

# State of the Decorated Apparel Industry Report, Winter 2025

## EXECUTIVE SUMMARY



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If you have any questions, please contact [researchteam@printing.org](mailto:researchteam@printing.org).

## Executive Summary

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PRINTING United Alliance's *State of the Decorated Apparel Industry Report, Winter 2025* (SODA) presents an overview of the findings from 137 companies in the decorated apparel industry.

The report explores various critical business aspects, including trends in sales, operating cost inflation, prices, and profitability during the first three quarters of 2024, as well as expectations for 2025. It also explores capital investment plans and objectives, who is using artificial intelligence and how, print-on-demand sales expectations, and sustainability practices, benefits and obstacles.

PRINTING United Alliance members can download the *State of the Decorated Apparel Industry Report, Winter 2025* from here.



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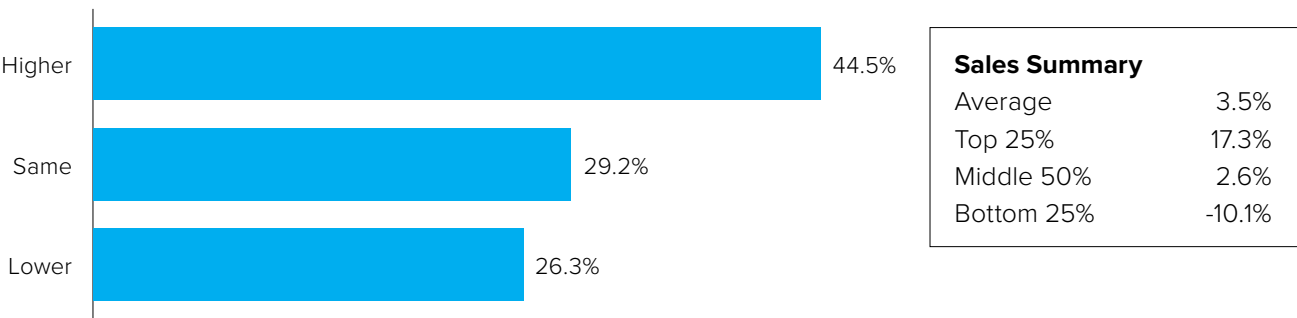
*For more information, contact Hirsch at [hsi.us](https://hsi.us), [care@hsi.us](mailto:care@hsi.us), or 800-394-4426.*

# SAMPLE FINDINGS

**Growth was limited and skewed.** Sales increased 3.5% on average during the first three quarters of 2024, growing for 44.5% but flat (29.2%) or down (26.3%) for 55.5%. And while the top quarter grew 17.3%, the middle half grew a modest 2.6% and the bottom quarter contracted 10.1% (Figure 1).

**Figure 1: Sales, First Three Quarters 2024**

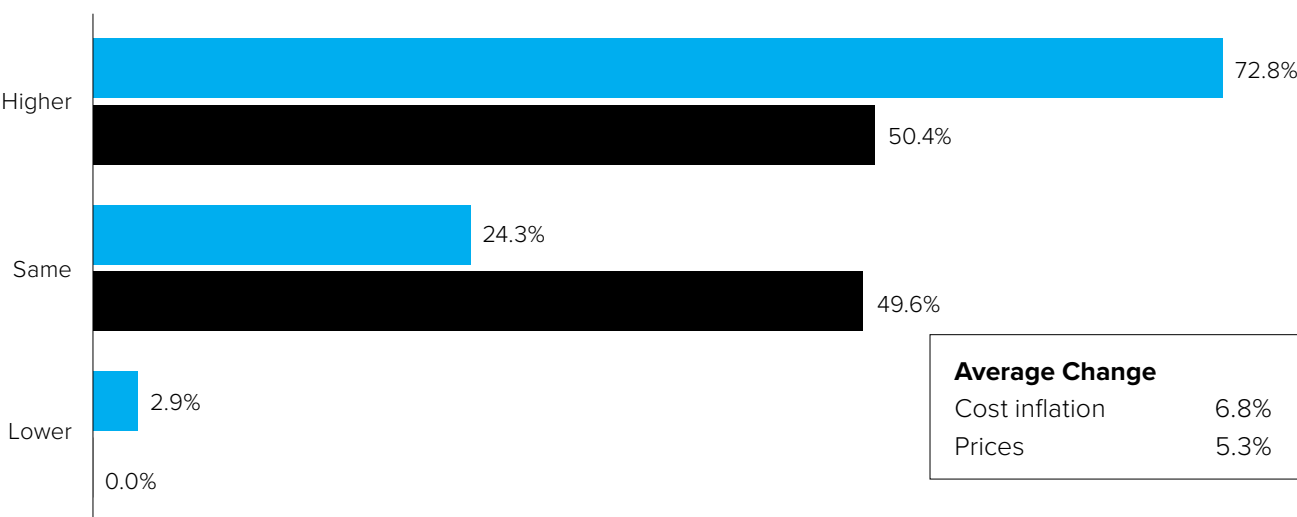
How sales (all sources) compared with year-earlier levels.



**Operating cost inflation is generally outpacing price increases.** On average, operating costs increased 6.8% strictly because of inflation (not because of changes in the volume or composition of production, productivity, etc.), while prices increased 5.3%. Nearly 73.0% of apparel decorators surveyed report costs rose because of inflation, but just 50.4% raised prices as stiff competition limited pricing power (Figure 2).

**Figure 2: Operating Cost Inflation and Prices, First Three Quarters 2024**

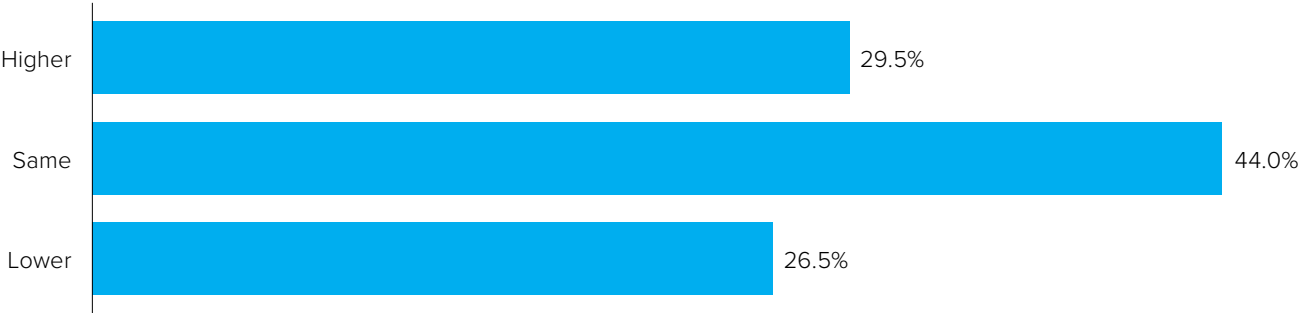
How per-unit operating costs (operating cost inflation) and prices compared with year-earlier levels



**Margins under pressure.** Pre-tax profitability (pre-tax profits as a percentage of sales) increased for 29.5%, significantly less than the 70.5% for whom profitability was flat (44.0%) or down (26.5%) and the 44.5% for whom sales increased, underscoring the difficulty of getting growth from the top line to the bottom line (Figure 3).

**Figure 3: Pre-Tax Profitability, First Three Quarters 2024**

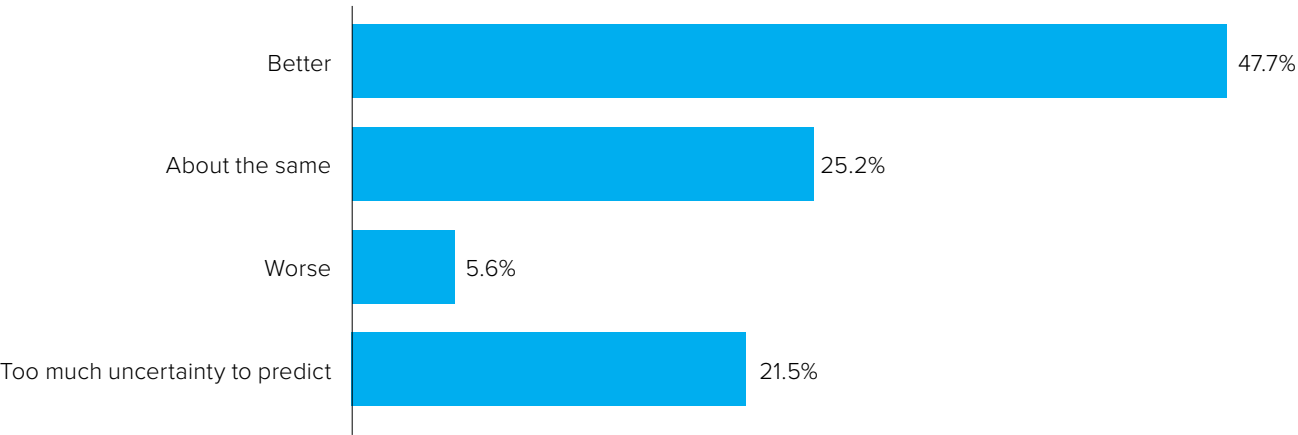
Q: How does your pre-tax profitability (pre-tax profits as a percentage of sales) compare with year-earlier levels?



**Concerning 2025, expectations are mixed.** While 47.7% of SODA participants expect business conditions to be better than they were in 2024, 25.2% expect conditions to be about the same, and 21.5% say there is so much uncertainty they don't know what to expect. Just 5.6% expect conditions to be worse (Figure 4).

**Figure 4: Expected Business Conditions**

Q: How do you expect overall business conditions in 2025 to compare with conditions in 2024?



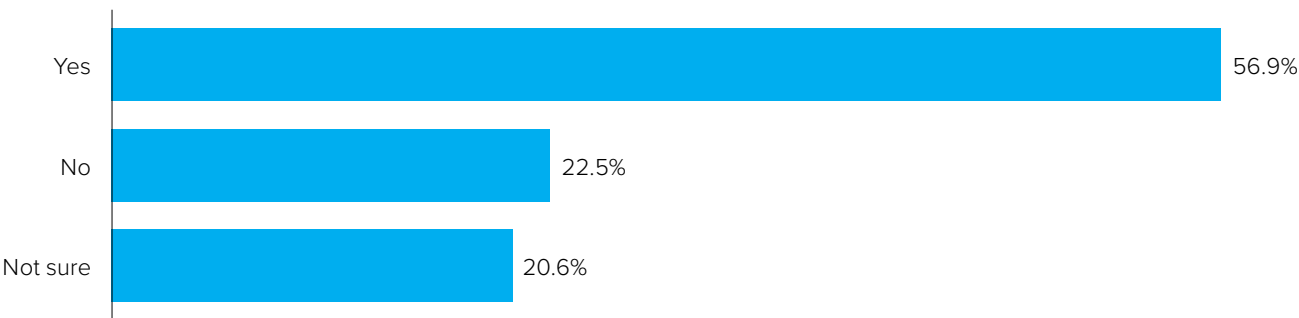
# Capital Investment Plans

As Figure 5 shows, 56.9% of SODA participants plan to make a capital investment this year, 22.5% do not plan to invest, and 20.6% are not sure if they will invest. Significantly, nearly one-third (31.4%) are delaying investment until interest rates decline (Figure 5).

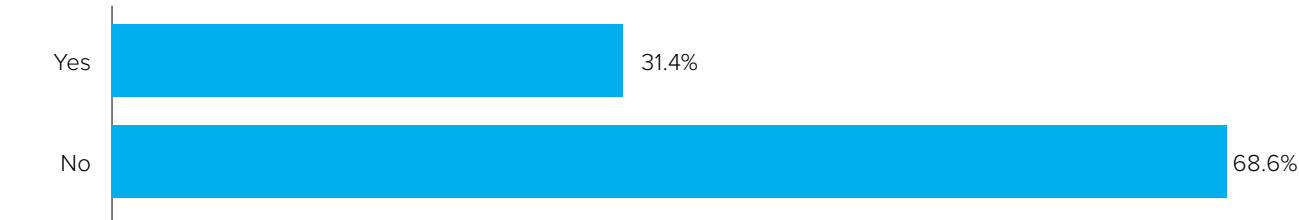
**Figure 5: Capital Investment Plans**

How SODA participants responded to the questions below.

**Do you plan to invest in capital equipment, hardware, or software during the next 12 months?**



**Are you delaying investments until interest rates decline?**



This report also highlights the factors – positive and negative – having the biggest effect on apparel decorators surveyed, strategies for driving profitability in 2025, the growing role of artificial intelligence among SODA participants, sustainability practices, and the expanding opportunities in print-on-demand services within the apparel decoration industry.





# Key Financial Ratios Program

The PRINTING United Alliance Key Financial Ratios Program (KFR) tracks 10 vital financial metrics, including gross profit, payroll, selling expenses, and EBITDA, each expressed as a percentage of sales. Data are collected through a secure online survey.

Program participants receive an interactive Excel spreadsheet that calculates the metrics by company size, primary printing segment, and revenue composition. The spreadsheet and program results are only available to participants.

To view a sample Key Financial Ratios Survey [click here](#).

Participation begins by completing the [Key Financial Ratios Candidate Profile](#). After completing the profile, an eligible candidate receives a four-digit participant code. For added security, only that code, never the candidate's name, company name, email, or other personal information appears on a KFR survey.

Participation in KFR is open to PRINTING United Alliance members and nonmembers. There is no charge to participate.

For more information on the program please contact Andy Paparozzi, Chief Economist, [apaparozzi@printing.org](mailto:apaparozzi@printing.org), or Onamica Dhar, Economist, [odhar@printing.org](mailto:odhar@printing.org).

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# WHO WE ARE

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PRINTING United Alliance is North America's most comprehensive member-based printing and graphic arts association, comprised of the industry's vast communities. The Alliance serves industry professionals and its members with preeminent education and training via iLEARNING+, workshops, events, research, government and legislative representation, safety, and environmental sustainability guidance, as well as resources from our leading media brands – *Printing Impressions*, *Packaging Impressions*, *Wide-format Impressions*, *In-plant Impressions*, and *Apparelist*. A division of PRINTING United Alliance, Idealliance is a global leader in standards training and certification for printing and graphic arts operations across the entire industry supply chain.

PRINTING United Alliance also produces the PRINTING United Expo, the most influential days in printing. The expansive display of technology and supplies, education, programming, and services are showcased to the industry at large and represents all market segments in one easily accessed place.

Learn more at [printing.org](http://printing.org).

## APPARELIST

A PRINTING United Alliance Media Brand

As the apparel decorating industry continues to change and evolve, we at *Apparelist* recognize that businesses of every size must stay on top of those changes as well as trends and disruptive events. We provide a community that not only addresses these changes, but also offers resources and information that is trusted and reliable. Apparel decorating businesses across the industry can turn to this community as a genuine and authentic voice of support. We gather expert-level business management resources to help apparel decorators of all sizes navigate the challenges of growing their businesses.