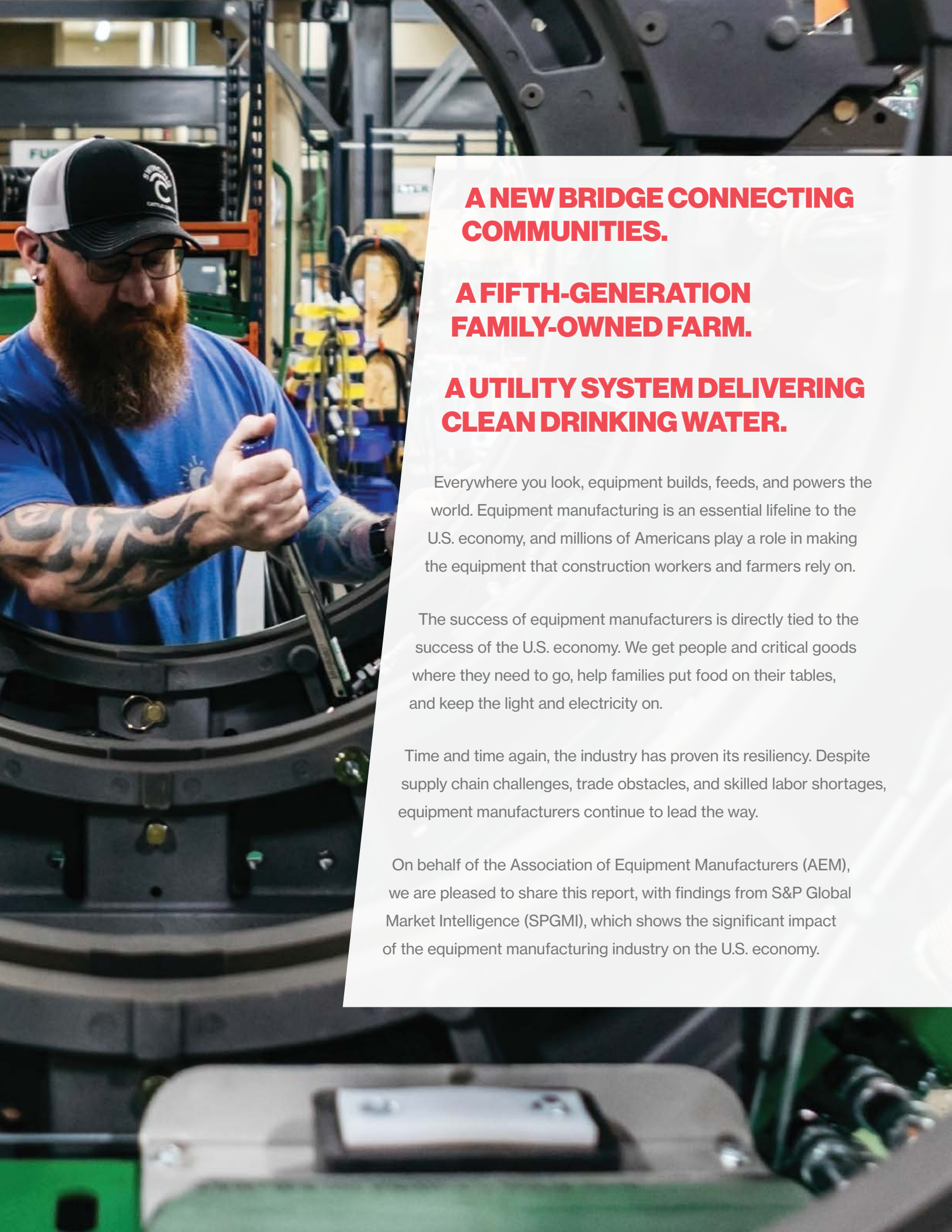
WE BUILD MOMENTUM

THE ECONOMIC IMPACT OF THE U.S. EQUIPMENT MANUFACTURING INDUSTRY

AEM
Association of Equipment Manufacturers



A NEW BRIDGE CONNECTING COMMUNITIES.

A FIFTH-GENERATION FAMILY-OWNED FARM.

A UTILITY SYSTEM DELIVERING CLEAN DRINKING WATER.

Everywhere you look, equipment builds, feeds, and powers the world. Equipment manufacturing is an essential lifeline to the U.S. economy, and millions of Americans play a role in making the equipment that construction workers and farmers rely on.

The success of equipment manufacturers is directly tied to the success of the U.S. economy. We get people and critical goods where they need to go, help families put food on their tables, and keep the light and electricity on.

Time and time again, the industry has proven its resiliency. Despite supply chain challenges, trade obstacles, and skilled labor shortages, equipment manufacturers continue to lead the way.

On behalf of the Association of Equipment Manufacturers (AEM), we are pleased to share this report, with findings from S&P Global Market Intelligence (SPGMI), which shows the significant impact of the equipment manufacturing industry on the U.S. economy.

About This Report

The economic impact of the equipment manufacturing industry is felt across the United States.

AEM commissioned SPGMI, a global information provider, to complete a report that estimates the contributions of the agriculture, construction, and mining equipment manufacturing to the U.S. economy.

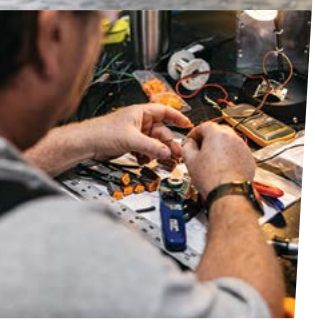
The report relies upon a well-established approach grounded upon government data and augmented by AEM member data and SPGMI proprietary industry analysis. The economic contribution of the industry is measured in terms of employment, output, value added (i.e. contribution of the GDP), labor income, and tax revenue. For each measure, the direct, indirect, and induced contributions of the industry are calculated using a combination of the SPGMI Business Market Insights industry model, regional economic models, census metrics, and factors derived from the IMPLAN model, an input-output model based on government data. SPGMI has partnered with AEM every three years since 2016 to quantify the economic contributions of the North American off-highway equipment and ancillary products industry. This 2026 report updates the prior analysis published in 2023 and examines the state of the industry in 2025, using direct, indirect, and induced impacts to capture the industry's full economic footprint.

Direct Contribution

includes the equipment manufacturing industry's own activities, such as the GDP it generates and the number of people it directly employs each year.

Indirect Contribution

includes the activity and employment supported in the industry's broad supply chain, through its procurement of goods and services.

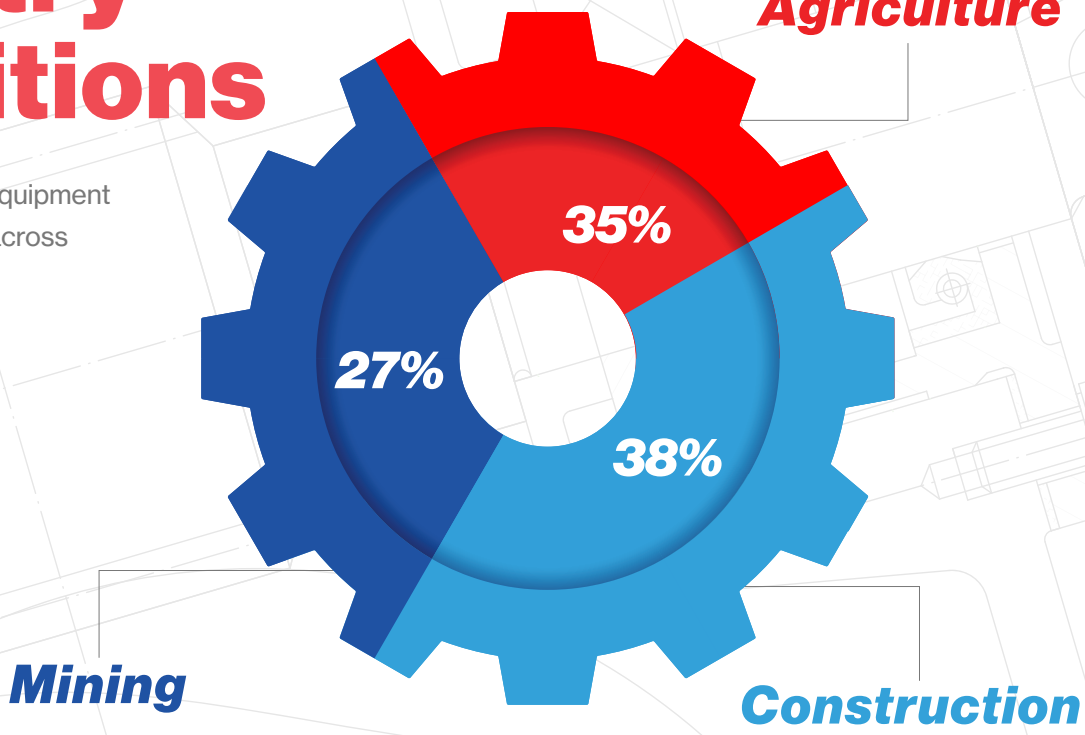


Induced Contribution

includes the wider economic benefits that arise when workers within the equipment manufacturing industry and its supply chain spend their earnings – for example, in local retail and leisure establishments.

Industry Definitions

This report defines the equipment manufacturing industry across three segments:



AGRICULTURE

Factors that impact agricultural equipment manufacturers include commodity production and yields, farm incomes, ethanol production, exports, investment in new equipment, and regulatory policy.

MINING

Factors impacting mining and energy-related equipment manufacturers include oil and gas prices and production, mineral prices and production, new oil, gas and mineral exploration, export markets, and exploration and emission regulations.

CONSTRUCTION

Factors that impact construction equipment manufacturers include infrastructure investment, home construction, commercial and industrial real estate construction, mine and well construction, and institutional spending.

Making a Difference for the American Economy

2.2M
jobs across all 50 states

$902B
generated in total output and sales activity each year

$415B
contributed each year to GDP

1.4%
of the total nominal U.S. GDP

1.3%
of the U.S. nonfarm employment base

$55B
paid each year in federal, state, and local tax revenue

$105K
is our industry's average annual pay for each employee

9.5%
of U.S. manufacturing employment

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"Being a cattleman myself, I take great pride in the equipment that we build."

Dean

Service Technician

Harper, KS

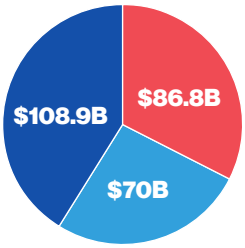
The Ripple Effect

The combination of equipment manufacturers' direct, indirect, and induced contribution to the U.S. economy each year creates a ripple effect across the country. This includes an economic impact made through total sales activity, total value added to our nation's GDP, and the labor income paid to employees.

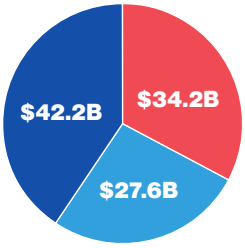
The ripple effect is illustrated below, organized by our industry's three sectors: construction, mining, and agriculture manufacturing. Due to rounding, the totals beside the pie charts do not match the final figures.

Direct Impact

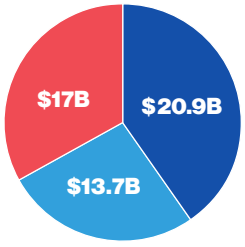
Agriculture Mining Construction



Sales Activity by Equipment Manufacturers
$265.8 billion



Value Added to National GDP
$104 billion

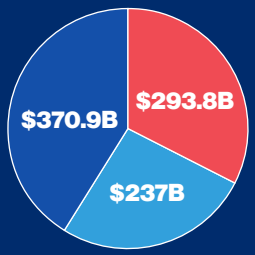


Labor Income
$51.5 billion

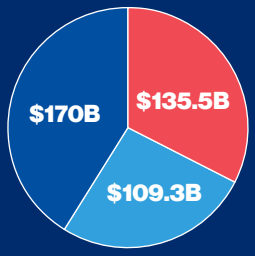
The Ripple Effect

(Direct, Indirect and Induced)

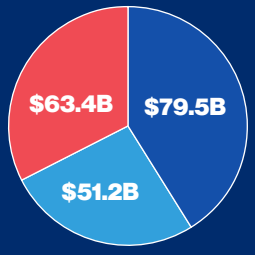
Agriculture Mining Construction



Total Industry Sales Activity
$901.7 billion



Total Value Added to National GDP
$414.9 billion



Total Labor Income
$194.1 billion

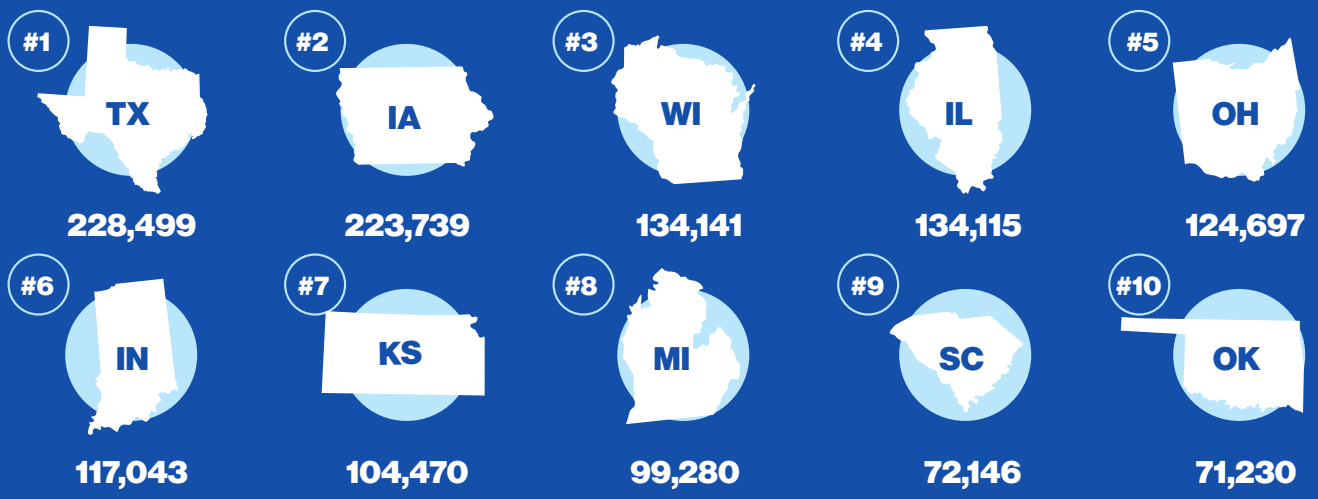
AEM We Build Momentum

The United States of Equipment Manufacturers

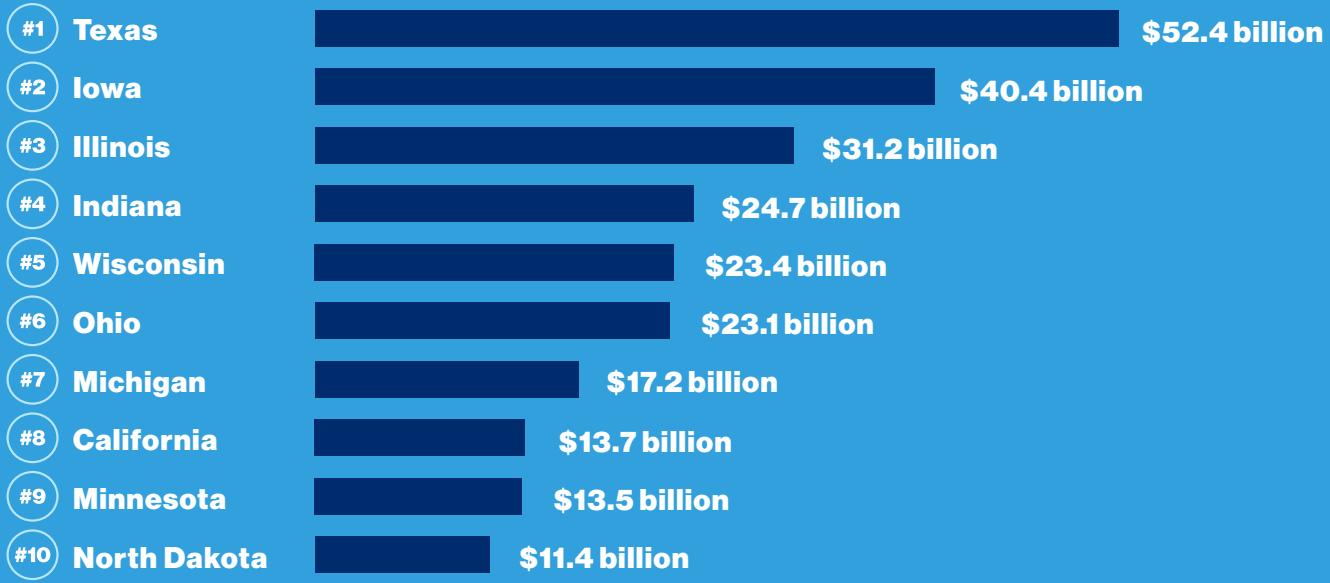
The equipment manufacturing industry supports 2.2 million jobs across the country.

All 50 states benefit from the equipment manufacturing industry's economic activity, but depending on our industry's footprint, contributions vary from state to state. Below are the states with the most jobs supported by equipment manufacturers and where our industry makes the largest annual contribution to state economies.

Top 10 States for Total Equipment Manufacturing Jobs



Top 10 States for Total GDP Contribution



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"I'm striving to achieve excellence with everything I build, one piece at a time."

James

Welder

Perry, OK

"Our passion is to provide this industry with the safest, most efficient, dependable equipment possible".

Liane

Material Handler

Marysville, KS

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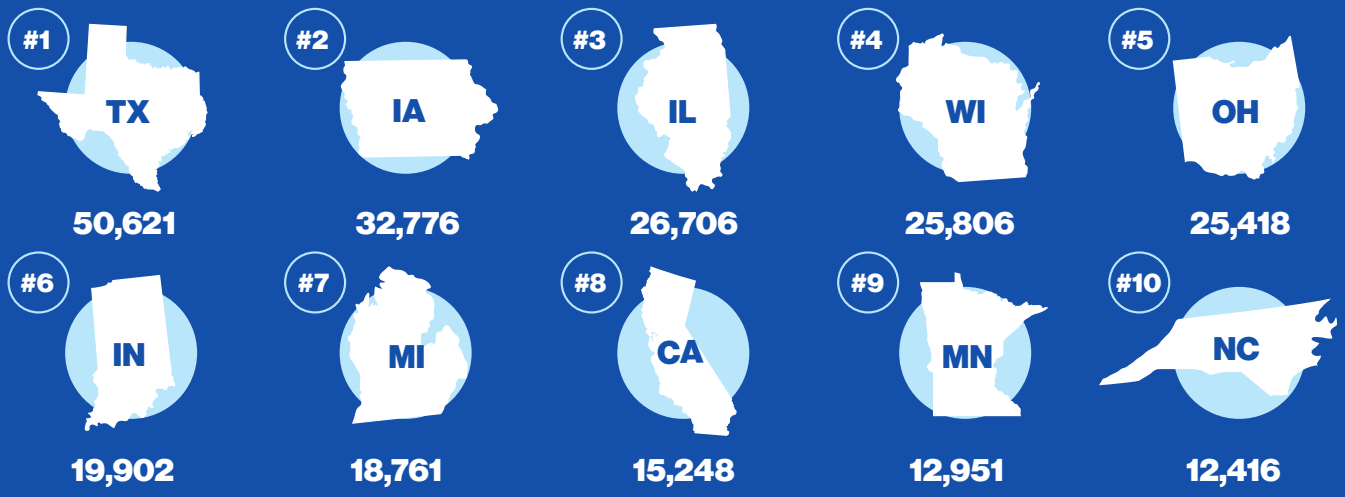
The United States of Equipment Manufacturers

The total number of direct jobs supported by equipment manufacturers is over 421,000.

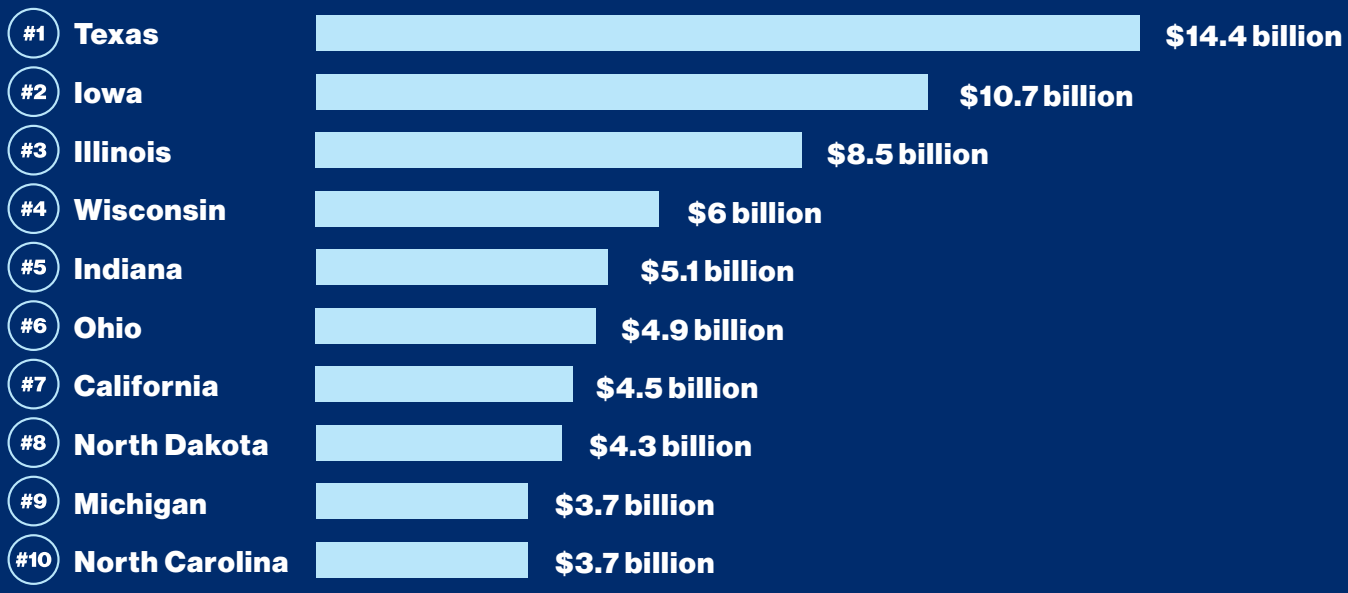
Texas ranks substantially above all other states in terms of direct contributions of the equipment manufacturing industry, with over 50,621 jobs, $7.3 billion of labor income, and $14.4 billion in value added in GDP each year. Other states with exceptionally large direct contributions include Iowa, Illinois, Wisconsin, and Ohio, each with more than 25,000 jobs directly attributable to equipment manufacturers.

Communities throughout these states widely benefit from the jobs and economic contributions directly made by equipment manufacturers each year.

Top 10 States for Direct Equipment Manufacturing Jobs



Top 10 States for Direct GDP Contribution



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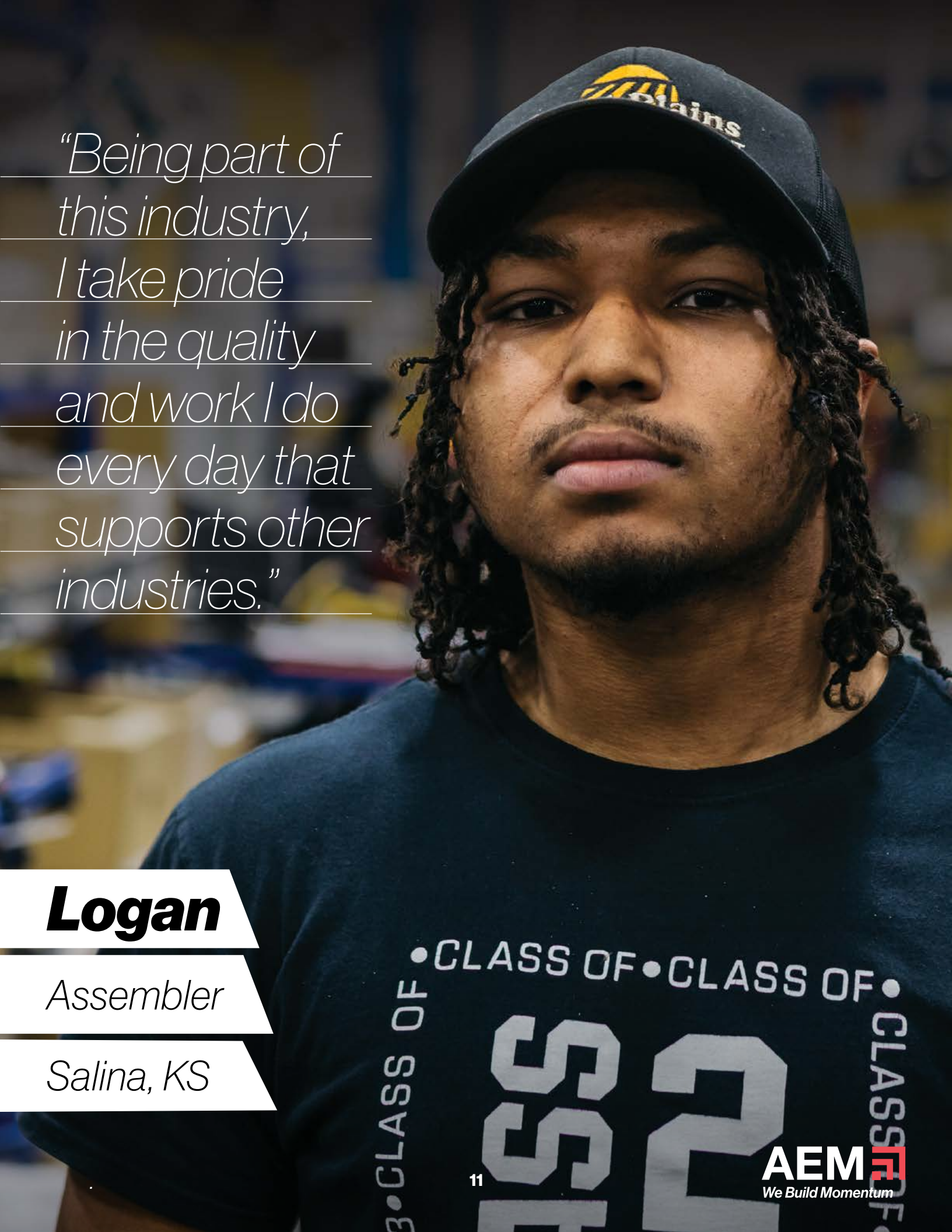

"Being part of this industry, I take pride in the quality and work I do every day that supports other industries."

Logan

Assembler

Salina, KS

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Congressional District Impact

Equipment manufacturing industry activity varies considerably across congressional districts.

At the congressional district level, the number of jobs attributable to the equipment manufacturing industry is at least 1,000 jobs in approximately three-quarters of every district. Including direct, indirect, and induced effects, the industry supports more than 100 jobs in 432 congressional districts.

The top 10 districts with jobs supported by equipment manufacturers range from at least 23,000 jobs to over 63,000 jobs. Equipment manufacturers support more than 2,000 jobs in 257 congressional districts.

Below are the 50 districts with the most jobs supported by equipment manufacturers.

State	District	Total Jobs
South Dakota	SD00	63,899
Iowa	IA02	61,442
Iowa	IA03	59,148
Iowa	IA01	52,498
Iowa	IA04	50,650
North Dakota	ND00	47,148
Kansas	KS03	38,293
Kansas	KS04	24,431
Oklahoma	OK01	23,536
Wisconsin	WI02	23,153
Illinois	IL07	22,558
Wisconsin	WI05	21,694
Wisconsin	WI04	21,488
Kansas	KS02	21,475
Wisconsin	WI06	21,426
Indiana	IN02	20,408
Kansas	KS01	20,271
Indiana	IN07	19,393
South Carolina	SC04	18,467
Idaho	ID02	18,265
Oklahoma	OK05	16,055
Wisconsin	WI01	15,793
Kentucky	KY03	15,517
Wisconsin	WI03	15,504
Nebraska	NE02	15,272

State	District	Total Jobs
Wisconsin	WI07	15,083
Indiana	IN03	14,464
South Carolina	SC06	13,934
Nebraska	NE01	13,680
Oklahoma	OK03	13,098
Indiana	IN08	13,081
Michigan	MI03	12,891
Minnesota	MN03	12,431
Michigan	MI11	12,342
Ohio	OH01	12,255
Minnesota	MN05	11,764
Nebraska	NE03	11,709
Idaho	ID01	11,512
Indiana	IN05	11,497
Louisiana	LA02	10,908
Texas	TX37	10,859
Illinois	IL08	10,845
Texas	TX09	10,811
Minnesota	MN01	10,629
Texas	TX33	10,606
Indiana	IN09	10,504
Texas	TX24	10,372
Ohio	OH07	10,284
Indiana	IN04	10,251
Texas	TX32	10,231

"I make for others as I would make for myself."

Bill

Fabrication Saw Operator

Harper, KS

"It's like a manifestation: seeing something come alive before my eyes."

John

Service Technician

Tulsa, OK

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Detailed Methodology

The foundation of the analysis is SPGMI's proprietary Business Market Insights (BMI) service. This database is developed by SPGMI industry experts utilizing information from the U.S. Census, Bureau of Labor Statistics and County Business Patterns data, and provides employment for all six-digit NAICS categories for the U.S., down to the zip-code level. This analysis leveraged AEM's membership list and secondary research on employment and output by business location. Totaling the employment figures for individual manufacturing plants allowed SPGMI to fully account for the total contributions of companies that cross state lines.

Business transactions with local suppliers and service providers trigger economic activity. For example, when a supplier sells something to a producer of an end-use good or service, that supplier needs to hire employees to transform inputs into the final product. The economic impact model contains productivity (output per employee) statistics for 536 industry sectors that are produced by IMPLAN, a software package that measures economic impacts. The SPGMI BMI employment data provided the number of jobs for each industry sector. Industry-specific productivity data could then be applied to employment to quantify the level of output supported by each industry sector. These contributions arise from direct spending with a tier-1 supplier and represent the direct impact.

Sourcing the inputs that a supplier requires to make the product ordered by the producer of an end-use good invokes additional rounds of economic impact. For example, a tier-1 supplier must purchase the inputs needed to produce its final product. Some of these purchases will be imported from outside the U.S. economy and are excluded from this analysis. The remaining purchases stay within the U.S. economy and are counted. Each supplier must, in turn, hire employees and source additional inputs from its suppliers. This effect occurs as a result of transactions between vendors and their supplier networks (interindustry) and represents the indirect economic impact.

Finally, direct and indirect employees spend a portion of their incomes on consumer goods and services. This stimulates yet another round of economic activity, which results in induced effects on employment and other economic measures.

The results from the national model yield output, employment, value added, labor income, and tax revenue generated by the equipment manufacturing industry. State-level models were driven by the direct employment determined in the data analysis and segment breakdown. State-level analysis provided industry-specific output, income, employment, and value added data. SPGMI maintains industry-level data by state for employment and gross state product through its U.S. Regional group. The results of our findings not only capture the overall impact of the industry by segment within the context of each state's unique economy, but they also highlight the significance of the industries within each state. For example, the equipment manufacturing industry provides X% of total manufacturing employment in state Y, while also supporting Z% of professional services employment.

SPGMI further broke down state-level impacts into U.S. congressional districts. This methodology was an extension of that used for the state-level impacts. The BMI data was aggregated to congressional districts, and each district's share of impacted industry segments was utilized to distribute the state-level direct and indirect impacts. Induced impacts at the congressional district level were based on the combined share of direct and indirect impacts, as the income driving induced impacts is based on direct and indirect activity.

The Association of Equipment Manufacturers (AEM) is the North American-based international trade group representing off-road equipment manufacturers and suppliers, with more than **1,000 companies** and more than **200 product lines** in the agriculture and construction-related industry sectors worldwide. The equipment manufacturing industry in the United States supports **2.2 million jobs** and contributes roughly **$415 billion** to the economy every year.

AEM
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I MAKE AMERICA

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