



New CSLS Report Finds U.S. Manufacturing Productivity Has Stalled

November 20, 2025

OTTAWA — The Centre for the Study of Living Standards (CSLS) has released a new research report, ***The Stylized Facts of the United States Manufacturing Productivity Slowdown***, offering a comprehensive analysis of the sharp and persistent productivity growth slowdown in U.S. manufacturing since 2010.

Despite the sector's historic role as a driver of innovation and economic growth, the report finds that labour productivity in U.S. manufacturing has collapsed — falling from an average of 3.75% per year in 1997–2011 to –0.51% per year in 2011–2023. This represents the steepest decline of any major industry and accounts for over 40% of the productivity slowdown in the broader business sector.

Key Findings

- The U.S. manufacturing productivity slowdown was broad-based, but a few notable industries — especially computer and electronic products, and to a lesser extent, transportation equipment — drove the decline.
- Stagnating output growth reduced incentives for capital investment and slowed the adoption of new technologies.
- International comparisons show the U.S. falling from a global productivity leader to the bottom quartile of advanced economies since the early 2010s.
- Structural shifts, such as, reduced research and development effectiveness, offshoring (in industries such as semiconductors, batteries and pharmaceuticals), an aging capital stock, and the end of the IT-led productivity boom likely played roles in the decline.

The report integrates data from the BLS, BEA, OECD, EUKLEMS, and The Conference Board to map this long-run shift and highlight where manufacturing's productivity engines have broken down.

As policymakers and industry leaders look to rebuild domestic manufacturing capacity, understanding these structural challenges is critical. These findings highlight the need for renewed investment, stronger competition dynamics, and targeted technology adoption strategies to reignite productivity growth.

The full report is available from CSLS [here](#)



About the Report

The report is part of a larger research program. The CSLS has organized a special session for the American Economics Association Annual Meeting, to be held in Philadelphia, on Monday January 5, 2026, titled, [Explaining the Post-2011 Fall-Off in Manufacturing Productivity Growth in the United States](#).

About the CSLS

The Centre for the Study of Living Standards (CSLS) is Canada's leading think tank focused on productivity, living standards, and economic well-being. Founded in 1995, we provide rigorous, evidence-based research to inform policy and support a more prosperous and equitable society.

Media Contact

Andrew Sharpe, Executive Director Emeritus
Centre for the Study of Living Standards
Tel: 613-233-8891
Email: Andrew.Sharpe@csls.ca