TARIFFS AND TURBULENCE

How Ohio Manufacturers are Navigating a Shifting Trade Landscape

Findings from MAGNET's 2025 Ohio Manufacturing Survey

November 2025

A NEW TRADE REALITY

Tariffs are reshaping the economics of manufacturing in Ohio. One in three companies now report a direct impact on sales—positive or negative—as they navigate higher costs, shifting supply chains, and global uncertainty.

33% of manufacturers report tariffs impacting sales.

MAGNET

Ohio Department of Development
Manufacturing Extension Partnership

EXECUTIVE SUMMARY

Tariffs, inflation, and global volatility are reshaping how Ohio manufacturers compete. One in three companies reports a direct sales impact from tariffs. Some are gaining new business as customers source more domestically, while others are losing sales, with average losses nearly twice as large as gains. Smaller suppliers tied to large OEMs or exports are feeling the sharpest hit, with rising costs they can't fully pass along.

Material costs remain a persistent drag, holding back growth for about 40% of firms. Yet amid these pressures, manufacturers remain stubbornly optimistic. Most still expect to grow in 2026 by strengthening relationships with existing customers, finding new ones, and expanding into new markets.

Uncertainty now nearly rivals workforce challenges as the top barrier to growth. Economic uncertainty—often linked to tariffs—has surged to its highest level in years, while political uncertainty has climbed to its highest point since tracking began in 2018, with 30% of manufacturers saying it's holding back growth.

Reshoring is gaining ground, though still inching forward. Nine percent of manufacturers have brought production back to the U.S., more than double 2021 levels. The base is still small but it's a sign that domestic supply chains are slowly rebuilding strength.

Ohio's story is America's story: a sector under strain but still moving forward. Tariffs are reshaping—but not yet revitalizing—manufacturing. The gains are uneven and the path uncertain, but Ohio's manufacturers are betting that opportunity will rise from disruption.

Key Statistics

33%
of manufacturers report tariffs are directly impacting sales—positively or negatively.

(-16%)
average tariff-related losses are nearly double the size of average gains (+9%).

40%
say rising raw material costs are holding back growth and severe impacts are increasing.

43%
cite economic uncertainty as a growth barrier, up 10 points since 2023.

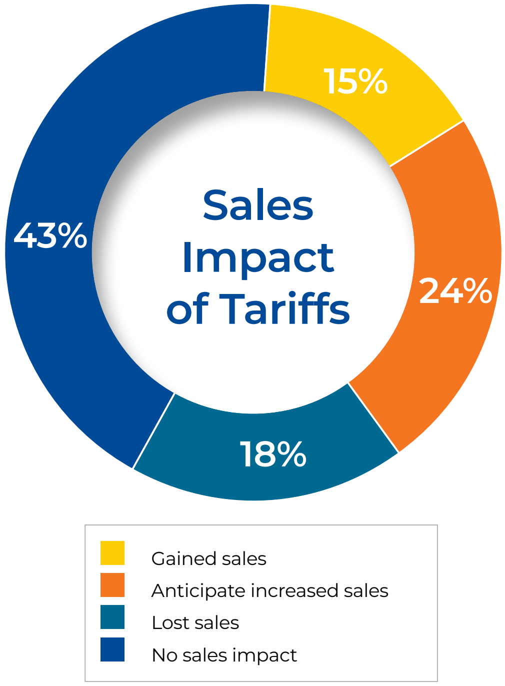
30%
say political uncertainty is hampering growth, the highest level since tracking began in 2018.

9%
have brought production back to the U.S., more than double the share in 2021, early signs of gradual reshoring.

KEY FINDINGS

1.

Tariffs are impacting the sales of more than one third of manufacturers.
Of those we surveyed, 33% reported a direct impact on sales—negative or positive—showing that trade policy has now become another daily operational factor to manage. 43% are reporting no impact.

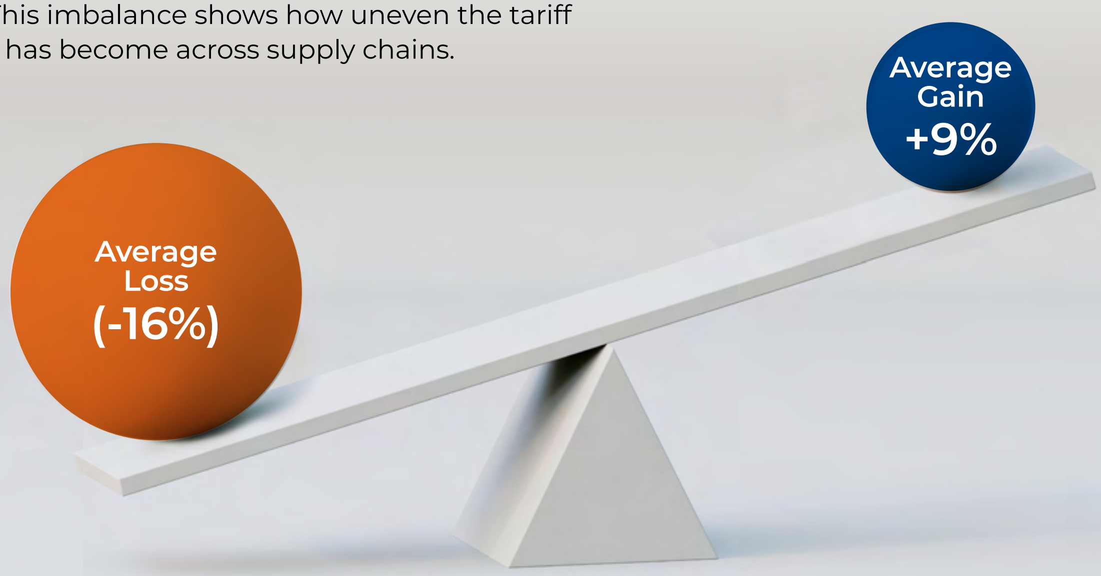


2.

There's a strong sense of optimism that tariffs will drive more sales.
24% of companies expect to see increased sales as a result of tariffs but those have yet to come to fruition. Many report new inquiries from U.S. buyers that haven't yet become real orders.

3.

Sales losses are almost double the gains.
Slightly more firms are losing sales than gaining. 18% lost sales versus 15% gained. But the average losses (-16%) are nearly double the average gains (+9%). This imbalance shows how uneven the tariff impact has become across supply chains.



KEY FINDINGS

4.

Small suppliers are taking the hardest hit.
Some smaller manufacturers are seeing major sales losses—as much as 40% of their revenue—because their large customers have cut orders.

5.

The hardest-hit group among companies losing sales are manufacturers of proprietary products.
They account for 73% of all firms reporting losses. By contrast, the largest share of companies gaining sales are custom manufacturers that build parts to specification for larger OEMs. This pattern aligns with broader trade dynamics: proprietary products are more likely to be exported and thus exposed to reciprocal tariffs, while custom manufacturers are benefiting as OEMs bring more supply-chain work back onshore.

6.

Rising material costs remain a stubborn drag.
This has been an issue since the pandemic disrupted supply chains, but more manufacturers are now feeling serious pain compared to 2023, likely amplified by tariffs.

Rising Material Costs: A Lingering Squeeze

The cost of raw materials remains one of the most persistent challenges for Ohio manufacturers. While the overall share of companies feeling pressure has held relatively steady at around 40%, the share of manufacturers saying these costs are “significantly hampering growth” has climbed from 7.7% in 2023 to 10.9% in 2025—that’s an increase of more than 40%. That means many more Ohio manufacturers are feeling acute pain from raw materials costs than they were in 2023.

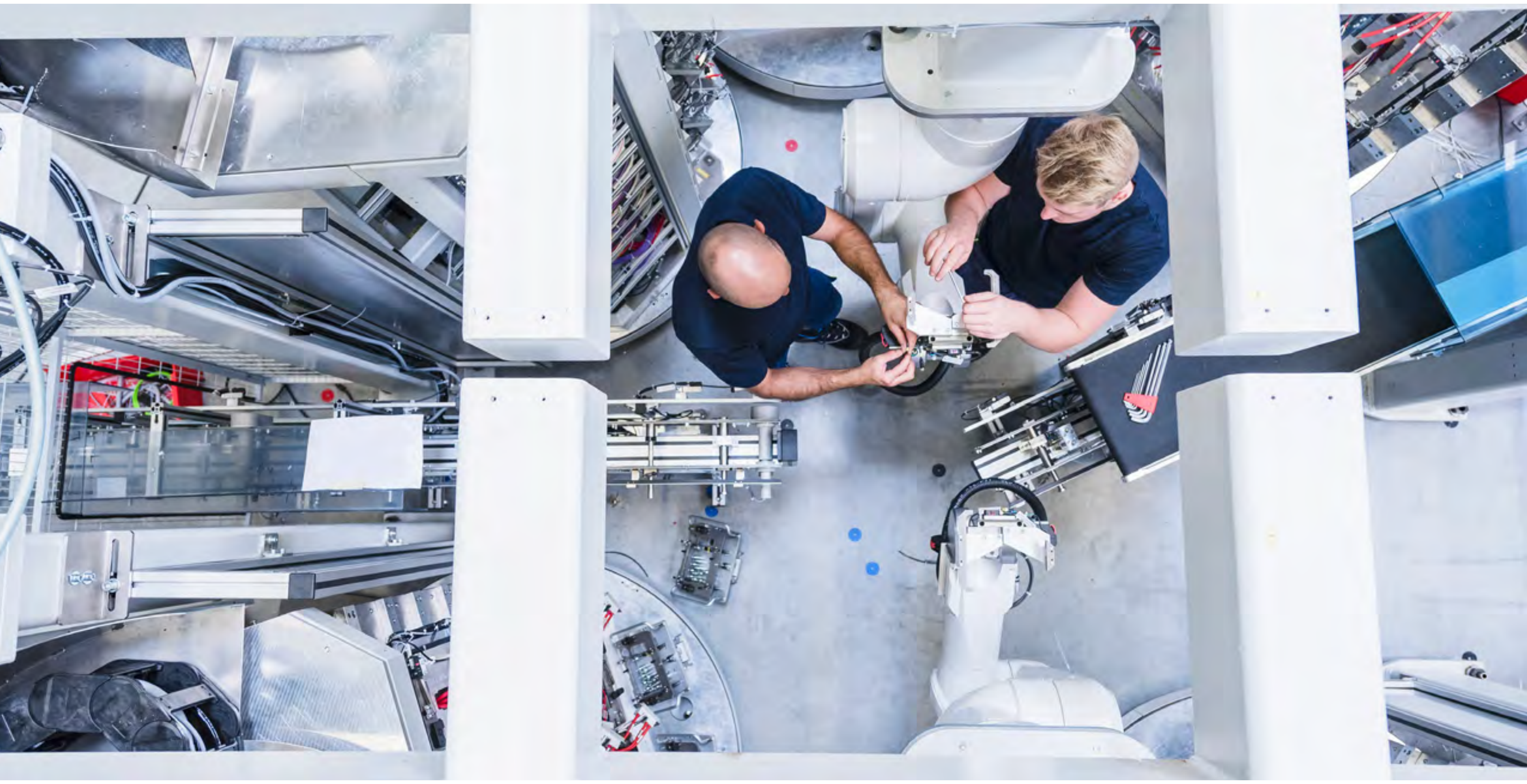
Historically, the number of manufacturers whose growth is hampered by raw materials costs had been trending downward from its pandemic peak (56% in 2021) toward pre-COVID levels (25–32% before 2020). The survey data suggests that tariffs and ongoing supply-chain volatility have interrupted that recovery, keeping input costs higher than expected.

In short:

- 40% of manufacturers still say rising material costs are hampering growth.
- Severe impact cases are rising (from 8% to nearly 11%).
- The trend that was improving post-pandemic has flattened or reversed, likely due to tariff-related cost pass-throughs.

Even as overall pressure has leveled off, more manufacturers are now feeling real financial strain from material costs.

KEY FINDINGS



Innovation is Slowing as More Manufacturers Play it Safe

Smaller manufacturers are feeling the sharpest pain—some reporting sales drops of 40% of revenue or more as their OEM customers reduce demand. Nearly all manufacturers face higher supply-chain costs due to tariffs, though most say they've been able to pass those increases downstream.

This analysis doesn't focus on the inflationary effects of tariffs, which are well understood, but on how tariffs are reshaping sales and focus. Anecdotally, many leaders say that managing tariff volatility is consuming time and attention once spent on innovation.

The data supports that shift. Seventy-one percent of manufacturers no longer rank new product development among their top three priorities—the lowest rate in years—and 25% fewer companies launched new products than in 2023. At the same time, 67% cite lack of funding as a barrier to innovation, up sharply from 49% in 2021.

With limited bandwidth and shrinking budgets, smaller firms are deferring nonessential projects like R&D and product launches to stay stable in the short term. The pattern isn't strictly causal, but the correlation is clear: as tariff management and economic uncertainty take center stage, innovation investments are quietly being sidelined. That's why support for innovation, not just cost relief, remains critical for small and mid-sized manufacturers.

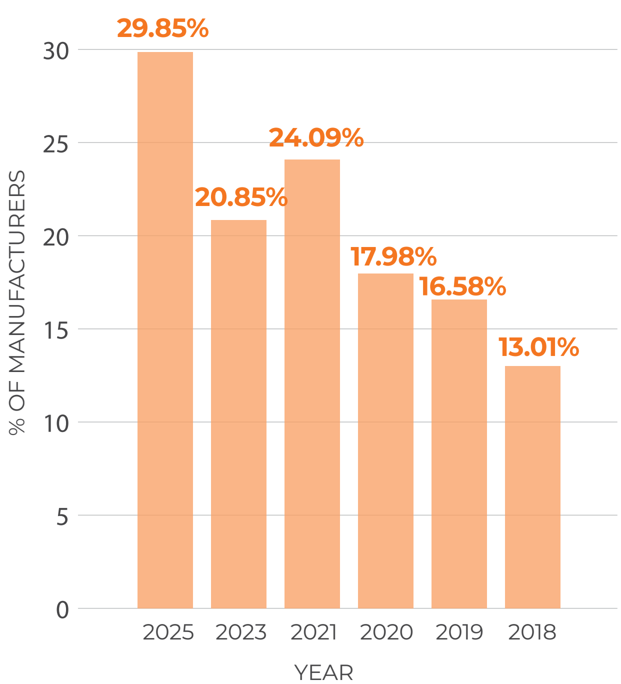
KEY FINDINGS

7.

Economic uncertainty is worse than during COVID lockdowns.
43% of manufacturers say it's hampering or significantly hampering growth—up 10 points since 2023 and higher than during the tail end of COVID lockdowns.

The Growing Impact of Political Uncertainty

The share of manufacturers who say political uncertainty is hampering or significantly hampering growth has climbed to its highest level since tracking began.



Uncertainty is the New Growth Barrier

Economic uncertainty, especially tied to tariffs, now ranks just behind ever-present workforce shortages as Ohio manufacturers' top barrier to growth. Forty-three percent say economic uncertainty is hampering or significantly hampering growth, up 10 points since 2023 and higher than during the tail end of the COVID lockdowns.

The intensity of that concern has also surged: 20% of companies now say economic uncertainty is significantly hampering their growth—nearly three times the rate in 2023 (7%).

Political uncertainty is a growing pain point too. 30% of manufacturers say it's hampering or significantly hampering growth—up sharply from 21% in 2023 and the highest level since tracking began in 2018.

Taken together, the data show that while manufacturers are weathering inflation and supply costs—tariffs, policy volatility, and global instability have become the dominant sources of anxiety—reshaping investment priorities and slowing long-term planning.

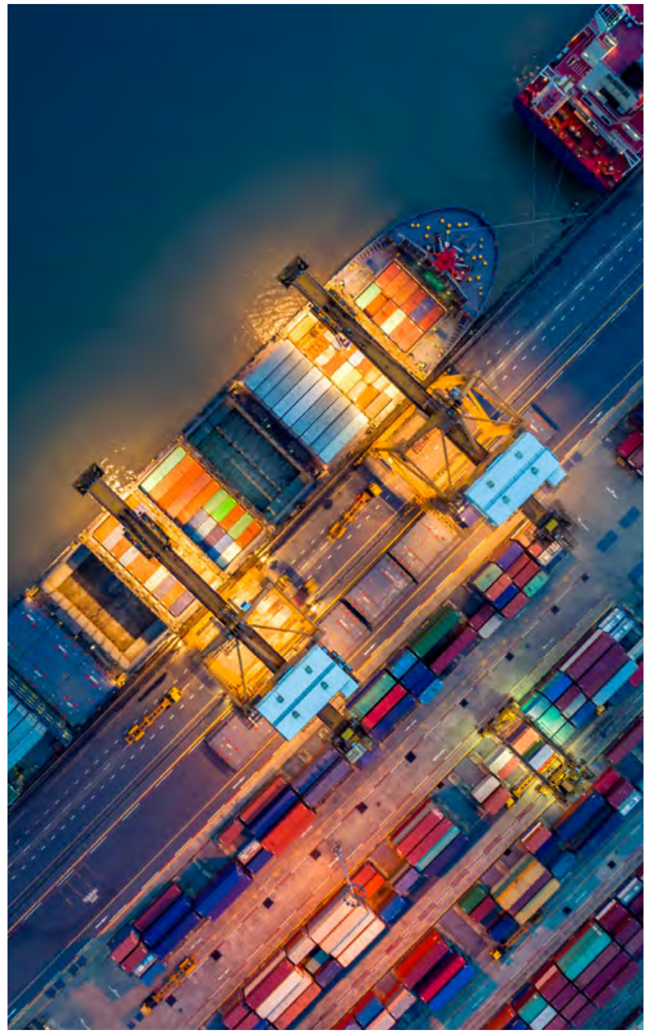
KEY FINDINGS

8.

Reshoring has doubled since 2021 but remains modest.
9% of manufacturers have brought production back to the U.S., up from 4% in 2021. While tariffs and global supply-chain volatility may play a role, reshoring is slow and complex. The numbers suggest early momentum rather than a full-scale shift. Notably, none of the companies surveyed listed reshoring as a strategic priority in 2026. That finding underscores the reality that most reshoring is reactive, not planned.

Reshoring Defined

For the purposes of this survey we defined reshoring as bringing work back to the U.S.; whether by moving production home or by winning new contracts that customers once sent overseas.

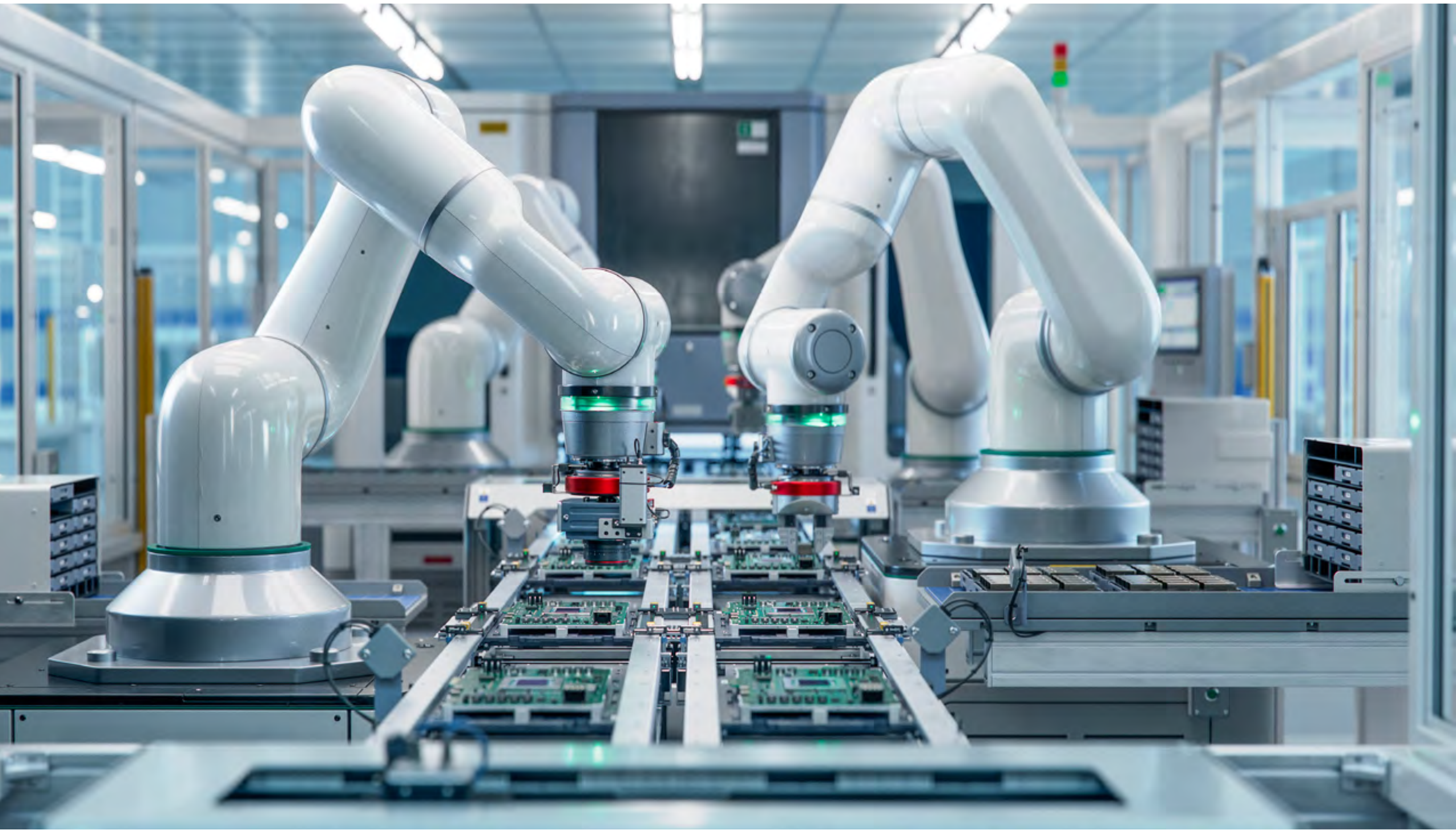


We Are Winning Work Back from China

9.

Most reshored work is coming from China.
About 60% of reshored output returned from China, another 25% from Europe.

KEY FINDINGS



10.

The industry is rebalancing, not retreating.
Nearly half (43%) have seen no direct change in sales from tariffs yet but many are reassessing supply chains and exploring local options since nearly all manufacturers are being affected by tariff-related price increases.

11.

Leaders are pragmatic, not panicked.
Ohio manufacturers aren't standing still. They see tariffs as both a test and a chance to reposition by improving sales to existing customers (60%), winning new ones (57%), and entering new markets (50%) despite growing uncertainty. While 43% cite economic conditions as a barrier to growth, most CEOs remain focused on adaptation, not retreat.

The mood of the industry is marked by resilience and optimism. Even as costs continue to rise and supply chains shift, a large majority (66%) of manufacturers are projecting growth in 2026.

WINNERS, LOSERS, AND WHAT TARIFFS REVEAL

The survey shows a divided landscape. Some manufacturers are gaining sales as customers turn to U.S. suppliers, while others are losing business to rising material costs, smaller export orders, and retaliatory tariffs.

This isn't about performance, it's about exposure. Tariffs are rewarding some firms for producing domestically while squeezing others tied to global supply chains. The divide underscores the importance of flexibility: the ability to pivot production, pricing, and sourcing faster than policy changes.

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"We're experiencing record growth due to our competitive U.S. manufacturing advantage over foreign, tariffed competitors bringing their products from overseas."

Jack Schron, President, Jergens, Inc.

"Our steel costs are up 50%, our Mexican orders are down dramatically due to retaliatory tariffs, and not all of the cost increases can be passed on to customers."

Mark Dawson, President, Cleveland Steel Tool

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What Manufacturers Can Do

1.
Turn disruption into strategy.
Use tariff turbulence to review sourcing, pricing, and customer mix before you're forced to.

2.
Build resilience, not reaction.
Invest in flexibility: automation, cross-training, and smarter supply chains that can absorb shocks.

3.
Deepen customer ties.
Most optimism comes from stronger existing relationships. Service and reliability win repeat business.

4.
Keep innovating.
Don't let cost pressure stall new ideas. Even small process improvements build long-term advantage.

5.
Watch policy, not just markets.
Political and economic uncertainty now shape demand. Stay close to trade updates and industry peers.

6.
Play the long game.
Reshoring is gradual, but real. Prepare now with domestic partners and a skilled, ready workforce.

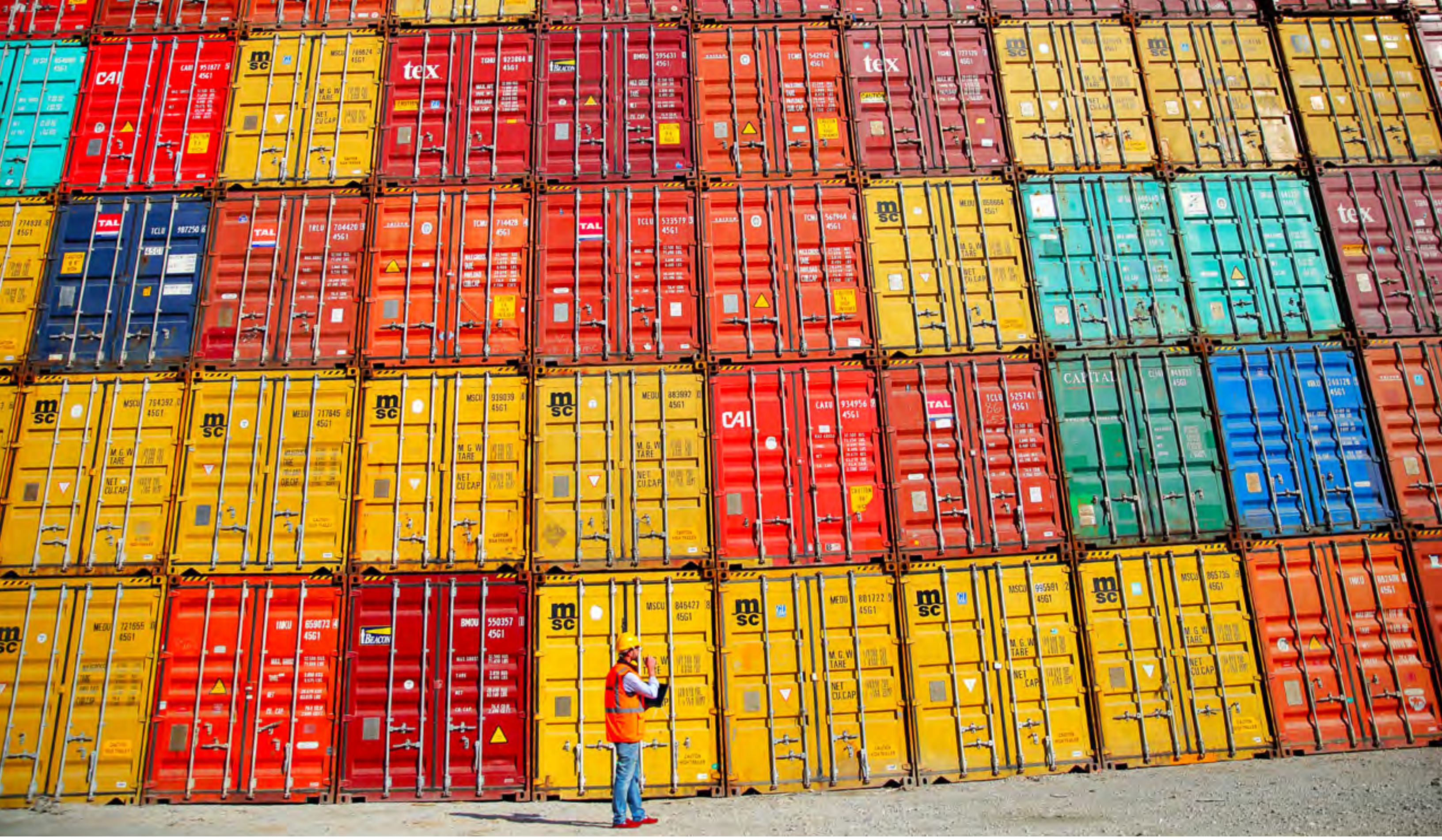
WHY THIS MATTERS FOR OHIO AND THE NATION

The data reveals both the promise and the pressure of today's trade environment: reshoring is slowly gaining traction, but uncertainty is rising even faster.

Ohio's story is America's story: a sector adapting under pressure, finding resilience in uncertainty, and proving that those who reinvent fastest will define the next chapter of U.S. manufacturing.

"Tariffs are another test of America's manufacturing resilience. They're forcing companies to rethink where and how they make things and pushing all of us to adapt faster than ever."

Dr. Ethan Karp, MAGNET President & CEO



About the Survey

This analysis is part of MAGNET's 2025 Ohio Manufacturing Survey, the state's most comprehensive snapshot of the manufacturing economy, conducted every two years.

This edition includes the first large-scale study examining which manufacturers are gaining or losing ground roughly six months after major tariffs were enacted—offering an early look at how trade policy is reshaping real companies on the ground. The survey has an estimated margin of error of ±4%.

Who Participated

- 266 manufacturing leaders representing 31,000 employees in Ohio
- The majority were CEOs, Presidents, or Owners
- Companies ranged from pre-revenue startups to billion-dollar firms, with most reporting under $50 million in annual revenue
- Respondents span every major subsector of Ohio manufacturing from metals and machinery to plastics, food, and electronics

Together, these insights provide a detailed pulse on the state's industrial backbone and show how Ohio's manufacturers are adapting, investing, and competing in a volatile global market.

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Learn more: **manufacturingsuccess.org/2025survey**