

Why Manufacturing Still Matters

Direct Jobs & Wages

Indirect & Induced Jobs (Multiplier Impact)

Prepared by:
Los Angeles County
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Wages

Average Annual Wages, 2009

General Merchandise Stores	\$22,900
Ornamental & Architectural Metal Mfg	\$ 45,400
Bread and Bakery Product Mfg	\$33,000
Upholstered Household Furniture Mfg	\$ 29,900
Women's Cut and Sew Apparel Mfg	\$ 37,500
LA County Average	\$51,500



Multiplier Impact



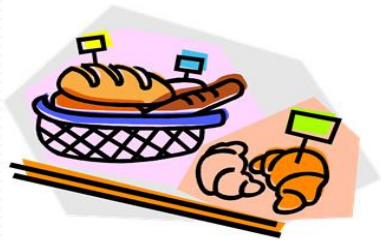
What does a manufacturing plant mean to LA County?

- ❖ **Direct Jobs**
- ❖ **Indirect Jobs**
- ❖ **Induced Jobs**

Direct Jobs



Direct jobs are held by the employees who work at the plant.



Example: Food Manufacturing

A firm in the Bread and Bakery Product Manufacturing sector (NAICS Code 31181) in LA County has **100** workers.

These are the direct jobs!

Indirect Jobs



Indirect jobs are sustained by purchases of goods and services by the firm to produce a final product.



Example: **100** direct jobs create

➤ **33 indirect jobs in LA County**

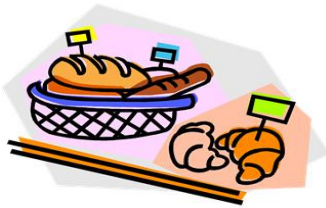
8 jobs in	Administrative and waste Services
7 jobs in	Professional, technical, and scientific services
4 jobs in	Management of companies
3 jobs in	Manufacturing
3 jobs in	Wholesale trade
8 jobs in	All Other Sectors

These are the indirect jobs!

Induced Jobs



Induced jobs are generated by the spending of employees whose wages are sustained by both direct and indirect spending.



Example: **100** direct jobs create

➤ **27 induced jobs in LA County**

6 jobs in	Health and Social Services
5 jobs in	Retail trade
3 jobs in	Accommodation and Food Services
3 jobs in	Other services
2 jobs in	Finance & Insurance
8 jobs in	All Other Sectors

These are the induced jobs!

Total Employment



100 direct jobs



33 indirect jobs



27 induced jobs

160 jobs

Multiplier Impact in Selected Industry Sectors

Industry	Direct	Indirect	Induced	Total
General Merchandise Stores	100	9	13	122
Ornamental & Architectural Metal Mfg	100	36	32	168
Bread and Bakery Product Mfg	100	33	27	160
Upholstered Household Furniture Mfg	100	19	20	139
Women's Cut and Sew Apparel Mfg	100	113	46	259