

THE MANUFACTURING ECONOMIC UPDATE

DR. CHAD MOUTRAY
CHIEF ECONOMIST
NATIONAL ASSOCIATION OF MANUFACTURERS

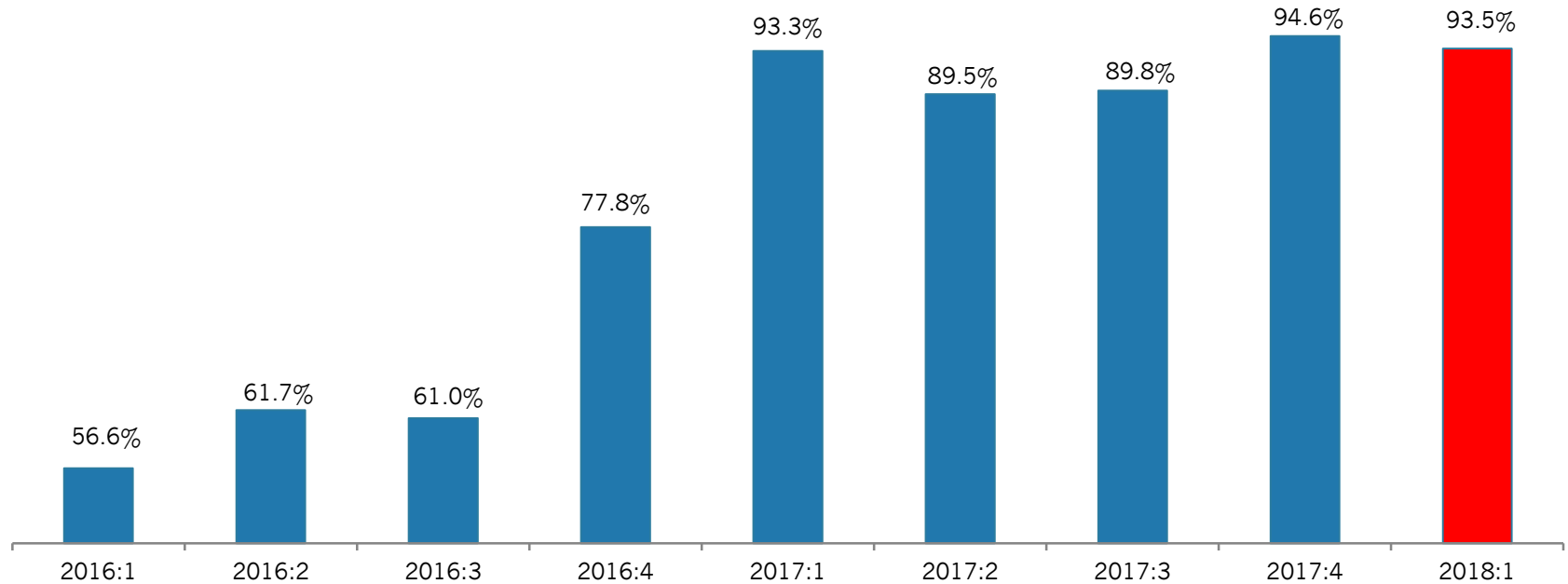
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Revised May 14, 2018

NAM Manufacturers' Outlook Survey by Quarter

(First Quarter 2016 – First Quarter 2018)



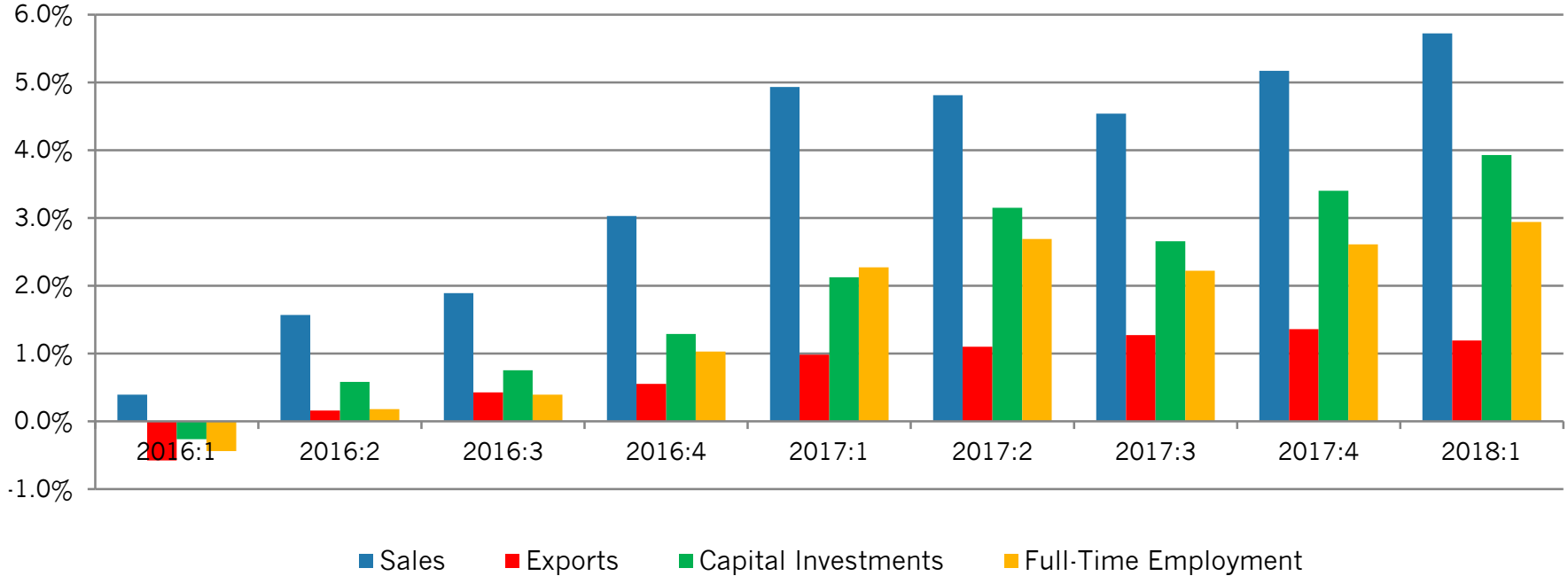
Source: NAM Manufacturers' Outlook Survey

Note: Percentage of respondents who characterized the current business outlook as somewhat or very positive.



Expected Manufacturing Growth Over Next 12 Months

(First Quarter 2016 – First Quarter 2018)



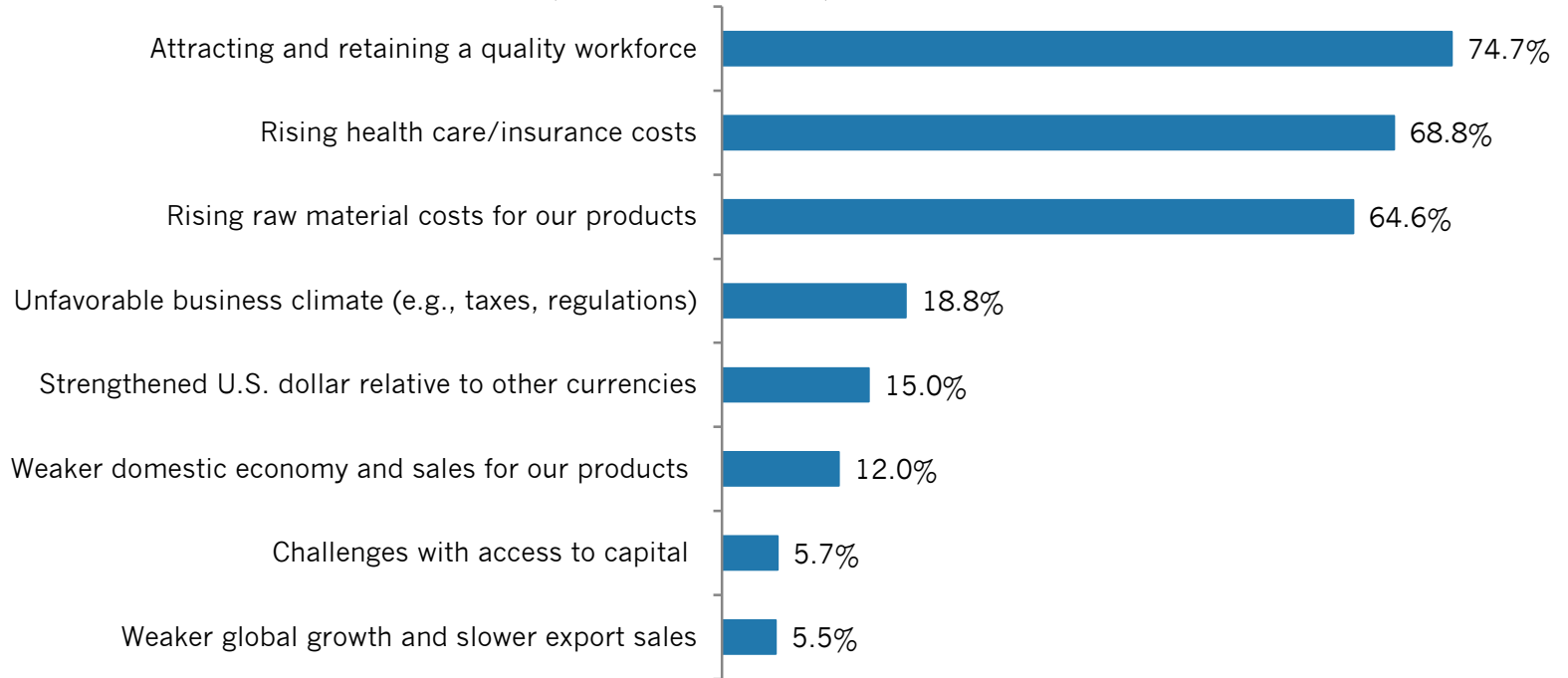
Source: NAM Manufacturers' Outlook Survey
Note: Expected growth rates are annual averages.

Avg. 12-Month Growth Rates
Sales: ↑ 5.7%
Exports: ↑ 1.2%
Capital Investments: ↑ 3.9%
Full-Time Employment: ↑ 2.9%



Primary Current Business Challenges

(First Quarter 2018)



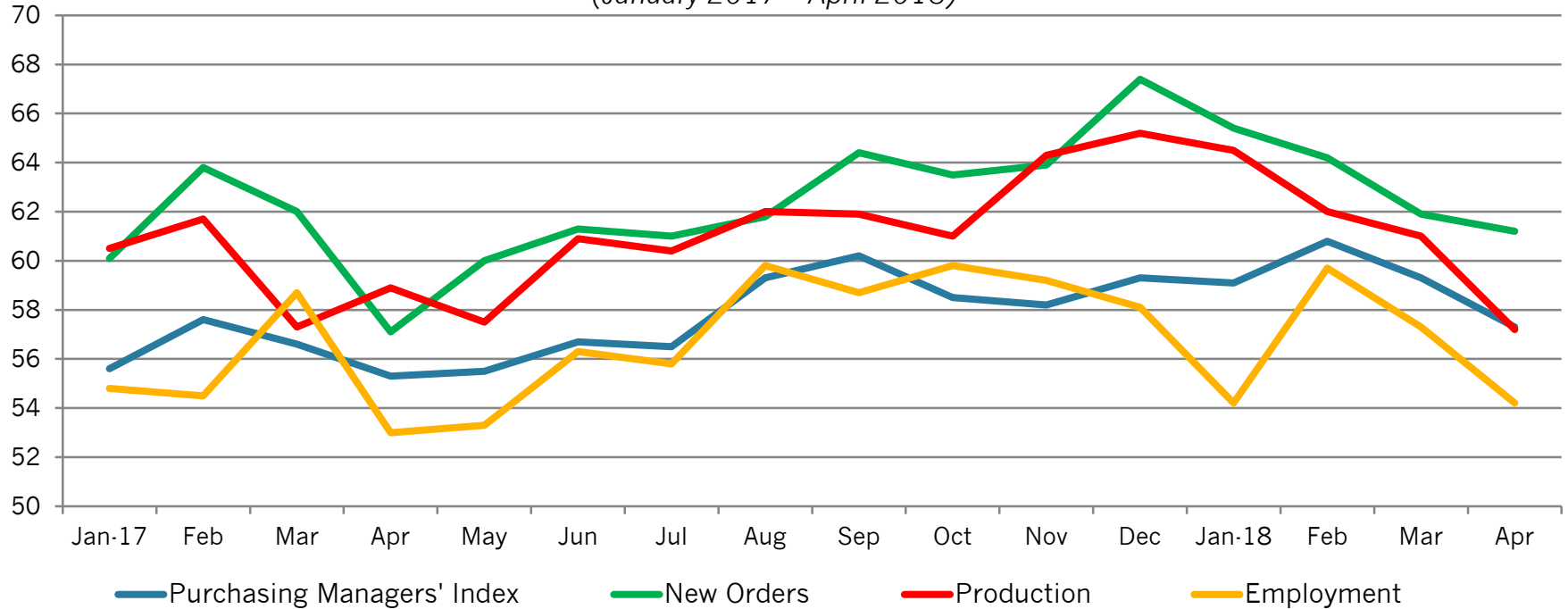
Source: NAM Manufacturers' Outlook Survey

Note: Respondents were able to check all that apply. Therefore, responses exceed 100 percent.



ISM Manufacturing Purchasing Managers' Index

(January 2017 – April 2018)

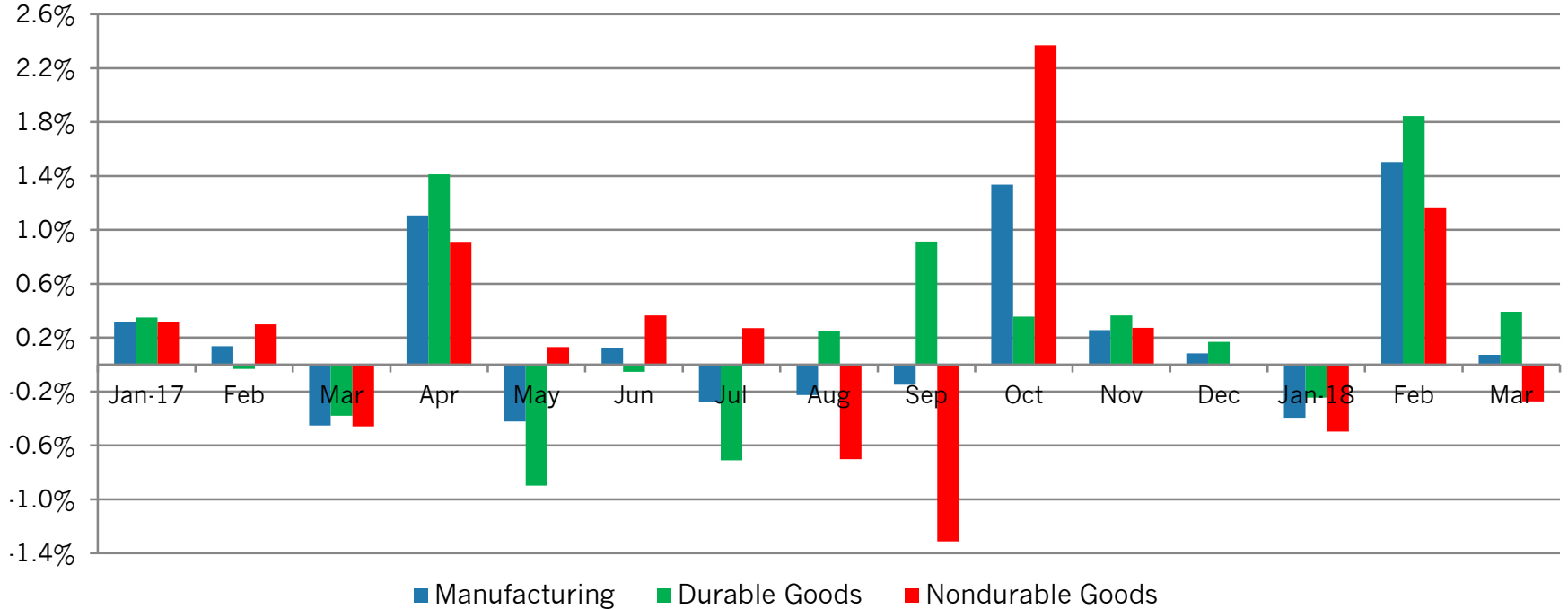


Source: Institute for Supply Management



Percentage Changes in Manufacturing Production

(January 2017 – March 2018)

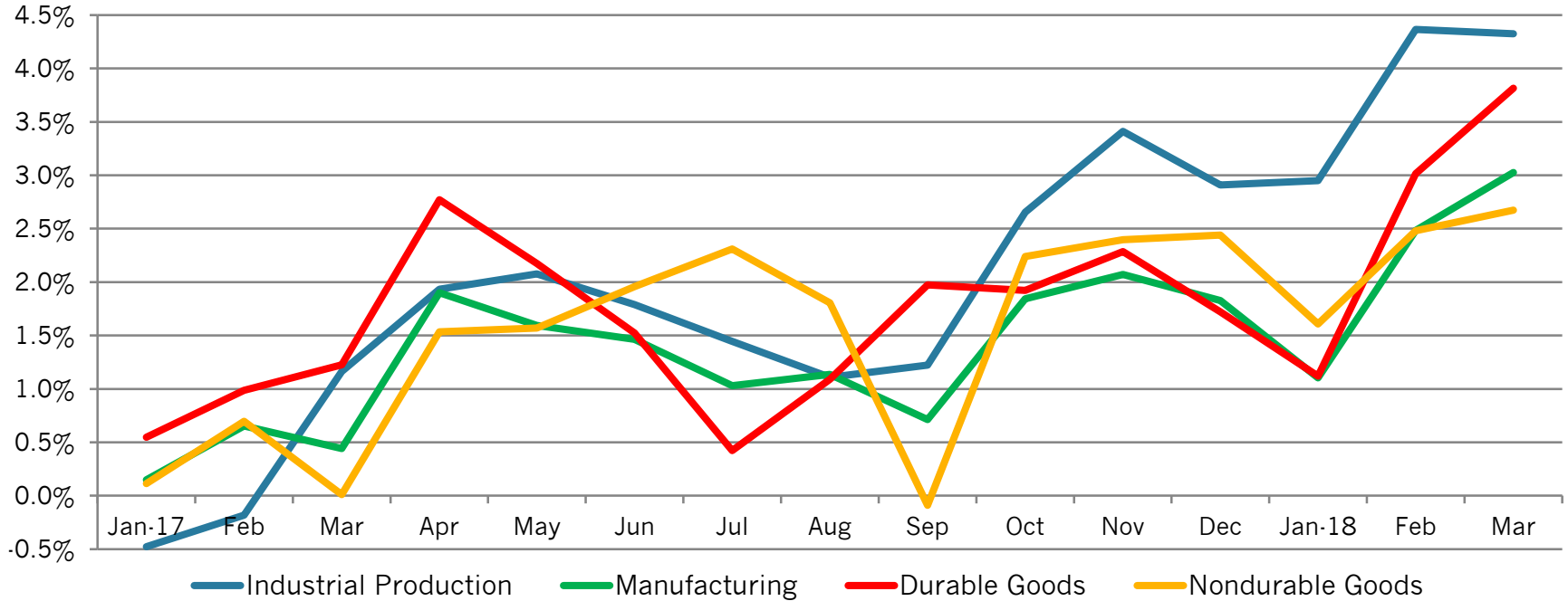


Source: Federal Reserve Board



Year-Over-Year Industrial Production Growth

(January 2017 – March 2018)



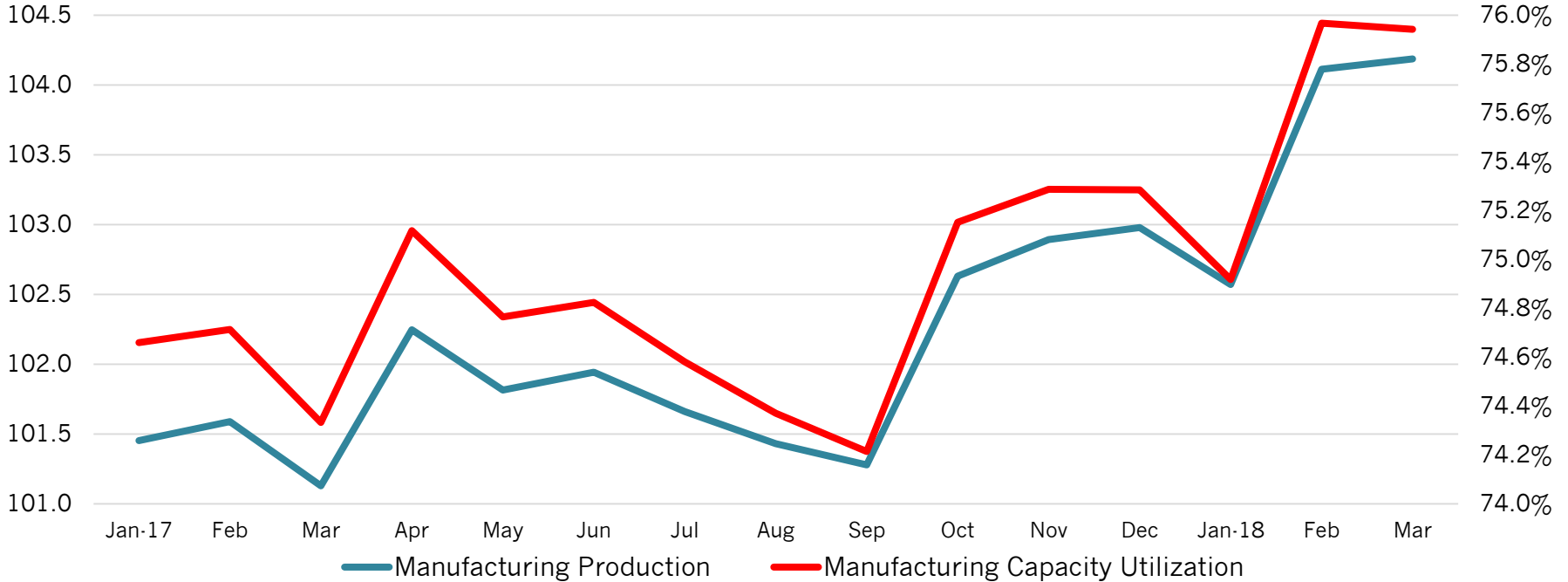
Source: Federal Reserve Board



Manufacturing Production and Capacity Utilization, January 2017 to March 2018

Manufacturing
Production
(2012=100)

Manufacturing
Capacity
Utilization (SIC)

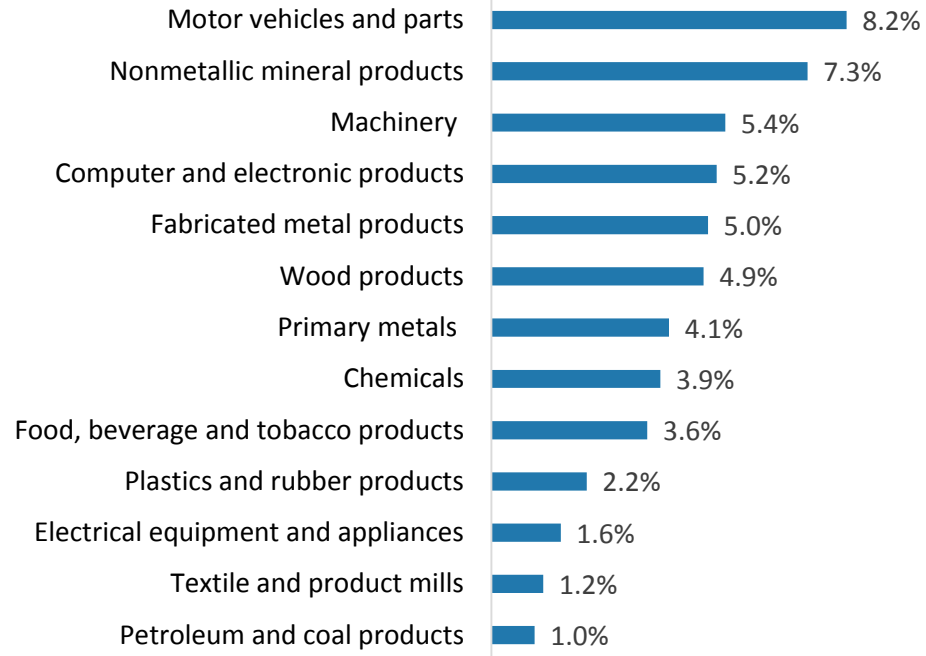
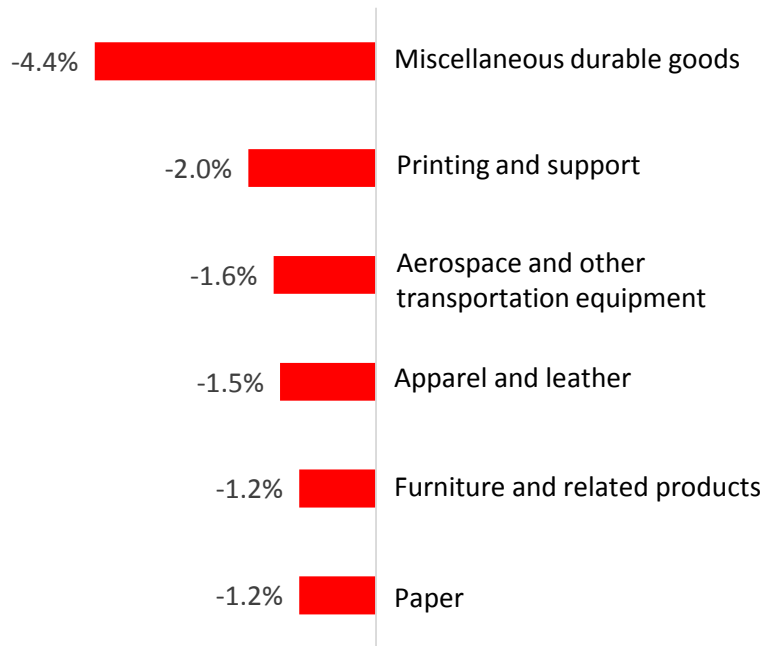


Source: Federal Reserve Board



Year-Over-Year Growth in Manufacturing Production by Sector

(March 2017 to March 2018)



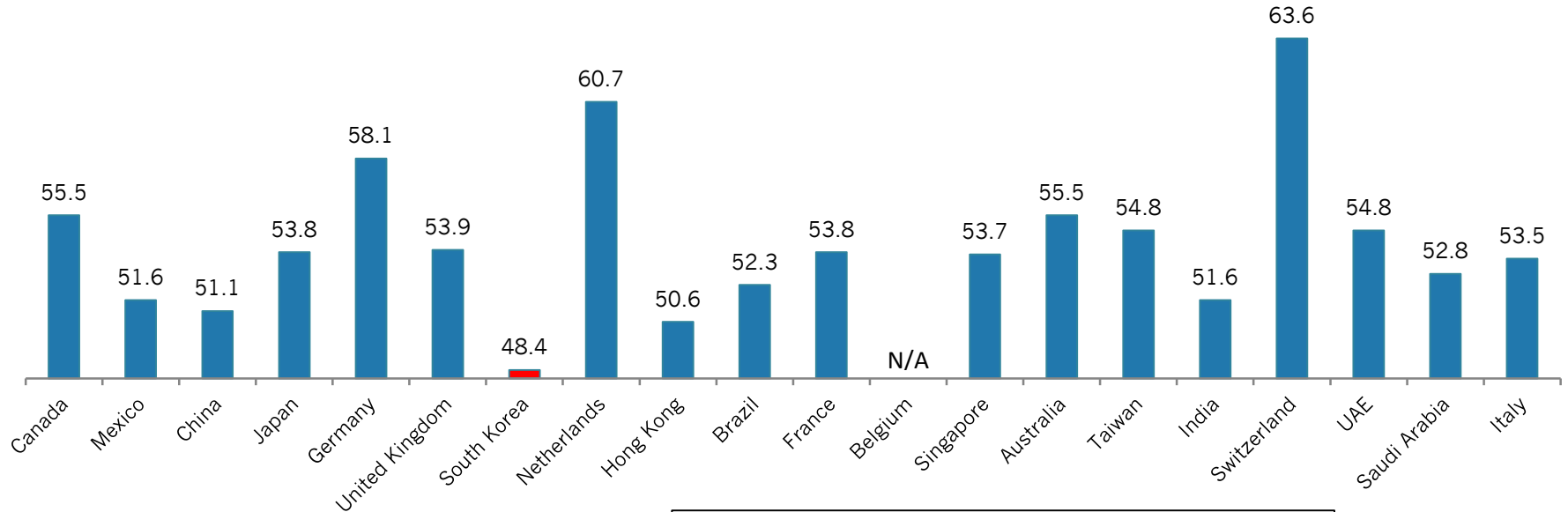
Source: Federal Reserve Board

YEAR-OVER-YEAR GROWTH
Manufacturing (NAICS): **↑ 3.3%**
Durable Goods: **↑ 3.8%**
Nondurable Goods: **↑ 2.7%**



IHS Markit Purchasing Managers' Indices for the Top 20 Export Markets for U.S. Manufactured Goods

(April 2018)



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Source: IHS Markit

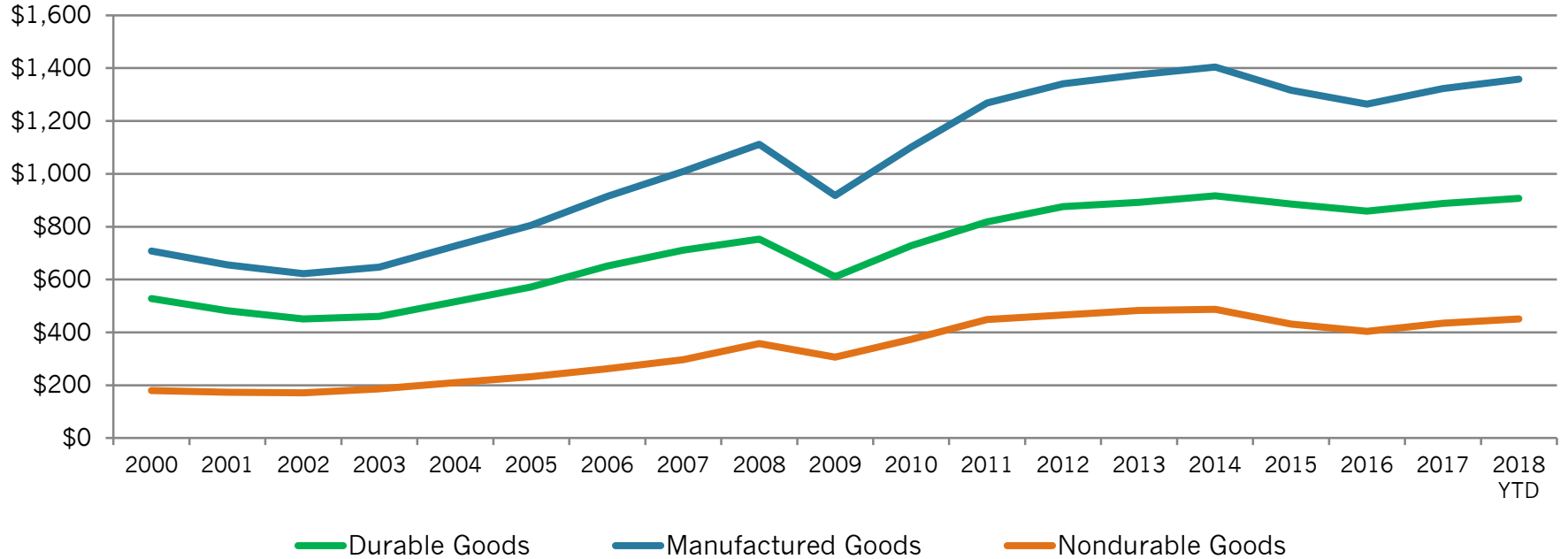
Note: Top 20 Export Markets Based on 2017 Data from the U.S. Commerce Department

Emerging Markets Manufacturing PMI: 51.3
Eurozone Manufacturing PMI: 56.2
Global Manufacturing PMI: 53.5
U.S. Manufacturing PMI (Markit): 56.5



U.S.-Manufactured Goods Exports, 2000–2017

(in Billions of Dollars, Seasonally Adjusted)

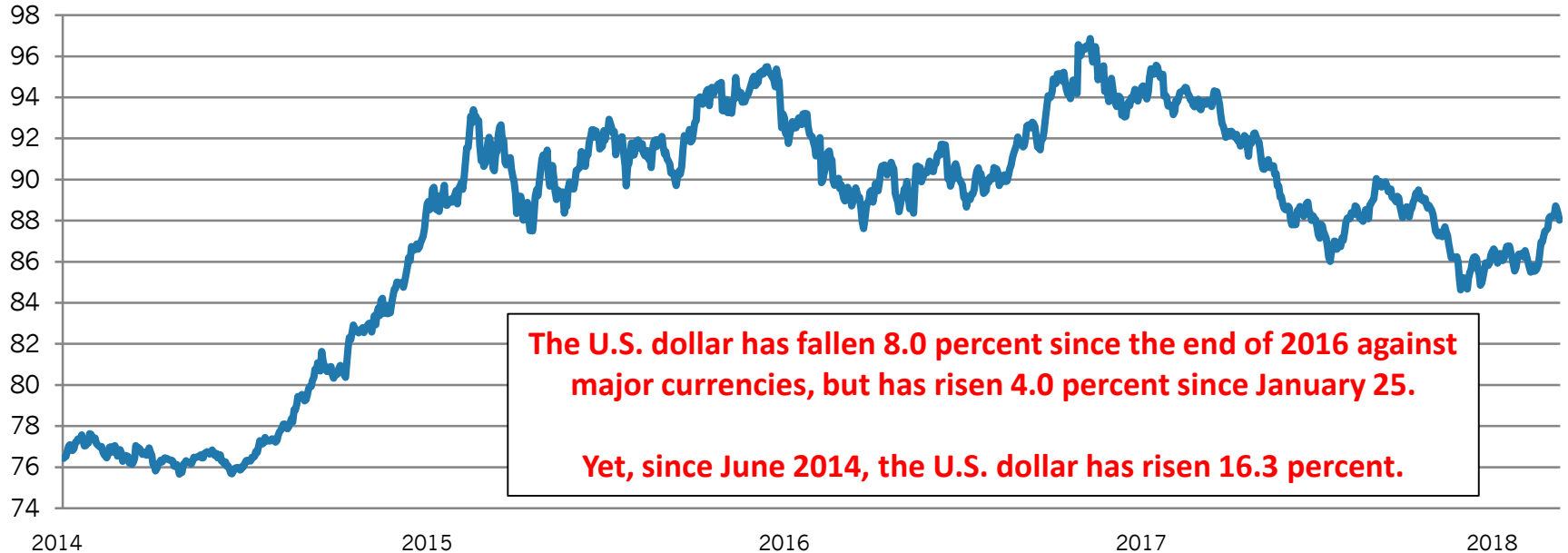


Note: Year-to-date data in 2018 are annualized based on data for the first quarter.
Source: U.S. Department of Commerce



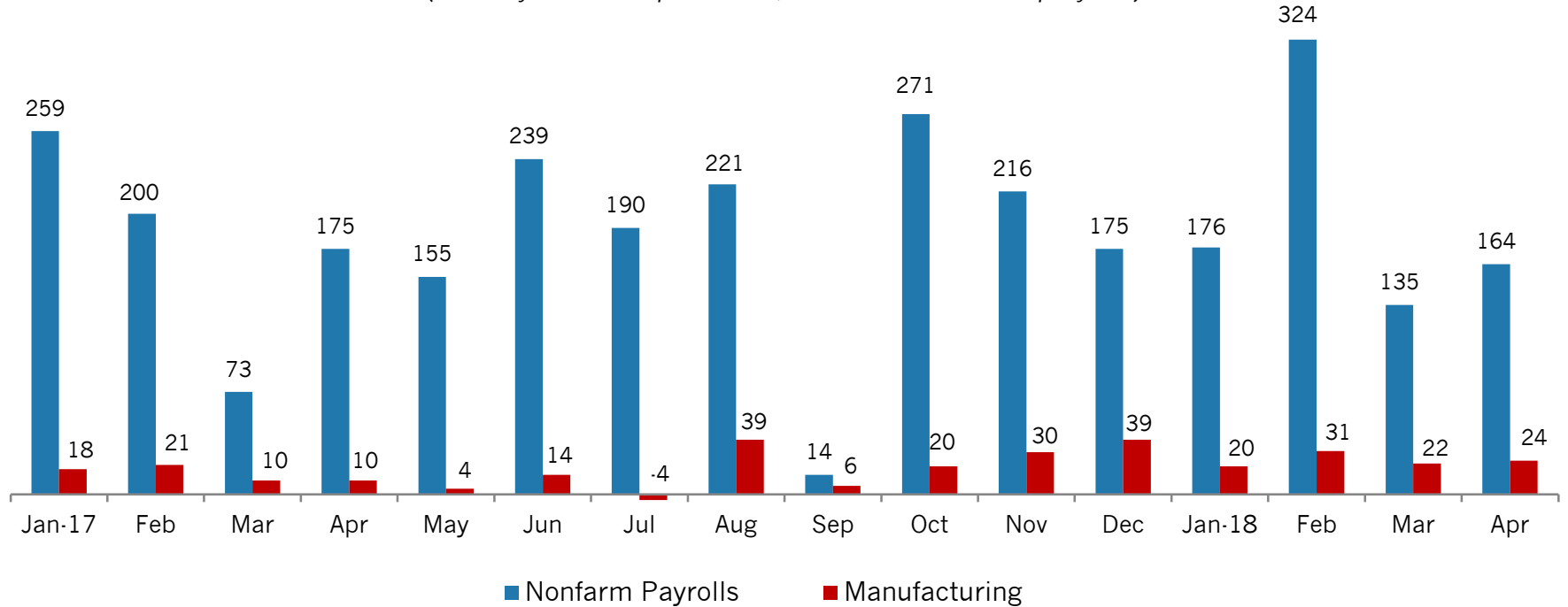
Trade-Weighted U.S. Dollar Index Against Major Currencies, 2014–2018

(Currency Units per U.S. Dollar, 1973=100)



Monthly Changes in Employment

(January 2017 – April 2018, in Thousands of Employees)



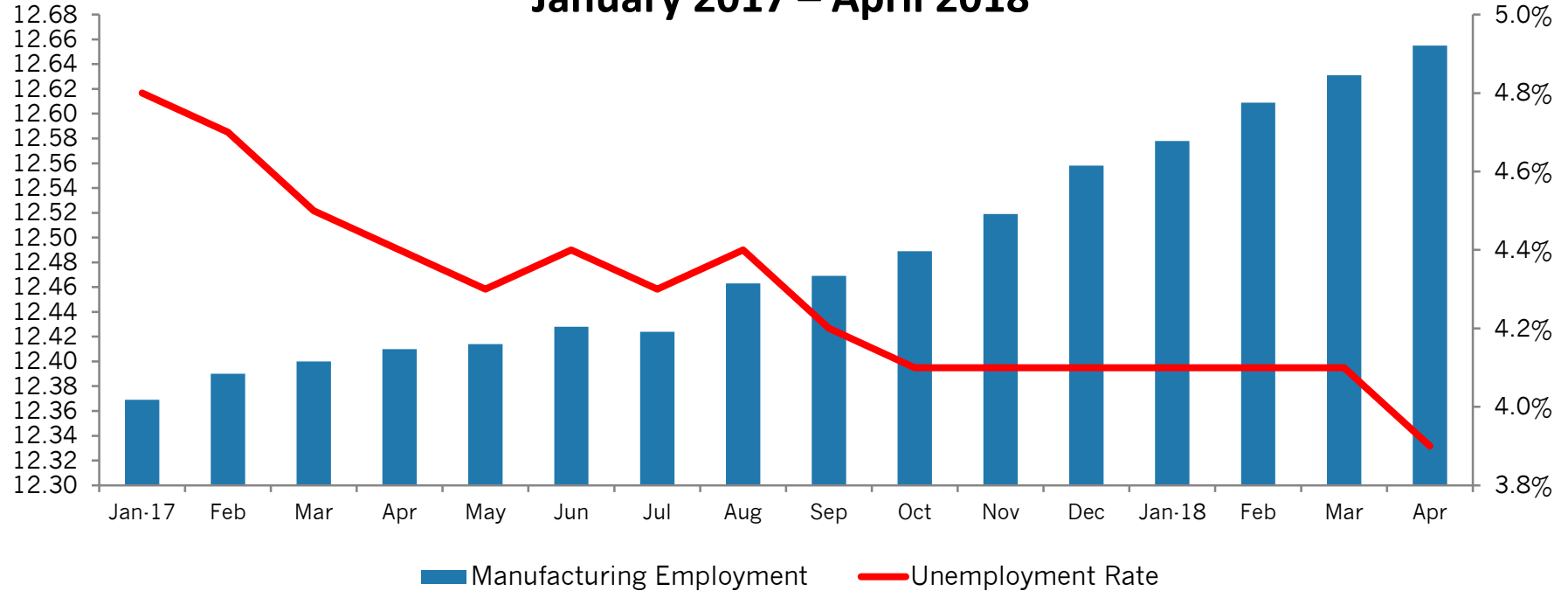
Source: Bureau of Labor Statistics



Employment Situation, January 2017 – April 2018

Millions of Workers

Unemployment Rate

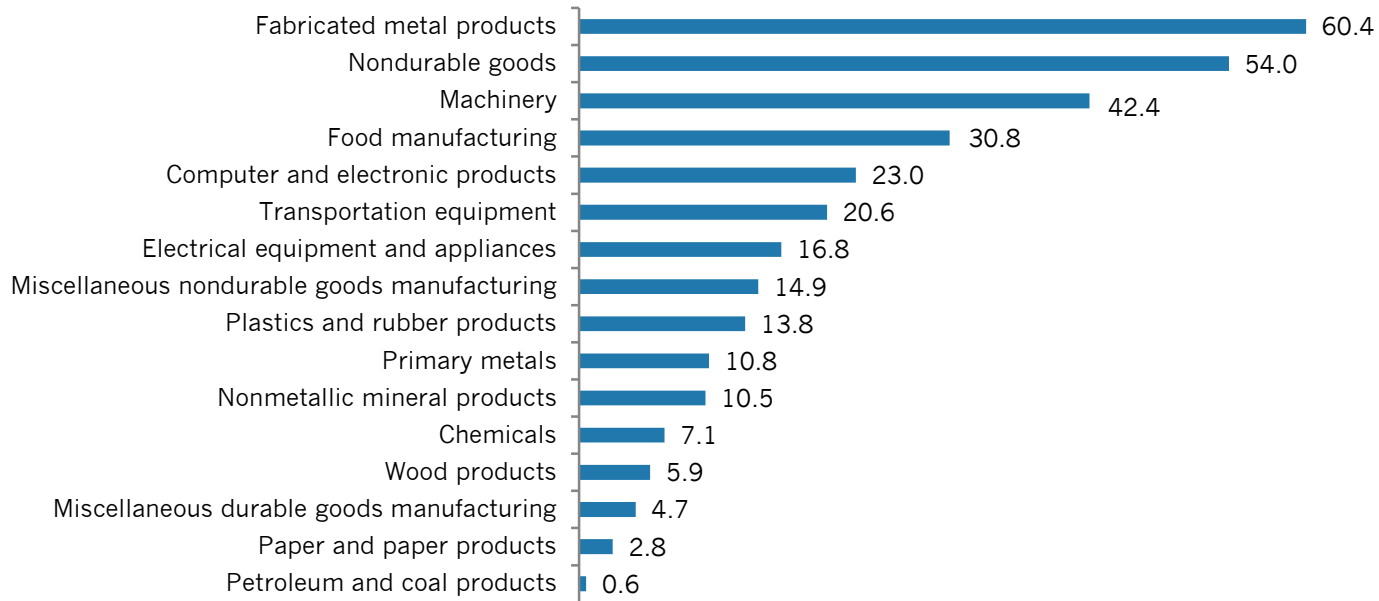


Source: Bureau of Labor Statistics



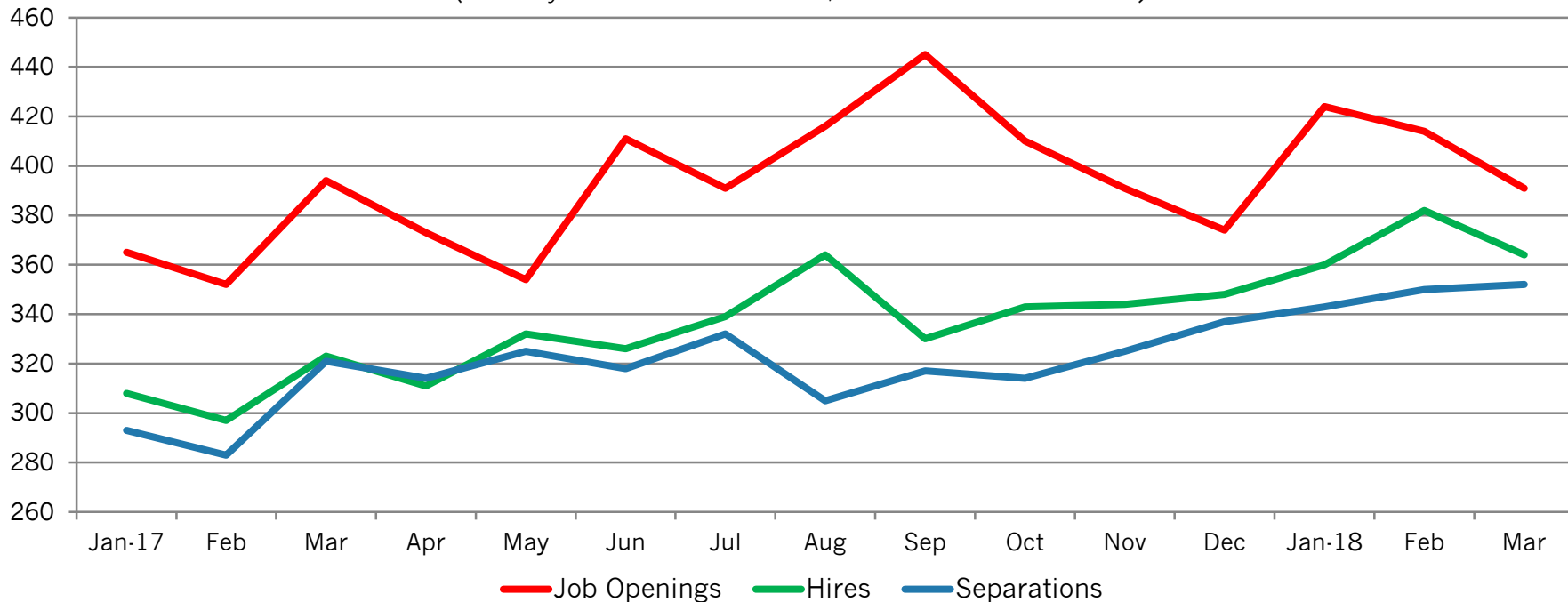
Manufacturing Sectors with the Largest Net Employment Gains

(April 2017 to April 2018, in thousands of employees)



Manufacturing Job Openings, Hires and Separations

(January 2017 – March 2018, in thousands of workers)

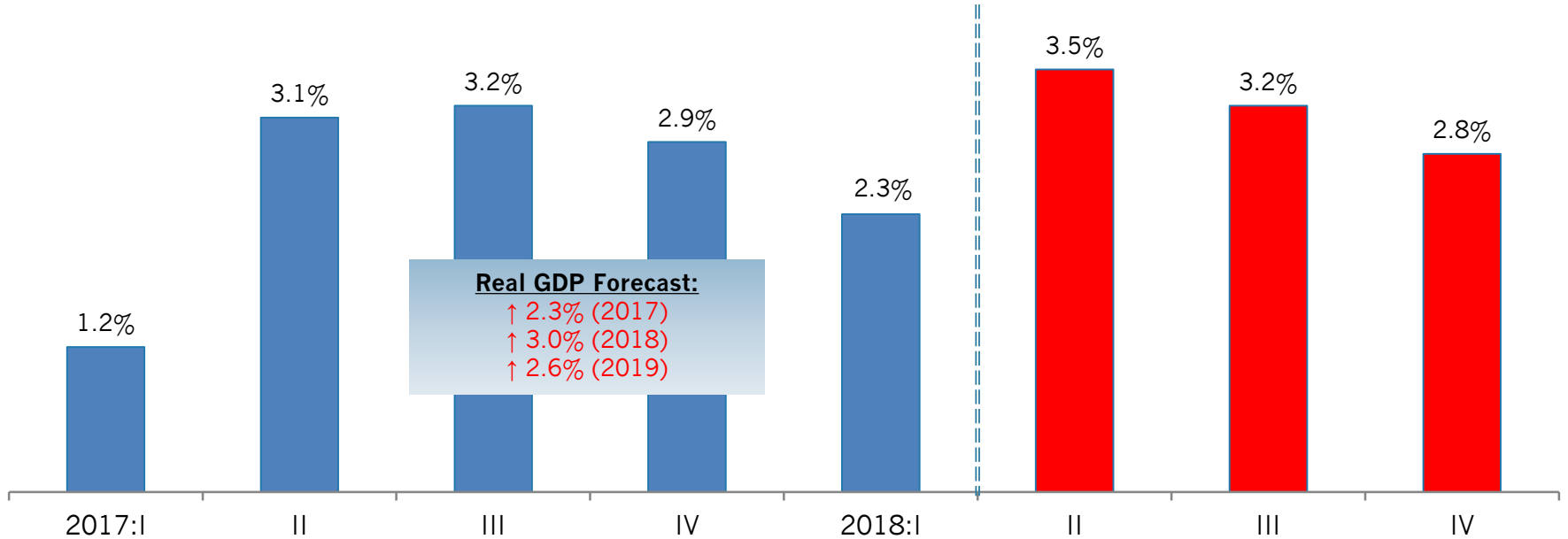


Source: Bureau of Labor Statistics



Real Gross Domestic Product

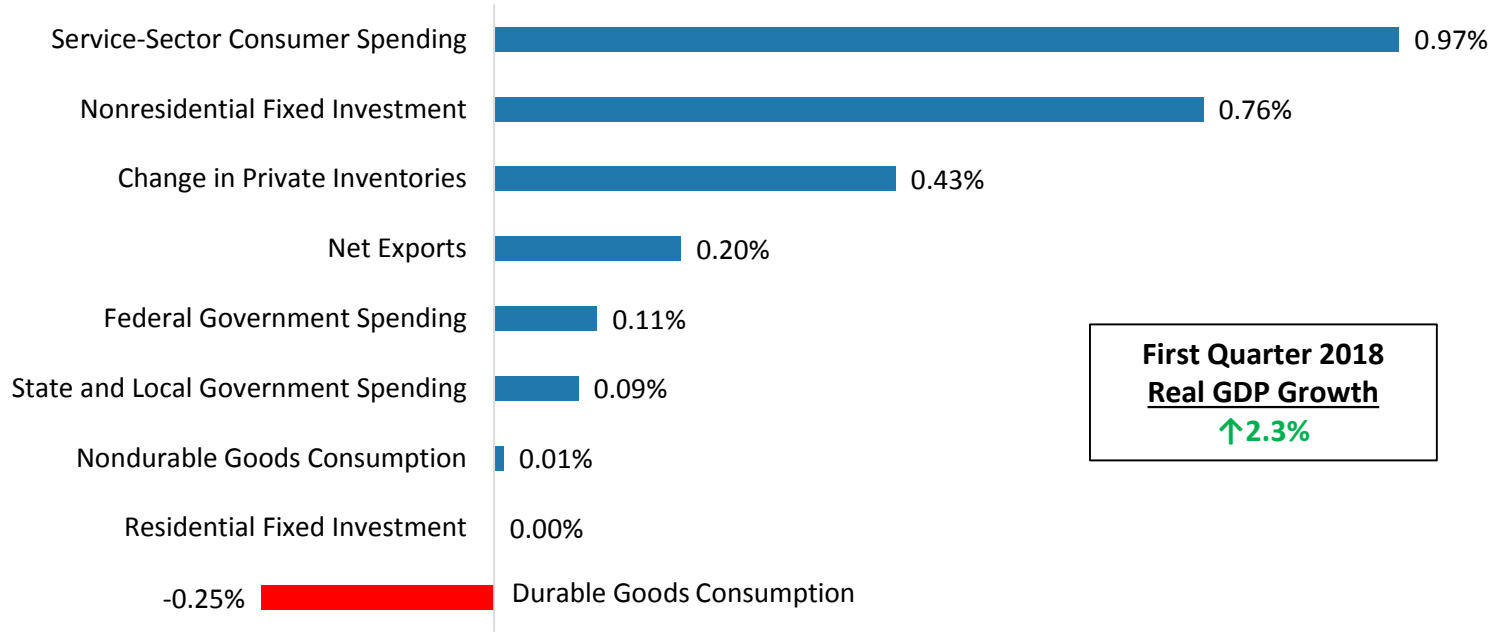
(Chained 2009 Dollars)



Source: Bureau of Economic Analysis, NAM calculations using Moody's Analytics simulation model



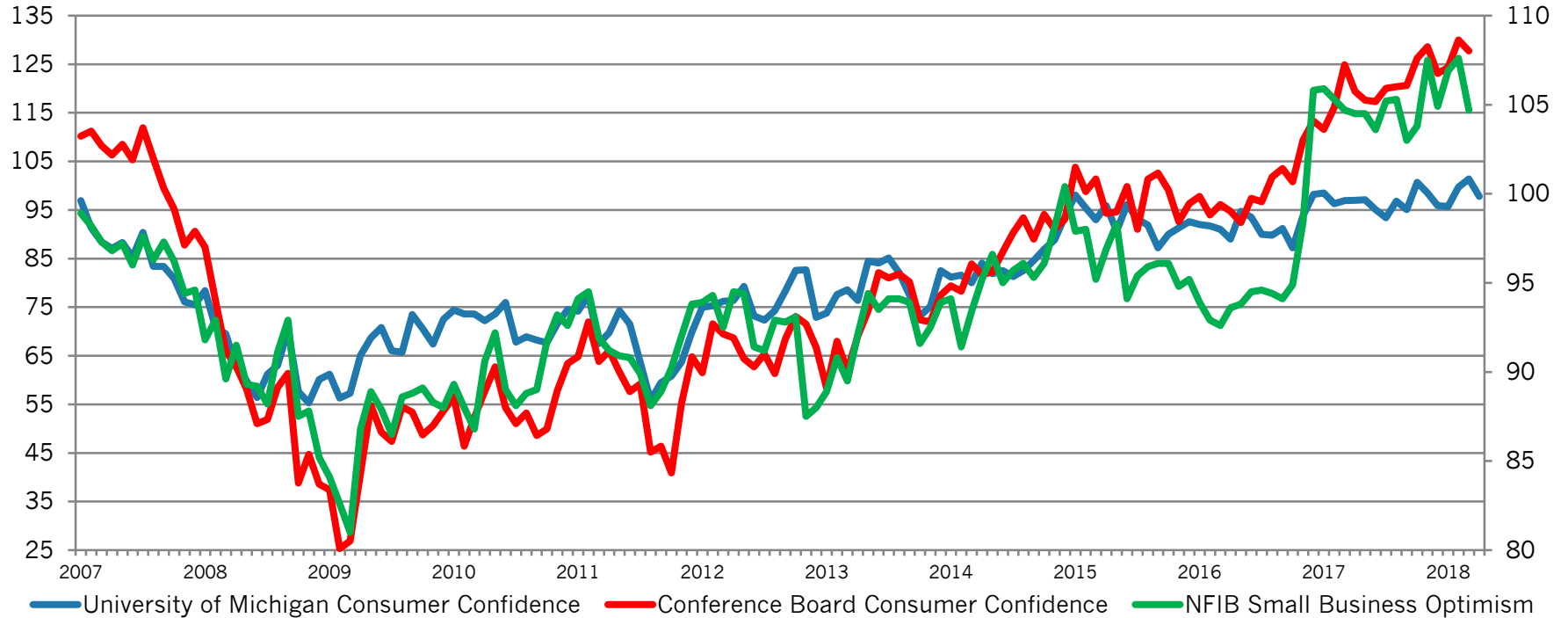
Contributions to Percentage Change in First Quarter 2018 Real GDP Growth



Consumer
Confidence Indices

Business and Consumer Sentiment Surveys

NFIB Small Business
Optimism Index

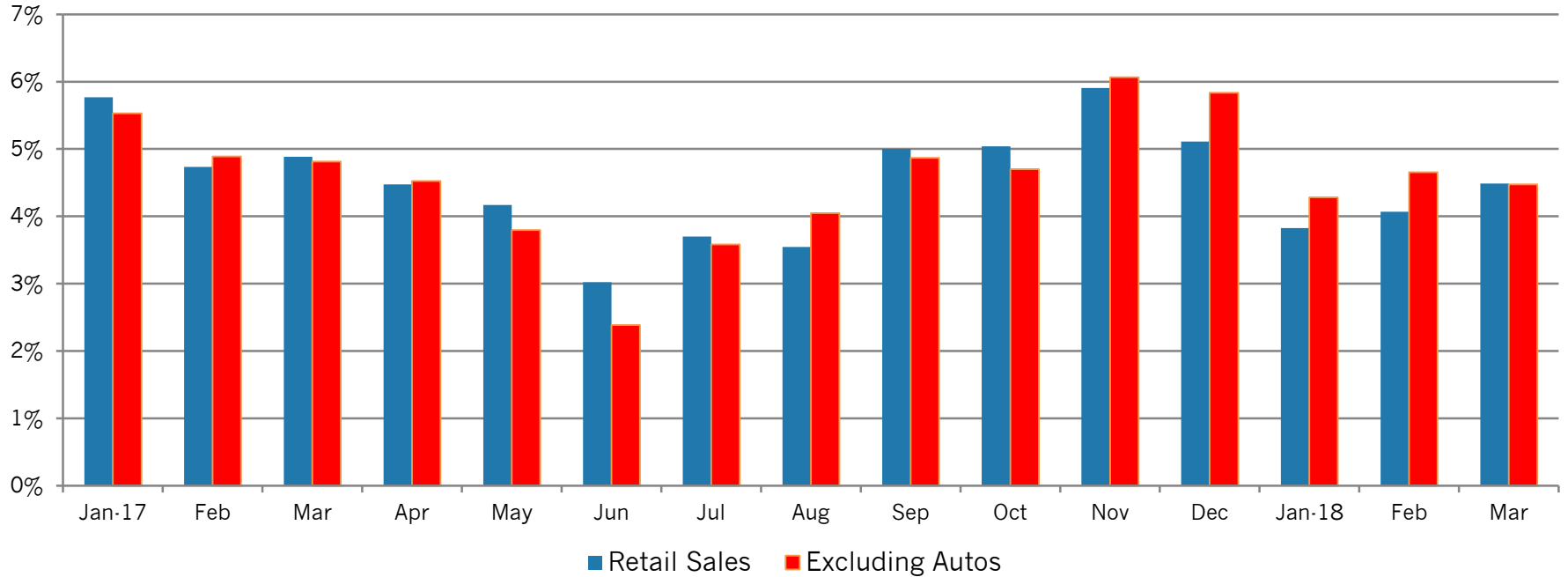


Source: University of Michigan/Thomson Reuters, Conference Board, National Federation of Independent Business



Year-Over-Year Growth in Retail Sales

(January 2017 – March 2018)

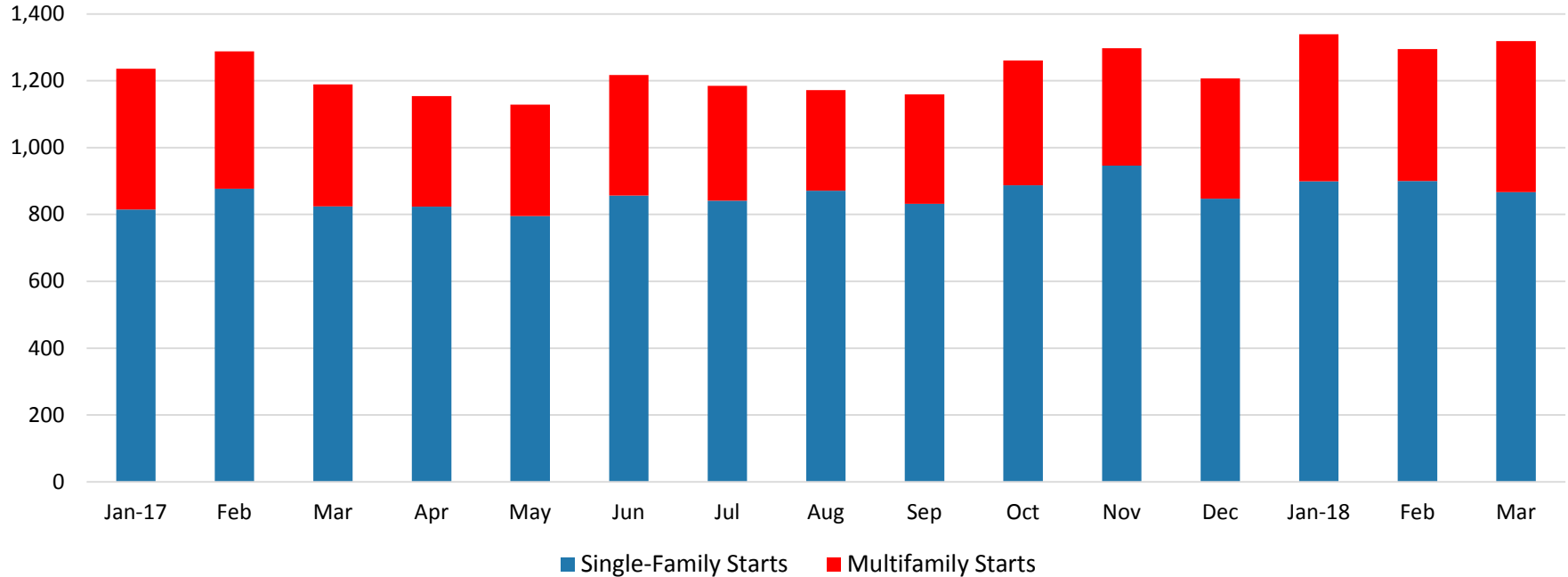


Source: Census Bureau



Housing Starts, January 2017 – March 2018

(Seasonally Adjusted, at the Annual Rate)

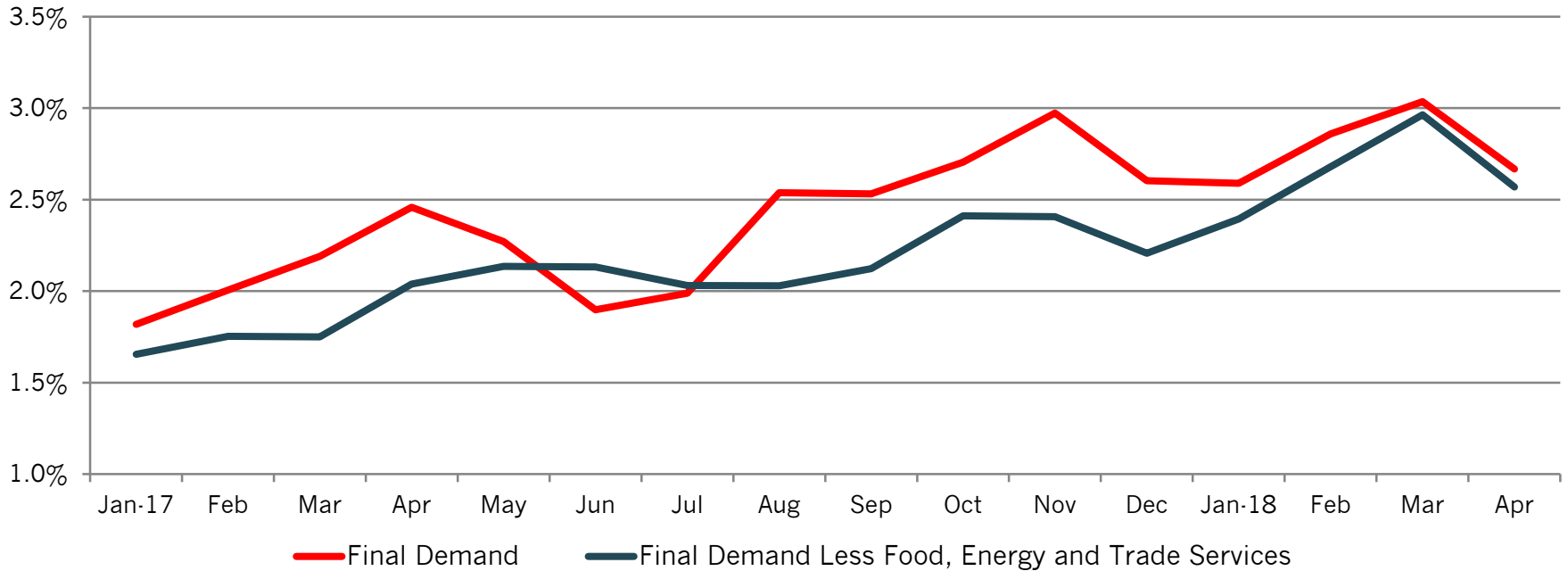


Source: U.S. Census Bureau



Year-Over-Year Percentage Changes in Producer Prices

(January 2017 – April 2018)

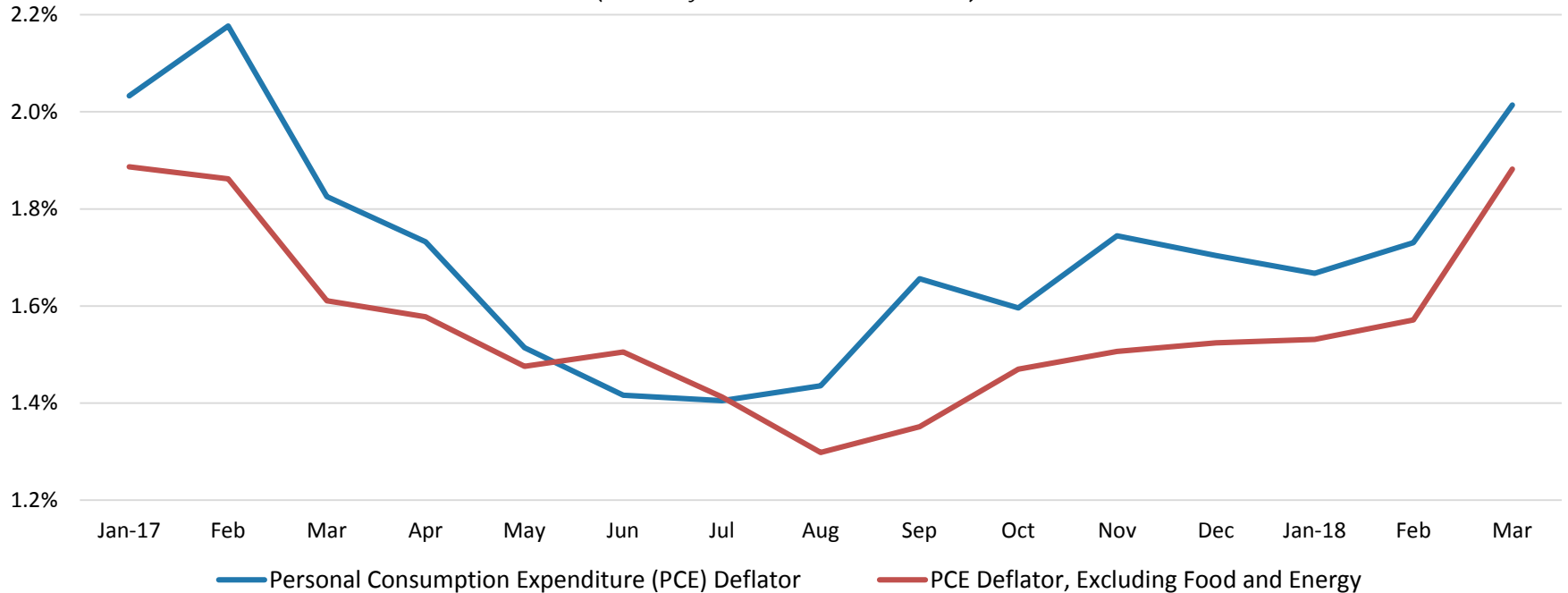


Source: Bureau of Labor Statistics



Year-Over-Year Percentage Changes in the PCE Deflator

(January 2017 – March 2018)



Source: Bureau of Economic Analysis





MANUFACTURING
Institute

Manufacturing Workforce – Growing the Manufacturing Talent Pipeline

Manufacturing Day



October 5, 2018

84%

More convinced that manufacturing provides careers that are interesting & rewarding.

89%

More aware of manufacturing jobs in their communities.

64%

More motivated to pursue careers in manufacturing.



Why We MFG Day

1. Empower manufacturers
2. Change public perception of manufacturing
3. Introduce people to manufacturing careers
4. Draw attention to the roles manufacturers play in their communities
5. Underscore the economic and social significance of manufacturing



Heroes MAKE America

- 10-week training program: CPT certification and core manufacturing training
- Tours of manufacturing facilities, networking opportunities, manufacturing speakers
- Transitioning military, training becomes duty station
- Average cost: \$3,000-\$4,000 per soldier
- ***Goal of an 85% job placement rate***



STEP Ahead

Women are underrepresented in the manufacturing workforce.

Women constitute one of manufacturing's largest pools of untapped talent, representing only **29%** of the manufacturing workforce.

STEP Ahead Awards highlight the achievements of women in manufacturing to:

- celebrate their accomplishments
- attract women to the industry
- encourage women to mentor and inspire the next generation of female talent to pursue manufacturing careers

The Institute has honored
803 women
in manufacturing.



Apprenticeship

- MI & USCCF joint paper on implementing and assuring quality in earn and learn programs
- USDOL TF is moving towards conclusion. Sec. Acosta has distributed USDOL guidance on how it will consider organizations wishing to certify industry recognized apprenticeships (IRA).
- TF subcommittees have reached consensus on recommendations
- Through the SAGs, MI is working with 6-8 states to explore potential state incentives for IRA.
- MI in partnership with USCCF, will seek foundation funding to support the development of the QA model and infrastructure as described in the paper.



QUESTIONS?

DR. CHAD MOUTRAY

CHIEF ECONOMIST
NATIONAL ASSOCIATION OF MANUFACTURERS

CMOUTRAY@NAM.ORG
(202) 637-3148

@CHADMOUTRAY

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