



American Small Manufacturers Coalition

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MEP Program Shows 14.4 to 1 Return to the Federal Treasury

(Washington D.C.) May 17, 2019 – A recent study by the W.E. Upjohn Institute found the National Institute of Standards and Technology’s (NIST) Manufacturing Extension Partnership (MEP) Program generates a substantial economic and financial return of 14.4:1 for the \$140 million annually invested by the federal government.

The Manufacturing Extension Partnership (MEP) is a federal public-private partnership that provides small and medium-sized manufacturers (SMMs) technology-based services these firms need to grow and thrive in today’s economy and create well-paying manufacturing jobs. The MEP Program is managed by NIST and the U.S. Department of Commerce and is implemented through a network of 51 MEP Centers located in every state and Puerto Rico. These MEP Centers are not-for-profit organizations that employ a network of more than 1,300 industry experts who work directly with manufacturers to improve productivity and enhance U.S. competitiveness.

Using the national REMI® model, along with the results from the FY 2018 NIST MEP client impact survey conducted by Fors Marsh, the W.E. Upjohn Institute for Employment Research study finds that economic returns are substantially higher than previously reported by the MEP Program due largely to broader economic effects. Every quarter, an independent firm surveys manufacturers six months after they receive MEP assistance to measure the impact they have achieved from MEP Center services. In FY18, MEP clients reported \$16.0 billion new and retained sales and the creation or retention of 121,042 jobs.

The Upjohn study reports that the \$140 million invested in MEP during FY 2018 generated a 14.4 to 1 increase in federal personal income tax (\$2.02B/\$140M federal investment). The study looked solely at personal income tax and not business taxes and provided a conservative estimate of the return.

The Upjohn study finds more jobs were generated by the MEP Program than directly reported by its clients. In addition, the study notes that more than 238,000 additional jobs existed in the U.S because of MEP Center projects last year than would have without the Program. This estimate

includes direct, indirect, and induced jobs generated by MEP projects. These jobs support additional manufacturing employment critical to U.S. supply chains and jobs outside of manufacturing. Lastly, the Upjohn study also examined additional areas of economic impact not previously reported by the MEP Program; personal income is \$15 billion higher and GDP is \$24.9 billion larger, translating to an increase of \$2.02 billion in personal income tax revenue to the federal government than would be reported without the Program.

“Another year with extraordinary results! MEP centers across the country are undoubtedly fulfilling their duties in helping small and mid-sized manufacturers create competitive futures by empowering them to excel,” said Dave Boulay, PhD, President of the Illinois Manufacturing Excellence Center and Chair of the American Small Manufacturers Coalition. “As highlighted on this report, the impacts these organizations are contributing and the benefits to our economy are not just impressive - they are imperative to the sustainability of manufacturing.”

To view the study in its entirety, please visit: <https://research.upjohn.org/reports/239/>

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The **American Small Manufacturers Coalition (ASMC)** is a trade association of manufacturing extension centers that work to improve the innovation and productivity of America’s manufacturing community. ASMC advocates for legislative and programmatic resources that allow our small manufacturing clients to better compete in the global marketplace. The Coalition and its members do this by increasing awareness of the importance of American small manufacturers, the challenges which they face, and the federal legislation and programs that affect them. www.smallmanufacturers.org