

The REBUILD Act of 2013 – Economic Rationale – Rep. Brett Guthrie (KY-02)
Reducing Employer Burdens, Unleashing Innovation, and Labor Development Act

Numerous studies have shown that the American manufacturing sector continues to play a very important role in the domestic job market and ultimately forms the backbone of our economy. From productivity to average annual pay, American manufacturing jobs are some of the best performing in the country. At the same time, overly burdensome federal regulations and harmful policies are restricting industry leaders' ability to innovate and maintain global competitiveness, especially for the 94% of manufacturers who employ fewer than 100 workers.ⁱ

The REBUILD Act recognizes the importance of the American manufacturing sector and provides a model for reform that will increase domestic manufacturers' global competitiveness.

The Economics of Manufacturing:

From the Growth Agendaⁱⁱ, National Association of Manufacturers—

- In 2012, manufacturers contributed \$1.87 trillion to the economy, up from \$1.73 trillion in 2011. This was 11.9% of GDP. For every \$1.00 spent in manufacturing, another \$1.48 is added to the economy, the highest multiplier effect of any economic sector.
- Manufacturing supports an estimated 17.2 million jobs in the United States—about one in six private-sector jobs. Nearly 12 million Americans (or 9% of the workforce) are employed directly in manufacturing.
- In 2011, the average manufacturing worker in the United States earned \$77,060 annually, including pay and benefits. The average worker in all industries earned \$60,168.
- Manufacturers in the United States are the most productive in the world, far surpassing the worker productivity of any other major manufacturing economy, leading to higher wages and living standards.
- Manufacturers in the United States perform two-thirds of all private-sector R&D in the nation, driving more innovation than any other sector.
- Taken alone, manufacturing in the United States would be the 10th largest economy in the world.

From Facts About Manufacturing, National Association of Manufacturing—

- It's 20% more expensive to do business in the U.S. than abroad—even when excluding labor costs.
- Reports indicate United States health care costs have increased over 80% in the past decade, creating greater personnel costs for manufacturers.
- Data show that United States manufacturers have reduced energy usage and emissions to below the 1990 levels.
- Data show that United States manufacturers are responsible for 47% of total United States exports.

ⁱ National Association of Manufacturers, the Manufacturers Alliance for Productivity and Innovation, The Manufacturing Institute, Facts about Manufacturing, available at <http://www.themanufacturinginstitute.org/Research/Facts-About-Manufacturing/Facts-2012.aspx>

ⁱⁱ Available at <http://www.nam.org/~media/39CF92351DD24DED8EC0663CBA8021AF.ashx>