

IAR'S INLAND EMPIRE REPORT ON BUSINESS
Prepared by: The Institute of Applied Research

Housed in CSUSB's Jack H. Brown
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Report for April 2026

Key Summary of the Report:

The April 2026 report points to continued expansion in the Inland Empire manufacturing sector, although the pace of growth moderated from March. The PMI declined slightly, but remained firmly in expansion territory and above the level recorded in the same month last year. Production remained strong, while new orders continued to grow but at a slower pace. Cost pressures remained elevated. Panelists' outlook became more neutral, with most expecting the local economy to remain unchanged over the next three months.

- **PMI:** Declined to 59.1 from 62.2 in March 2026, signaling continued expansion at a slightly slower pace.
 - **New Orders:** Fell 11% to 59.1, down from 66.7 in March 2026, indicating slower but continued growth in regional demand.
 - **Production:** Declined slightly to 63.6, down from 63.9 in March 2026, signaling a modestly slower but still strong expansion in production activity.
 - **Employment:** Rose 23% to 68.2, indicating continued growth in a faster pace.
 - **Commodity Prices:** Decline slightly to 85.0, indicating that cost pressures remain elevated.
 - **Supplier deliveries:** Registered at 50.0, indicating that delivery conditions remained unchanged from last month.
 - **Economic Sentiment:** A majority of panelists, 55.6%, expected the economy to remain unchanged over the next three months, while 22.2% expected it to strengthen and 22.2% expected it to weaken, suggesting a more neutral overall outlook.
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PMI

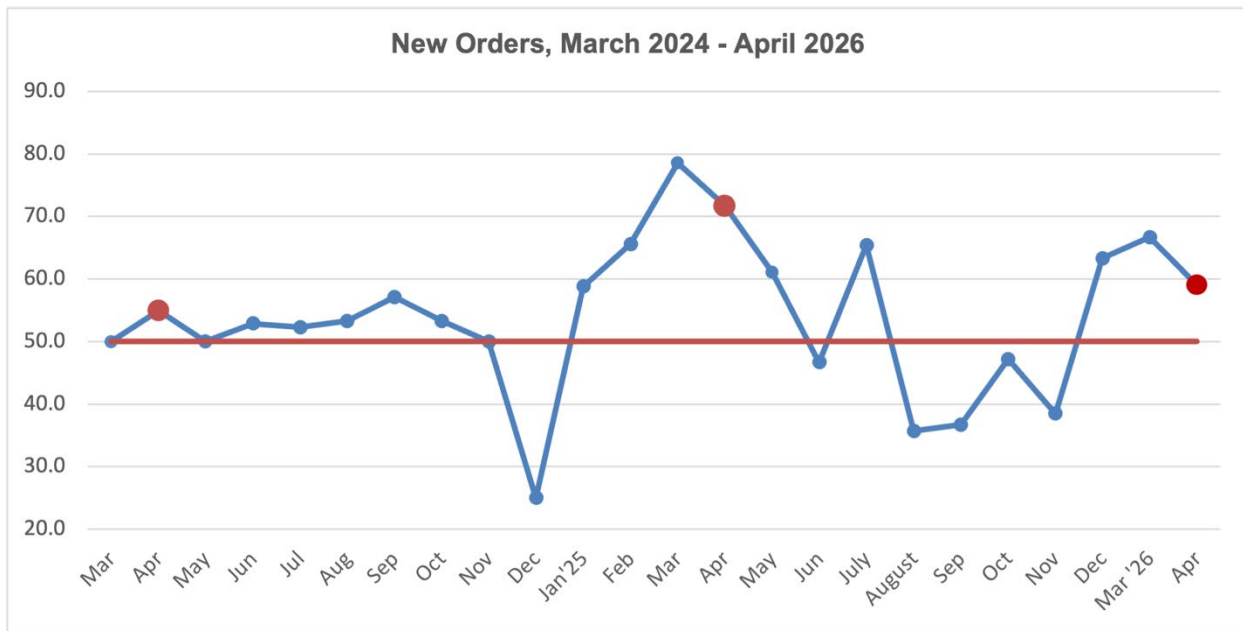
According to Dr. Anna Long, and Dr. Peiyi Jia of the Institute of Applied Research (IAR), the Inland Empire **Purchasing Managers' Index (PMI)** slipped slightly to **59.1** in April 2026, down from 62.2 in March 2026. Despite the decline, the index remained in expansion territory and was higher than the same month last year. Notably, the Inland Empire PMI in March 2026 also exceeded the national level.

Source of U.S. PMI®: Institute for Supply Management®, Source of IE PMI®: Institute of Applied Research

The **Production Index** for April 2026 declined slightly to 63.6, down from 63.9 in March 2026, signaling a modestly slower but still strong expansion in production activity in the region.

The

New Orders Index for April 2026 declined by 11% to **59.1**, down from 66.7 in March 2026, indicating slower growth in regional demand. The April reading remains above the level recorded in the same month two years ago, but is lower than one year ago.



The **Commodity Price Index** for April 2026 declined slightly to **85.0**, down from 86.1 in March 2026. This marks the 18th consecutive month above 50, indicating continued upward pressure on input costs. High oil prices remain a major driver of the elevated commodity price index.

In April 2026, the **Employment Index** increase 23% from 55.6 in March 2026 to **68.2**, indicating an accelerated growth in the regional employment.

The **Supplier Deliveries Index** for April 2026 registered at 50.0, representing a 25% decline from March 2026. A reading equals 50 indicates that supplier deliveries conditions remains the same compared to last month.

The **Overall inventory** level for April 2026 declined slightly to **54.5** from 58.3 in March 2026. Indicating that the overall inventory level is increasing but in a slower rate.

Panelists were asked to forecast the state of the local economy over the next three months. A majority, **55.6%** expect the economy to remain unchanged. Meanwhile, **22.2%** anticipate a stronger economy, while another **22.2%** expect conditions to weaken. Compared with prior months, these responses suggest a more neutral overall

outlook.

Following is a summary of the figures shown in this month's report:

Finally, our survey always includes an overall question asking the panelists to offer general remarks regarding any business condition (local, national, or international) that

affects the purchasing operation or the outlook of their company or industry. This section yielded diverse insights, with responses reflecting optimism or concerns.

Some expresses stability and optimistic outlook for the future:

“Our local economy, our Country, and the world itself are going through uncharted conditions, and for us specifically we have renewed our commitment to ensure that, despite all of the chaos, we are charting our own course and adjusting to the outside forces that could impact us. Therefore, we continue to reach out to our existing and potential customers in the diverse markets we serve, and have seen existing contracts for this year approaching 70% more than last year's sales.”

“We have been getting more quote requests lately, which shows a bit of a pick up in buying of new signage.”

“There is a lot of public works and commercial work bidding now. Our census is that there is going to be just as much work in 2027 as there is in 2026. This may change but right now, this is how it is looking.”

“Business still strong, expecting growth in aerospace/defense section in Q2/Q3”

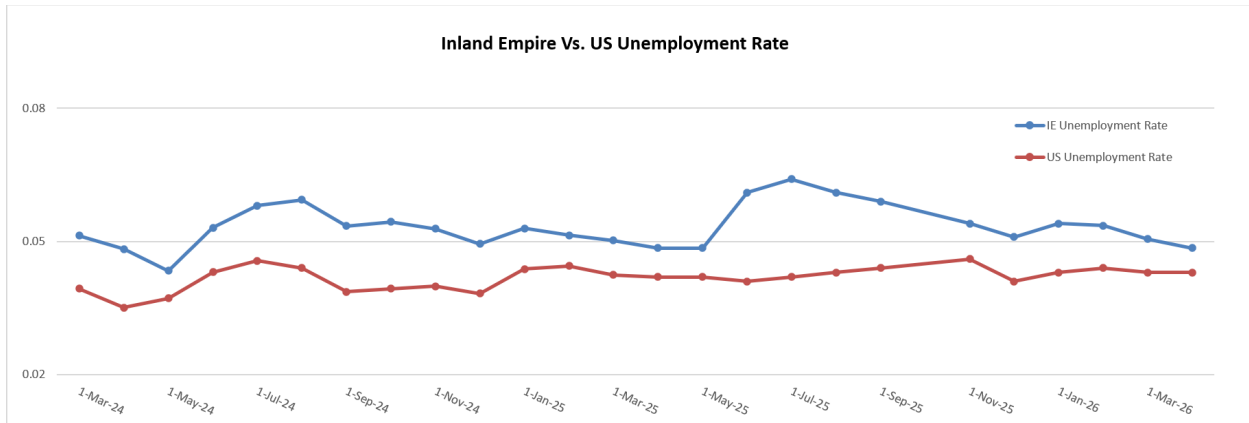
“Business is steady. Tesla Model s and x production ended”

Some expressed concerns particularly on the rise of costs:

“Business is steady but costs are on the rise.”

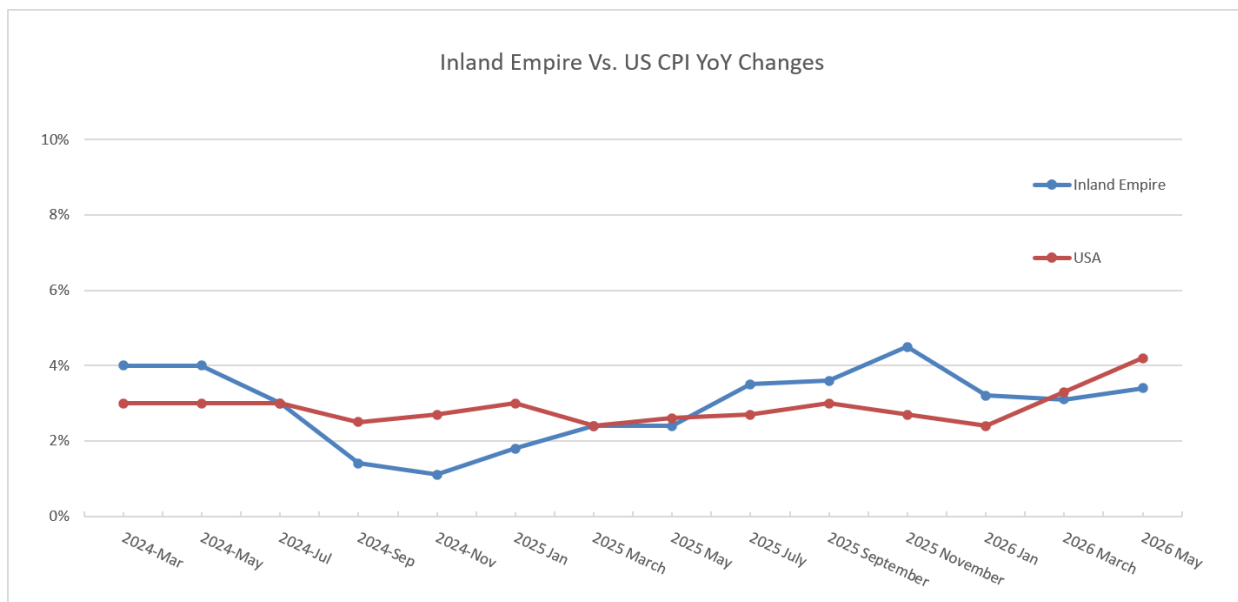
“The war affects the cost of natural gas which is our big bill, diesel and resin for stretch film as well. As gasoline prices increase so does the transportation cost of good leaving and receiving.”

Economic Context: Unemployment Rate



The Inland Empire labor market appears to be improving modestly in early 2026. After remaining above the national unemployment rate throughout the period, the IE rate has declined over the most recent months, while the U.S. rate has stayed nearly unchanged. This suggests that the regional labor market is still somewhat softer than the national labor market, but recent movement points to gradual improvement.

Economic Context: CPI – Inflation



The recent trend suggests that local inflation pressures in the Inland Empire have moderated compared with late 2025, while national inflation has re-accelerated. By May 2026, the U.S. CPI year-over-year increase was higher than the Inland Empire's, indicating that price pressures were rising faster nationally than locally.

Economic Context: PMI Comparisons

PMI Components	Regional Trend	National Trend
Manufacturing PMI	Growing	Growing
Production	Growing	Growing
New Orders	Growing	Growing
Inventory	Increasing	Contracting
Employment	Growing	Contracting
Supplier Deliveries	Unchanged	Slowing

In April, PMI conditions were positive in both places at the top-line level, but the IE/left-side indicators appeared more resilient, while the U.S./right-side indicators showed more weakness in several components.

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References are available upon request.