

Focus on Manufacturing

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The State of the State's Manufacturing

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Recent data obtained from the U.S. Bureau of Labor Statistics, state and county employment and wages from the quarterly census of employment and wages, and the U.S. Bureau of Economic Analysis gross state product indicates that reports of manufacturing's demise, to borrow from American author Mark Twain, are exaggerated.

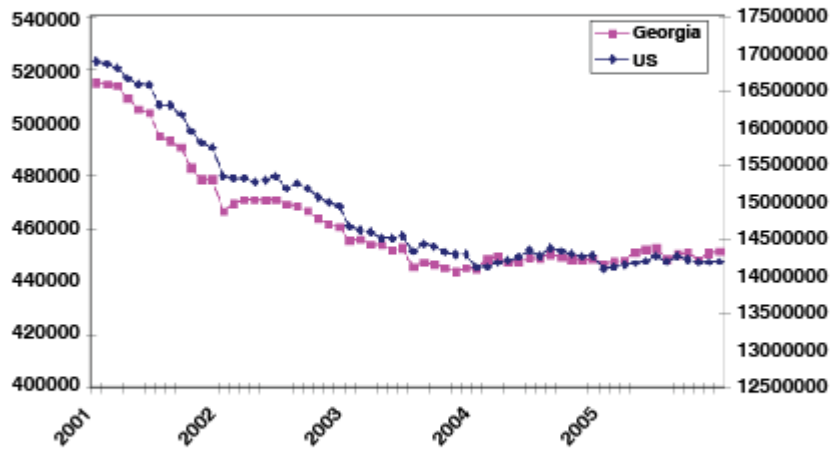
In an early October presentation to the Industry Services Advisory Board of Georgia Tech's Enterprise Innovation Institute, Jan Youtie, Ph.D., showed that while state employment has followed the national trend downward, output has grown for both since 2003 and productivity in Georgia has increased even more (see Figures 1 & 2). In addition, manufacturing wages have generally risen.

According to Dr. Youtie, from 2001 to 2003 the national economy and manufacturing sector drove employment declines locally, but there could have been 12 percent fewer manufacturing jobs in Georgia if not for job gains in the state's economy overall. From 2003 to 2005, she said, strength in the Georgia economy counterbalanced weaknesses in the national manufacturing sector, which might otherwise have resulted in 5 percent fewer manufacturing jobs in Georgia.

"News reports emphasize job losses in manufacturing, but a long-term perspective suggests that the economy is cyclical," she said. "Although there have been downturns, manufacturing is not going away, and manufacturing productivity continues to demonstrate upward gains."

Myth: Manufacturing is going away

Employment



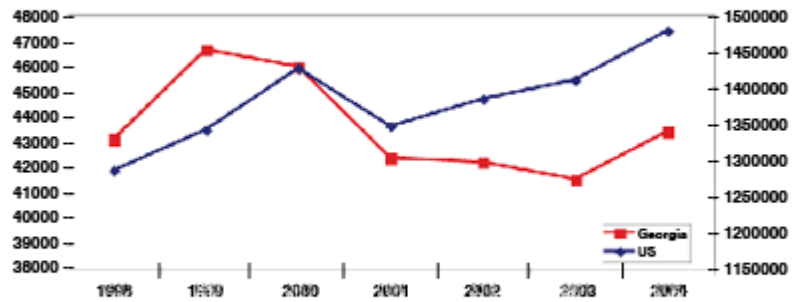
Source: US BLS, State and County Employment and Wages from the Quarterly Census of Employment and Wages, 2006

Georgia Tech Enterprise Innovation Institute, August 2006

Figure 1

Myth: Manufacturing is going away

Output



Millions of 2000 dollars

Source: US BEA, Gross State Product, 2006

Georgia Tech Enterprise Innovation Institute, August 2006

Figure 2

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