

NAM MANUFACTURERS' OUTLOOK SURVEY
SECOND QUARTER 2023
 June 7, 2023

<p>Percentage of Respondents Positive About Their Own Company's Outlook 67.0% – Lowest Since Q3 2020 (or Q3 2019 Excluding the Pandemic) <i>(March: 74.7%)</i></p> <p>Small Manufacturers: 67.2% <i>(March: 80.0%)</i></p> <p>Medium-Sized Manufacturers: 68.6% <i>(March: 75.3%)</i></p> <p>Large Manufacturers: 64.8% <i>(March: 71.9%)</i></p>	<p>Overall Facts About the Survey</p> <p>Number of Responses: 305 In the Field: May 18 – June 1, 2023</p> <p>Small Manufacturers: 63 responses (20.7%) Medium-Sized Manufacturers: 137 responses (44.9%) Large Manufacturers: 105 responses (34.4%)</p> <hr/> <p>NAM Manufacturing Outlook Index¹ 44.5 <i>(March: 49.8 – Revised)</i></p>
<p>Expected Growth Rate for <u>SALES</u> Over the Next 12 Months ↑ 1.6% – Lowest Since Q2 2020 (or Q2 2016 Excluding the Pandemic) <i>(March: ↑ 2.7%)</i></p>	<p>Expected Growth Rate for <u>PRODUCTION</u> Over the Next 12 Months ↑ 1.6% – Lowest Since Q2 2020 (or Q2 2016 Excluding the Pandemic) <i>(March: ↑ 2.6%)</i></p>
<p>Expected Growth Rate for <u>FULL-TIME EMPLOYMENT</u> Over the Next 12 Months ↑ 1.0% – Lowest Since Q3 2020 (or Q4 2019 Excluding the Pandemic) <i>(March: ↑ 1.6%)</i></p>	<p>Expected Growth Rate for <u>EMPLOYEE WAGES</u> Over the Next 12 Months ↑ 2.9% – Lowest Since Q1 2021 <i>(March: ↑ 3.2%)</i></p>
<p>Expected Growth Rate for <u>CAPITAL INVESTMENTS</u> Over the Next 12 Months ↑ 1.3% – Lowest Since Q4 2020 (or Q4 2019 Excluding the Pandemic) <i>(March: ↑ 1.8%)</i></p>	<p>Expected Growth Rate for <u>EXPORTS</u> Over the Next 12 Months ↑ 0.2% – Lowest Since Q2 2020 (or Q3 2019 Excluding the Pandemic) <i>(March: ↑ 0.5%)</i></p>
<p>Expected Growth Rate for <u>PRICES OF COMPANY'S PRODUCTS</u> Over the Next 12 Months ↑ 1.9% – Lowest Since Q3 2020 <i>(March: ↑ 2.4%)</i></p>	<p>Expected Growth Rate for <u>RAW MATERIAL PRICES AND OTHER INPUT COSTS</u> Over the Next 12 Months ↑ 2.1% – Lowest Since Q3 2020 <i>(March: ↑ 2.8%)</i></p>
<p>Expected Growth Rate for <u>INVENTORIES</u> Over the Next 12 Months ↓ 2.0% – Largest Decline Since Question Was Added in Q2 2011 <i>(March: ↓ 1.4%)</i></p>	<p>Expected Growth Rate for <u>HEALTH INSURANCE COSTS</u> Over the Next 12 Months ↑ 7.0% – Lowest Since Q4 2020 <i>(March: ↑ 7.3%)</i></p>

¹ The NAM Manufacturing Outlook Index data series is revised each quarter to reflect the mean and standard deviation of the historical data, dating back to the fourth quarter of 1997. Currently, the historical average for those with positive responses in their outlook is 75.0%, with a standard deviation of 14.7%. An index reading of 40 would be consistent with one standard deviation below the mean (60.4% positive), and an index reading of 60 would be one standard deviation above the mean (89.7% positive). As such, the index helps to normalize the outlook data to put them into a historical context.

Summary of Findings

- **Manufacturing sentiment in Q2 2023 was the lowest since Q3 2020.**² The National Association of Manufacturers conducted the Manufacturers' Outlook Survey for the second quarter of 2023 from May 18 to June 1, and 67.0% of respondents felt either somewhat or very positive in their company's outlook, down from 74.7% in the first quarter (Figures 1 and 2). It was the third straight reading below the historical average (75.0%). The NAM Manufacturing Outlook Index measured 44.5 in the second quarter, down from 49.8 in the first quarter.
- **Most respondents expect a recession in the next year, with roughly one-third uncertain.** Nearly 57% of manufacturers believed that the U.S. economy would experience a recession over the next 12 months, or through Q2 2024 (Figure 3). At the same time, 10.3% felt that the economy would avoid a recession, with 32.9% uncertain.
- **Workforce challenges continue to dominate.** More than 74% of manufacturers cited the inability to attract and retain employees as their top primary challenge (Figure 4). This was followed by a weaker domestic economy (55.7%), rising health care costs (53.1%), an unfavorable business climate (52.1%), increased raw material costs (50.8%) and supply chain challenges (44.9%). It is notable that inflation and supply chain concerns—both of which dominated in 2022—have continued to moderate.
- **Nearly 53% of manufacturers expect improvement in supply chains by year's end.** In the latest survey, 28.2% of respondents suggested that supply chain disruptions had either already abated or would do so in the current quarter (Figure 5). With 24.6% anticipating improvement in the second half of 2023, 52.8% predict supply chain abatement by year's end, and 81.1% forecast improvement by the end of 2024.
- **Manufacturers are increasingly mentioning the cumulative impact of federal regulations on their business.** Indeed, concern about an unfavorable business climate was the highest in six years (Q2 2017). In this survey, 65.0% of manufacturers would purchase more capital equipment if the regulatory burden on manufacturers decreased, with 46.9% increasing compensation, 43.2% hiring more workers, 40.1% investing in research and 38.1% expanding their U.S. facilities (Figure 6). In addition, more than 63% of manufacturers report spending more than 2,000 hours per year complying with federal regulations, with 17.1% spending more than 10,000 hours annually.
- **Increased tax burdens would hurt manufacturers.** Eighty-eight percent of respondents said that higher tax burdens on manufacturing activities would make it more difficult to expand their workforce, invest in new equipment or expand facilities. In addition, those completing the survey were asked about recent tax law changes that have increased the after-tax cost of performing research, purchasing capital equipment and taking out business loans. More than 78% of respondents said that the higher tax burden has decreased funds available to grow core manufacturing activities in the United States.

² With so many of these readings hitting post-pandemic lows, most of the indicators include references to what these lows would be if the COVID-19 pandemic were excluded. In this case, the 67.0% positive reading in Q2 2023 would be the lowest since Q3 2019 if excluding the declines in activity during the pandemic in 2020. It is important to remember that 2019 was a rough year for manufacturers, with slowing global growth, a trade war and worries about an imminent recession. The economy started to improve just prior to the pandemic.

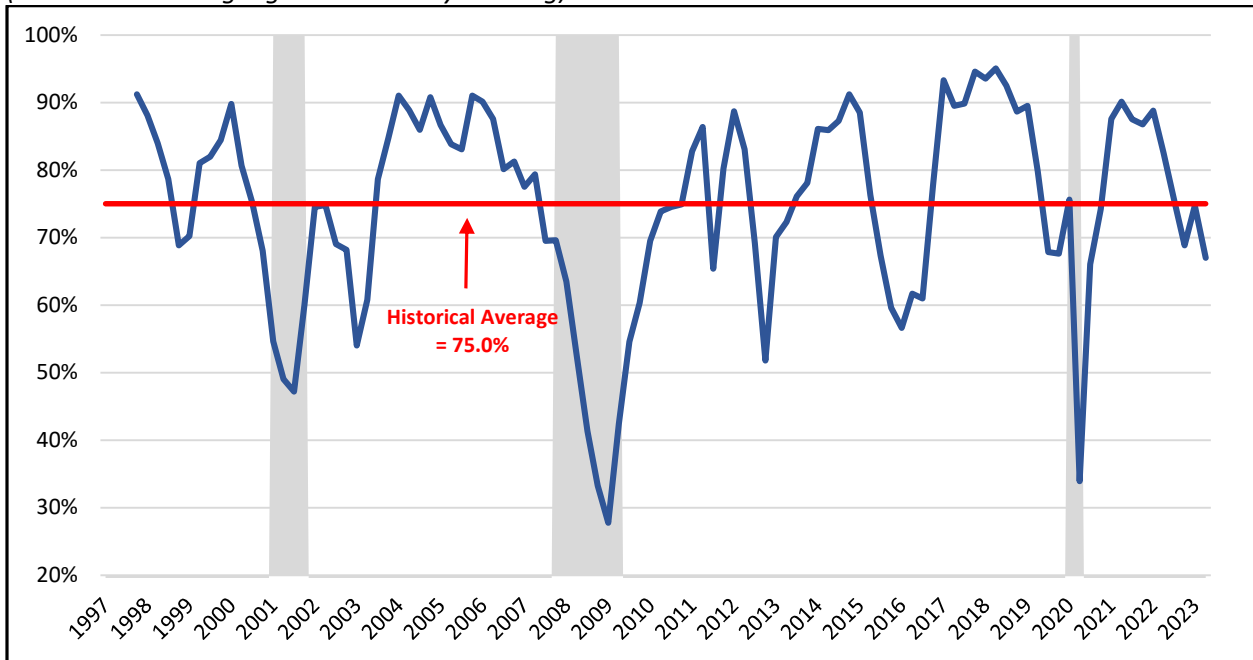
- **Permitting reform will be beneficial.** In the survey, three-quarters of respondents said that permitting reform—which would simplify and speed up the approval process for new projects—would be helpful to their manufacturing company, allowing them to hire more workers, expand their business or increase wages and benefits.
- **Most manufacturers are exploring flexible options for their employees.** Given the tight labor market and changing expectations about work, 57.7% of respondents were exploring scheduling changes—including compressed workweeks, adjusted shift times and split shifts, among other options—to better attract or retain employees. Manufacturers were asked about possible barriers to adding flexible options for employees, and the inflexibility of the production process and shift needs topped the list, cited by 56.9% of respondents (Figure 7). Concern about creating differences between workforce populations also rated highly (43.4%).
- **The expense of health care remains a significant challenge.** Manufacturers predict health insurance costs will rise 7.0% over the next 12 months. In this release, 58.8% of manufacturers said that health care for their companies was very expensive, with 33.8% suggesting that costs were somewhat expensive, totaling 92.6% for those two options. Those completing the survey were asked about pharmacy benefit managers, entities that manage prescription drug benefits and negotiate drug prices and rebates with pharmaceutical manufacturers and insurance companies in employer-sponsored health care. Almost 63% felt that increased transparency of PBM practices would lead to reduced health care costs, with 29.1% uncertain. Indeed, respondents cited the lack of price transparency (71.6%) as the top factor in explaining soaring health care costs (Figure 8), closely followed by overall inflationary forces in general (66.6%).
- **PMI analysis: production and employment growth slowed in Q2, but capital spending strengthened.** The percentage reporting higher production eased from 39.7% in the first quarter to 36.7% in the second quarter, but with those citing declining output ticking up from 25.0% to 27.0% (Figure 9 and the table below). The trend for hiring was similar, but capital spending accelerated somewhat. Most importantly, all three measures were consistent with net expansions in activity.

	Previous PMI	Second Quarter 2023 Relative to First Quarter 2023			
		Higher	No Change	Lower	PMI
Production	57.3	36.7%	36.3%	27.0%	54.8
Employment	56.0	23.5%	58.5%	18.0%	52.8
Capital Spending	51.7	23.9%	60.3%	15.7%	54.1

- Some other trends regarding predicted growth rates over the next 12 months (Figure 10):
 - **Sales:** Respondents expect sales to rise 1.6% over the next 12 months, down from 2.7% in Q1 and the slowest pace since Q2 2020 (or Q2 2016 excluding the pandemic). More than 49% of manufacturers predict sales will increase over the next four quarters, with 31.7% feeling orders will rise 5% or more. Large manufacturers (e.g., those with 500 or more employees) felt the most upbeat in their sales expectations, predicting 2.4% growth over the next year. In contrast, small and medium-sized firms expect 1.2% growth.

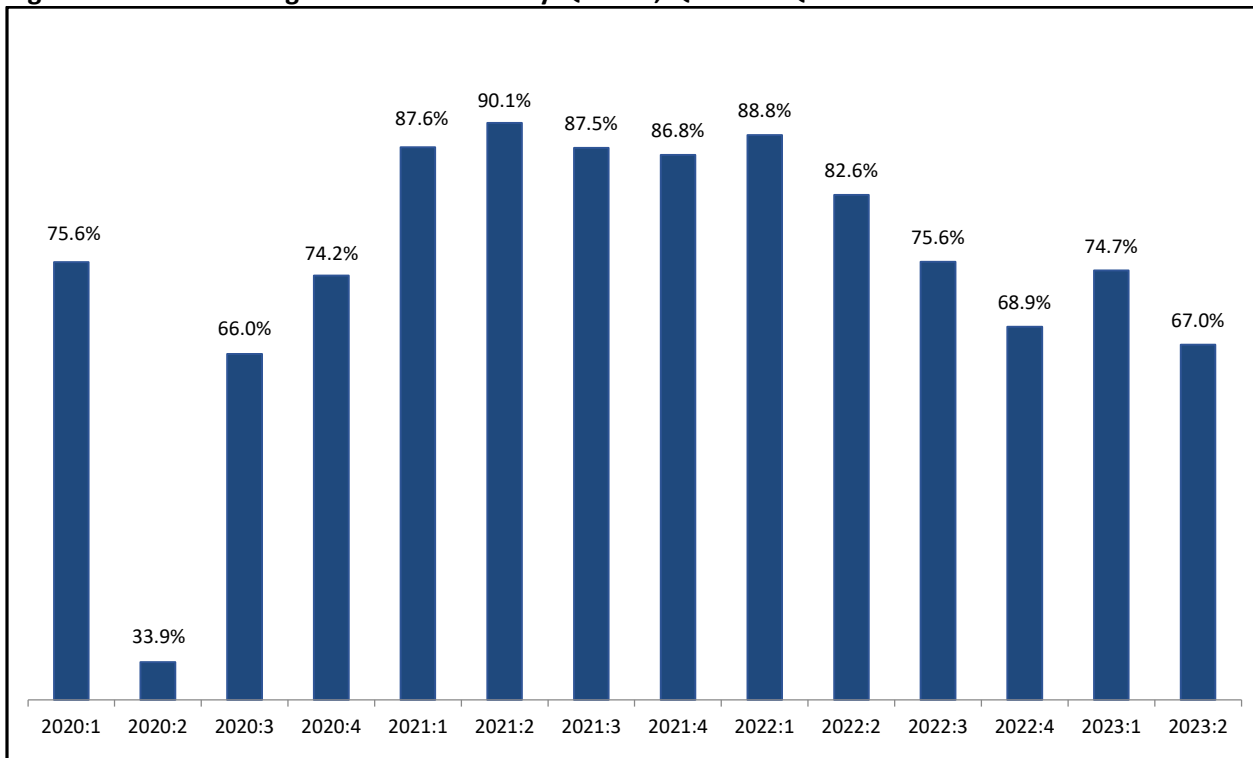
- **Production:** Respondents expect production to also increase 1.6% over the next 12 months, down from 2.6% in Q1 and the weakest reading since Q2 2020 (or Q2 2016 excluding the pandemic). Just more than half of respondents forecast output to rise over the coming months, with 25.4% seeing declining production. Like sales, large respondents felt more optimistic in their output outlook, expecting 2.1% growth over the next 12 months versus 1.3% for small and medium-sized manufacturers.
- **Full-Time Employment:** Respondents expect full-time employment to rise 1.0% over the next 12 months, down from 1.6% in the prior two quarters and the slowest since Q3 2020 (or Q4 2019 excluding the pandemic). Nearly 38% anticipate more full-time hiring over the next year, with 17.8% predicting reduced employment. Small and medium-sized manufacturers felt the most upbeat in their hiring plans, predicting 1.3% growth over the next 12 months. In contrast, large firms expect employment to rise just 0.6%.
- **Employee Wages:** Respondents anticipate employee wages (excluding nonwage compensation, such as benefits) to rise 2.9% over the next 12 months, down from 3.2% in Q1 and the slowest rate since Q1 2021. More than 57% of manufacturers predict wage growth of 3% or more over the next 12 months, with 8.8% suggesting 5% or more. There was little difference by firm size.
- **Capital Investments:** Respondents expect capital spending to rise 1.3% over the next 12 months, down from 1.8% in Q1 and the weakest pace since Q4 2020 (or Q4 2019 excluding the pandemic). In this survey, 40.7% expect additional capital spending in the next year, with 39.0% predicting no change and 20.3% forecasting reduced capital expenditures. Medium-sized and large manufacturers predict 1.4% growth in capital investments over the next year, with small firms planning for 0.8% growth.
- **Exports:** Respondents expect exports to increase just 0.2% over the next 12 months, down from 0.5% in Q1 and the weakest in three years (or Q3 2019 excluding the pandemic). Overall, 20.4% anticipate higher exports in the next year, with 65.1% seeing no changes and 14.5% forecasting declines.
- **Inventories:** Respondents anticipate inventories shrinking 2.0% over the next 12 months, the most since this question was added to the survey in Q2 2011. Almost 44% of firms expect falling inventories over the next year, with 14.2% predicting increases and 41.9% seeing no changes. This suggests that manufacturers are continuing to draw down their stockpiles, with this measure solidly negative for three straight quarters.

Figure 1: Manufacturing Business Outlook by Quarter, Q4 1997–Q2 2023
(Recessions Are Highlighted with Gray Shading)



Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive. Recessions are designated by the National Bureau of Economic Research.

Figure 2: Manufacturing Business Outlook by Quarter, Q1 2020–Q2 2023



Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive.

Figure 3: “Do You Think the U.S. Will Experience a Recession in the Next 12 Months (Through Q2 2024)?”

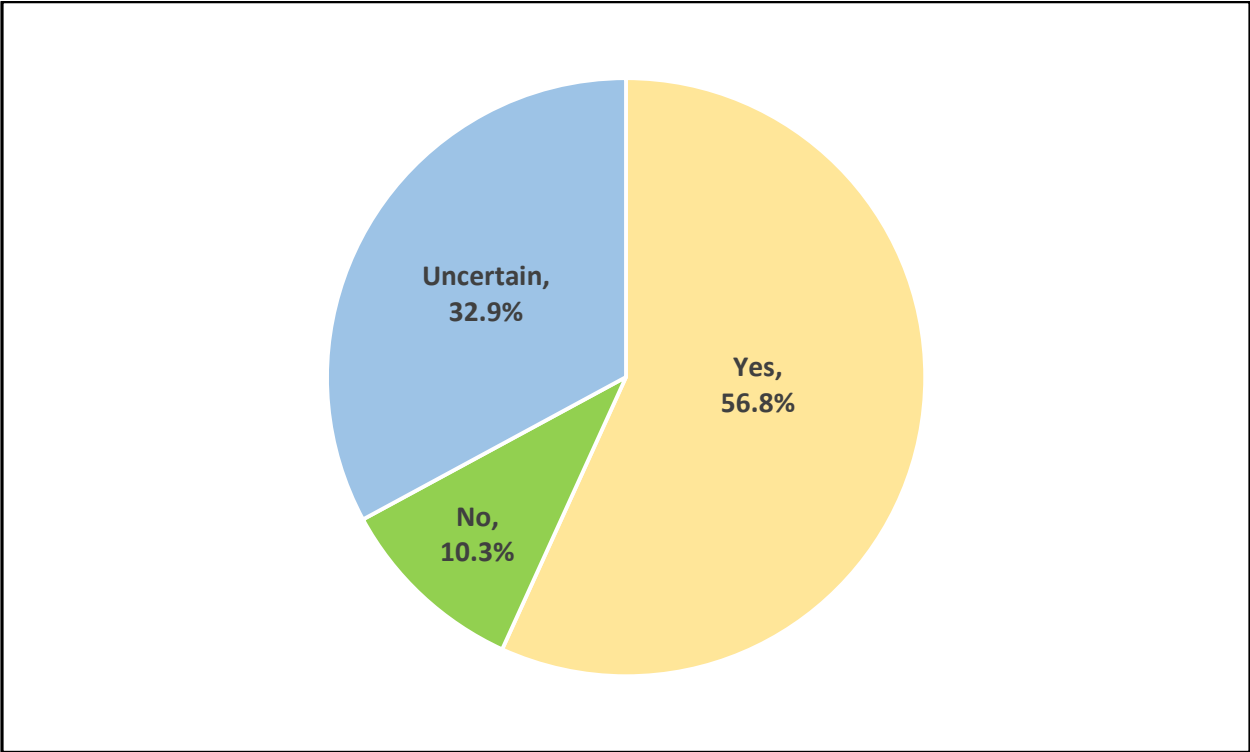
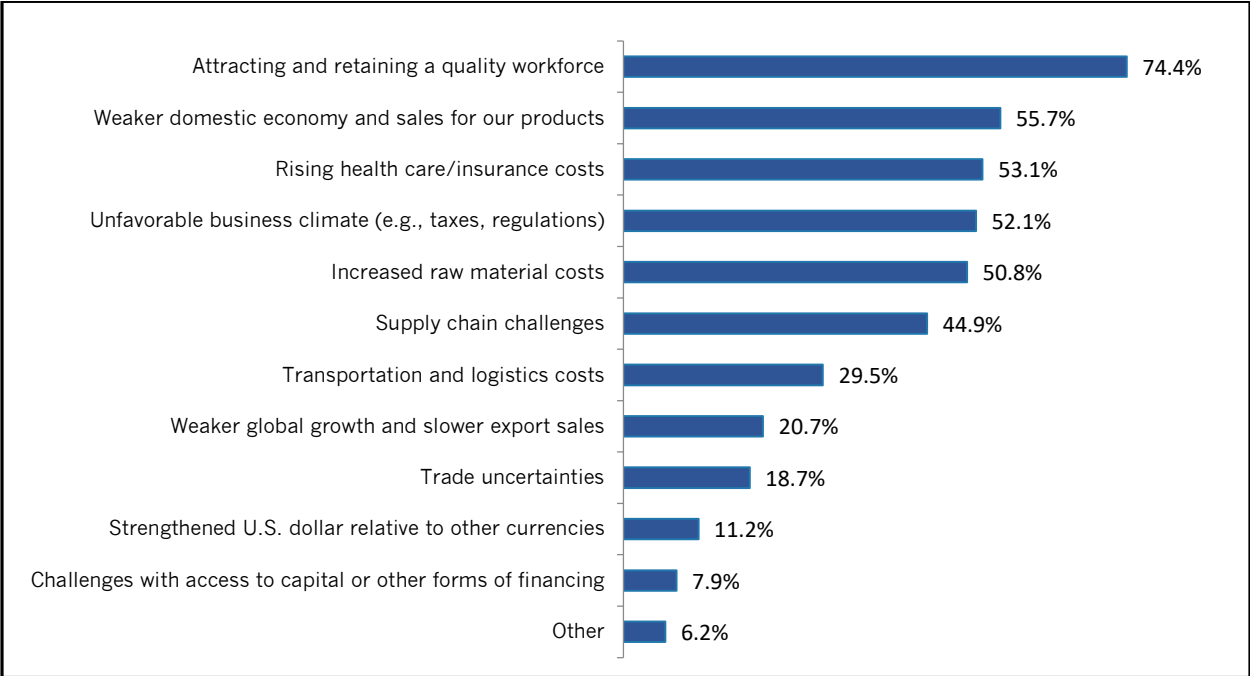


Figure 4: Primary Current Business Challenges, Second Quarter 2023



Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 5: When Firms Expect Supply Chain Disruptions to Abate

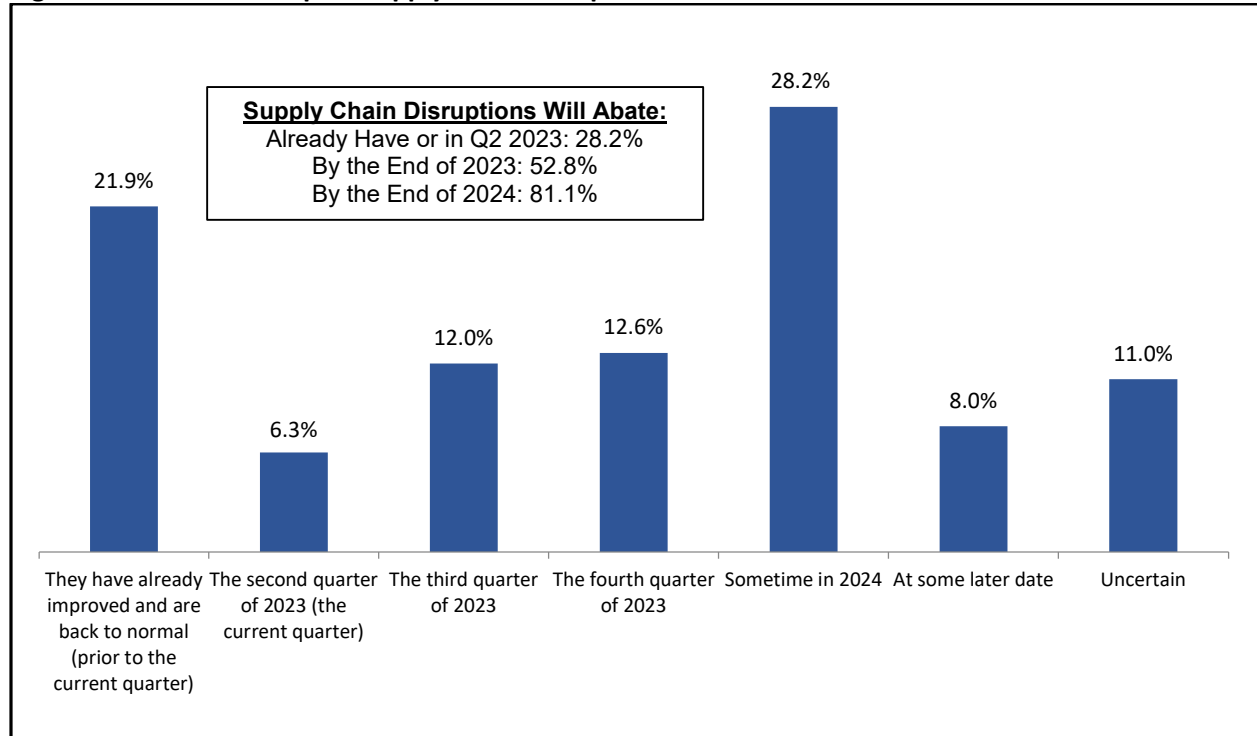


Figure 6: How Firms Would Invest the Savings Generated by Reduced Compliance Costs if the Regulatory Burden on Manufacturers Were Decreased

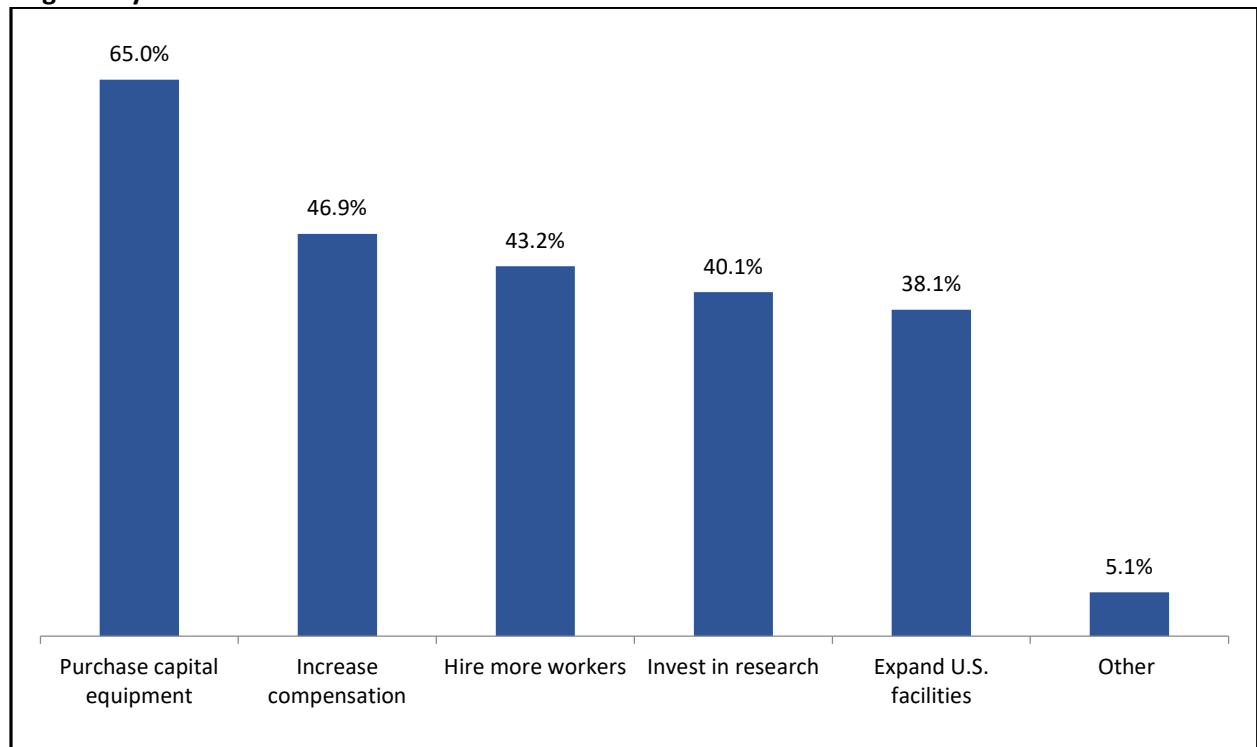
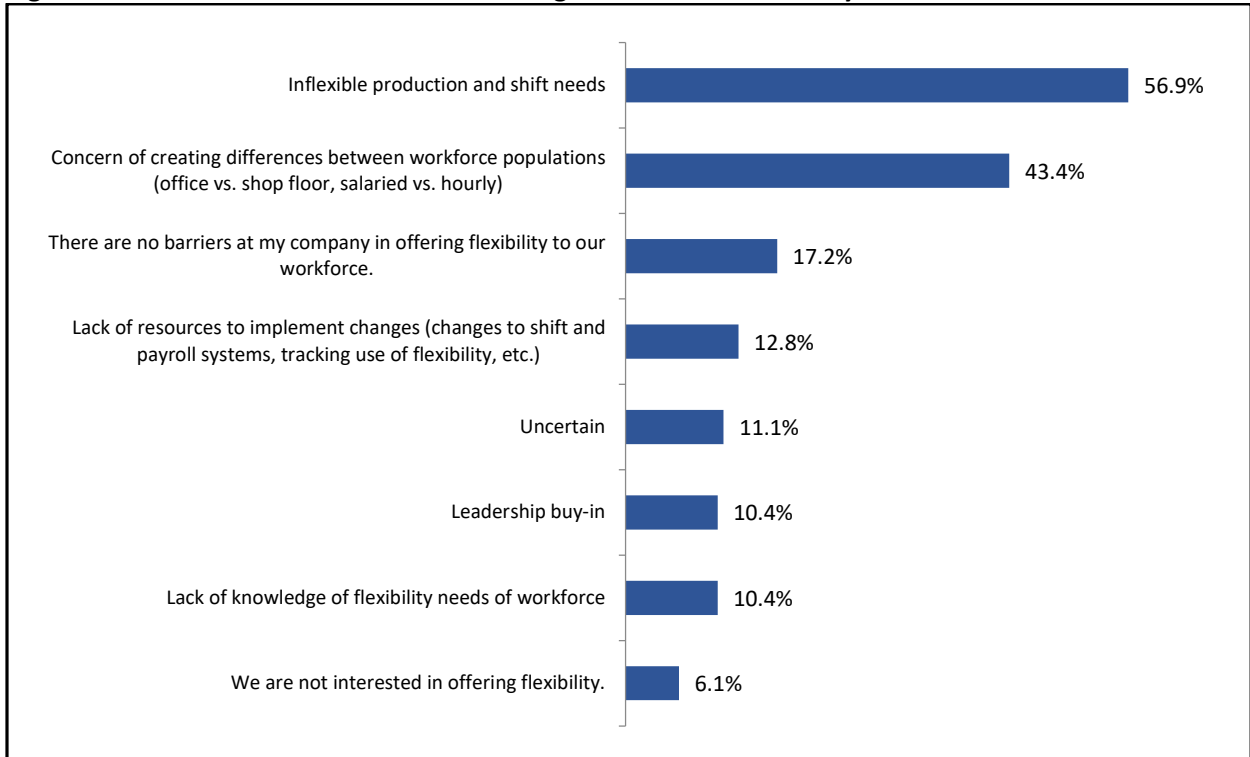
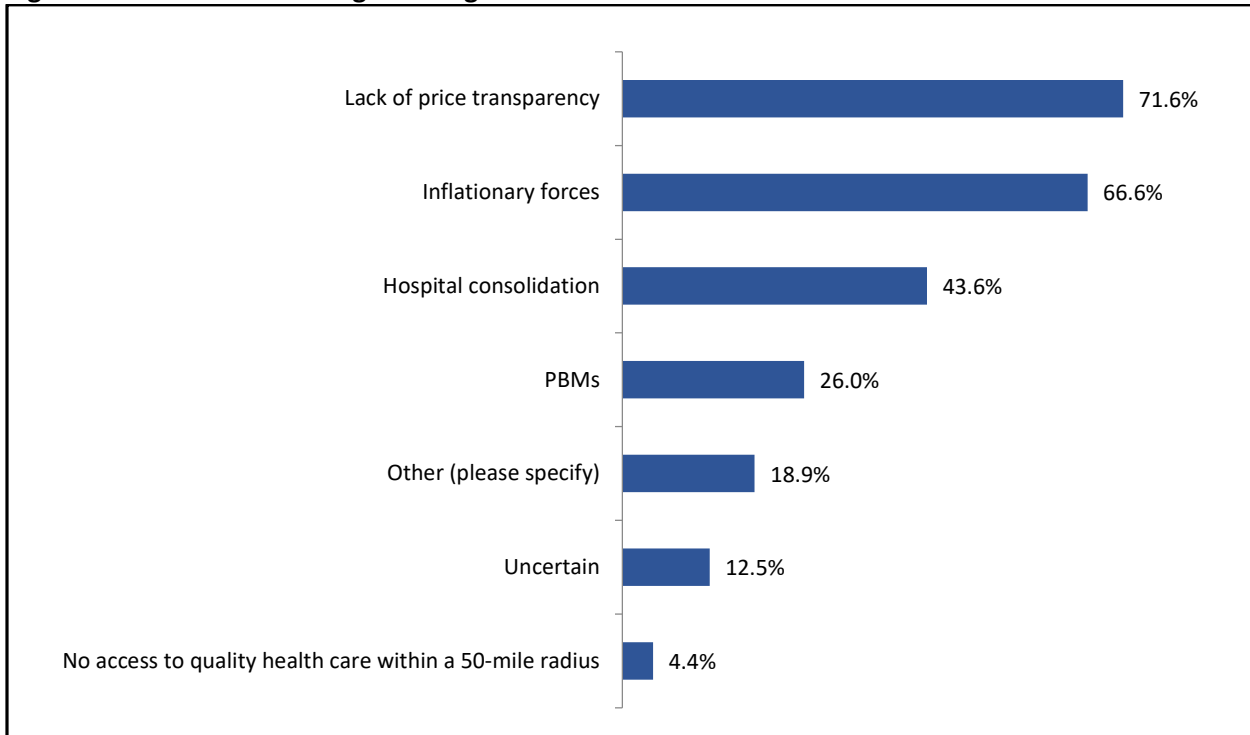


Figure 7: Barriers Manufacturers Face in Being Able to Offer Flexibility to Workers



Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 8: Factors Contributing to Rising Health Care Costs



Note: Respondents were able to check more than one response; therefore, responses exceed 100%.

Figure 9: Change in Manufacturing Activity in Second Quarter 2023 Relative to First Quarter 2023

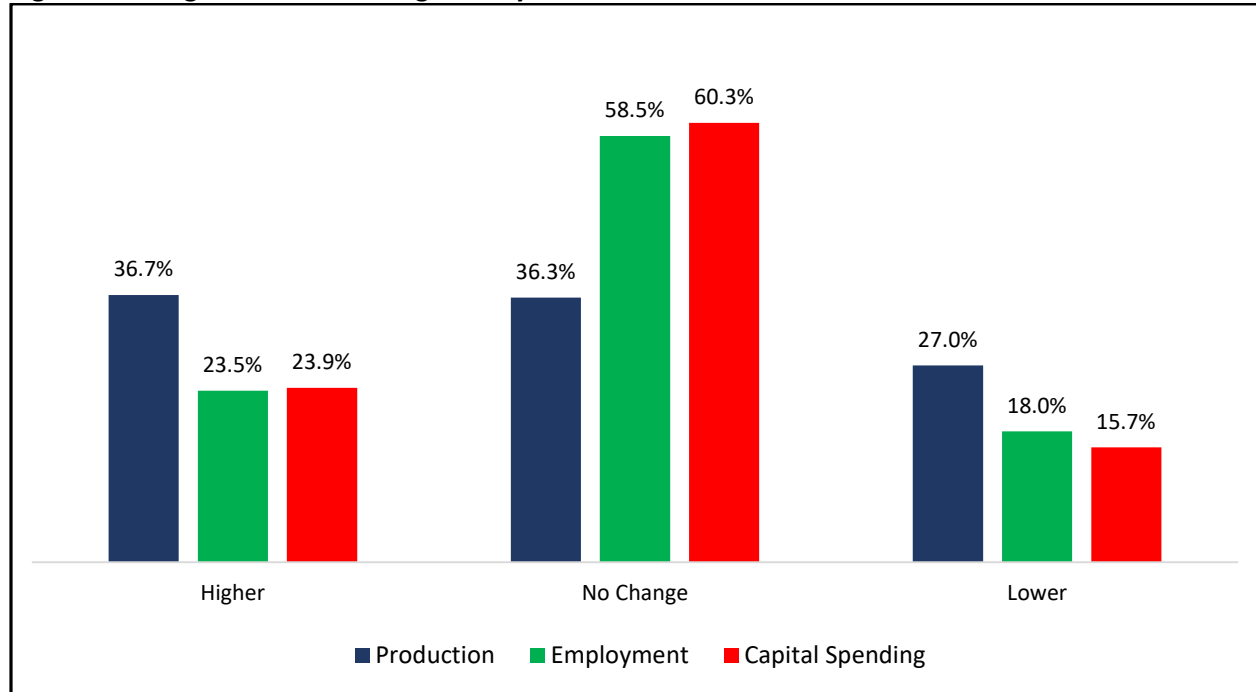
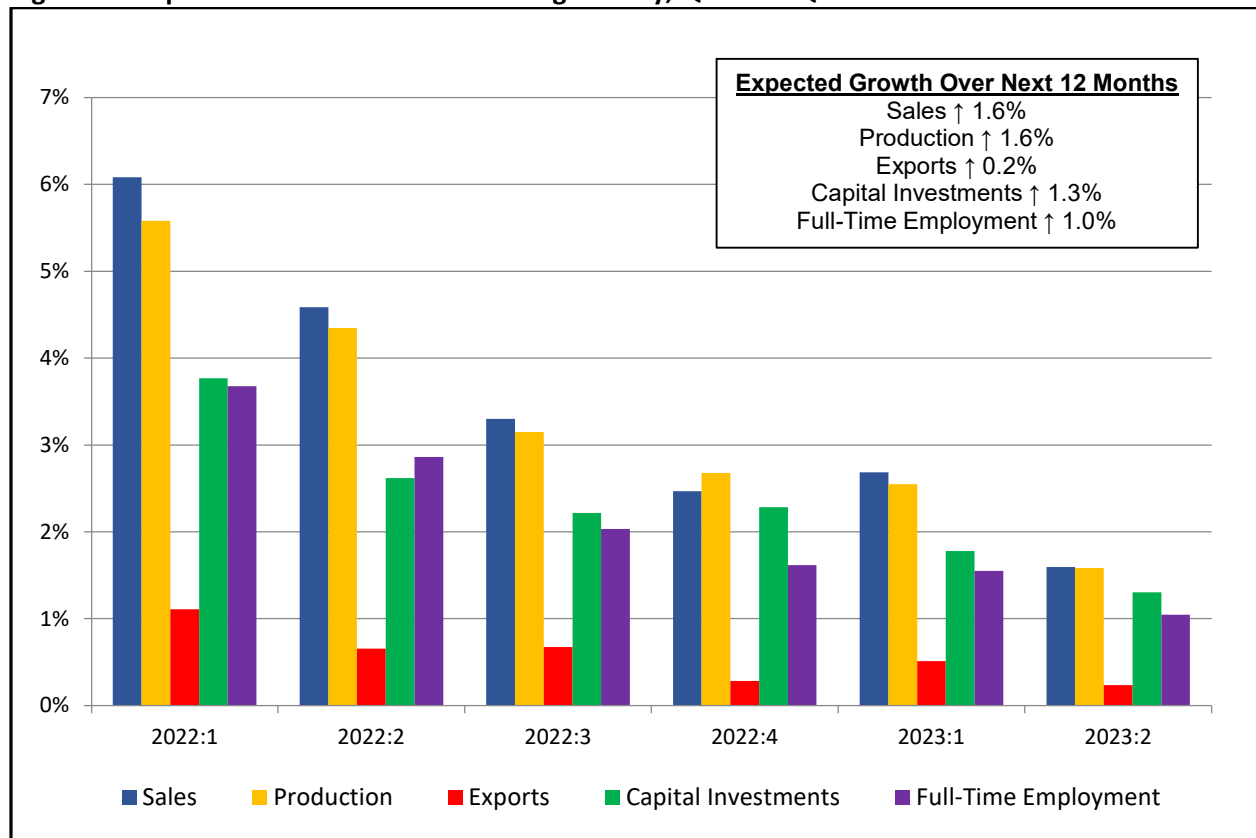


Figure 10: Expected Growth of Manufacturing Activity, Q1 2022–Q2 2023



Note: Expected growth rates are annual averages.

Survey Responses

1. How would you characterize the business outlook for your firm right now?
 - a. Very positive – 14.38%
 - b. Somewhat positive – 52.61%
 - c. Somewhat negative – 28.76%
 - d. Very negative – 4.25%

Percentage that is either somewhat or very positive in their outlook = 66.99%

2. Over the next year, what do you expect to happen with your company's overall sales?
 - a. Increase more than 10 percent – 9.15%
 - b. Increase 5 to 10 percent – 22.55%
 - c. Increase up to 5 percent – 17.65%
 - d. Stay about the same – 25.49%
 - e. Decrease up to 5 percent – 11.76%
 - f. Decrease 5 to 10 percent – 7.19%
 - g. Decrease more than 10 percent – 6.21%

Average expected increase in sales consistent with these responses = 1.59%

3. Over the next year, what do you expect to happen with your company's overall production levels?
 - a. Increase more than 10 percent – 11.22%
 - b. Increase 5 to 10 percent – 18.81%
 - c. Increase up to 5 percent – 20.46%
 - d. Stay about the same – 24.09%
 - e. Decrease up to 5 percent – 11.55%
 - f. Decrease 5 to 10 percent – 8.58%
 - g. Decrease more than 10 percent – 5.28%

Average expected increase in production consistent with these responses = 1.58%

4. Over the next year, what do you expect to happen with the level of exports from your company?
 - a. Increase more than 5 percent – 6.25%
 - b. Increase 3 to 5 percent – 7.24%
 - c. Increase up to 3 percent – 6.91%
 - d. Stay about the same – 65.13%
 - e. Decrease up to 3 percent – 5.59%
 - f. Decrease 3 to 5 percent – 5.59%
 - g. Decrease more than 5 percent – 3.29%

Average expected increase in exports consistent with these responses = 0.23%

5. Over the next year, what do you expect to happen with prices on your company's overall product line?
 - a. Increase more than 10 percent – 3.27%
 - b. Increase 5 to 10 percent – 14.71%
 - c. Increase up to 5 percent – 39.87%
 - d. Stay about the same – 30.07%
 - e. Decrease up to 5 percent – 7.52%
 - f. Decrease 5 to 10 percent – 3.27%
 - g. Decrease more than 10 percent – 1.31%

Average expected increase in product prices consistent with these responses = 1.86%

6. Over the next year, what do you expect to happen with raw material prices and other input costs?
 - a. Increase more than 10 percent – 6.21%
 - b. Increase 5 to 10 percent – 16.34%
 - c. Increase up to 5 percent – 35.95%
 - d. Stay about the same – 24.51%
 - e. Decrease up to 5 percent – 14.05%
 - f. Decrease 5 to 10 percent – 1.96%
 - g. Decrease more than 10 percent – 0.98%

Average expected increase in raw material prices consistent with these responses = 2.15%

7. Over the next year, what are your company's capital investment plans?
 - a. Increase more than 10 percent – 12.79%
 - b. Increase 5 to 10 percent – 15.08%
 - c. Increase up to 5 percent – 12.79%
 - d. Stay about the same – 39.02%
 - e. Decrease up to 5 percent – 6.89%
 - f. Decrease 5 to 10 percent – 3.61%
 - g. Decrease more than 10 percent – 9.84%

Average expected increase in capital investments consistent with these responses = 1.30%

8. Over the next year, what are your inventory plans?
 - a. Increase more than 10 percent – 2.31%
 - b. Increase 5 to 10 percent – 2.64%
 - c. Increase up to 5 percent – 9.24%
 - d. Stay about the same – 41.91%
 - e. Decrease up to 5 percent – 16.50%
 - f. Decrease 5 to 10 percent – 18.48%
 - g. Decrease more than 10 percent – 8.91%

Average expected increase in inventories consistent with these responses = -2.03%

9. Over the next year, what do you expect in terms of full-time employment in your company?
 - a. Increase more than 10 percent – 4.28%
 - b. Increase 5 to 10 percent – 11.18%
 - c. Increase up to 5 percent – 22.37%
 - d. Stay about the same – 44.41%
 - e. Decrease up to 5 percent – 12.17%
 - f. Decrease 5 to 10 percent – 3.29%
 - g. Decrease more than 10 percent – 2.30%

Average expected increase in full-time employment consistent with these responses = 1.04%

10. Over the next year, what do you expect to happen to employee wages (excluding nonwage compensation, such as benefits) in your company?
 - a. Increase more than 5 percent – 8.82%
 - b. Increase 3 to 5 percent – 48.37%
 - c. Increase up to 3 percent – 33.66%
 - d. Stay about the same – 8.82%
 - e. Decrease up to 3 percent – 0.00%
 - f. Decrease 3 to 5 percent – 0.00%
 - g. Decrease more than 5 percent – 0.33%

Average expected increase in employee wages consistent with these responses = 2.86%

11. Over the next year, what do you expect to happen to health insurance costs for your company?
- a. Increase 15.0 percent or more – 5.57%
 - b. Increase 10.0 to 14.9 percent – 17.70%
 - c. Increase 5.0 to 9.9 percent – 44.59%
 - d. Increase less than 5.0 percent – 22.62%
 - e. No change – 5.57%
 - f. Decrease less than 5.0 percent – 0.00%
 - g. Decrease 5.0 percent or more – 0.00%
 - h. Uncertain – 3.93%

Average expected increase in health insurance costs consistent with these responses = 6.96%

12. What are the biggest challenges you are facing right now? (Check all that apply.)
- a. Weaker domestic economy and sales for our products to U.S. customers – 55.74%
 - b. Weaker global growth and slower export sales – 20.66%
 - c. Trade uncertainties (e.g., actual or proposed tariffs, trade negotiation uncertainty) – 18.69%
 - d. Strengthened U.S. dollar relative to other currencies – 11.15%
 - e. Challenges with access to capital or other forms of financing – 7.87%
 - f. Unfavorable business climate (e.g., taxes, regulations) – 52.13%
 - g. Increased raw material costs – 50.82%
 - h. Rising health care/insurance costs – 53.11%
 - i. Transportation and logistics costs – 29.51%
 - j. Supply chain challenges – 44.92%
 - k. Attracting and retaining a quality workforce – 74.43%
 - l. Other – 6.23%

13. What is your company's primary industrial classification?

- a. Chemicals – 5.23%
- b. Computer and electronic products – 1.96%
- c. Electrical equipment and appliances – 6.21%
- d. Fabricated metal products – 27.45%
- e. Food manufacturing – 4.58%
- f. Furniture and related products – 1.96%
- g. Machinery – 11.76%
- h. Nonmetallic mineral products – 1.63%
- i. Paper and paper products – 2.61%
- j. Petroleum and coal products – 0.33%
- k. Plastics and rubber products – 7.52%
- l. Primary metals – 2.94%
- m. Transportation equipment – 4.90%
- n. Wood products – 1.96%
- o. Other – 18.95%

14. What is your firm size (e.g., the parent company, not your establishment)?

- a. Fewer than 50 employees – 20.66%
- b. 50 to 499 employees – 44.92%
- c. 500 or more employees – 34.43%
- d. Uncertain – 0.00%

15. How would you characterize **production** in the second quarter relative to the first quarter?

- a. Higher – 36.67%
- b. No change – 36.33%
- c. Lower – 27.00%

Production Purchasing Managers' Index = 54.84

16. How would you characterize **employment** in the second quarter relative to the first quarter?
- a. Higher – 23.53%
 - b. No change – 58.50%
 - c. Lower – 17.97%

Employment Purchasing Managers' Index = 52.78

17. How would you characterize **capital spending** in the second quarter relative to the first quarter?
- a. Higher – 23.93%
 - b. No change – 60.33%
 - c. Lower – 15.74%

Capital Spending Purchasing Managers' Index = 54.10

SPECIAL QUESTIONS

18. When do you expect that supply chain disruptions will abate?
- a. They have already improved and are back to normal (prior to the current quarter) – 21.93%
 - b. The second quarter of 2023 (the current quarter) – 6.31%
 - c. The third quarter of 2023 – 11.96%
 - d. The fourth quarter of 2023 – 12.62%
 - e. Sometime in 2024 – 28.24%
 - f. At some later date – 7.97%
 - g. Uncertain – 10.96%
19. Do you think the U.S. will experience a recession in the next 12 months (through Q2 2024)?
- a. Yes – 56.81%
 - b. No – 10.30%
 - c. Uncertain – 32.89%
20. If the tax burden on income from manufacturing activities increased, would your company find it more difficult to expand its workforce, invest in new equipment or expand facilities?
- a. Yes – 88.00%
 - b. No – 12.00%
21. Recent tax law changes have increased the after-tax cost of performing research, purchasing capital equipment and taking out business loans. What effect does a higher tax burden have on funds available to your firm to invest in core manufacturing activities in the United States (e.g., increase production, expand facilities, grow workforce, etc.)?
- a. Increases funds available to grow U.S. manufacturing activity – 2.68%
 - b. Decreases funds available to grow U.S. manufacturing activity – 78.26%
 - c. No effect – 19.06%
22. Manufacturers must comply with a variety of tax, environmental, occupational and industrial regulations. In the aggregate, how many hours do you estimate are spent complying with federal regulations by your firm (including data collection and verification, inspections, document submissions, agency disputes, etc.) each year, assuming one full-time employee works 2,000 hours per year?

- a. Less than 2,000 hours – 36.64%
 - b. More than 2,000 but less than 4,000 hours – 21.92%
 - c. More than 4,000 but less than 6,000 hours – 15.75%
 - d. More than 6,000 but less than 8,000 hours – 5.48%
 - e. More than 8,000 but less than 10,000 hours – 3.08%
 - f. More than 10,000 hours – 10.27%
 - g. More than 50,000 hours – 2.74%
 - h. More than 100,000 hours – 4.11%
23. If the regulatory burden on manufacturers decreased, how would your firm invest the savings generated by reduced compliance costs? (Select all that apply.)
- a. Hire more workers – 43.20%
 - b. Increase compensation – 46.94%
 - c. Purchase capital equipment – 64.97%
 - d. Expand U.S. facilities – 38.10%
 - e. Invest in research – 40.14%
 - f. Other – 5.10%
24. If Congress were to enact permitting reform, simplifying and speeding up the approval process for new projects, would this be helpful for your company, allowing you to hire more workers, expand your business and/or increase wages and benefits?
- a. Yes – 75.17%
 - b. No – 24.83%
25. Is your company exploring scheduling changes (i.e., compressed workweeks, adjusted shift times, split shifts) to better attract or retain employees?
- a. Yes – 57.72%
 - b. No – 35.23%
 - c. Uncertain – 7.05%
26. What barriers are you facing in being able to offer flexibility to your workforce? (Select all that apply.)
- a. Inflexible production and shift needs – 56.90%
 - b. Lack of knowledge of flexibility needs of workforce – 10.44%
 - c. Leadership buy-in – 10.44%
 - d. Lack of resources to implement changes (changes to shift and payroll systems, tracking use of flexibility, etc.) – 12.79%
 - e. Concern of creating differences between workforce populations (office vs. shop floor, salaried vs. hourly) – 43.43%
 - f. We are not interested in offering flexibility – 6.06%
 - g. There are no barriers at my company in offering flexibility to our workforce – 17.17%
 - h. Uncertain – 11.11%
27. How would you describe the costs associated with health care?
- a. Very expensive – 58.78%
 - b. Somewhat expensive – 33.78%
 - c. Somewhat affordable – 4.73%
 - d. Affordable – 1.01%
 - e. Underpriced – 0.00%
 - f. Uncertain – 1.69%
28. Pharmacy benefit managers are entities that manage prescription drug benefits. In employer-sponsored health care, they negotiate drug prices and rebates with drug manufacturers and insurance companies. Do you think bringing transparency to PBM practices will lead to reduced health care costs?

- a. Yes – 62.84%
 - b. No – 8.11%
 - c. Uncertain – 29.05%
29. What do you see as contributing to rising health care costs? (Select all that apply.)
- a. Lack of price transparency – 71.62%
 - b. PBMs – 26.01%
 - c. Hospital consolidation – 43.58%
 - d. Inflationary forces – 66.55%
 - e. No access to quality health care within a 50-mile radius – 4.39%
 - f. Other – 18.92%
 - g. Uncertain – 12.50%