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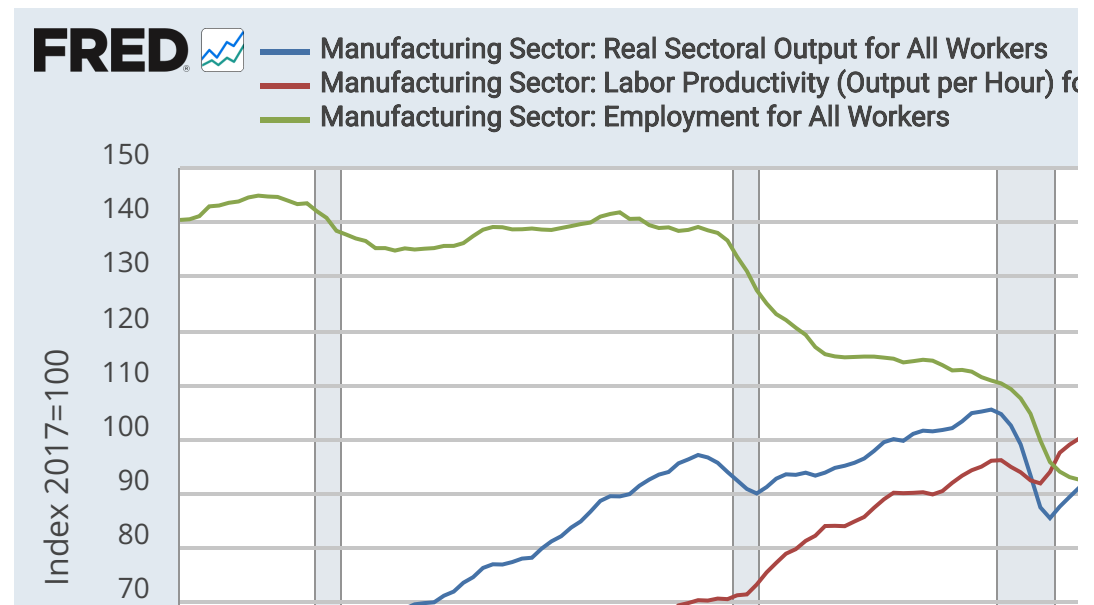
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The FRED® Blog

Manufacturing: Up? Down?



Posted on May 26, 2016



Is manufacturing up or down? As economists like to say, *it depends*. The graph above shows three indicators of U.S. manufacturing activity, and they point in different directions. Manufacturing output is definitively trending up; that is, the number of things produced in this country has increased over time and is currently increasing. This production is accomplished, however, with fewer and fewer employees. It should be no surprise that an economy becomes increasingly better (quicker, more efficient, etc.) at producing things, thanks to increasing productivity per employee through innovations, for example. Recently, though, manufacturing employment is trending up slightly, while productivity has slowed down (as it has in other sectors).

Is this good or bad? Employing people is clearly important. Yet, when an industry needs fewer people because it is better at doing something, this is viewed as a gain by economists: Workers who aren't needed any more can move on to produce something else. Of course, there are costs in the process if displaced workers cannot find new employment right away. The

[CPI](#) **+3.5 %** Chg. from Yr. Ago
on Jun 2026

[Civ. Unemploy. Rate](#) **4.2 %**
on Jun 2026

[10-Yr. Treas. Rate](#) **4.55 %**
on 2026-07-17

[Real GDP](#) **+2.1 %**, Comp.
Annual Rate of Chg.
on Q1 2026

[IP](#) **+0.1 %** Chg. on Jun 2026

[Payroll Employment](#) **+57**
Chg., Thous. of Persons
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U.S. has a relatively flexible labor market that has generally managed to respond well to such challenges. In the short-term, though, the gains are not shared by everyone. Manufacturing unemployment is particularly high in recessions, as is seen in the graph below. But consider yet another twist: The current unemployment rate for manufacturing is lower than the rate for the general population.



How these graphs were created: For the first graph, search for “manufacturing sector,” check on the series you want to graph, and click on “Add to Graph.” For the second graph, search for “manufacturing unemployment rate” and “civilian unemployment rate.” Restrict the sample period to start in the year 2000.

Suggested by [Christian Zimmermann](#)

View on FRED, series used in this post: [LNU04032232](#), [OPHMFG](#), [OUTMS](#), [PRS30006013](#), [UNRATE](#)

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