

Manufacturing's Multiplier Effect is Northwest Michigan's "Biggest Bang for the Buck"...

for High Wage Job Growth and Economic Development

The region's Advanced Industries pay 140% to 190% of the region's average wage (\$43,420), and are concentrated in:

Energy \$84,815
• 190% of average

Manufacturing \$61,285
• **140% of average**

Information Technology \$60,000
• 140% of average

Health \$56,500
• 130% of average*

The impact of Manufacturing goes well beyond its own high wage jobs. Manufacturing has the greatest industry **multiplier effect** — 1 job in Manufacturing generates another 5 good paying jobs.** So a modest 1% increase (87) in regional Manufacturing jobs (8,700) generates nearly 500 jobs overall.

Manufacturing always has been a leader in innovation and technology. The advent of smart factories, digital manufacturing, and Industry 4.0, is driving demand for high tech services and logistics, with one forecast showing the multiplier increasing from 5 to 16.***

Manufacturing's **multiplier effect** also extends to product sales—every dollar in final sales of manufactured products supports \$1.33 in other sectors, the largest sector multiplier.

NW Michigan's regional data parallels national data, which the Brookings Institution used to develop its findings and recommendations that a local community focus on America's Advanced Industries—like Manufacturing— would generate faster rates of economic growth.

96% of the Manufacturing **multiplier effect** is concentrated in small business [less than 500 employees] according to the Center for Automotive Research in 2015.

*Data from Networks Northwest

**Michigan Manufacturing Technology Center, www.the-center.org; Economic Policy Institute, "The Manufacturing Footprint and the Importance of US Manufacturing Jobs," Jan. 22, 2015. "The Multiplier Effect", www.manufacturing-executive.com (Nosbuch & Bernaden March 2012). # U.S. Bureau of Economic Analysis at www.themanufacturinginstitute.org/research; Manufacturers Alliance for Productivity & Innovation, www.mapi.net

*** Nosbuch & Bernaden ## "America's Advanced Industries (2015), www.brookings.edu