

# 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](https://tomlewis250-coder.github.io/deindustrialization-study)

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