Manufacturing: The foundation for America’s success

The manufacturing industry is propelled by advanced technologies and constant innovation. It plays a key role in enhancing economic prosperity through increased productivity, raising GDP output, and creating higher-income jobs.

Manufacturing fuels the US economy by creating jobs and driving advancements in technology. Manufacturers contributed $2.17 T to the economy, which is nearly 12.1% of the US GDP.

Americans value a strong manufacturing sector. 83% believe manufacturing is very important to America’s economic prosperity, and 81% believe it is important to maintain America’s standard of living.

US manufacturers face significant talent challenges given the widening skills gap. 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 skill gap.

Leading factors:
- Retirement of baby boomers
- Strength of the economy
- Attractiveness of the industry

For every $1.00 spent in manufacturing, another $1.81 is added to the economy—the highest multiplier effect of any economic sector.

The average manufacturing worker in the US earned $81,289 annually, while the average worker earned $63,830.

Manufacturing: The foundation for America’s success

83% of Americans value a strong manufacturing sector.

81% believe manufacturing is very important to America's economic prosperity and important to maintain Americans' standard of living.

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 skill gap.

Leading factors:
- Retirement of baby boomers
- Strength of the economy
- Attractiveness of the industry

As the digital and the physical worlds converge the risk of a cyber breach increases.

- 80% of surveyed manufacturers' value can be constituted by their IP.
- 48% of executives surveyed are not confident they are protected from external threats.
- 52% of executives surveyed indicate their connected products are able to store and/or transmit confidential data. Only 55% encrypt such data.

Top 12 drivers of global manufacturing competitiveness

1. Talent
2. Cost competitiveness
3. Workforce productivity
4. Supplier network
5. Legal and regulatory system
6. Education system
7. Physical infrastructure
8. Economic, trade, financial and tax system
9. Innovation policy and infrastructure
10. Energy policy
11. Local market attractiveness
12. Healthcare system

Top manufacturing competitive nations (by 2020)

1. US
2. China
3. Germany
4. Japan
5. India

Important to a strong manufacturing innovation ecosystem:
- Excellent research talent and infrastructure
- Strong VC investments
- Dedicated industrial clusters
- Brand and reputation
- New markets and new customers while improving price competitiveness
- Talent as a key competitive advantage
- Advanced technologies and innovation while enhancing cybersecurity and guarding intellectual property
Top 20 Facts About Manufacturing
National Association of Manufacturers

Advanced Technologies Initiative: Manufacturing and Innovation
Deloitte LLP and US Council on Competitiveness

Public perception of manufacturing
Deloitte LLP and The Manufacturing Institute

Global Manufacturing Competitiveness Index
Deloitte LLP and US Council on Competitiveness

Safeguarding the internet of things: Being secure, vigilant, and resilient in the connect age

When tax meets technology: Tax implications of Industry 4.0

Industry 4.0 and manufacturing ecosystems: Exploring the world of connected enterprises

The rise of the digital supply network: Industry 4.0 enables the digital transformation of supply chains

Top 20 Facts About Manufacturing
National Association of Manufacturers

Advanced Technologies Initiative: Manufacturing and Innovation
Deloitte LLP and US Council on Competitiveness

Public perception of manufacturing
Deloitte LLP and The Manufacturing Institute

Global Manufacturing Competitiveness Index
Deloitte LLP and US Council on Competitiveness

Safeguarding the internet of things: Being secure, vigilant, and resilient in the connect age

When tax meets technology: Tax implications of Industry 4.0

Industry 4.0 and manufacturing ecosystems: Exploring the world of connected enterprises

The rise of the digital supply network: Industry 4.0 enables the digital transformation of supply chains

Deloitte Center for Industry Insights

About the Deloitte Center for Industry Insights
The Deloitte Center for Industry Insights (the Center) is the research division of Deloitte LLP’s Consumer and Industrial Products practice. The Center’s goal is to inform stakeholders across the consumer business and manufacturing ecosystem of critical business issues including emerging trends, challenges, and opportunities. Using primary research and rigorous analysis, the Center provides unique perspectives and seeks to be a trusted source for relevant, timely, and reliable insights. To learn more, visit www.deloitte.com/us/cb and www.deloitte.com/us/manufacturing.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2017 Deloitte Development LLC. All rights reserved.