(What's Left of) Our Economy: Where's the Renaissance (in Manufacturing)?

Understandably lost amid the outpouring of news about last Sunday's terrible Orlando shooting has been the government's release of one of my favorite annual data reports – on economic growth by state. Although it's great to be able to use these figures to track the geography of the current economic recovery (and of the last recession), I'm mainly interested in them because they also provide the latest detailed data on manufacturing and how it's been faring versus the rest of the economy. And the inescapable conclusion – these numbers aren't the slightest bit renaissance-y.

According to these statistics, in 2015, domestic industry expanded at an inflation-adjusted rate of 1.32 percent. That's slower than both the real growth of the entire economy (2.36 percent), and than manufacturing's real growth in 2014 (1.61 percent).

A related (but less detailed by sector) group of figures – on state economic growth by quarter – enables us to track manufacturing's story from the start of the Great Recession (the fourth quarter of 2007) to its end (the second quarter of 2009). They show that during the current recovery, the entire constant dollar gross domestic product (GDP) has increased by an historically feeble 13.22 percent. The comparable figure for manufacturing? It's only slightly better: 13.33 percent.

As a result, at the start of the recovery, manufacturing's share of the total economy, after inflation, was 11.92 percent. In the fourth quarter of 2015? 11.93 percent. Not much progress toward "re-industrialization" evident here. More revealingly, when the recession began, the manufacturing percentage of real GDP was 13.10 percent. That's why, after inflation, manufacturing output in the United States still has not regained its pre-recessionary peak – and in fact, according to these data, is 1.31 percent smaller. This contraction is less dramatic than that shown in the Federal Reserve's industrial production figures (which measure after-inflation manufacturing production on a monthly basis). But it's hard to square the reality of nearly nine lost years in manufacturing with the renaissance claims.

The sector-by-sector results in the new government figures merit attention, too. For example, they show that, at least at the level of detail used by the government, America's largest manufacturing industry is chemicals, with after-inflation production at just under $294 billion in 2014 (the latest data available for individual sectors). Next comes the sector that many folks might have thought is Number One – computers and electronics (just under $286 billion).

At the same time, the fortunes of these sectors have differed dramatically. Chemicals output shrank by 1.06 percent in real terms in 2014. Computer etc production rose by 2.98 percent. And since 2009 (not the precise duration of the recovery, but close enough), real chemicals production is down by 5.29 percent. Real computer and electronics output is up by 24.76 percent. (At this point, however, it's important to remind that big questions surround the accuracy of the inflation-adjusted computer and electronics production.)

But honors as recovery growth champ goes to the automotive sector. Its real output has more than tripled since 2009 (after falling by nearly two-thirds between the recessionary years 2007 and 2009). The new manufacturing figures, though, also show how much momentum automotive has lost lately. In 2014, its real output inched up by only 0.39 percent – less than a fourth as fast as manufacturing overall.

The other manufacturing growth winners in 2014 included fabricated metal products; machinery; electrical equipment, components, and appliances; miscellaneous transportation equipment (which includes aerospace); furniture; miscellaneous manufacturing; textiles; apparel; printing; petroleum and coal products; paper; and plastics and rubber products. In most of these winners, however, growth in 2014 was slower than in 2013.

Other sectors that shrank in 2014 include primary metals (e.g., steel) – which grew strongly in 2013; wood products; and food, beverage, and tobacco products.

Early during the recovery, former Republican Speaker of the House John Boehner famously asked President Obama, “Where are the jobs?” Pretty soon after, they began reappearing. By contrast, years after the first predictions, folks asking “Where’s the manufacturing renaissance?” are still waiting.