



OVERVIEW

Manufacturing

In 2023, California was home to the **largest manufacturing workforce in the United States.**¹ Moving forward, the state can lean into its strengths in high value-add manufacturing, including precision and advanced manufacturing, to support its “Accelerate” and “Bet” sectors.

California is Leaning Into its Value-Add Manufacturing Strengths

- California has a **strong manufacturing economy**, generating ~\$397 billion in annual gross domestic product output in 2023¹
- California’s **1.3 million manufacturing jobs** account for **about 7% of its workforce**¹

Value-Add Manufacturing Across Sectors

- California’s advanced & precision manufacturing capabilities **support many of the state’s strategic sectors:**



Defining Manufacturing Subsectors in California

Sector Category:



Strengthen



Accelerate



General

Producing goods on a large-scale using machinery and assembly lines, typically for mass-market products²



Precision

High-accuracy production processes, often used for intricate components in industries like aerospace or life sciences³



Advanced

Technology-driven manufacturing incorporating automation and robotics for enhanced efficiency and customization⁴

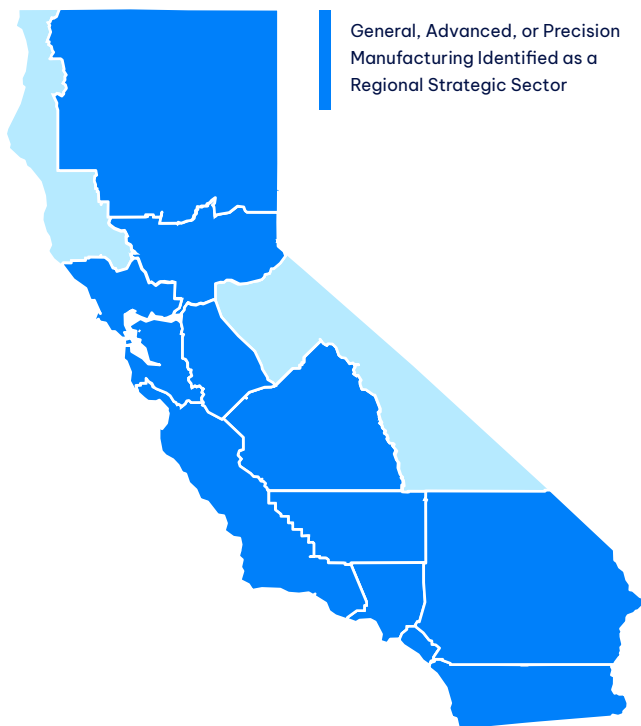


How We Are Supporting the Manufacturing Sector

- **California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA):** Offers a sales and use tax (STE) exclusion to advanced manufacturers to reduce the equipment purchasing costs⁵
- **Manufacturing and R&D Partial Sales and Use Tax Exemption:** Offers a partial exemption in state sales and use tax (3.9375%) on qualified purchases to businesses engaged in manufacturing, research and development (R&D), and electric power generation⁶
- **Capital Investment Incentive Program:** Authorizes local governments to rebate a capital investment incentive amount to a manufacturer that is equal to the property taxes owed on the manufacturing property⁷
- **Made in California Labeling Program:** Builds consumer awareness around products produced within the state ecosystem⁸
- **Industrial Development Bond:** Offers tax exempt securities up to \$10 million to provide money for the acquisition, construction, rehabilitation, and equipping of manufacturing and processing facilities for private companies⁹
- **Employment Training Panel (ETP) partnership with California Manufacturing Technology Consulting (CMTC) and California Manufacturers & Technology Association (CMTA):** Provides small and medium-sized California manufacturers with subsidized, high-quality training¹⁰
- **California Energy Commission Manufacturing Grants:** Provides support to ZEV manufacturers through the Clean Transportation Program and to food processors through the Food Production Investment Program¹¹

REGIONAL OVERVIEW

Across the state's 13 Jobs First Collaboratives, **11 identified general, precision, or advanced manufacturing as regional strategic sectors**¹²



- **North State:** Opportunities to build from its natural resources to engage in value-add timber manufacturing
- **Capital:** Precision manufacturing employs ~20,000 people, accounting for ~\$4 billion in gross regional product
- **Bay Area:** Manufacturing employs ~400,000 people, concentrated in southern and eastern areas of region
- **North San Joaquin:** General and advanced manufacturing employs ~60,000 people (~10,000 people employed in advanced)
- **Central San Joaquin:** ~50,000 manufacturing jobs, mostly food-based; new opportunities in circular and clean energy manufacturing
- **Central Coast:** Precision manufacturing employs ~34,000, accounting for ~\$15 billion in regional exports
- **Kern County:** Advanced manufacturing concentrated in working lands, clean energy, and aerospace and defense
- **Los Angeles County:** Strong advanced manufacturing workforce, with nearly ~200,000 in aerospace manufacturing alone
- **Orange County:** Computer / electronic product and miscellaneous manufacturing (dominated by medical device manufacturing), accounts for ~50,000 jobs
- **Inland SoCal:** Nearly 100,000 manufacturing jobs in the region, with a greater share identified as quality or promising based on regional analysis relative to the overall economy
- **Southern Border:** Manufacturing (precision & advanced) employs ~120,000 people, generating \$28 billion in economic activity



Manufacturing

Manufacturing Offers Pathways to Good-Paying Jobs

- In 2023, manufacturing employed more than a million Californians, with average hourly wages of \$36¹
- Manufacturing is relatively accessible to all education levels, with many roles requiring only a high school degree or G.E.D.¹³ and opportunities to earn more through specializations or apprenticeships in fields like CNC machining and advanced welding¹⁴

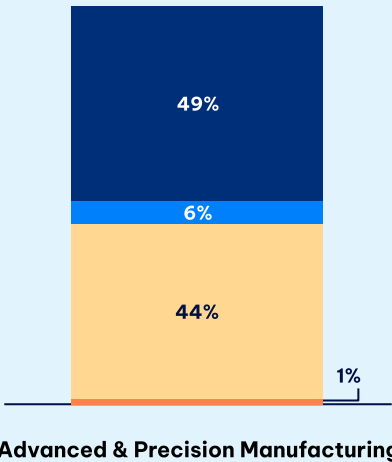
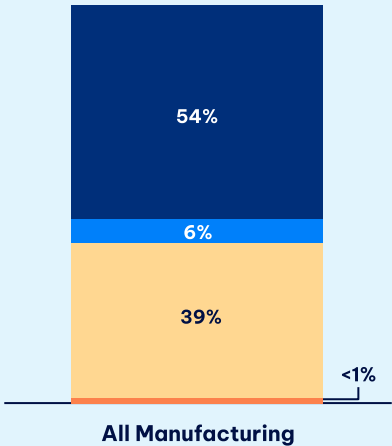
Top Occupations Within Manufacturing in California, 2023¹³

Top 10 Occupations	Total employment, 2023 Thousand	Pathway role? ¹⁵	Forecast sector employment change above CA average?
Miscellaneous Assemblers and Fabricators	83.2k		
Software Developers	43.6k		✓
Laborers and Freight, Stock, and Material Movers, Hand	39.7k		
Electrical, Electronic, and Electromechanical Assemblers*	37.6k		
Inspectors, Testers, Sorters, Samplers, and Weighers	35.5k	✓	
First-Line Supervisors of Production and Operating Workers	33.4k		
Packaging and Filling Machine Operators and Tenders	32.0k	✓	
Sales Representatives, Wholesale and Manufacturing	26.4k		
Shipping, Receiving, and Inventory Clerks	24.6k		
General and Operations Managers	21.0k		

*Except Coil Winders, Tapers, and Finishers

** Except Technical and Scientific Products

Typical Educational Attainment Required Across Occupations for Manufacturing in California, 2023, %^{13, 16}



Education Level:

