**Fiscal Facts: Manufacturing declining as share of Wisconsin’s economy**

Although manufacturing remains prominent in Wisconsin’s economy, its dominance has generally been declining over the years. Manufacturing made up 18.2 percent of the state’s gross domestic product in 2017, down from 24.3 percent in 2000. The state’s overall output grew more than twice as quickly as manufacturing output over the period.

Coming out of the Great Recession, manufacturing jobs initially grew more quickly than overall employ­ment in Wisconsin. In general, however, industry jobs have lagged while employment has grown more rapidly in other high-paying sectors such as construc­tion, information, financial activities, and profes­sional services. As recently as 2000, manufacturers employed more workers than those other four sectors put together. It is now the opposite: in 2017 the four sectors combined for 177,400 more jobs than manu­facturing provided. Though this shift is significant, some part of it may be due to manufacturers outsourc­ing functions such as payroll and custodial work as other businesses have done, making those jobs show up as “professional services.”

Over the past several decades, manufacturing workers have fallen in total numbers and as a share of the overall state workforce, from 21.7 percent in 2000 to 16.4 percent in 2017. The sec­tor now has 132,100 fewer jobs than its 1998 high of 598,900. The Wisconsin Department of Workforce Development has projected that between 2016 and 2026, employment in the state will grow more than three and a half times as quickly as manufacturing jobs.

The industry trends for Wisconsin do look some­what better than the nation as a whole. Manufacturing jobs nationwide dropped by 28.3 percent between 2000 and 2017 compared to 21.4 percent in Wisconsin, with the state faring worse than Iowa, Minnesota, and Indiana but significantly better than Illinois, Ohio, and Michigan.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at wispolicyforum.org.*