



NEWS RELEASE

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MMAC Business Outlook Survey: Second Quarter, 2025

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MILWAUKEE – Metro area businesses see slow growth in coming months, according to a Business Outlook Survey conducted by the Metropolitan Milwaukee Association of Commerce (MMAC). Fifty-two percent of businesses surveyed see real sales increases in 2025's second quarter, 36% see profit gains and 28% expect job gains vs. year-ago levels.

“Expectations among local businesses on future growth are mixed. The level of real sales optimism for 2025's second quarter moved notably upward from first-quarter levels. At the same time, profit and employment forecasts ranked lower than at year's start,” said Bret Mayborne, MMAC's Vice President – Economic Research. “Businesses' top concerns going into the second quarter were continuing economic growth, price inflation and tariffs which likely factored into the modest near-term business expectations.”

The trend in local sales optimism is largely positive. Currently 52% of all businesses surveyed predict real sales gains in 2025's second quarter (vs. year-ago levels), 22% see sales declines and 26% expect no change. The percentage predicting second-quarter growth is up from the 42% who forecast first-quarter gains three months earlier and rank higher than quarterly optimism expressed throughout 2024's four quarters.

By industry, non-manufacturers reported stronger sales expectations than manufacturers. Fifty-eight percent of non-manufacturers see second-quarter sales growth while 41% of manufacturers

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see such gains. Results also indicated a difference in expectations among large employers (100 or more employees) and small employers. Sixty-three percent of large employers forecast second-quarter sales gains vs. 46% for small employers.

Profit expectations are underwhelming. Overall, 36% of all Milwaukee area businesses see higher profits in 2025's second quarter (vs. year-ago levels) lower than the 40% who forecast first-quarter profit gains. Current profit expectations are the lowest they have been since 2020's fourth quarter. Thirty-six percent of those surveyed see no change in profit levels for the second quarter while 28% see profit declines.

Slow growth has best characterized the job situation in the metro area for the past 15 months. Over this period, nonfarm employment growth has averaged 0.2% (year-over-year), lower than the 1.7% average increase registered over the 2021 to 2023 period.

Second-quarter survey results suggest a continuing low job growth environment. Over half of businesses surveyed (52%) expect job levels to remain the same in the second quarter (year-over-year), slightly lower than first-quarter levels. On the positive side, 28% of businesses surveyed expect second-quarter employment gains (vs. year-ago levels), outnumbering the 21% who predict job declines.

By employment size, large employers – with 37% seeing second-quarter 2025 gains – are more likely to predict employment growth than small employers – where 23% see gains. By industry, 36% of manufacturers predict second-quarter job gains (vs. year-ago levels), higher than the 22% of non-manufacturers who forecast growth.

Future wage and salary expectations fell modestly over the quarter. On average, the change in per person employee wages and salaries is forecast to rise 2.6% over the next 12 months, under the 3.3% annualized increase predicted in each of the two previous quarters.

For the calendar year, 59% of businesses surveyed see real sales gains for 2025, 16% see declines while 26% see no change. The percentage predicting an annual sales increase marks a notable downgrade from those expressed three months ago when 77% of those surveyed predicted a 2025 sales gain.

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Regarding business concerns, Milwaukee area businesses have shown the strongest concern toward uncertainty in continuing economic growth. Price inflation, tariffs and talent attraction/labor shortages follow as the next highest rated concerns in rank order.

MMAC conducted the Business Outlook Survey in mid-April. It includes responses from 58 metro Milwaukee firms, representing a wide range of sizes and industries.

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Statistical table attached

MMAC's Second Quarter 2025 Business Outlook Survey*

	Firms Expecting a:	By Size		By Industry		
		Large	Small (1)	Manuf.	Non-Mfg.	TOTAL
2025 Forecast						
Change in the dollar volume of Sales (net of inflationary effects) expected by 58 Milwaukee area firms for the entire year of 2025 vs. the entire year of 2024:	RISE :	63%	56%	55%	61%	59%
	DECLINE :	16%	15%	23%	11%	16%
	NO CHANGE :	21%	28%	23%	28%	26%
2025 Second Quarter (Compared to Previous Quarter)						
Change in dollar volume of Sales (net of inflationary effects) expected by 58 Milwaukee area firms for 2nd quarter 2025 vs. 1st quarter 2025:	RISE :	53%	46%	50%	47%	48%
	DECLINE :	32%	23%	32%	22%	26%
	NO CHANGE :	16%	31%	18%	31%	26%
2025 Second Quarter (Compared to Same Quarter One Year Ago)						
Change in dollar volume of Sales (net of inflationary effects) expected by 58 Milwaukee area firms for the 2nd quarter 2025 vs. 2nd quarter 2024:	RISE :	63%	46%	41%	58%	52%
	DECLINE:	21%	23%	23%	22%	22%
	NO CHANGE :	16%	31%	36%	19%	26%
Change in the dollar volume of Profits expected by 58 Milwaukee firms for the 2nd quarter 2025 vs. 2nd quarter of 2024:	RISE :	42%	33%	36%	36%	36%
	DECLINE :	26%	28%	32%	25%	28%
	NO CHANGE :	32%	38%	32%	39%	36%
Change in the level of Total Employment expected by 58 Milwaukee area firms for the 2nd quarter 2025 vs. 2nd quarter 2024:	RISE :	37%	23%	36%	22%	28%
	DECLINE :	16%	23%	23%	19%	21%
	NO CHANGE :	47%	54%	41%	58%	52%
Average change in the per person, employee Wages & Salaries expected in the next 12 months:	AVERAGE:	3.1%	2.3%	2.9%	2.3%	2.6%
Business Concerns going into 2025's Second Quarter						
Average ranking of concern level ranked 1 to 6. 1 being lowest ranked concern, 6 being highest ranked concern.	Continuing economic growth & recovery					2.40
	Price inflation					2.84
	Tariffs					3.13
	Talent attraction/Labor shortages					4.22
	Healthcare costs					4.98
	Supply chain issues					5.18
	Taxes and regulation					5.25

* Percentages may not sum to 100 due to rounding.

(1) Employment of less than 100 persons.