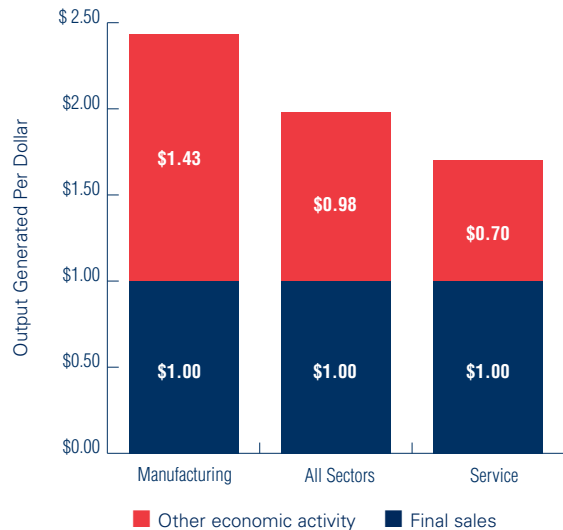


- Send a copy of “Securing America’s Future,” a study on the importance of manufacturing, to members of your local media. Copies are available at www.nam.org/renewal.
- Write your elected officials and urge them to stand up and be counted among the growing list of legislators who are willing to take action to strengthen the U.S. manufacturing base.
- If you are a manufacturer, invite elected officials to tour your plant. A primer on giving plant tours is available at www.nam.org/renewal.
- Finally, share this brochure with your employees. Hold a meeting with them and tell them how important they are both to your company and to the U.S. economy. Encourage them to get involved in the letter-writing campaign to build support for pro-manufacturing policies.

For more information visit www.nam.org/renewal.

Manufacturing Generates More Activity Per Dollar

The manufacturing process leads to increased economic activity in other sectors of the economy. For every \$1 of goods produced, an additional \$1.43 worth of additional economic activity is generated—more than any other economic sector.



From “Securing America’s Future: The Case for a Strong U.S. Manufacturing Base,” available at www.nam.org/renewal.

Securing America’s Future: The Case for a Strong Manufacturing Base

“U.S. manufacturing is the heart of a significant process that generates economic growth and has produced the highest living standards in history. But today this complex process faces serious domestic and international challenges which, if not overcome, will lead to reduced economic growth and ultimately a decline in living standards for future generations of Americans.”

– Joel Popkin, “Securing America’s Future: The Case for a Strong U.S. Manufacturing Base,” June 2003

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Manufacturing is the engine that drives American prosperity.

It's not just manufactured *products* that make Americans rich, it's the manufacturing *process*. This process starts with an idea... which leads to research and new innovations and inventions. That leads to new jobs and equipment... and increased productivity... and new products and processes. Prices fall and quality rises. Soon, other parts of the economy are benefiting. Ultimately, living standards rise.

But this extraordinary growth engine is losing steam. American manufacturers face greater challenges, both domestic and international, than ever before. Elected officials don't fully appreciate this threat— not just to U.S. employment and national security, but to our future prosperity.

Here's what you need to know and how you can help.

U.S. Manufacturing and Prosperity

Manufacturing provides enormous benefits for the entire U.S. economy. Manufacturing—

- **Grows the Economy.** Every \$1 in manufactured goods generates an additional \$1.43 worth of additional economic activity—more than any other economic sector.
- **Invents the Future.** Manufacturers are responsible for almost two-thirds of all private sector R&D, which ultimately benefits other manufacturing and non-manufacturing activities in the United States.
- **Generates Productivity Increases.** Manufacturing productivity gains are historically higher than those of any other economic sector. These gains enable Americans to do more with less, increase our ability to compete and facilitate higher wages for all employees.
- **Provides More Rewarding Employment.** Manufacturing salaries and benefits are among the highest

in the private sector, and manufacturers are leaders in employee training.

- **Pays the Taxes.** Manufacturing has been an important contributor to economic growth and tax receipts at all levels of government, contributing one-third of all corporate taxes collected by state and local governments.

The cost of doing business is rising dramatically, in large measure because of significant costs related to health care, litigation and regulation.

Manufacturing's Critical Challenges

While American manufacturing creates higher living standards, domestic and international challenges threaten its sustainability due to—

- **Loss of Jobs.** Since July 2000, manufacturing has lost almost 3 million jobs, many of which have relocated overseas. Output has shown little growth since the official end of the recession.
- **Dramatically Rising Costs.** The cost of doing business in the United States is rising dramatically, in large measure because of significant costs related to health care, litigation, regulation and energy. As a result, many U.S. manufacturers have shut down or moved production overseas.
- **Loss of Export Potential.** Manufacturing exports as a share of GDP have contracted since 1997, reflecting increased global competition, an overvalued dollar and difficult economic times overseas. Increased purchases of foreign-made goods have pushed the U.S. trade deficit to historic highs.

- **Investments Going Elsewhere.** U.S. manufacturing's share of capital investment and R&D expenditures, once a dominant feature of our nation's commitment to progress, are diminishing.
- **A Shortage of Skilled Workers.** Despite the loss of almost 3 million jobs, manufacturing is facing a potential shortfall of highly qualified employees with specific educational backgrounds and skills, especially those specific skills needed to produce manufactured goods.

Demanding Action

No other sector generates prosperity for all Americans like manufacturing. Manufacturers and their employees must help raise awareness about manufacturing's importance and the danger of its demise. These include policies that—

- level the international playing field, such as ensuring that exchange rates are determined by markets and ensuring that countries such as China comply with international trade rules.
- reduce the cost of producing in the United States, including containing health-care costs, enacting legal reforms, ensuring plentiful and inexpensive energy supplies and reforming the regulatory system to ensure cost-benefit analysis.
- promote innovation and investment, through increased R&D support, a tax system that encourages research and development and incentives to attract scientists and engineers to this country.

What Can You Do?

- If you represent a company or non-profit organization, sign the Statement of Principles of the Coalition for the Future of Manufacturing available at www.nam.org/renewal. Signers become members of the coalition.