
Metro Milwaukee Business Outlook Survey First-Quarter 2025

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Metro Milwaukee Business Outlook Survey, First-Quarter, 2025

Metro Milwaukee businesses are optimistic about 2025, according to a quarterly Business Outlook Survey conducted by the Metropolitan Milwaukee Association of Commerce (MMAC). Overall, 77% of businesses surveyed foresee real sales increases in 2025, while 66% forecast profit gains and 58% expect job growth in the calendar year.

“Current expectations for the calendar year mark a significant improvement over what businesses expected at the beginning of 2024,” said Bret Mayborne, MMAC’s Vice President of Economic Research. “While annual expectations are strong, first-quarter forecasts remain on the low side overall, suggesting the local economy will recover slowly in early 2025 and gather momentum as the year moves forward.”

Like previous business outlook surveys, Milwaukee area businesses have shown the strongest concern toward economic uncertainty. Price inflation and labor shortages/talent attraction follow as the next highest rated concerns in rank order.

MMAC conducted the Business Outlook Survey in mid-January. It includes responses from 62 metro Milwaukee firms, representing a wide range of sizes and industries.

2025 Outlook

Sales/Revenue Expectations

Seventy-seven percent of metro area businesses surveyed forecast higher real sales levels in 2025. Six percent predict 2025 sales declines while 16% see no change. Those seeing sales increases mark an improvement from the 61% predicting 2024 gains one year ago.

By industry, non-manufacturers are slightly more likely to see 2025 sales gains than manufacturers. Seventy-nine percent of non-manufacturers see sales increases for the new year, while 6% see decreased sales levels. Conversely, 75% of manufacturers predict sales gains while 7% expect declines. By firm size, 85% of large employers (100 or more employees) see 2025 sales gains versus 72% among small employers.

Profit Expectations

Two-thirds (66%) of companies surveyed see improved profit levels in 2025, while 5% see profit declines for the year. Twenty-nine percent expect no change. Those expecting profit growth in 2025 rank above the 61% who forecast 2024 profit gains 12 months ago.

Capital Spending Plans

Capital spending plans remain sluggish. Overall, the largest number of those surveyed (48%) plan no change in capital spending in 2025 but those seeing increases (31%) do outnumber those seeing declines (21%). The percentage currently predicting increases is down from the 43% who opened 2024 expecting annual capital spending gains.

Employment Expectations

Employment in metro Milwaukee finished 2024 with 13 consecutive months of year-over-year job declines. First reports indicate an overall job decline of 0.6% for the year, a loss of 4,800 jobs. Milwaukee employers see an improved jobs picture for 2025 as a whole, but likely with a slow start (see quarterly outlook below). Fifty-eight percent of all businesses surveyed expect job gains in their local workforces in 2025. Only 2% see job declines while 40% expect no change.

Current levels of optimism rank higher than the 44% of companies that expected employment growth at the start of 2024.

By industry, job expectations in the metro area's manufacturing sector are stronger than those in non-manufacturing but both see strong forecasts. Nearly two-thirds (64%) of manufacturers predict job growth in 2025 for local operations, while over one-half (53%) of non-manufacturers surveyed see gains. In both cases the number expecting 2025 job declines was very limited (only 4% in manufacturing and 0% in non-manufacturing).

Wage & Salary Expectations

Local job declines have helped moderate future wage and salary increases. At present the average change in per-person employee wages and salaries is forecast to rise 3.3% over the next 12 months, with non-manufacturers forecasting larger increases than manufacturers (3.7% versus 2.7% respectively).

Inflation Expectations

Year-over-year consumer price inflation rates ranged from 3.5% to 2.4% in 2024. Survey results indicate most employers (65%) see price inflation falling in the 3% to 5% range in 2025, with the lower end of this range closely matching what has been registered recently. An additional 27% forecast inflation of 0% to 2%, while only 8% see price increases of 6% or higher.

First Quarter, 2025 Expectations

While annual forecasts are positive, quarterly expectations on sales remain tepid, but suggest an early-year tipping point toward future growth. Forty-two percent of businesses forecast higher sales in the first quarter (versus year-ago levels), slightly lower than the 44% who predicted fourth-quarter gains three months ago.

Yet a measure of uncertainty lies in first-quarter sales expectations. While the level of optimism is lackluster, the percentage forecasting unchanged year-over-year sales levels in 2025's first quarter is historically high at 42%. Conversely, those expected quarterly sales declines (16%) is within the range of that registered in either early stage or mature growth periods.

A similar pattern was registered in profit expectations. While 40% of Milwaukee area businesses see higher profits for the first quarter (vs. year-ago levels), those predicting unchanged profit levels (45%) rank high. Currently only 15% predict profit declines.

Regarding employment, 34% of all businesses surveyed predict first-quarter 2025 job gains for their local operations (vs. 2024's first quarter), up from the 29% who predicted year-over-year gains in 2024's fourth quarter. Only 10% of companies surveyed currently see quarterly job declines. The majority of companies (56%) see no change.

MMAC's First Quarter 2025 Business Outlook Survey*

	Firms Expecting a:	By Size		By Industry		TOTAL
		Large	Small (1)	Manuf.	Non-Mfg.	
2025 Forecast						
Change in the dollar volume of Sales (net of inflationary effects) expected by 62 Milwaukee area firms for the entire year of 2025 vs. the entire year of 2024:	RISE :	85%	72%	75%	79%	77%
	DECLINE :	4%	8%	7%	6%	6%
	NO CHANGE :	12%	19%	18%	15%	16%
Change in dollar volume of Profits expected by 62 Milwaukee area firms for the entire year of 2025 vs. the entire year of 2024:	RISE :	65%	67%	75%	59%	66%
	DECLINE :	8%	3%	7%	3%	5%
	NO CHANGE :	27%	31%	18%	38%	29%
Change in the dollar volume of Capital Expenditures expected by 61 Milwaukee area firms for the entire year of 2025 vs. the entire year of 2024:	RISE :	35%	29%	26%	35%	31%
	DECLINE :	15%	26%	30%	15%	21%
	NO CHANGE :	50%	46%	44%	50%	48%
Rate of Inflation expected to affect 62 Milwaukee area operations for the entire year of 2025:	DEFLATION	0%	0%	0%	0%	0%
	0-2% INFLATION :	23%	31%	29%	26%	27%
	3-5% INFLATION :	69%	61%	68%	62%	65%
	6-9% INFLATION :	8%	8%	4%	12%	8%
	10% or more :	0%	0%	0%	0%	0%
Change in the level of Total Employment expected by 62 Milwaukee area firms for the entire year of 2025 vs. 2024:	RISE :	58%	58%	64%	53%	58%
	DECLINE :	4%	0%	4%	0%	2%
	NO CHANGE :	38%	42%	32%	47%	40%
2025 First Quarter (Compared to Previous Quarter)						
Change in dollar volume of Sales (net of inflationary effects) expected by 62 Milwaukee area firms for 1st quarter 2025 vs. 4th quarter 2024:	RISE :	46%	47%	46%	47%	47%
	DECLINE :	12%	11%	7%	15%	11%
	NO CHANGE :	42%	42%	46%	38%	42%
2025 First Quarter (Compared to Same Quarter One Year Ago)						
Change in dollar volume of Sales (net of inflationary effects) expected by 69 Milwaukee area firms for the 1st quarter 2025 vs. 1st quarter 2024:	RISE :	42%	42%	39%	44%	42%
	DECLINE:	15%	17%	11%	21%	16%
	NO CHANGE :	42%	42%	50%	35%	42%
Change in the dollar volume of Profits expected by 62 Milwaukee firms for the 1st quarter 2025 vs. 1st quarter of 2024:	RISE :	42%	39%	50%	32%	40%
	DECLINE :	12%	17%	14%	15%	15%
	NO CHANGE :	46%	44%	36%	53%	45%
Change in the level of Total Employment expected by 62 Milwaukee area firms for the 1st quarter 2025 vs. 1st quarter 2024:	RISE :	54%	19%	43%	26%	34%
	DECLINE :	4%	14%	11%	9%	10%
	NO CHANGE :	42%	67%	46%	65%	56%
Average change in the per person, employee Wages & Salaries expected in the next 12 months:	AVERAGE:	3.3%	3.3%	2.7%	3.7%	3.3%

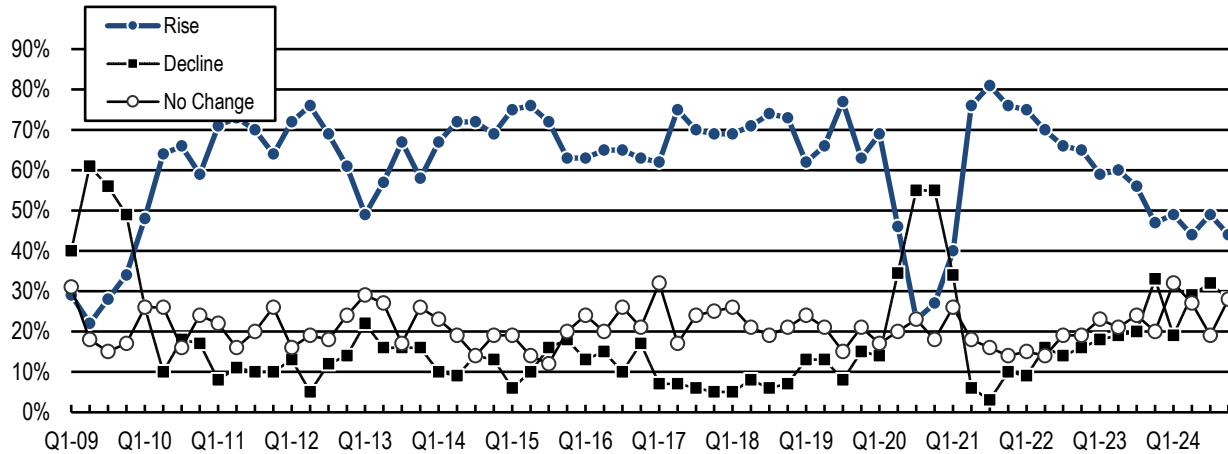
MMAC's First-Quarter 2025 Business Outlook Survey*

	Firms Expecting a:	By Size		By Industry		TOTAL
		Large	Small (1)	Manuf.	Non-Mfg.	
Business Concerns going into 2025						
Average ranking of concern level ranked 1 to 7. 1 being ranked most concerning, 7 being lowest ranked concern.	Economic uncertainty					2.77
	Price inflation					2.93
	Talent attraction/labor shortages					3.32
	Technology/cybersecurity					4.38
	Healthcare costs					4.52
	Taxes and regulations					4.65
	Supply chain issues					5.43

* Percentages may not sum to 100 due to rounding.
 (1) Employment of less than 100 persons

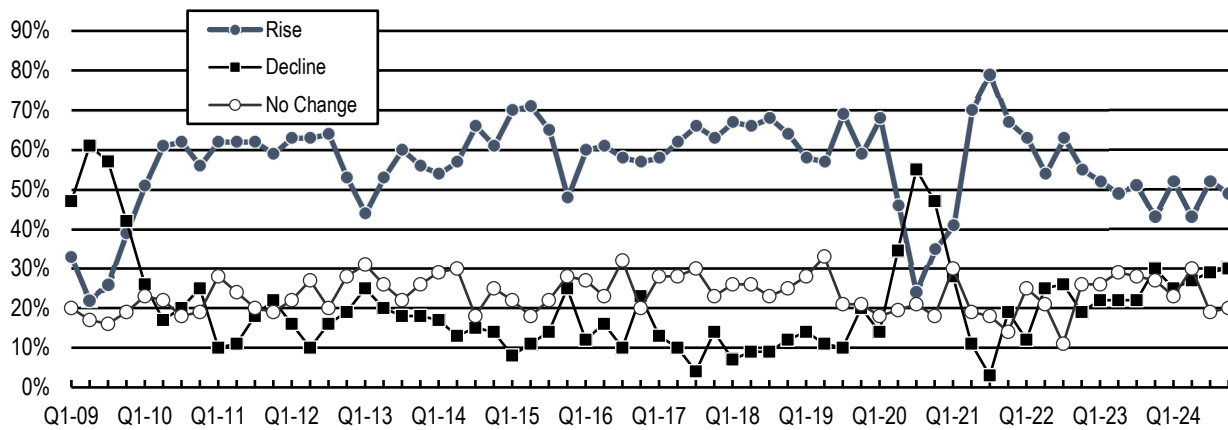
Quarterly Real Sales Expectations - Metro Milwaukee

(% of businesses expecting rise, decline or no chg. from same quarter one year ago)



Quarterly Profit Expectations - Metro Milwaukee

(% of businesses expecting rise, decline or no chg. from same quarter one year ago)



Quarterly Employment Expectations - Metro Milwaukee

(% of businesses expecting rise, decline or no chg. from same quarter one year ago)

