



MANUFACTURING & TECHNOLOGY DAY

Manufacturing: Vital to Connecticut's Future



Every \$1 MILLION in additional output from Connecticut manufacturing means:

- **\$2+ million in sales** in other industries (potential sales tax revenue)¹
- **8.3 new Connecticut jobs**¹
- **Over \$700,000** in new personal income (potential personal income tax revenue)¹
- **More than \$1 million in value added.**¹

Connecticut manufacturers pay a lot in taxes:

- More than **\$200 million** in municipal taxes²
- **\$157 million** in sales and use taxes²⁰
- **\$121 million** in corporate taxes²⁰
- Manufacturing employees pay more than **\$415 million** in personal income taxes²¹
- About 73% of all manufacturers are organized as S-corporations or other entities that are taxed at the individual rate.¹⁶

Manufacturers invest in CT

- Since 1977, Connecticut manufacturers have more than doubled annual new capital investments in their facilities, from \$566 million to \$1.13 billion in 2009 dollars⁶

Sources:

¹ MAC Index

² Connecticut Center for Economic Analysis at the University of Connecticut

³ Annual Survey of Manufactures, U.S. Bureau of the Census

Manufacturing in Connecticut:

- **4,826** manufacturing establishments.⁴
- **167,900** manufacturing workers.⁵
- **\$12.4 billion** in wages and salaries earned annually by Connecticut manufacturing employees.⁵
- **\$89,238** in average annual compensation.¹⁹
- **10.4%** of all private-sector payroll.⁵
- **10.79%** of nonfarm employees employed in manufacturing.⁵
- Connecticut is the **18th-most** intensive manufacturing state in the United States.⁶
- Manufacturing workers in Connecticut **average \$1,004.91** in weekly earnings.⁷
- **More than one-half** of the top 100 companies headquartered in Connecticut are manufacturing firms.⁸

Manufacturing creates more jobs:

- **Connecticut manufacturers purchase** more than \$10 billion per year in goods and services from other state businesses, including \$3 billion from service firms.⁹
- **Each new job** in the key areas of Connecticut manufacturing creates 1.9 to 4 additional jobs throughout the economy.⁹

Productive workers:

- Each Connecticut manufacturing worker creates **value-added of \$278,654** vs. the national average of \$261,261.¹⁰
- Connecticut manufacturing workers are on average **20% more productive** than the average U.S. manufacturing worker.¹¹

Strong in defense:

- Connecticut total defense contracts awarded totaled **\$12.2 billion** in 2008.¹²
- Connecticut ranks **2nd in the U.S.** at \$3,487 per capita in defense contracts.¹²

Key role in global economy:

- **Manufacturing exports grew to \$16.03 billion** in 2010, from \$8.1 billion in 2003, nearly doubling in just seven years.¹³

- **Connecticut firms have exported to 225 different countries since 1988.** In the past three years, more than 200 countries have bought Connecticut-manufactured goods.¹⁴
- **Connecticut sent over \$300 million worth of goods each to our top 8 trading partners:** Canada, Japan, United Kingdom, France, Germany, Mexico, Singapore and South Korea.¹⁵
- **Connecticut's top five exporting areas in manufacturing,** which account for over 92% of our exports, include transportation equipment, industrial machinery, fabricated metal, electronic equipment, chemicals and food products.¹⁶

Important to Gross State Product:

- **Almost \$25 billion of Connecticut's gross state product (GSP)** comes from manufacturing.¹⁷
- Manufacturing accounts for about **11.4% of Connecticut GSP.**¹⁸

Sources:

⁴ U.S. Bureau of the Census: County Business Patterns

⁵ Economic Report of the Governor

⁶ U.S. Bureau of the Census

⁷ Connecticut Department of Labor (Feb. 2011)

⁸ Connecticut Magazine

⁹ RIMS II multipliers

¹⁰ Annual Survey of Manufactures, U.S. Bureau of the Census

¹¹ Connecticut Department of Economic and Community Development

¹² Morgan Quitno, State Ranking

¹³ World Institute for Strategic Economic Research (WISER)

¹⁴ Connecticut Department of Economic and Community Development

¹⁵ Connecticut Economic Digest

¹⁶ National Association of Manufacturers

¹⁷ U.S. Bureau of Economic Analysis

¹⁸ Economic Report of the Governor

¹⁹ National Association of Manufacturers, 2009 CT Manufacturing Employment and Compensation

²⁰ Connecticut Department of Revenue Services Annual Report 2009-2010

²¹ Connecticut Department of Revenue Services Annual Report 2009-2010 and Economic Report of the Governor 2011