Top 20 Facts About Manufacturing

1 **In the most recent data, manufacturers contributed $2.17 trillion to the U.S. economy.** This figure has risen since the second quarter of 2009, when manufacturers contributed $1.70 trillion. Over that same time frame, value-added output from durable goods manufacturing grew from $0.86 trillion to $1.17 trillion, with nondurable goods output up from $0.84 trillion to $0.99 trillion.

2 **For every $1.00 spent in manufacturing, another $1.40 is added to the economy.** That is the highest multiplier effect of any economic sector.

3 **The vast majority of manufacturing firms in the United States are quite small.** In the most recent data, there were 256,363 firms in the manufacturing sector, with all but 3,626 firms considered to be small (e.g., having fewer than 500 employees). In fact, three-quarters of these firms have fewer than 20 employees.

4 **Almost two-thirds of manufacturers are organized as pass-through entities.** Looking just at manufacturing corporations and partnerships in the most recent data, 65.6 percent are either S-corporations or partnerships. The remainder are C-corporations. Note that this does not include sole proprietorships. If they were included, the percentage of pass-through entities rises to 83.4 percent.

5 **There are 12.33 million manufacturing workers in the United States, accounting for 9 percent of the workforce.** In addition, manufacturing supports an estimated 18.5 million jobs in the United States—about one in six private-sector jobs.

6 **In 2014, the average manufacturing worker in the United States earned $79,553 annually, including pay and benefits.** The average worker in all industries earned $64,204. Looking specifically at wages, the average manufacturing worker earned $25.19 per hour, according to the latest figures, not including benefits.

7 **Manufacturers have one of the highest percentages of workers who are eligible for health benefits provided by their employer.** Indeed, 92 percent of manufacturing employees were eligible for health insurance benefits in 2015, according to the Kaiser Family Foundation. This is significantly higher than the 79 percent average for all firms. Of those who are eligible, 84 percent participate in their employer's plans (i.e., the take-up rate). There are only two other sectors—government (91 percent) and trade, communications and utilities (85 percent)—that have higher take-up rates.

8 **Manufacturers have experienced tremendous growth over the past few decades, making them more "lean" and helping them become more competitive globally.** Output per hour for all workers in the manufacturing sector has increased by more than 2.5 times since 1987. In contrast, productivity is roughly 1.7 times greater for all nonfarm businesses. Note that durable goods manufacturers have seen even greater growth, almost tripling their labor productivity over that time frame.

To help illustrate the impact to the bottom line of this growth, unit labor costs in the manufacturing sector have fallen 12.3 percent since the end of the Great Recession, with even larger declines for durable goods firms.

9 **Over the next decade, nearly 3.5 million manufacturing jobs will likely be needed, and 2 million are expected to go unfilled due to the skills gap.** Moreover, according to a recent report, 80 percent of manufacturers report a moderate or serious shortage of qualified applicants for skilled and highly skilled production positions.

10 **Exports support higher-paying jobs for an increasingly educated and diverse workforce.** Jobs supported by exports pay, on average, 18 percent more than other jobs. Employees in the most trade-intensive industries earn an average compensation of nearly $94,000, or more than 56 percent more than those in manufacturing companies that were less engaged in trade.

11 **Over the past 25 years, U.S.-manufactured goods exports more than quadrupled.** In 1990, for example, manufacturers in the United States exported $329.5 billion in goods. By 2000, that number had more than doubled to $708.0 billion. In 2014, it reached an all-time high, for the fifth consecutive year, of $1.403 trillion, despite slowing global growth. However, a number of economic headwinds have dampened export demand so far in 2015, with manufactured goods exports down 4.2 percent year-to-date through the first two quarters of the year.

12 **Manufactured goods exports have grown substantially to our largest trading partners since 1990, including to Canada, Mexico and even China.** Moreover, free trade agreements (FTAs) are an important tool for opening new markets, with 52 percent of manufactured goods exports flowing to our FTA partners in 2014. The United States enjoys a $55.0 billion manufacturing trade surplus with its trade agreement partners, compared with a $579.2 billion deficit with other countries.

13 **Nearly half of all manufactured goods exports went to nations with which the United States has FTAs.** In 2014, manufacturers in the United States exported $674.9 billion in goods to FTA countries, or 48.1 percent of the total.

14 **World trade in manufactured goods has more than doubled between 2000 and 2013—from $4.8 trillion to $12.2 trillion.** World trade in manufactured goods greatly exceeds that of the U.S. market for those same goods. U.S. consumption of manufactured goods (domestic shipments and imports) equaled $4.1 trillion in 2014, equaling about 34 percent of global trade in manufactured goods.

15 **Taken alone, manufacturing in the United States would be the ninth-largest economy in the world.** With $2.1 trillion in value added from manufacturing in 2014, only eight other nations (including the United States) would rank higher in terms of their GDP.

16 **Foreign direct investment in manufacturing exceeded $1 trillion for the first time ever in 2014.** Across the past decade, foreign direct investment has more than doubled, up from $499.9 billion in 2005 to $1,045.5 billion in 2014. Moreover, that figure is likely to continue growing, especially considering the number of announced ventures that have yet to come online.