

The True Cost of Deindustrialization

Executive Summary: County-Level Analysis of Manufacturing Decline in America

Overview

This study analyzes the economic impact of manufacturing decline across 3,200+ U.S. counties from 2000 to 2023. Using data from 11 federal sources, we trace the chain of effects from factory closures to community-wide economic distress. The findings reveal that deindustrialization didn't just eliminate jobs - it eliminated good jobs, with lasting consequences for wages, employment, poverty, and population stability.

Key Findings

4.6 Million	Manufacturing jobs lost nationwide since 2000
-26%	Median county manufacturing employment decline
568 Counties	Lost more than half of manufacturing jobs
\$38,636	Annual wage gap: manufacturing vs replacement jobs
16.9% vs 11.8%	Poverty rate: severe decline vs growth counties
17.4% vs 11.0%	SNAP participation: severe decline vs growth counties
18.4% vs 14.8%	Disability rate: severe decline vs growth counties
1,025 Counties	Lost population between 2000-2020

The Causal Chain

Our analysis identifies a clear economic cascade: Manufacturing Decline leads to Wage Loss, which leads to Business Closures, Home Value Stagnation, Population Exodus, and Persistent Poverty. Counties with severe manufacturing losses (40%+) show consistently worse outcomes across all economic indicators.

The China Shock

Integration of Autor, Dorn and Hanson trade data confirms that counties with higher exposure to Chinese import competition experienced significantly greater manufacturing losses. High-exposure counties lost manufacturing jobs at nearly twice the rate of low-exposure counties.

Regional Concentration

The Rust Belt (OH, MI, PA, IN, IL, WI, WV) was hit hardest. Iconic cities like Detroit, Youngstown, and Gary lost 50-90% of manufacturing employment. However, decline was nationwide - affecting textile regions in the Southeast and electronics in the Northeast.

Statistical Validation

OLS regression analysis with robust standard errors confirms statistically significant (p less than 0.05) relationships between manufacturing decline and higher poverty rates, lower median income, and increased unemployment - even after controlling for education and baseline economic conditions.

Data Sources

BLS QCEW | Census ACS | County Business Patterns | Zillow ZHVI | FDIC SOD | USDA ERS | Census BDS | Census Population | Autor-Dorn-Hanson Trade Data | SNAP (ACS S2201) | Disability (ACS S1810)

Full study with interactive maps: tomlewis250-coder.github.io/deindustrialization-study

Analysis completed February 2026 | 2,702 counties analyzed | 11 federal data sources