

# Contribution of the Automotive Industry to the Economies of all Fifty States and the United States

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The United States automotive industry is a critical component of economic growth with extensive interconnections across the industrial and cultural fabric of the U.S. This report outlines many known elements and highlights tremendously important associations beyond the market space of manufacturing. It touches on the following elements as they relate to the automotive industry: national and regional employment; research, development and innovation; state and local government revenues; foreign direct investment; education; health care; U.S. trade; and quality of life.

The auto industry is one of the most important industries in the United States. It historically has contributed 3 – 3.5 percent to the overall Gross Domestic Product (GDP). The industry directly employs over 1.7 million people engaged in designing, engineering, manufacturing, and supplying parts and components to assemble, sell and service new motor vehicles. In addition, the industry is a huge consumer of goods and services from many other sectors, including raw materials, construction, machinery, legal, computers and semi-conductors, financial, advertising, and healthcare. The auto industry spends \$16 to \$18 billion every year on research and product development – 99 percent of which is funded by the industry itself. Due to the industry's consumption of products from many other manufacturing sectors, it is a major driver of the 11.5% manufacturing contribution to GDP. Without the auto sector, it is difficult to imagine manufacturing surviving in this country.