FALL 2025 GREATER MADISON EMPLOYER SURVEY – TOPLINE RESULTS

This fall, the Chamber and members of the Next Normal (N^2) Workgroup conducted their second annual regional employer survey to better understand the future of work and workplaces in the region.

All employers in Greater Madison were invited to participate, and responses were collected from 241 organizations from Sept. 4–29, 2025. While participants represented a diverse group of industries and locations, most responses came from small, locally owned businesses.

See a detailed summary of survey findings below. Key findings include:

- **Business outlook signals cautious optimism.** Despite a majority of employers citing increased economic uncertainty, performance remained the same or better than last year in both workforce and revenue.
- **Employee availability is improving, though access to talent remains the top barrier.** The past year saw improvements in availability of talent, a decline in access to talent as a barrier, and less difficulty hiring for certain positions. That said, access to talent remained the most cited barrier to business among respondents.
- **Concerns about tariffs and trade rising.** More than seven times as many respondents cited tariffs and trade as a barrier this year compared with last year.
- **More businesses adopt artificial intelligence.** Nearly 80% of respondents reported using AI in some capacity, up from 49% usage in 2024. The main industries not using AI are food and beverage, and retail, though both saw 40-50% adoption. The most common business uses for AI include content creation and design, administrative support, marketing, business analytics and automation.

The N^2 Workgroup includes the Capital Area Regional Planning Commission, City of Madison, Destination Madison, Downtown Madison, Inc., Greater Madison Chamber of Commerce, Hmong Wisconsin Chamber of Commerce, Madison Area Builders Association, Madison Black Chamber of Commerce, Madison Gas and Electric Company, StartingBlock, University Research Park, Urban Land Interests, Wisconsin Latino Chamber of Commerce and Workforce Development Board of South Central Wisconsin.

BUSINESS OUTLOOK

- 90% of employers said their workforce either did not change, expanded, or they wanted to expand but couldn't due to talent shortages. This is up from 85% who said the same last year.
- 84% said their revenue either increased or was unchanged from last year. This is up from 71% last year.
- 97% rate the business climate as average or above compared to 92% last year.
- 91% expect revenue to increase or remain unchanged next year.
- 51% of businesses say they are experiencing more uncertainty this year than last year. As a result of this uncertainty, employers are decreasing profit expectations (43%), delaying expansion or investment (37%), pausing hiring (31%), increasing costs (30%), and seeing fewer customers (24%).

ACCESS TO TALENT

- 41% of respondents cited access to talent as a barrier to business, down from 49% last year.
- 86% rate the availability of local talent as average or better compared to 82% last year.
- 93% rate the quality of local talent as average or above compared to 92% last year.
- Looking ahead to their 2026 workforce, 95% expect no change, expansion, or a desire to expand (with concerns about potential talent shortages).

OTHER BARRIERS TO BUSINESS

- After access to talent, top barriers to business include inflation (40%), tariffs and trade (36%), consumer confidence (33%), and government regulations (28%).
- Tariffs and trade increased from a barrier for 5% of businesses last year, inflation decreased from a barrier for 47%, consumer confidence increased from a barrier for 25%, and government regulations increased from a barrier for 17%.

AI USE

- Last year, nearly half of businesses surveyed (49%) did not use AI at all. This year, only 21% of businesses did not use AI.
- Despite this, many businesses (58% of those using AI) say that AI is only "minimally integrated" into their workflows.
- The most common uses of AI were for content creation and design (66% of those using AI), administrative support (64%), marketing and advertising (51%), business analytics (47%), automation (31%), and research and development (30%).
- Among respondents who said they did not use AI, the most cited reasons were AI not being applicable to their business (53%), lack of knowledge on capabilities of AI (30%), concerns about privacy or security (25%), concerns about bias (15%), and a lack of required data (15%).

OFFICE USE

- 51% of respondents are fully in person, down from 56% last year. The proportion of fully remote businesses also decreased slightly from 4% to 3%.
- 46% of businesses are hybrid this year compared to 40% last year.
- 49% of businesses expect to be fully in-person next year, 3% expect to be fully remote, and 48% expect to be hybrid.

OTHER NOTES

- Most respondents (83%) indicated positive direct or indirect benefits from proximity to higher education institutions in the region, citing talent recruitment, quality of life, increased customer base, training, events and innovation as examples.
- Most respondents feel that the pace of population growth in the Greater Madison region is "about the right pace" (65%) and that the pace of housing growth "should be faster" (62%).
- The most popular emerging benefits businesses offered were flexible schedules or work locations (64%), professional development (64%), paid mental health or personal days (40%), paid parental leave (39%), and wellness benefits (32%).

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