

## Macro Roundup Article

**Headline:** [America's Manufacturing Productivity Problem](#)

**Article Link:** <https://www.apricitas.io/p/americas-manufacturing-productivity>

Author(s)	Joey Politano
Publication	Apricitas Economics
Publication Date	May 14, 2024

**Tweet:** American manufacturing productivity has been flat as measured by output per hour worked since 2007; one driver has been a flatlining in American manufacturing capital intensity. @JosephPolitano

**Summary:** A large part of America's manufacturing productivity problem is the cross-industry compositional effect—post-2001 and 2008, high-tech fast-productivity-growth industries were increasingly offshored and thus represented a smaller share of US manufacturing. Perhaps more importantly, that shift has been coupled with a lack of manufacturing business investment—the overall capital intensity of American manufacturing, which represents the relative amount of fixed assets used in production, slowed in the 2000s and nearly flatlined in the 2010s. In other words, if you think about the amount of factories, equipment, vehicles, etc used per manufacturing worker, that number has stopped growing due to the underinvestment in new manufacturing equipment and structures throughout the last 20 years. Some subsectors, like the chemical industry, have seen more steady capital intensity growth, while electronics experienced a slowdown and electrical/vehicle manufacturing saw outright stagnation.

**Related Articles:** American Labor's Real Problem: It Isn't Productive Enough and Labor Market Conflict and the Decline of the Rust Belt and Why American Manufacturing is Increasingly Inefficient

**Primary Topic:** Investment

**Topics:** Database, Investment, Op-Ed/Blog Post, Productivity

**Permalink:** <https://www.edwardconard.com/macro-roundup/american-manufacturing-productivity-has-been-flat-as-measured-by-output-per-hour-worked-since-2007-one-driver-has-been-a-flatlining-in-american-manufacturing-capital-intensity-josephpolitano?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2024/05/21015-americas-manufacturing-productivity-problem-featured-thumbnail-image.png>