

## What is the True State of U.S. Furniture Manufacturing?

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### Article:

American furniture manufacturing has taken it on the chin over the last decade. Manufacturing jobs have disappeared as more and more production has moved overseas. Manufacturers that used to have simple organizations now must manage complex global supply chains. And all but a few manufacturers have become manufacturer/importers.

The changes are undeniable. But how bad is it really for furniture manufacturers in the U.S.? In North Carolina, one of the country's centers of furniture production, furniture manufacturing is often lumped together with textile/apparel manufacturing, with the two of them portrayed as the poster children of Southern manufacturing in decline. But are the two industries really that similar?

Overall, the employment numbers are striking. In the 1950s, one in three payroll employees in the U.S. economy (excluding family-farm workers) were employed by manufacturing industries. By 1990, that figure had been cut to one in six. In 2005 it was closer to one in ten. Between 1990 and 2005, the number of total manufacturing jobs in this country fell nearly 20 percent, from 17.7 million to 14.2 million.

One of the most important implications of these figures is that the decline of manufacturing as a major employer of American workers has been going on for decades, long before globalization and other more specific factors, such as the dramatic drop in containerized shipping costs in the 1990s.

Furniture manufacturing has followed suit. As the table shows, 601,400 Americans worked to produce furniture in 1990. By 2005, the number had fallen to 563,300. But surprisingly, employment in furniture manufacturing has fallen more slowly than in manufacturing overall. Furniture employment fell only about 6 percent in this 15-year period. (By the way, furniture retail employment increased 34 percent in that same period, even faster than total employment in the economy.)

### Furniture Manufacturing Employment 1990-2005

YEAR	TOTAL EMPLOYEES (THOUSANDS)	ALL MFG.	MFG. SHARE OF TOTAL	FURN. MFG. (THOUSANDS)	FURN. SHARE OF MFG.
1990	109,487	17,695	16.2%	601.4	3.4%
1995	117,298	17,241	14.7%	606.7	3.5%
2000	131,785	17,263	13.1%	679.7	3.9%
2005	133,463	14,232	10.7%	563.3	4.0%
Growth '90-'95	+21.9%	-19.6%		-6.3%	

Source: Bureau of Labor Statistics

By falling more slowly than total manufacturing employment, furniture had a slightly higher share of overall manufacturing employment in 2005 than in 1990. In 1990 furniture manufacturing accounted for 3.4 percent of all manufacturing jobs; in 2005 it accounted for 4.0 percent.

In North Carolina, furniture also held its own relative to the rest of the manufacturing sector. Between 1990 and 2005, furniture's share of total manufacturing employment in the state fell only slightly, from 10.9 percent to 10.0 percent. Why the slight decline, as compared with the slight gain nationally? It's because North Carolina's furniture industry was more dependent on case goods, and it's in case goods where imports have been most successful in winning domestic market share. In 1990, wood furniture accounted for 51 percent of employment in home-furniture manufacturing in North Carolina, as compared to a national share of 44 percent. By 2005, the figure in North Carolina had fallen to 34 percent.

So furniture has been holding its own, at least compared with the rest of the manufacturing sector. But it's an entirely different story in the South's other distinctive manufacturing sector, textiles and apparel. Nationally, employment in textile/apparel manufacturing fell a whopping 60 percent between 1990 and 2005, from 1.6 million jobs to just 650,000. In 1990, textiles and apparel accounted for 9.2 percent of all manufacturing jobs in the U.S. By 2005 the share had been cut in half, to 4.6 percent.

Therefore, the conventional wisdom that puts furniture in the same depressing boat as textiles and apparel isn't quite right. The textile/apparel sector has had its guts ripped out, at least in employment terms. (In textiles this is due to dramatic gains in labor-saving technologies; in apparel it is the result of jobs going overseas in search of lower wages.) In contrast, the changes in furniture manufacturing have merely mirrored the challenges facing the rest of American manufacturing. Those challenges are very real. But things could be worse.

### A Tale of Two Industries (Share of Total Manufacturing Employment)

