

MINIMUM WAGES ACROSS AMERICA DRIVE THE DECISION TO RESHORE

The Reshoring Institute Releases a Major Study on Minimum Wages in America

SILICON VALLEY, CA, UNITED STATES, March 4, 2025 /EINPresswire.com/ -- <u>Minimum wage</u> rates in America continue to rise and this will affect American companies attempting to reshore their production. The <u>Reshoring</u> Institute has published a 2025 Minimum Wage Rate Study that identifies the lowest-cost areas in the U.S. for workers, including those working in manufacturing jobs.

The Reshoring Institute has published major research on minimum wages across the U.S. These wage costs are fundamental to manufacturers considering bringing manufacturing back or expanding their operations at home. Despite significantly higher <u>labor rates</u> in the U.S. compared with Vietnam, Mexico, China, India, and other nations, manufacturers are coming back to America.



Minimum Wage Research

"Many variables go into the decision to reshore," said Rosemary Coates, Executive Director of the Reshoring Institute. "When developing an economic profile of costs, it is important to consider how much of manufacturing costs can be attributed to labor. If it's a high percentage, then

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Our clients are often surprised to find that when all costs are considered, American manufacturing can be competitive." *Rosemary Coates* companies should look for a low-cost country for production, or, as an alternative, automate its processes to extract labor costs. If labor is a low percentage of the overall costs, and production is mostly automated, then the low-wage areas of the U.S. are good location options," she said. "Our clients are often surprised to find that when all costs are considered, American manufacturing can be competitive." The Reshoring Institute study revealed that labor rates vary between rural areas and major cities in every state, but the workforce may be very limited in the rural areas. All variables such as labor costs, availability of workers, local and state taxes and assistance, training tax credits, logistics costs, and others must be considered in the total cost of ownership. The Reshoring Institute assists companies in developing a total cost model (TCO) and evaluating global manufacturing locations.

The complete research study results are available on the Reshoring Institute website. <u>https://reshoringinstitute.org/white-paper-minimum-wages-and-reshoring</u>

For more information on this study and other research by the Reshoring Institute, visit our website at <u>www.ReshoringInstitute.org</u> or email us at info@ReshoringInstitute.org

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