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Brookings Discovers Manufacturing Job Loss Issue

Seven Great Lake states have been hit hard by job losses in manufacturing over the past five years, accounting for 37.5 percent -- or 1.1 million -- of the three million lost jobs in manufacturing, according to an analysis by the Brookings Institution. Michigan alone lost 218,000 manufacturing jobs between 2000 and 2005.

The loss of so many manufacturing jobs is a "major cause for concern," says Brookings in a new study. "Between 2000 and 2005, the nation as a whole lost 17.6 percent of its manufacturing job base. During that period, all the Great Lakes states except Indiana (13.9 percent manufacturing job loss) and Wisconsin (14.7 percent job loss) lost larger percentages of their manufacturing jobs than the entire nation."

Michigan lost the greatest percentage of manufacturing jobs (24.3 percent), followed by New York (22.7 percent). Illinois, Ohio and Pennsylvania lost 20 to 21 percent of their manufacturing jobs.

Nevertheless, the percentage of gross state product generated by manufacturing in these states, with the exception of New York, increased during the period, due to an overall productivity increase in the manufacturing sector of 38 percent between 1997 and 2004. Brookings analyzed job losses in 25 major metropolitan areas in the seven states and found huge declines in many of them. Flint, Mich., recorded the greatest percentage of manufacturing jobs lost, at 55 percent, between 1996 and 2005. Ann Arbor, Mich., Canton, Ohio, Rochester, N.Y. and Youngstown, Ohio, all lost more than 30 percent of their manufacturing jobs.

Chicago lost the most manufacturing jobs at 141,300, followed by Detroit at 103,300 and Cleveland at 47,300. Dayton, Flint and Youngstown had fewer jobs in 2005 than they did in 1995.

"Manufacturing job losses were a major reason for the poor overall job performance in most of the 25 metropolitan areas," says the study. "Manufacturing accounted for 190.2 percent of all jobs lost in Dayton, Ohio, from 1995 to 2005; 131.2 percent of all jobs lost in Flint and 397.9 percent of all jobs lost in Youngstown, Ohio....Advanced service industries, which in principle could have substituted for manufacturing as drivers of regional prosperity, have not generated enough jobs to offset recent manufacturing job losses in most of the Great Lake's region's manufacturing-dependent metropolitan areas." Brookings recommends that the federal government start enforcing trade agreements and adopting "meaningful, enforceable labor and environmental standards [to] correct [for] market failures that currently give many low-wage countries an artificial cost advantage over the United States." It recommends adoption of some form of universal health care coverage to reduce the compensation costs of U.S. manufacturers. And it recommends

the Manufacturing Extension Partnership program be increased "not reduced as the current administration has proposed."

The report, "Bearing the Brunt: Manufacturing Job Loss in the Great Lakes Region, 1995 - 2005," is available at:

http://www.brookings.edu/metro/mei/20060727_manufacturing.pdf.