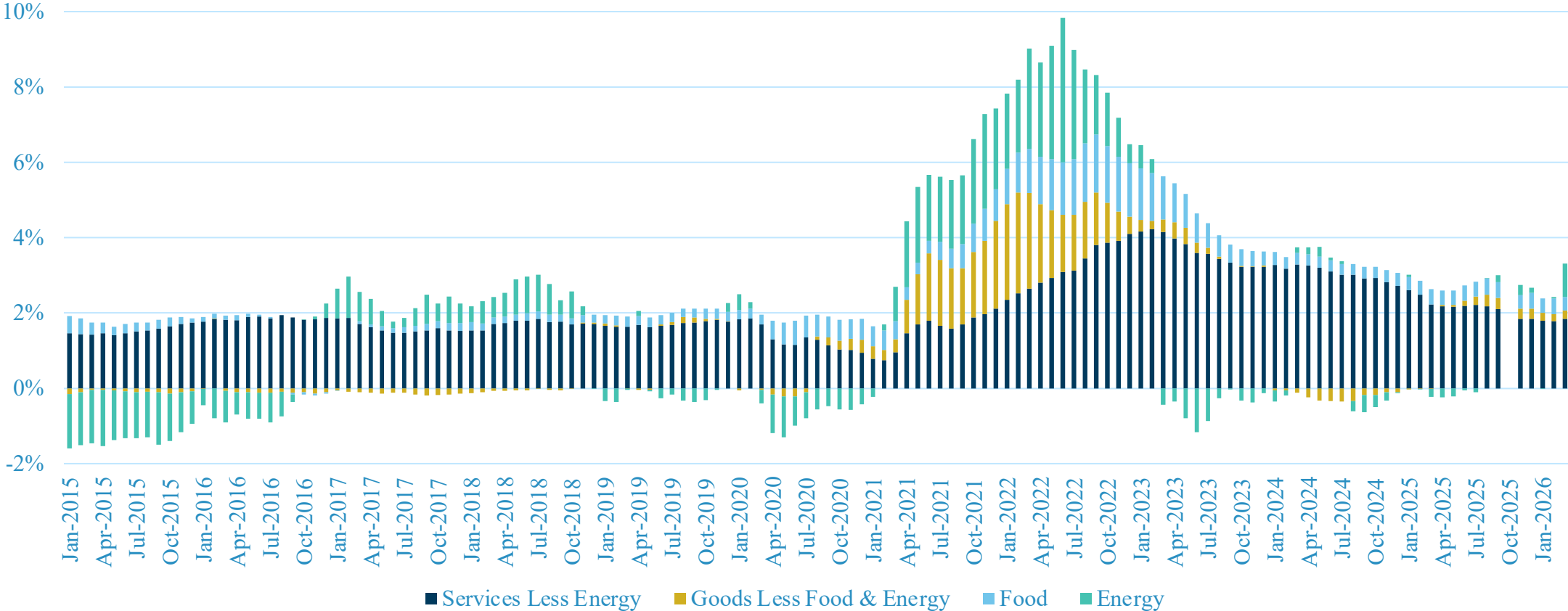


Source: Bureau of Labor Statistics

GOODS INFLATION BACK UP

Components of CPI inflation

Percentage point contribution, NSA



Source: Bureau of Labor Statistics



REGIONAL BUSINESS CONDITIONS

MINNEAPOLIS FED BUSINESS PULSE SURVEY

- Monthly survey, four years running
- Highly-engaged business contacts representing all industries, firm sizes, and District states
- Tracks a variety of business indicators and prices, looking one month back and forward
- Results published on minneapolisfed.org

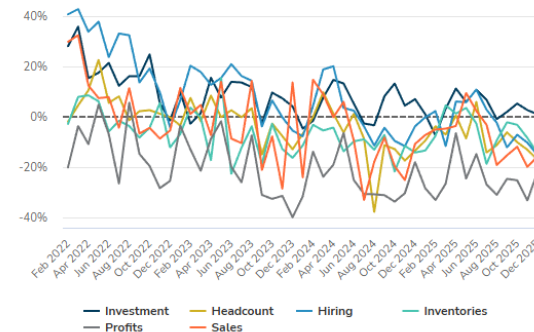
The screenshot shows the top navigation bar of the Federal Reserve Bank of Minneapolis website. The main header includes the bank's logo and name, and a navigation menu with links for 'ABOUT US', 'REGION & COMMUNITY', 'RESEARCH', 'BANKING', and 'POLICY'. Below the navigation, the page title is 'Regional Economic Surveys'. A sub-header reads: 'The Minneapolis Fed's Regional Outreach team conducts a number of surveys across the Ninth District to gauge current business activity and economic conditions. If you are a business owner or executive and would like to participate in our surveys, please [sign up](#).'

BUSINESS PULSE SURVEY RESULTS

The Minneapolis Fed's Business Pulse Survey is a monthly gauge of economic conditions in the Ninth Federal Reserve District. The short, quick survey asks how key performance indicators—including sales, hiring, investment, wages, and prices—changed over the past month and what expectations are for the month ahead. Results come from a panel of business owners and/or managers in a variety of industry sectors from across the Ninth District who have volunteered to share information with the Minneapolis Fed via **electronic survey**. Results are summarized here as the net share of those reporting whether an indicator increased in the last month. The final data point, labeled (F), displays their forecast for that indicator over the coming month.

How business performance is changing

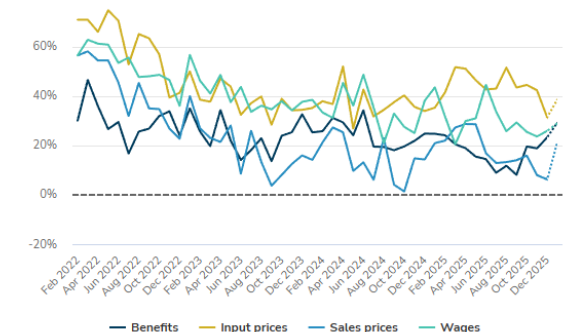
Net share of business contacts who report indicators are increasing



Source: Minneapolis Fed Ninth District Business Conditions Survey

How prices are changing for businesses

Net share of business contacts who report prices are increasing



Source: Minneapolis Fed Ninth District Business Conditions Survey



BUSINESS CONDITIONS PICKED UP RECENTLY



How business performance is changing

Net share of business contacts who report indicators are increasing



Source: Minneapolis Fed Ninth District Business Conditions Survey

Highcharts.com

EMPLOYMENT IMPROVING BUT SOFT



How business performance is changing

Net share of business contacts who report indicators are increasing



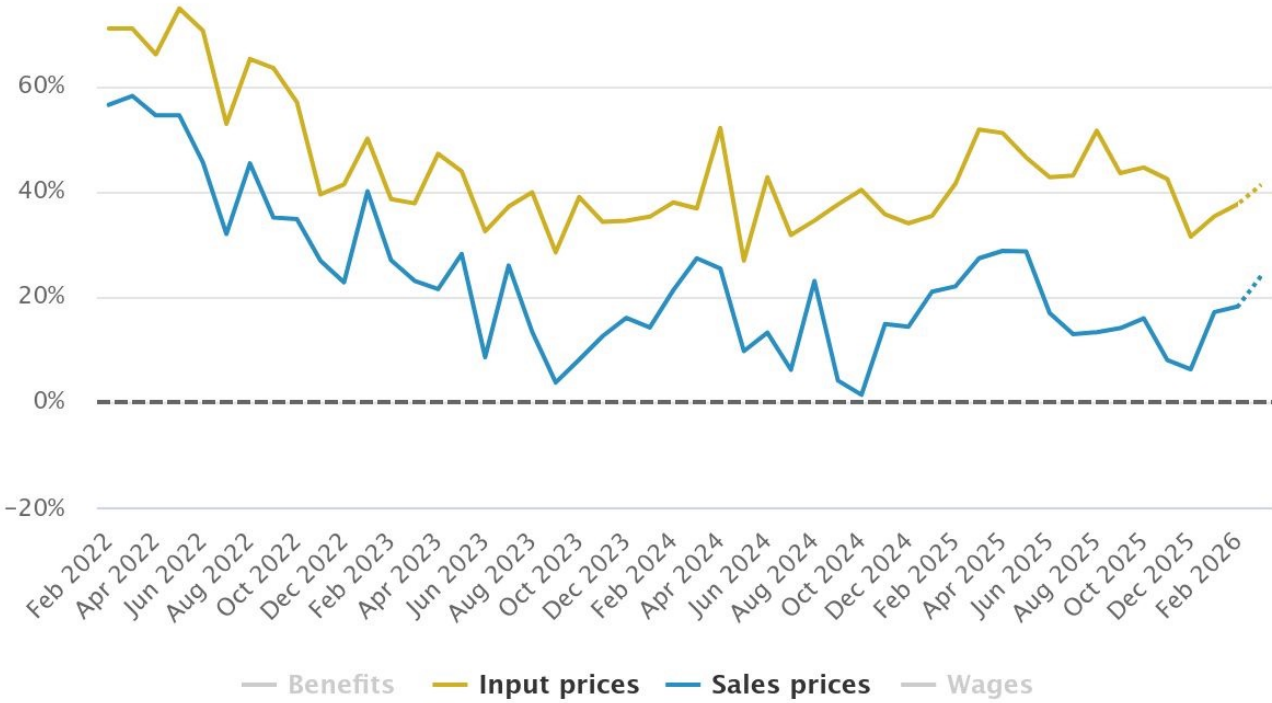
Source: Minneapolis Fed Ninth District Business Conditions Survey

Highcharts.com

PRICE PRESSURES UP, ESP. FOR INPUTS

How prices are changing for businesses

Net share of business contacts who report prices are increasing



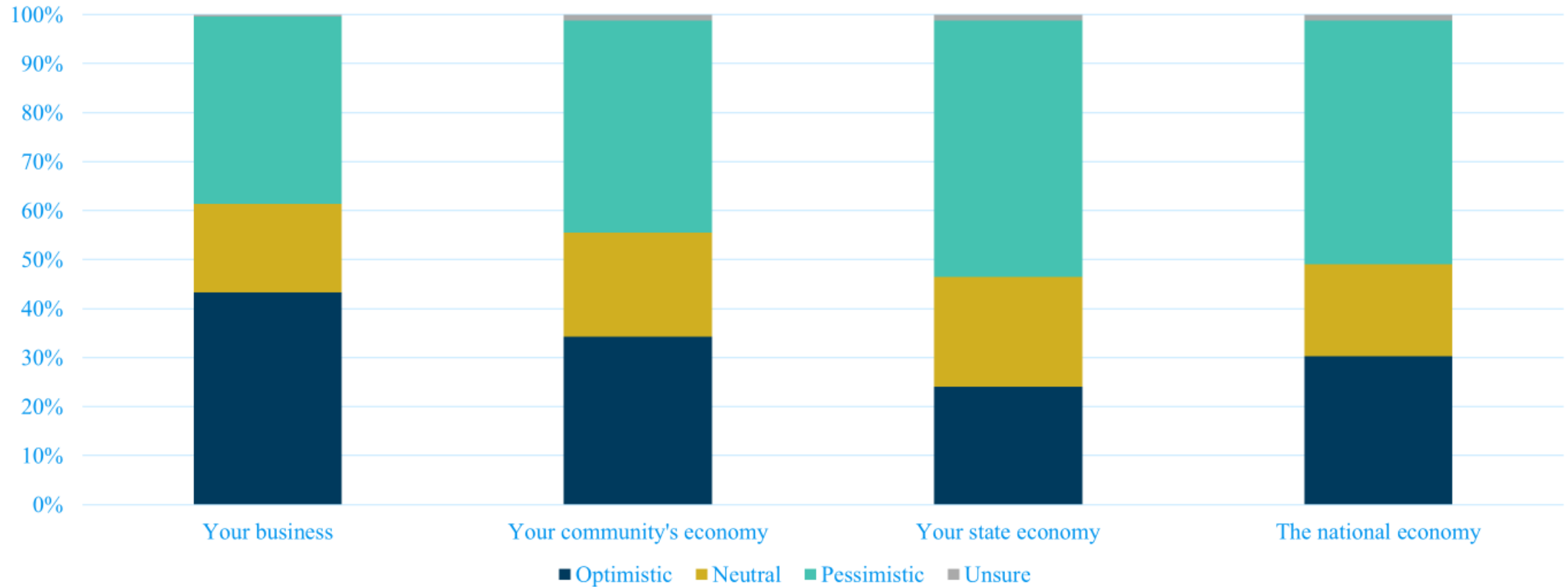
Source: Minneapolis Fed Ninth District Business Conditions Survey

Highcharts.com

ECONOMIC OUTLOOK, JAN 2026

BUSINESSES NET OPTIMISTIC, ECON OUTLOOK PESSIMISTIC

Overall, what is your level of optimism/pessimism for the following in the coming year?





MANUFACTURING



MANUFACTURING SURVEY

- Survey results
 - Activity decreased (again) in 2025
 - Manufacturers optimistic for 2026
- Tariff impacts biggest for pricing

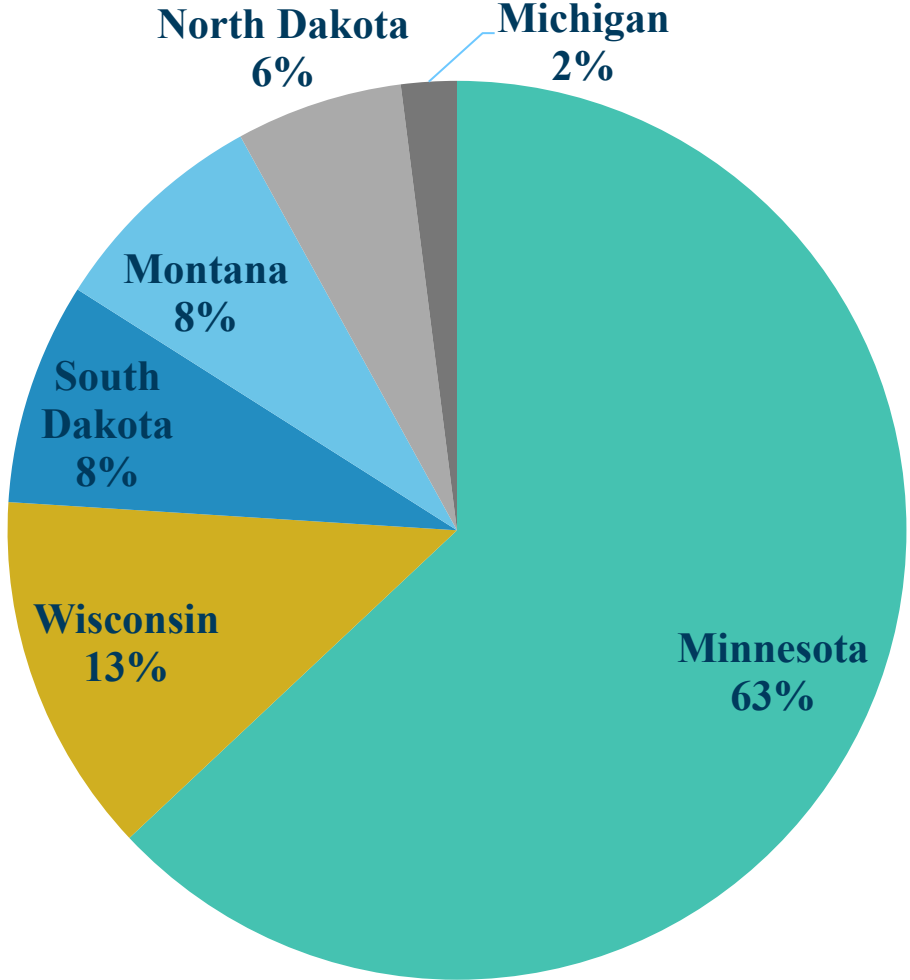


MANUFACTURING ACTIVITY DOWN, OUTLOOK OPTIMISTIC

- Ninth District survey
 - Conducted November and December, looking backward and forward one year
 - Random sample of manufacturers, polled via mail
 - Stratified by state and firm size
 - All states, 351 respondents
- Conducted in partnership with Minnesota DEED



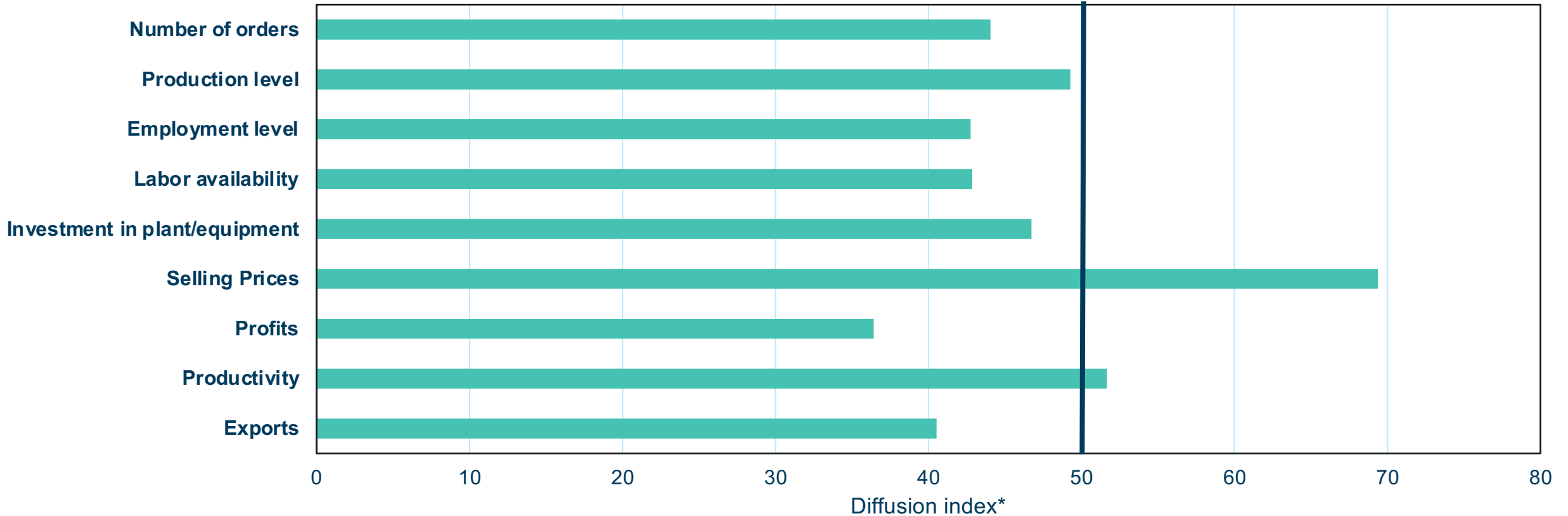
SURVEY RESULTS



SURVEY RESULTS

ACTIVITY DECREASED IN 2025

2025 Performance

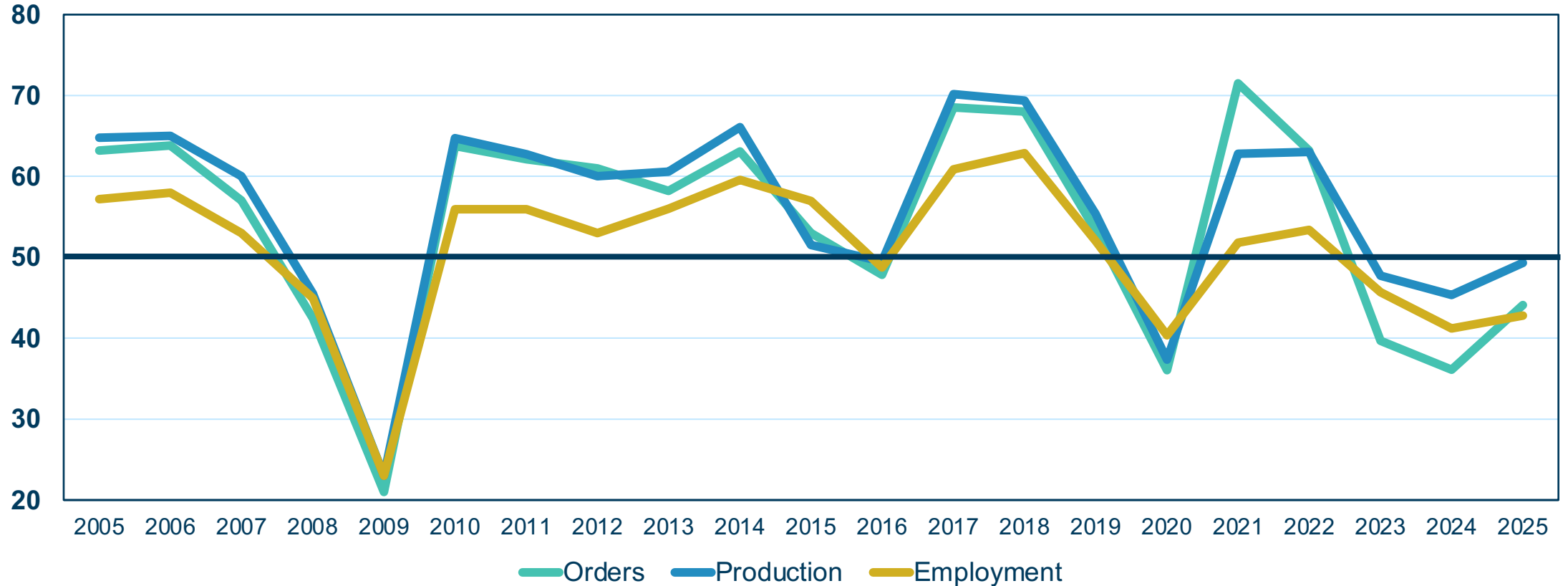


*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.



SURVEY RESULTS

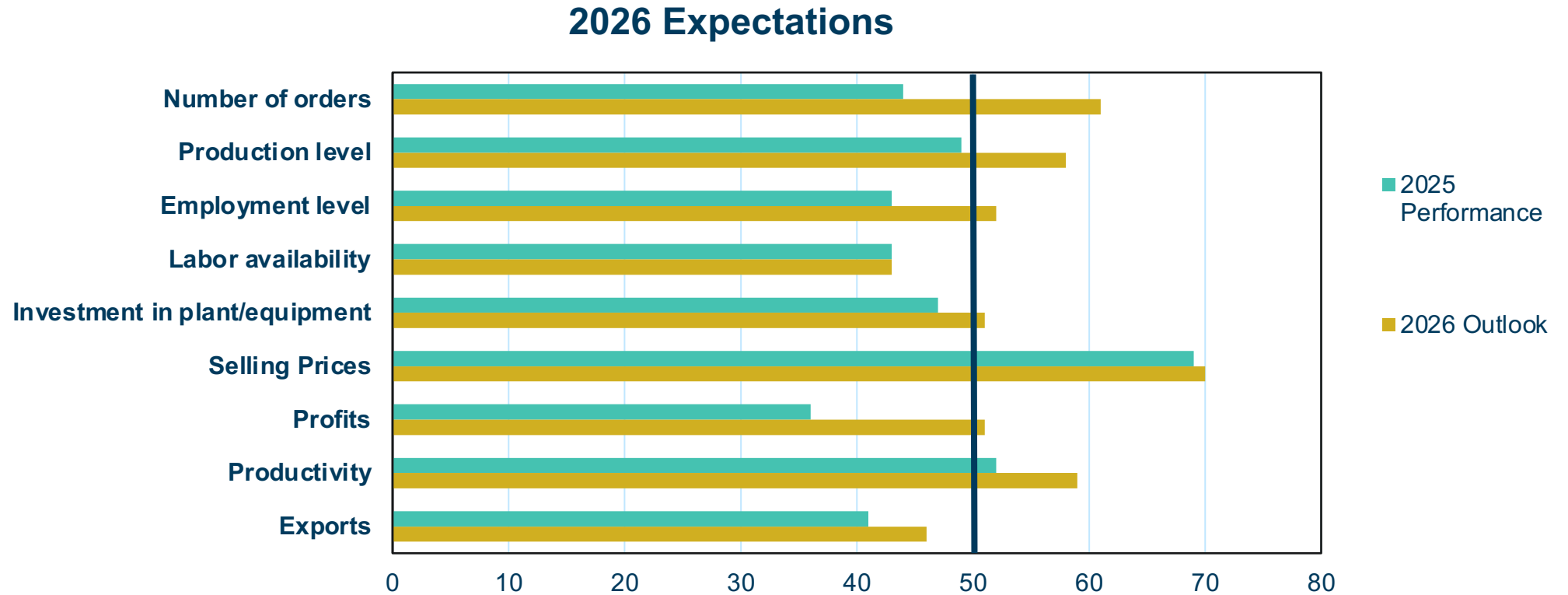
ACTIVITY CONTRACTED FOR THIRD YEAR IN A ROW



*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.



2026 EXPECTATIONS NET OPTIMISTIC

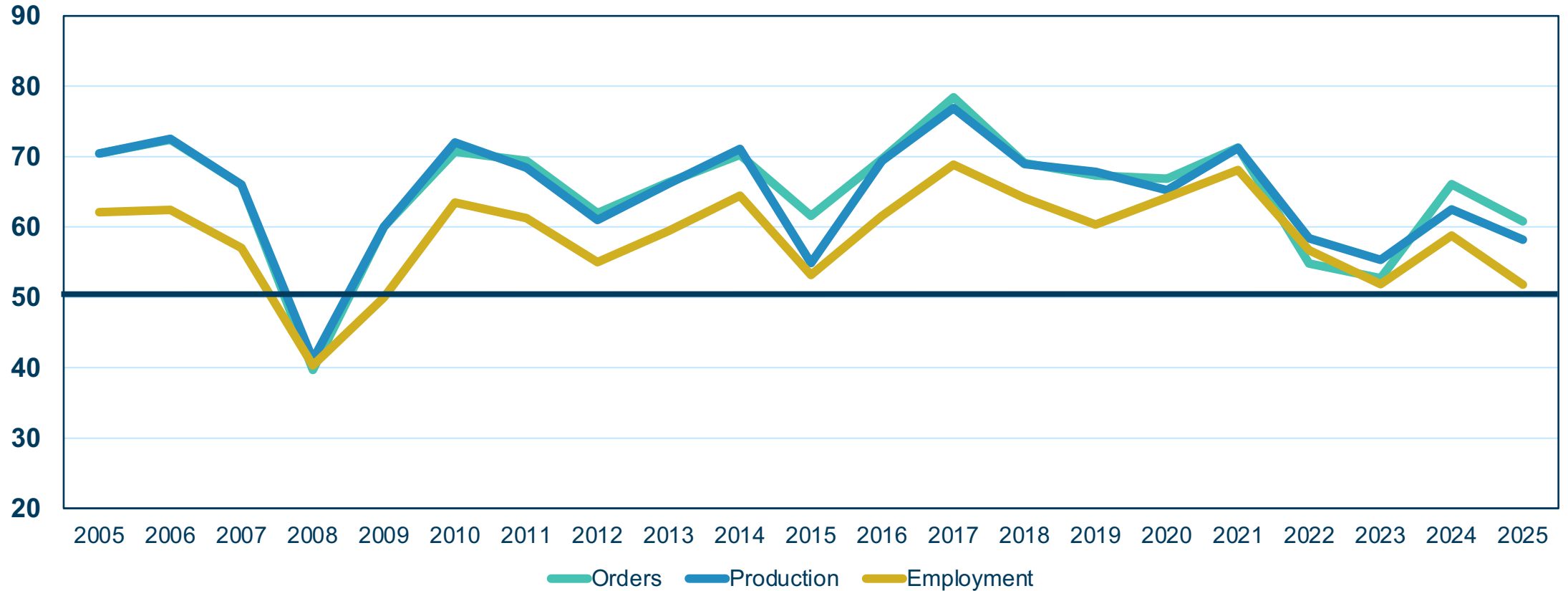


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SURVEY RESULTS

YEAR-AHEAD EXPECTATIONS STILL POSITIVE

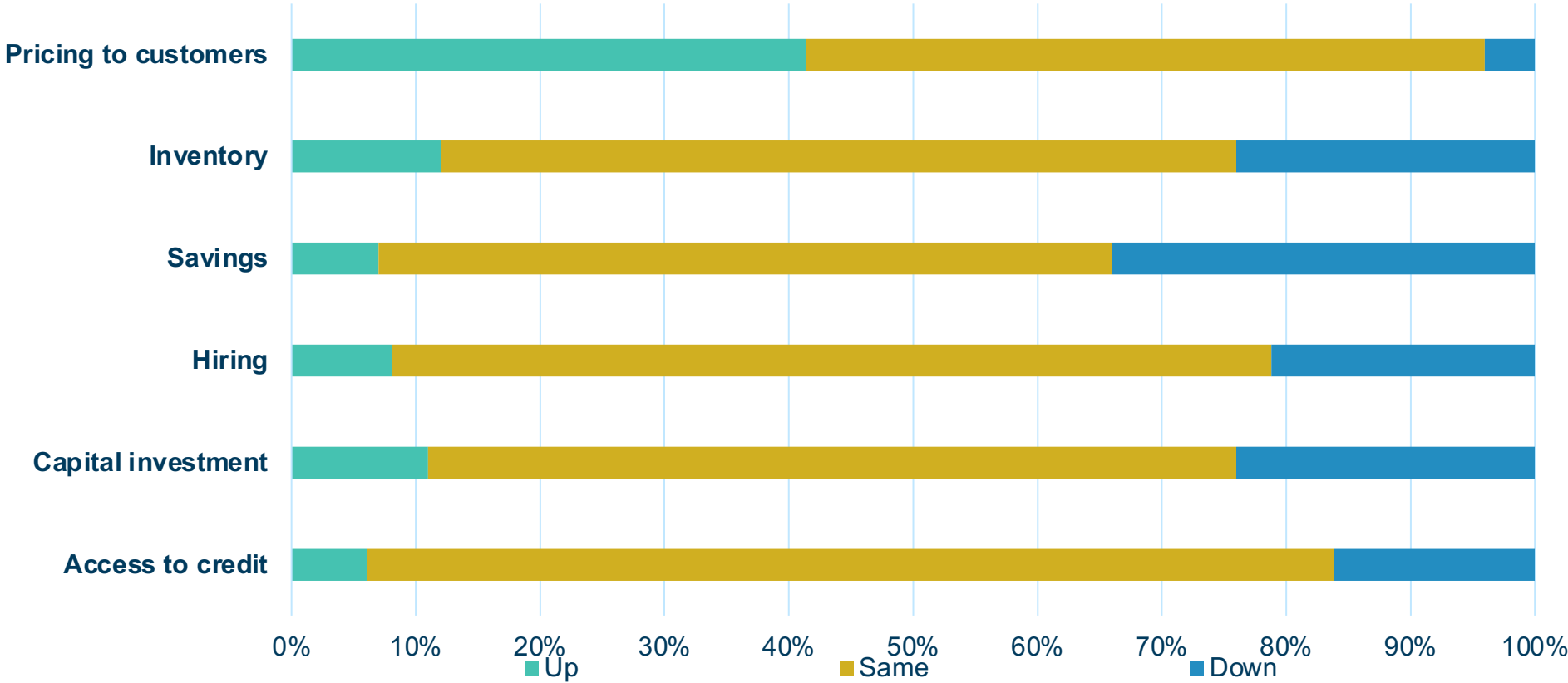


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CREDIT CONDITIONS

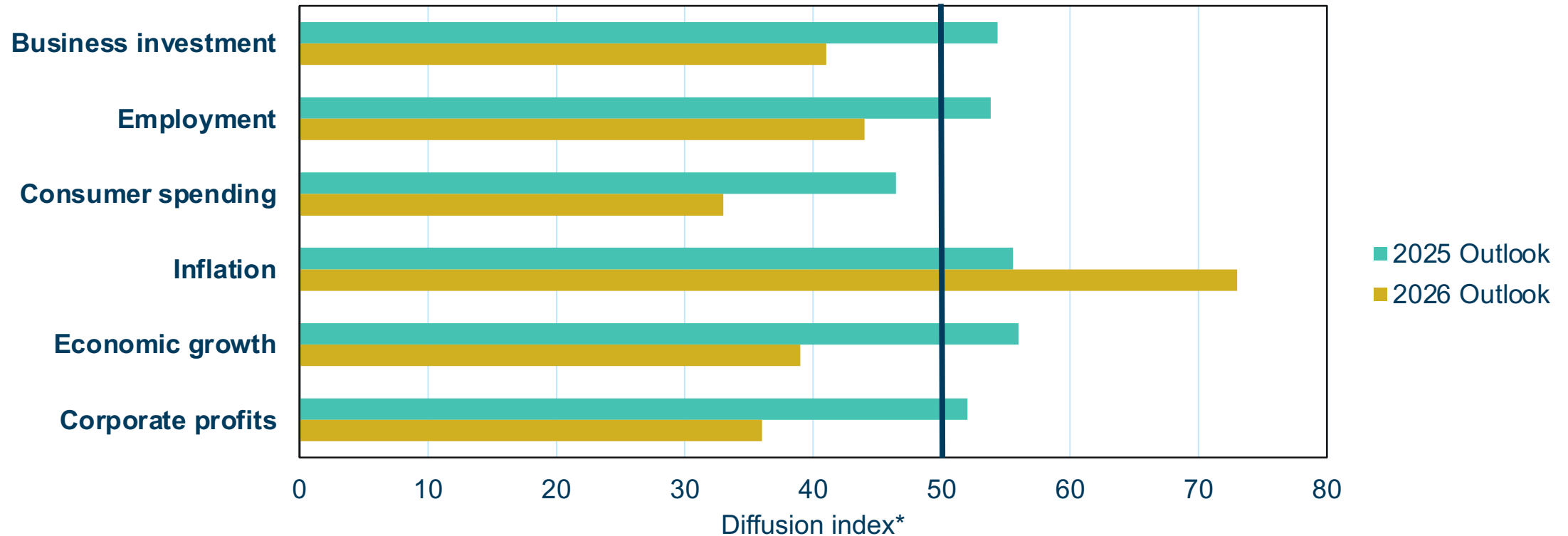
HOW HAVE CHANGES IN CREDIT IN 2025 AFFECTED YOUR FIRM?



SURVEY RESULTS

STATE ECONOMIC OUTLOOKS MUCH MORE PESSIMISTIC

2026 Outlook

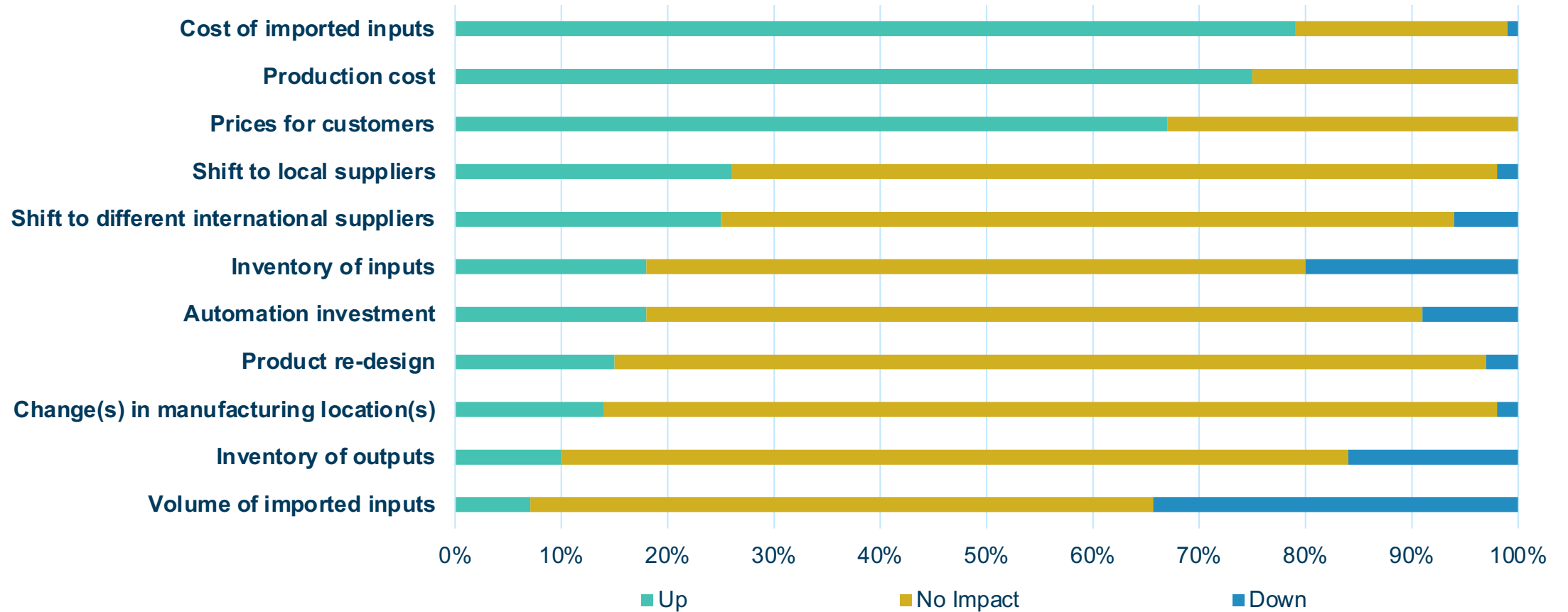


*Index number above 50 indicates expansion.
Index number below 50 indicates contraction.



TARIFF EFFECTS

INDICATE THE IMPACT OF TARIFFS ON YOUR BUSINESS SINCE THE BEGINNING OF 2025





THANK YOU!
QUESTIONS?