

THE STATE OF AMERICAN MANUFACTURING

The Council of Economic Advisers

October 2026





Executive Summary

The Council of Economic Advisers (CEA) evaluated President Trump's impact on the manufacturing sector— reviewing his second term to date. Reviewing a wide range of evidence, the data demonstrates that the manufacturing sector is seeing robust growth with the Trump Administration's pro-growth policies.

Manufacturing jobs are reshoring in America after the Biden Administration shipped over 200,000 American jobs overseas in its last two years, factory construction is soaring as President Trump's tariff policies incentivized companies to make their products here in the USA.

Made-in-America manufacturing positions the United States at the forefront of critical industries for our national security, including aerospace, aircraft equipment, natural gas and petroleum production, and metals. Now the world's largest energy exporter, the United States continues to strengthen its leadership across the energy sector, while a new renaissance in American steel production is reinforcing domestic industrial capacity.

The manufacturing resurgence we are witnessing reinforces America's dominance as a global leader, but also has positive impacts on the labor sector as we see more American jobs, increased wages, and company expansions that stimulate Main Street local economies and communities nationwide.

The CEA analysis outlines how the United States is pioneering the technology frontier, reshoring production, and President Trump's pro-growth, pro-investment approach is contributing to a new American Golden Age.

Evidence from Employment Data

President Trump's economy is replacing the industrial malaise of the Biden era with a manufacturing renaissance. Growth in jobs and wages for manufacturing and construction workers point to a bright future for America's economy. American workers are reaping the benefits of President Trump's tariffs and trade deals. Wages are rising, domestic manufacturing activity is expanding, and the blue-collar jobs lost under the Biden administration are finally returning to U.S. soil.

- Manufacturing employment is surging thanks to historic investment, reshoring of manufacturing production, a surge in factory construction jobs, and a manufacturing production boom. The U.S. manufacturing sector entered its ninth straight month of expansion in September.
- So far in 2026, manufacturing jobs are up 72K, primarily due to durable goods manufacturing, which has risen by 101K so far this year, particularly metal production (+21K) and transportation equipment (+17K). This is a reversal of the trend inherited from the previous administration, which lost over 200K jobs in its final two years.



Small businesses and local economies are feeling the benefits of the current manufacturing expansion.

- Ketchie Inc, a precision machine company located in Concord, North Carolina, **grew its workforce 25%** after buying a dual 5-axis machining center, an EDM machine, and a cylindrical grinder. **The company says it held off on those purchases until OBBB passed.**
- Jergens, a manufacturer in Ohio, says full expensing for factories led to its latest expansion in Illinois. The CEO says **83% of hourly workers now volunteer for overtime under the no-tax-on-overtime provision.**
 - Quote from CEO Jack Schron: “Since the passage of the bill **[OBBB]**, our employees are voluntarily working additional hours. They are keeping more of what they earn, putting more money back into the American economy and Jergens has a ready workforce. It is a win-win-win: a win for the employee, for Jergens and for the United States economy.”
- Munson Boats, a welded aluminum boat builder in Washington, shelved a planned expansion in 2020 because of COVID. They restarted it once **OBBB let it deduct the full cost of the factory expansion right away. The result is 6,000 more square feet of production space and 15 new jobs.**¹
- Vermeer corporation, a manufacturer of industrial and agricultural machines in Iowa, says that immediate deduction of capital expenditures will help the company invest in multi-million-dollar machining centers and add 150 to 200 jobs.²
- Manufacturing workers have seen strong nominal wage growth (+7.9% since Jan. 2025). When you exclude managers, nominal wage growth for manufacturing workers is even higher (+9.2% since Jan. 2025).
 - Adjusted for inflation, this means that blue-collar manufacturing workers are earning nearly \$2,500 more per year, on average, since President Trump took office. Construction workers have seen their wages rise by \$2,900 since President Trump took office, and they are up \$3,800 excluding managers.
- Construction employment has continued to march upwards, up 100K since President Trump took office. Job growth is strong, especially for factory construction jobs which have seen an exponential uptick— up more than 111K since President Trump took office (Non-residential specialty trade construction jobs).
 - No tax on overtime is letting construction workers keep more of what they earn. More than 29 million Americans claimed the deduction this filing season, with an average deduction of more than \$3,100.
- Today’s new construction jobs will lead to future GDP growth and manufacturing employment.
- U.S. business growth has hit its highest level in over five years, manufacturing is booming, businesses are expanding, and U.S. goods exports are on track for their highest level in history this year.
- President Trump has delivered over \$11 trillion in investment here in the United States.

¹ https://nam.org/wp-content/uploads/2026/07/NAM_Tax_Wins_Collection_Final.pdf

² <https://atr.org/expensing/>

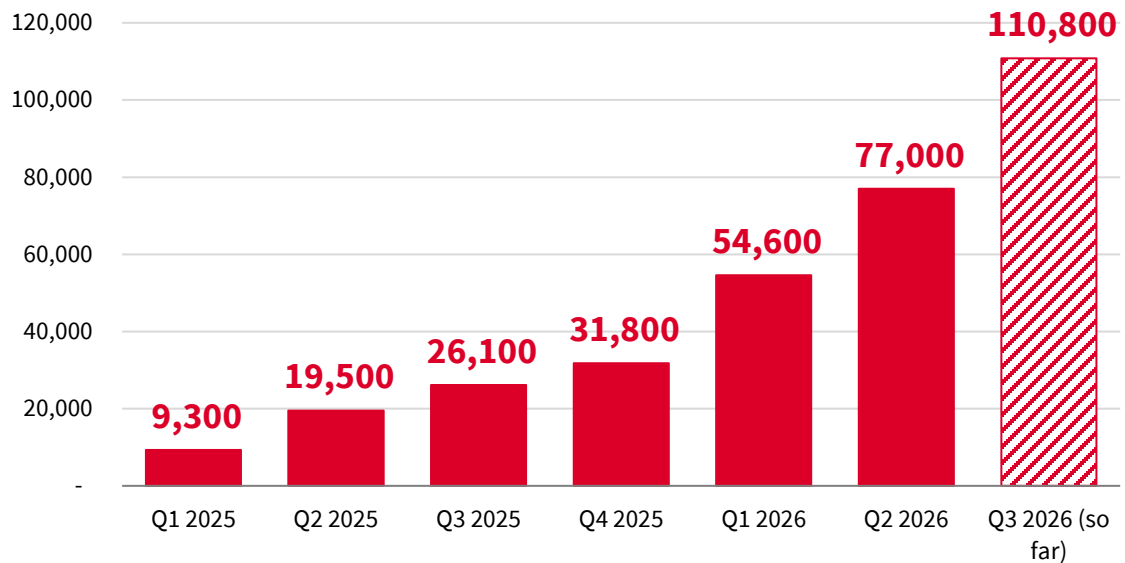


These are job-creating investments across key sectors like semiconductor, pharmaceutical, auto, and metals manufacturing— compared to over \$1 trillion in 4 years of the previous administration.

- **Semiconductors:** Micron has committed \$250 billion to memory chip plants in Idaho, Virginia, and New York. Apple has announced a \$600 billion U.S. investment.
- **Pharmaceuticals:** GSK announced a \$30 billion investment in U.S. research and development and manufacturing, and Gilead added \$11 billion to its U.S. manufacturing plants.
- **Autos:** Stellantis announced a \$13 billion U.S. investment, the largest in company history.
- The message from the world's biggest companies is clear: America is the place to **build** and **invest** again.

Factory Construction Soars Under President Trump

Gain in employment, non-residential specialty trade construction, cumulative change since Jan. 2025

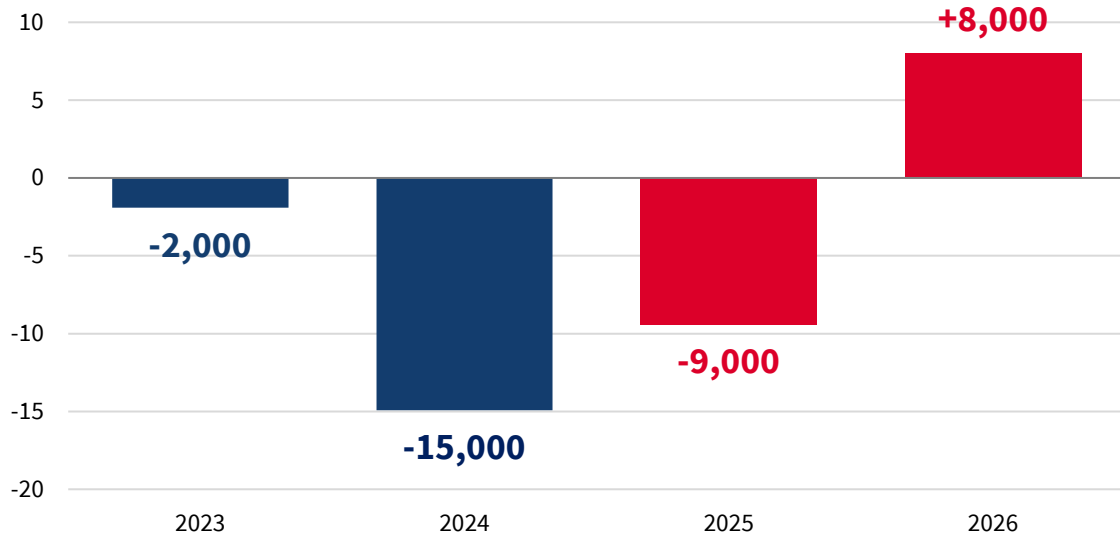


Note: CEA analysis of BLS data.



Manufacturing Jobs are Growing in 2026, Reversing Biden Decline

Average monthly loss/gain in manufacturing jobs,



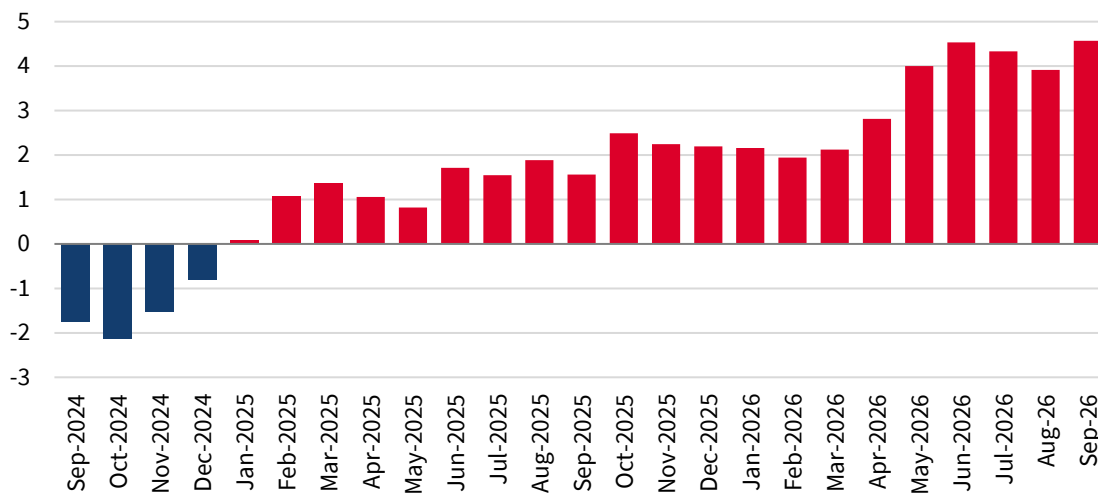
Note: CEA analysis of BLS data.

Evidence from the S&P Global U.S. Manufacturing Purchasing Managers' Index

The U.S. manufacturing sector entered its fourteenth straight month of expansion in September, according to the S&P Global U.S. Manufacturing PMI index. September's rating (55.9) was the highest since President Trump took office.

Factory Output is Surging Under President Trump

S&P PMI for Manufacturing, points above or below the expansion threshold, 3 mo. average



Note: CEA analysis of S&P data.



Evidence from FRB Industrial Production Data

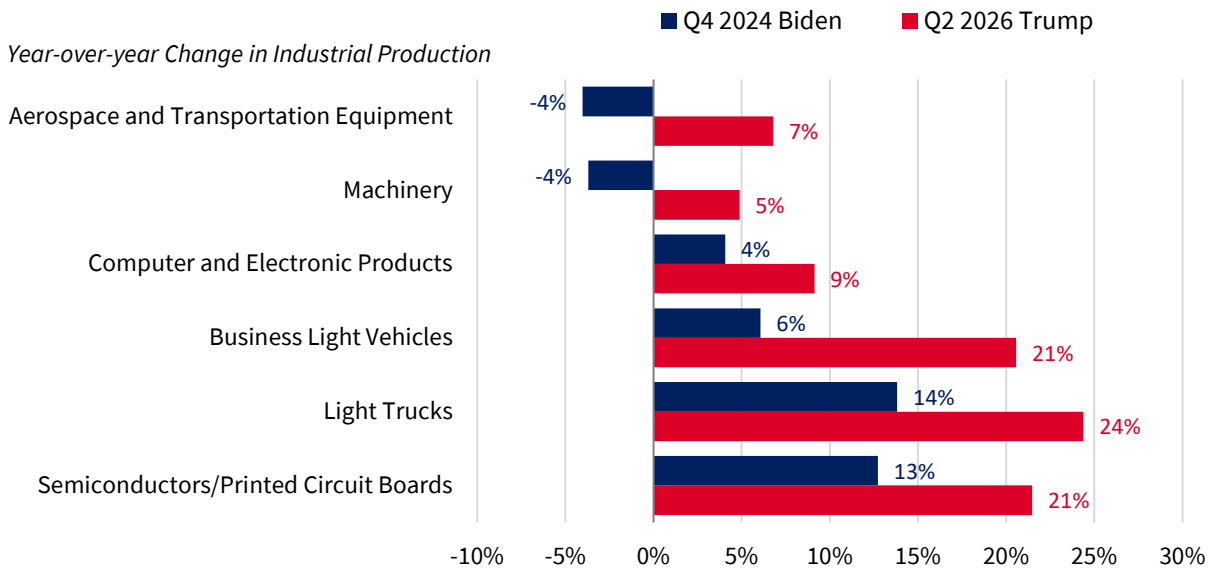
The Federal Reserve Board (FRB) publishes monthly estimates of U.S. industrial activity.

President Trump's reindustrialization agenda can be seen in the latest industrial production growth.

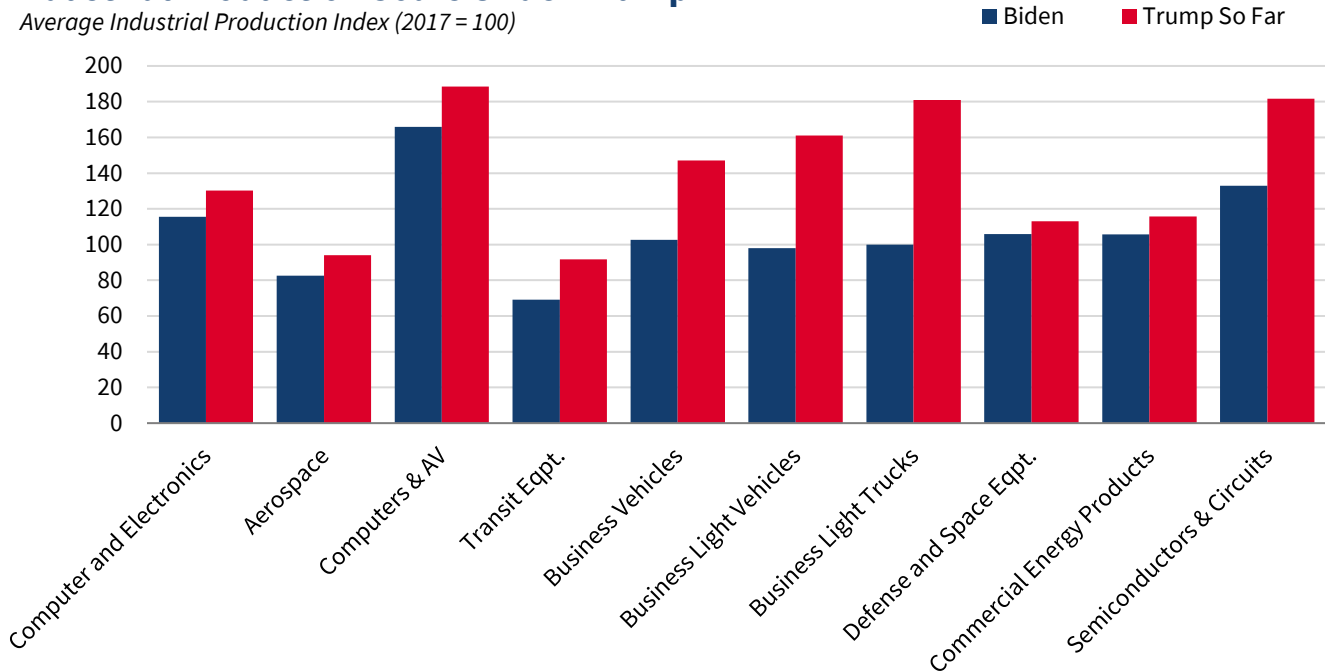
- The following figures show the year-over-year change in output across sectors and industries accelerating or reversing their decline over Biden's last year in office (Q4 average).
 - Manufacturing is expanding for the first time in several years after decline under Biden, including a -1.4% YoY output decrease in 2024.
 - Semiconductors/Printed Circuit Boards manufacturing is up 22% year-over year.
 - This is an acceleration from its 12% YoY rate over the last year of Biden's term.
 - Business vehicles manufacturing is up 16.1% (vehicles designed for transporting goods, services, or personnel) year-over year.
 - Accelerating from its 11.5% rate in 2024.
 - Transit equipment manufacturing is up 11.2% (Motor vehicles used to move people such as buses, railcars, ferries) year-over year under President Trump.
 - A reversal from the decline under Biden, -18.4% over his last year in office.
 - Computer and electronic products manufacturing is up 8.7% year-over year under President Trump.
 - An acceleration from its 3.8% rate in 2024 under President Biden.
 - Computers, video and audio equipment manufacturing is up 7.6% year-over year under President Trump.
 - An acceleration from its 2.1% rate in 2024.
 - Defense and space equipment manufacturing is up 7.1% year-over year under President Trump.
 - An acceleration from its less than 1% growth over Biden's last year.
 - Machinery manufacturing is up 6.3% (industrial equipment used to do physical work) year-over year under President Trump.
 - A reversal from the decline of 4% in Biden's last year.
 - Aerospace and miscellaneous transportation equipment manufacturing is up 4.2% (Non motor vehicle transport) year-over year under President Trump.
 - A reversal from the decline under Biden, -9% over Biden's final year in office.



Industrial Production Grows Under Trump, Reversing Biden Decline



Industrial Production Soars Under Trump



Note: CEA Analysis of Federal Reserve Board Data



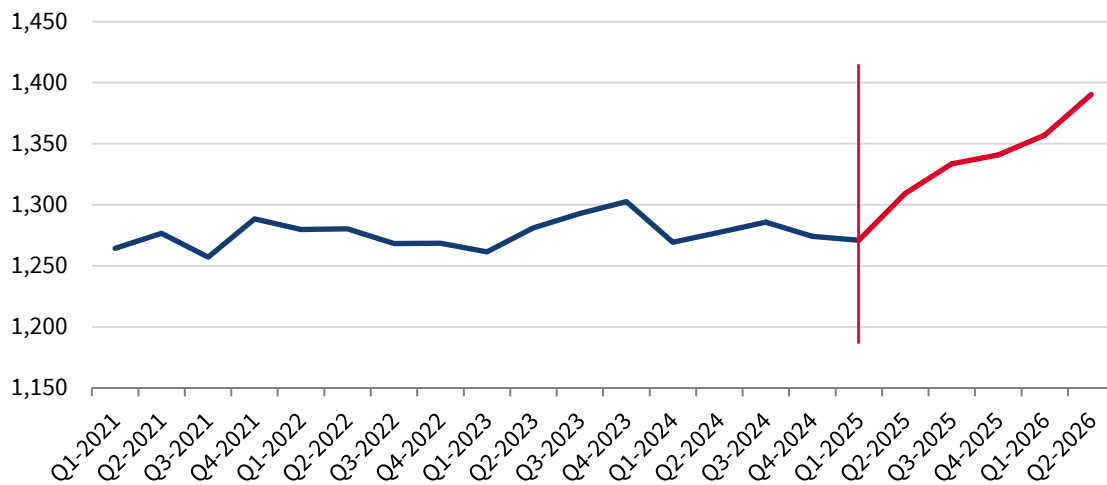
Evidence from GDP Data

The effects of President Trump's reindustrialization agenda can be seen in Q2 GDP, which showed year-over-year growth in key sectors:

- YoY Change in Value Added (Q2 2026).
 - Durable goods manufacturing is up 8.3%.
 - Nondurable goods manufacturing is up 9.5%.
 - Mining is up 31%.
- The U.S. is Building Again thanks to President Trump's reindustrialization agenda.
 - Real private fixed investment grew at a 6.9% annualized rate in H1 of 2026.

The U.S. Is Building Again Thanks to President Trump's Reindustrialization Agenda

Real GDP, Durable Goods Manufacturing, billions of 2017 dollars

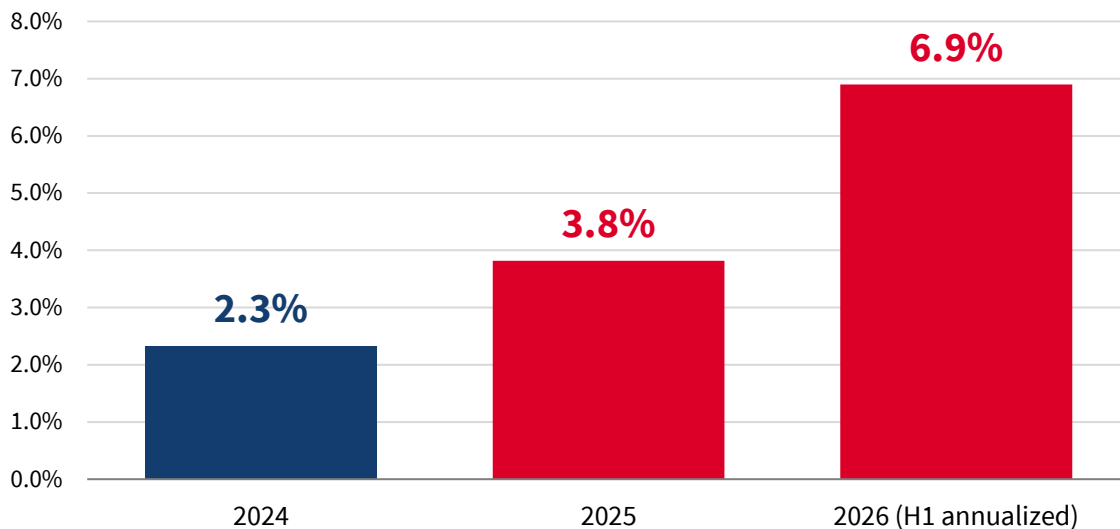


Note: CEA analysis of BEA data.



Investment Booms Under President Trump

Annual growth in real fixed private investment



Note: CEA analysis of BEA data.

Evidence from Real Wage and Hour Data

- Wages have continued to outpace inflation since President Trump took office, reversing a sharp Biden decline.
- After accounting for inflation, wages are up \$800 per year since Trump took office for all private workers. They were down \$3,000 during Biden.
 - Blue collar wages are especially booming. Manufacturing and construction wages, excluding managers and supervisors, have seen a \$2,000 and \$2,800 wage increase since President Trump took office.
- America's factories need more workers. Manufacturers are asking their teams for more hours, with overtime up about 5.3% over the past year. And thanks to no tax on overtime, workers are keeping more of every extra hour they put in.
- Factory demand for workers is up sharply over the past year. Manufacturing job openings are up 25%, hiring is up, and layoffs are down 25%.

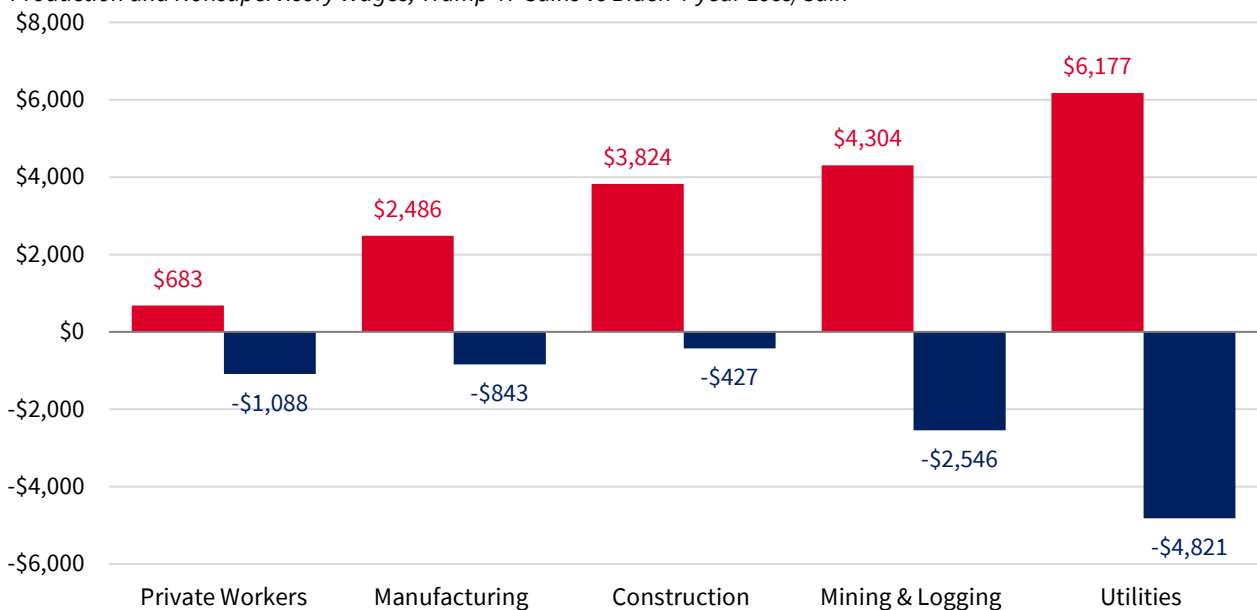


August 2026 Real Earnings (annualized basis)		
	Trump 47 Gains So Far	Biden Total (4-Year) Loss/Gain
All Private Workers	\$791	-\$2,938
Excluding Managers	\$683	-\$1,088
Manufacturing Workers	\$1,945	-\$2,377
Excluding Managers	\$2,486	-\$843
Durable Manufacturing Workers	\$1,957	-\$1,317
Excluding Managers	\$3,776	-\$466
Construction Workers	\$2,883	-\$1,283
Excluding Managers	\$3,824	-\$427
Mining & Logging Workers	\$3,149	-\$7,555
Excluding Managers	\$4,304	-\$2,546
Transportation & Warehousing Workers	-\$295	-\$1,889
Excluding Managers	\$484	\$1,541

CEA analysis of BLS data. August 2026 dollars. Average weekly earnings adjusted with CPI-W.

Real Wage Gains for Real Hardworking Americans

Production and Nonsupervisory Wages, Trump 47 Gains vs Biden 4-year Loss/Gain



Note: CEA Analysis of BLS Data.



Evidence from Trade Data

The United States is exporting more goods than ever before. Where American exports stalled under Biden, American goods are now reaching customers around the world at record levels. U.S. goods exports hit an all-time monthly record of \$220 billion in April 2026 and are up 15% from last year. American-made computers, computer accessories, semiconductors, and energy are leading the way.

Relative to this point in 2025:

- Exports of goods are up 15% from last year. Through the first 8 months of 2026, U.S. goods exports are 20% higher than at the same point 2024 during the Biden administration.
 - Exports of industrial supplies and materials are up 26%. In this category,
 - Exports of nonmetallic minerals are up 209%.
 - Exports of coal (metallurgical grade) are up 17%.
 - Exports of logs and lumber are up 11%.
 - Exports of aluminum are up 34%.
 - Exports of fertilizers, pesticides, and insecticides are up 10%.
 - Exports of copper are up 25%.
 - Exports of capital goods (except automotive) are up 14%. Every single quarter of 2026, U.S. capital goods exports have exceeded even the best month of the Biden administration. In this category,
 - Exports of computers are up 46%.
 - Exports of semiconductors are up 26%.
 - Exports of electrical apparatus are up 13%.
 - Exports of telecommunications equipment are up 14%.
 - Exports of civilian aircraft are up 16%.
 - Exports of computer accessories are up 52%.
 - Exports of civilian aircraft engines are up 19%.

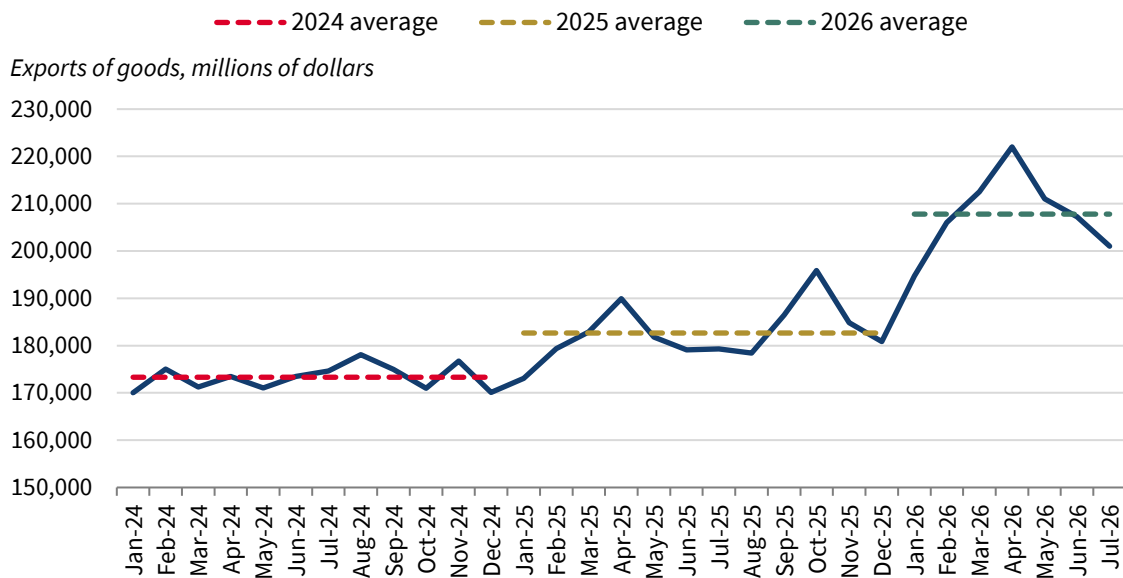
America's imports also point toward reindustrialization. Rather than importing a large share of consumer products, we are importing capital goods, the infrastructure needed for new and expanding factories, at record levels. These goods, such as computers and industrial machinery, are critical fuel for future American manufacturing.

- Imports of capital goods are at an all-time record high, both in terms of dollar value and as a share of goods imports. Relative to this point in 2025:
 - Imports of capital goods (except automotive) are up 39%. In this category,
 - Imports of computers are up 95%.
 - Imports of civilian aircraft are up 66%.
 - Imports of industrial engines are up 7%.
 - Imports of excavating machinery are up 10%.
 - Imports of semiconductors are up 84%.
 - Imports of specialized mining equipment are up 37%.



- Imports of civilian aircraft engines are up 19%.
- Imports of computer accessories are up 77%.
- Imports of telecommunications equipment are up 53%.
- At the same time, imports of consumer goods are down 20%. Paired with the fact that consumption expenditures are growing at a robust rate, this suggests **shifting demand from foreign to domestically produced goods.**

The U.S. is Exporting More Goods than Ever Before in 2026

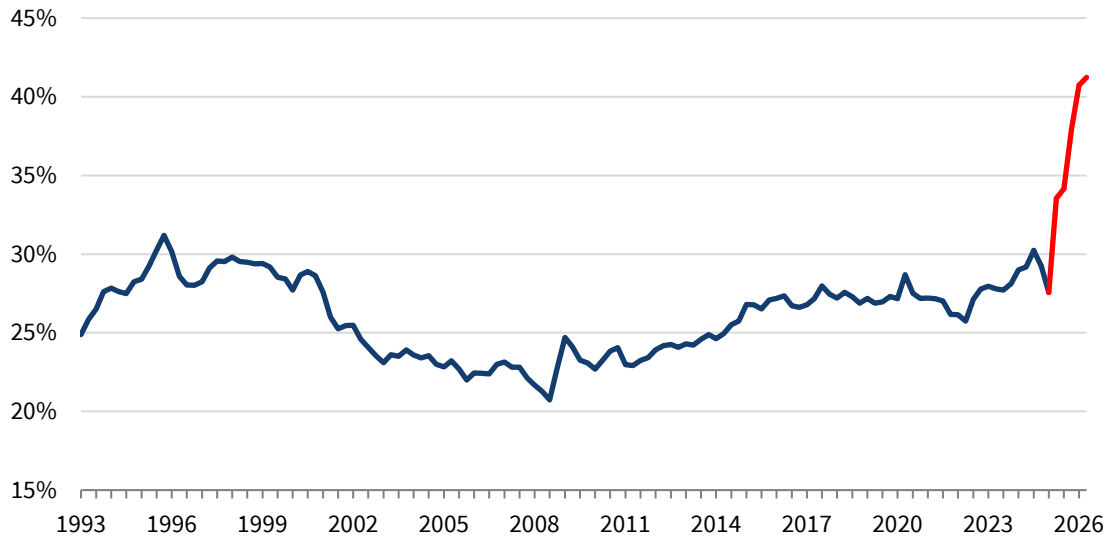


Note: CEA analysis of BEA data.



Capital Goods Make Up a Record-Breaking Share of All Goods Imports

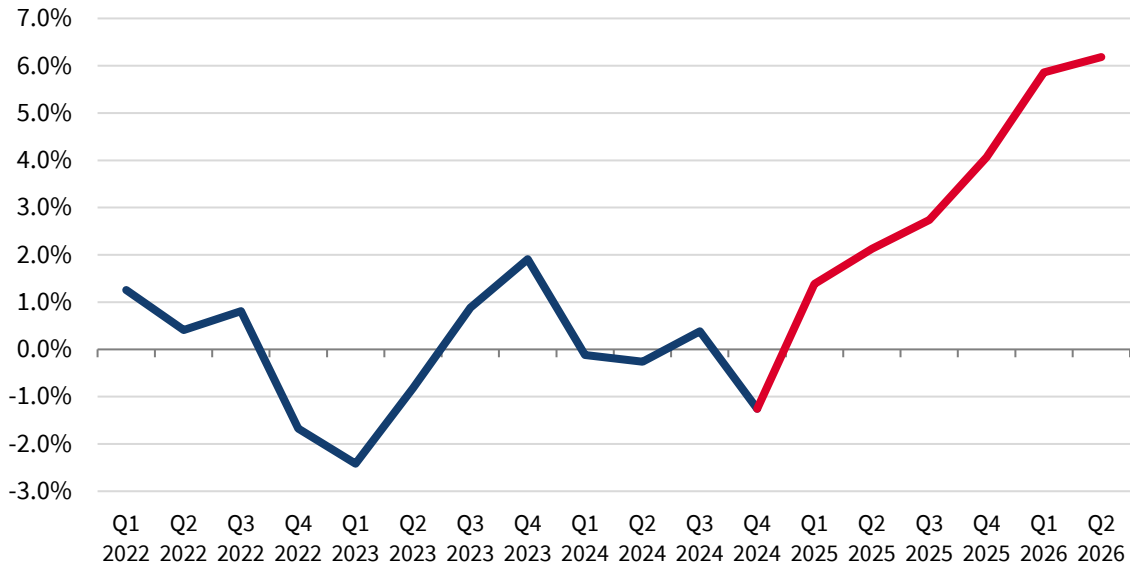
Capital goods imports (ex automobiles) as a share of all goods imports



Note: CEA analysis of BEA data. Quarterly data measured on a Census basis.

President Trump brings Durable Growth for Durable Goods

YoY Growth in Durable Goods Real GDP

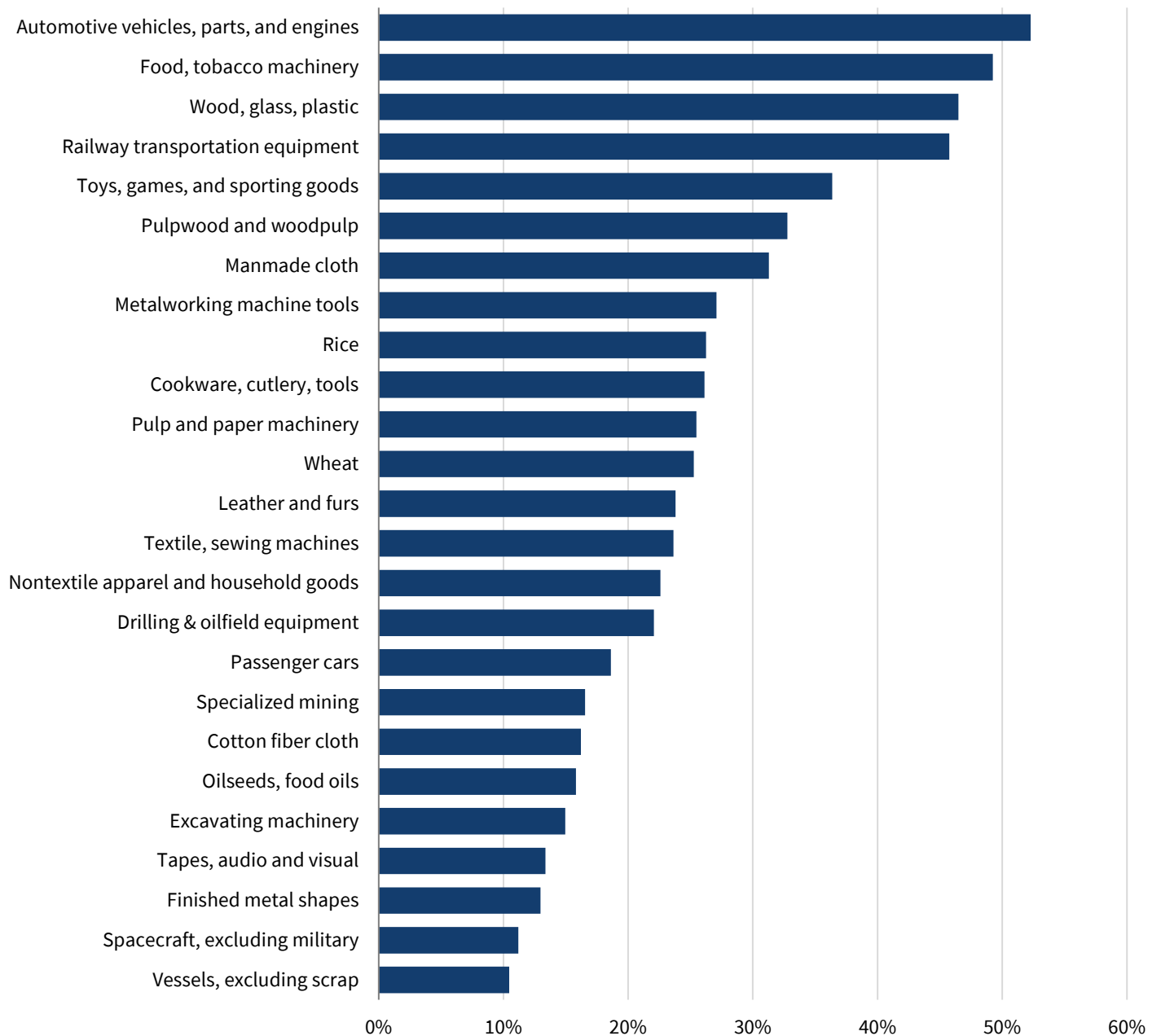


Note: CEA Analysis of BEA Data



American Exports Grow Under President Trump

Change in Exports, Jan. - Aug. 2025 to Jan. - Aug. 2026



Note: CEA Analysis of BEA Data