

For Immediate Release: November 21, 2014

Contact: Jack Temple, jack.temple@berlinrosen.com, (646) 200-5280

Emma Stieglitz, emmaS@berlinrosen.com, (646)-200-5307

NEW REPORT: Low-Wage Crisis Hits American Manufacturing

1 in 4 manufacturing workers now paid less than \$11.91 per hour as wage cuts, temporary jobs redefine the industry that built America's middle class

New York, NY – Manufacturing jobs helped build America's middle class, but today they are adding to the nation's low-wage crisis, a [new report](#) by the National Employment Law Project shows. Wages have eroded significantly for manufacturing workers across the country: today, more than 600,000 manufacturing workers are paid just \$9.60 per hour or less, and 1.5 million manufacturing workers – one out of every four – make \$11.91 per hour or less.

While American manufacturing has rebounded in recent years due to “onshoring” of production facilities and the demands of “just in time” production schedules, NELP's report finds that, for the first time in decades, manufacturing wages in the U.S. now rank in the bottom half of all occupations. For 30 years, from 1976 to 2006, manufacturing workers were paid wages well above the U.S. average – peaking in the mid-1980s at more than 150 percent of the average private-sector wage – but by 2013, the average pay for manufacturing workers was 7.7 percent below the median wage for all occupations.

“As long as current trends continue, there's no question that manufacturing jobs will be here to stay. But now, the real question is whether manufacturing jobs will pay enough for workers to support themselves and their families,” said **Catherine Ruckelshaus, general counsel of the National Employment Law Project and author of the report, [Manufacturing Low Pay: Declining Wages in the Jobs that Built America's Middle Class](#).**

“Manufacturing was once a ticket to the middle class, but the reality is that these jobs no longer resemble the ones that lifted our economy for generations.”

The wage declines unfolding across the manufacturing sector have been especially pronounced in the automotive industry, the largest segment of the U.S. manufacturing base. While foreign and domestic automakers have added 350,000 new jobs in the U.S. since 2009, nearly three-fourths (72 percent) of all auto workers are now employed at parts plants, where workers are paid nearly 15 percent less on average than motor vehicle manufacturing workers overall. From 2003 to 2013, real wages for auto parts workers fell by nearly 14 percent – three times faster than for manufacturing as a whole, and nine times faster than the decline for all occupations.

“I work in the auto industry, but I'm paid not much more than I would cooking fries at McDonald's,” said **Timothy Shelly, who has worked at Faurecia Automotive Seating in Cleveland, Miss., for more than nine years and is paid \$12.72 per hour.** “It's outrageous that I work hard every day helping to make car seats for companies like Nissan, but my own car was repossessed just last year because I am not paid enough to keep up with the monthly payments.”

As wages have declined for manufacturing and auto workers, temporary work has increased significantly in the industry. In the auto parts sector, about 14 percent of workers are employed by staffing agencies today, and

wages for these workers are substantially lower than for direct-hire parts workers: auto parts workers placed by staffing agencies make, on average, 29 percent less than those employed directly by auto parts manufacturers, according to estimates based on U.S. Census Bureau data.

The low-wage crisis in manufacturing is likely even worse than those numbers show, because government data fail to include staffing-agency workers in official counts for manufacturing workers and do not factor their wages into industry averages.

Wage erosion throughout the manufacturing industry has taken place even as state, local, and federal officials have spent billions in subsidies in recent years to attract manufacturing jobs. In October, President Obama [announced](#) a new series of executive actions aimed at boosting manufacturing, building on earlier measures that have included \$1 billion for community college training programs.

Nine out of ten Americans believe a strong manufacturing sector is critical to the health of our economy, according to a poll conducted by the consulting firm Deloitte for the Manufacturing Institute. NELP's report shows that America's love affair with manufacturing is based on a perception that no longer holds true.

Read the full report: [Manufacturing Low Pay: Declining Wages in the Jobs that Built America's Middle Class](#)

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The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers. For more about NELP, visit www.nelp.org.