



PURCHASED IN AMERICA, 2023

DEPARTMENT OF COMMERCE
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Purchased in America, 2023: Are Americans Buying American-Made Goods?

Quantitative Measures of U.S. Manufactured Goods Purchases

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Executive Summary

In this report, economists from the Office of the Under Secretary for Economic Affairs (OUSEA) provide new estimates for how much of what Americans buy are American-made goods. We use data from the U.S. Department of Commerce's (DOC) Bureau of Economic Analysis (BEA) to estimate the share of domestic content in gross domestic purchases of manufactured goods. Gross domestic purchases include purchases of both imported and domestically-produced goods and services. Domestic content is estimated as gross domestic purchases less the value of imported final goods and services less the value of imported intermediate inputs embedded in goods manufactured by domestic firms.

In a previous report¹ from OUSEA, "2022: What Is Made in America?" we estimate the domestic content of U.S. manufacturing gross output, which is gross output minus the value of all foreign-sourced inputs used throughout the supply chains of U.S. manufacturers. We found that 80 percent of the gross output generated by U.S. manufacturers in 2022 came from domestic content. But while a large portion of the value of goods that are produced in America is from domestic sources, this does not necessarily imply that the domestic content of the goods that Americans purchase is also high.

Our estimates provide policy-relevant information about the extent to which the American market for manufactured goods is integrated with global supply chains. To some extent, the higher the foreign content share of goods purchased in the U.S., the more exposed the U.S. economy is to potential global supply chain disruptions. Moreover, the type of foreign content in goods purchased in the U.S. determines the way it affects the economy. When more foreign content is comprised of intermediate goods imports, domestic manufacturers rely more on global supply chains and so reduced access to foreign markets can hamper their ability to do business. If more foreign content is comprised of final goods imports, Americans are sourcing more goods from abroad and domestic manufacturers fulfill less

¹ See Allison Derrick and William Hawk, 2022: What is Made in America? OUSEA Issue Brief (Washington, DC: Office of the Under Secretary for Economic Affairs (OUSEA), DOC, July 22, 2024). <https://www.commerce.gov/data-and-reports/reports/2024/07/2022-what-made-america>

of final good purchases. However, higher use of imported inputs could reflect firms choosing to purchase cheaper or domestically unavailable products from foreign sources. We also estimate domestic content shares by good type, allowing policymakers to observe these differences by industry.

We find that 52 percent of the value in gross domestic purchases reflected domestic content in 2023. In other words, about half of what Americans purchased in 2023 was “made in America.” Gross domestic purchases in the United States was \$3.7 trillion in 2023 in nominal terms, meaning \$1.9 trillion of that value can be attributed to U.S. industries. This includes all final purchases by U.S. consumers, businesses, and governments.

Different ways to estimate what is purchased in America

We describe three different approaches to estimating three measures of the domestic content of American purchases. The approaches differ in how imports are treated, specifically whether imported final goods and imported inputs are included. In our view, the third measure is the most accurate approach to estimating what is purchased in America that is attributable to domestic sources.

The first measure, gross domestic purchases, is the sum of consumption and investment expenditures by the private and government sectors on goods and services for final use. Final use goods and services do not include those that are used as inputs or intermediate goods. Gross domestic purchases are estimated as the sum of three components, as shown in BEA’s use table: personal consumption expenditures; gross private fixed investment; and government consumption expenditures and gross investment. In figure 1, gross domestic purchases are represented by the entire bar. This measure reflects domestic purchases of all goods and services regardless of where they were produced.

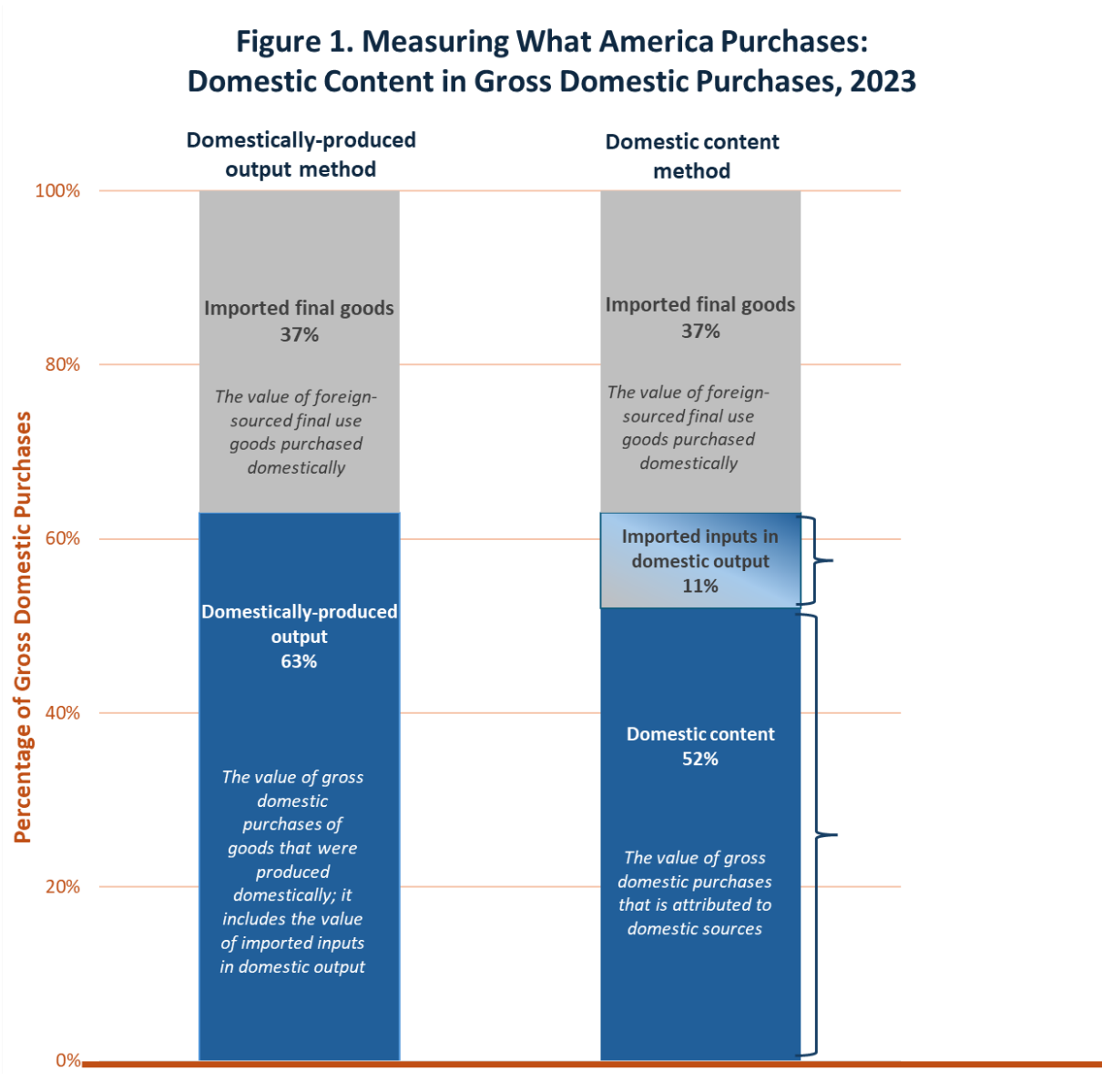
Second, domestically-produced output in gross domestic purchases excludes the value of imported goods for final use. In figure 1, domestically-produced output is represented by the lower half of the first bar. This measure reflects domestic purchases of all goods and services produced in the United States.

Third, the domestic content of gross domestic purchases also excludes the value of imported goods for final use, but additionally removes the value of all foreign content embedded in domestically-produced output (i.e. imported inputs). This measure is estimated as the share of gross manufacturing output that is domestic content (80 percent in 2022 as estimated in our previous report) multiplied by the value of gross manufacturing output that is purchased domestically. In figure 1, domestic content is represented by the lower half of the second bar.

An example purchase helps illustrate the differences between these three purchased-in-America approaches. If a U.S. household purchases an imported German automobile and an American automobile assembled in Alabama, the value of both automobiles is included in gross domestic purchases. The entire value of the American automobile assembled in Alabama is included in domestically-produced output in gross domestic purchases, while the value of the imported German automobile is excluded. Estimating the domestic content of these purchases requires excluding the value of imported inputs, such as the imported tires and upholstery from Mexico used to produce the automobile in Alabama. The imported German automobile is entirely foreign content and the imported

Mexican tires and upholstery are foreign content embedded in the domestically-produced automobile. See Table 1 for a summary of these purchased-in-America measures.

To estimate our “Purchased in America” measures, we use input-output tables published by BEA.² In addition to showing the source of inputs used by all industries in the economy, input-output frameworks estimate how the resulting output is used. U.S. manufacturing output can be used as intermediate inputs by other domestic industries, exported to foreign countries, or purchased by U.S. consumers, businesses and governments. Our measures focus on the last use case: purchases by U.S. consumers, businesses, and governments.



² See “Input-Output Accounts” on the BEA website. We used the import, use, and domestic requirements tables for 71 industries after redefinitions under producer values for 1997-2023. Tables were downloaded on September 26, 2024. <https://www.bea.gov/industry/input-output-accounts-data>

Table 1. Purchased in America Measures		
Measure	Definition	Example purchases
Gross domestic purchases	The sum of personal consumption expenditures; private domestic investment; and government consumption expenditures and gross investment. It reflects domestic purchases of all goods and services regardless of where they are produced.	A U.S. household purchases an imported German automobile and an automobile assembled in Alabama.
Domestically-produced output in gross domestic purchases	The value of gross domestic purchases of goods and services that were produced domestically; it includes the value of imported inputs in domestic output and excludes the value of imported final use products.	A U.S. household purchases an automobile assembled in Alabama.
Domestic content of gross domestic purchases	The value of gross domestic purchases that is attributed to domestic sources; it excludes the value of imported inputs in domestic output and the value of imported final use products. It reflects only the domestic value added embedded in domestically-produced and domestically-purchased goods and services.	A U.S. household purchases an automobile assembled in Alabama, but the value of the imported tires and upholstery from Mexico are excluded.

In 2023, domestic content comprised 52 percent of manufactured goods purchased in the U.S.

In 2023, gross domestic purchases of manufactured goods in the U.S. was \$3.7 trillion in nominal terms, with 52 percent of that value consisting of domestic content. In 2015, gross domestic purchases for manufactured goods was \$2.9 trillion in nominal terms, 53 percent of which was domestic content.³

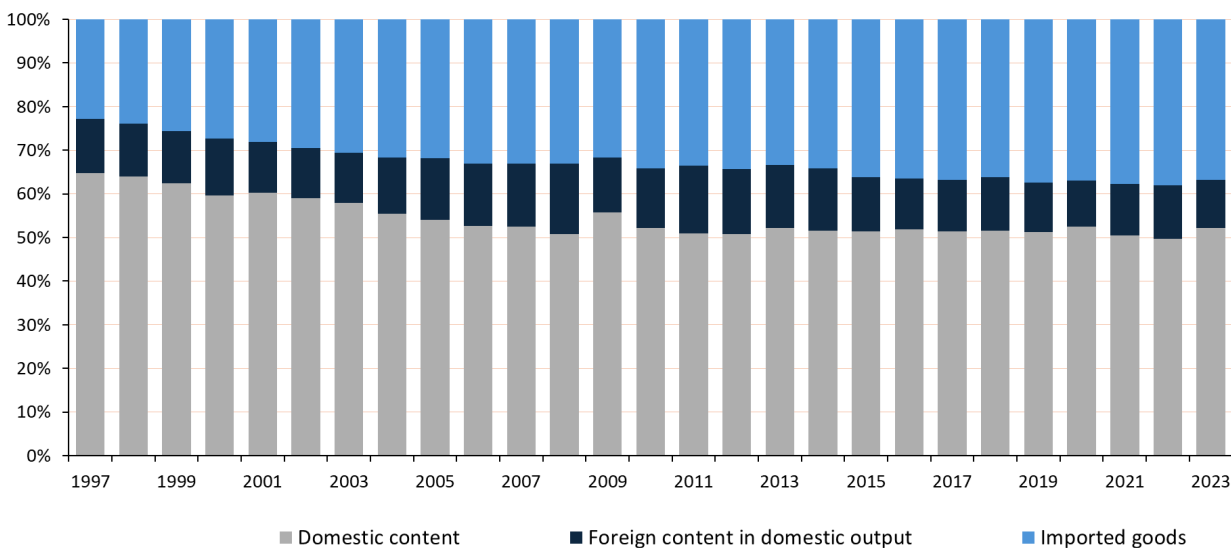
While the domestic content of domestic purchases has changed little in the last decade, data from a longer period shows a more significant decline. Figure 2 shows domestic content, the foreign content of domestic output, and imported goods as a percentage of gross domestic purchases from 1997 to 2023. As shown in figure 2, from 1997 to 2023, the domestic content (grey bars) of gross domestic purchases of manufactured goods fell from 65 percent to 52 percent. However, the domestic content share reached a low of 49.7 percent in 2022, even as supply chain disruptions following the COVID-19 pandemic were straining imports. The increase to 52 percent domestic content in 2023 could signal domestic manufacturers recovered somewhat from these disruptions. After domestic content, the largest component of purchases was imported goods. Imported final goods accounted for 37 percent of

³ See Jessica R. Nicholson, 2015: What is Made in America?, ESA Issue Brief #01–17 (Washington, DC: Economics and Statistics Administration (ESA), DOC, March 28, 2017). <https://www.commerce.gov/data-and-reports/reports/2017/03/2015-what-made-america>. See also the first version of the report, Jessica R. Nicholson and Ryan Noonan, What is Made in America?, ESA Issue Brief #04–14 (Washington, DC: ESA, DOC, October 3, 2014).

gross domestic purchases, while the foreign content of domestic output (i.e., imported inputs) accounted for an additional 11 percent.

Figure 3 shows these same components in billions of nominal dollars. Though domestic content in nominal dollars rose (grey bars in figure 3) over this period, foreign content (dark and light blue bars) rose faster, leading the share of domestic content to decrease, as noted in figure 2. This decline was mostly due to an increase in foreign content through imported final goods (dark blue bars) rather than the foreign content of domestic output (light blue bars). Moreover, most of the decline occurred between 1997 and 2008, which was the year of the financial crisis. These changes occurred during a period of rapid globalization as large emerging economies, such as China, began offering goods at a lower price. An important caveat is that figure 3 presents nominal trends. Although the domestic content of purchases grew over 80 percent in nominal terms, domestic content only grew about 11 percent in real terms from 1997 to 2023.⁴

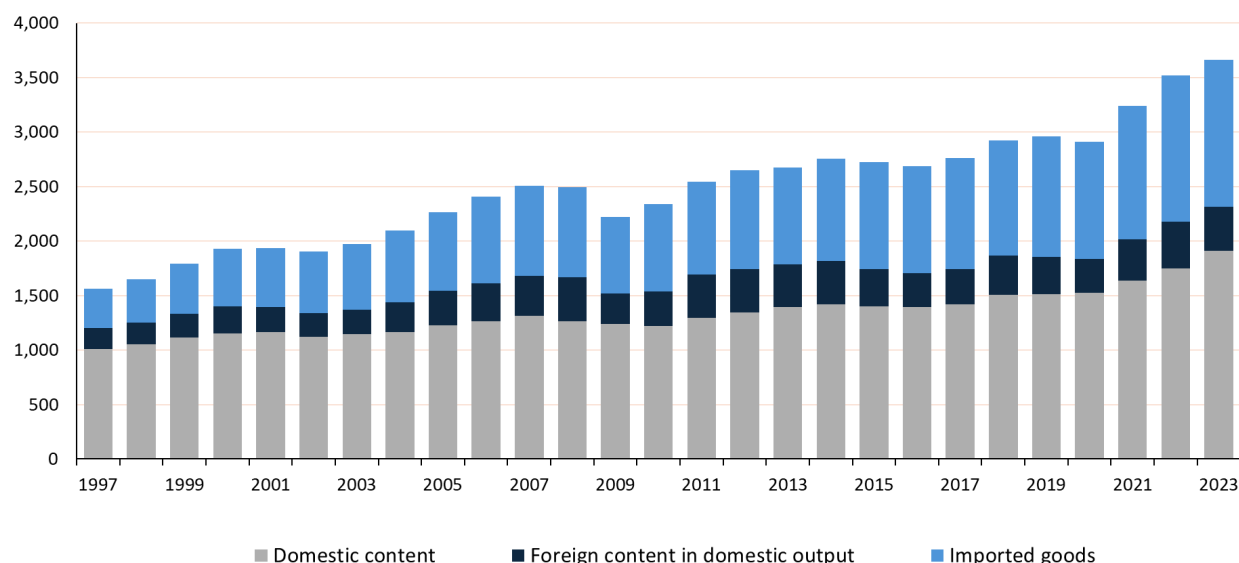
Figure 2: U.S. gross domestic purchases of manufactured goods by component
Percentage of gross domestic purchases, 1997-2023



The domestic content of manufactured goods gross domestic purchases is total gross domestic purchases of manufactured goods less imported manufactured goods less the foreign content of manufactured goods produced in the United States.
U.S. Department of Commerce Office of the Under Secretary for Economic Affairs (OUSEA) analysis of data from the Bureau of Economic Analysis.

⁴ We use Chain-Type Price Indexes for Gross Output by Industry from BEA (accessed December 10, 2024) to deflate the domestic content of purchases.

Figure 3: U.S. gross domestic purchases of manufactured goods by component
\$ billions (in nominal terms), 1997-2023



The domestic content of manufactured goods gross domestic purchases is total gross domestic purchases of manufactured goods less imported manufactured goods less the foreign content of manufactured goods produced in the United States.
U.S. Department of Commerce Office of the Under Secretary for Economic Affairs (OUSA) analysis of data from the Bureau of Economic Analysis.

Manufactured goods have different shares of domestic content

Table 2 contains purchased-in-America estimates for each major manufacturing commodity group in 2023. This table is sorted from the largest to the smallest contribution to U.S. gross purchases; the two largest groups are food, beverages, and tobacco products (\$783.7 billion), followed by motor vehicles, which includes motor vehicle bodies, trailers, and parts (\$677.5 billion).

The domestic content share and imported content share of gross domestic purchases differs across commodity groups. The domestic content share for all manufacturing purchases is 52 percent, but the share of domestic content ranges from 11 percent to 81 percent across the groups.

- The domestic content share was relatively high for printing and related support activities (81 percent), food, beverages, and tobacco products (78 percent), wood products (78 percent), and paper products (77 percent).
- The domestic content was the lowest for apparel, leather, and allied products at only 11 percent. The next two commodities with the lowest shares were computer and electronic products (29 percent) and electrical equipment, appliances, and components (34 percent). However, the relatively high imported share of these three industries' purchases stems from imported final goods rather than imported intermediate goods into domestic production. As noted in our Made in America 2022 report, the domestic content of U.S. output in these industries was relatively high at 91 percent for apparel, leather, and allied products and for computer and electronic products, and 83 percent for electrical equipment, appliances, and components.

As shown in Table 2, the domestic content of apparel, leather, and allied products is an outlier with the lowest rate as a percentage of its gross domestic purchases. This low share reveals that most of the value of apparel and leather and allied products purchased in the United States is imported. As a high labor and low capital intensity activity, apparel manufacturing was highly exposed to import competition from emerging economies like China and Vietnam. Compared to other industries, like textile manufacturing, improvements in productivity-enhancing technology like automation and machinery were less able to help domestic manufacturers compete. Moreover, apparel tends to be low value added; many innovations in clothing occur in the fabric-development stage, which is part of the textile industry, rather than in the design and assembly stage captured by apparel manufacturing. However, data limitations may lead to an underestimate of this value because the potential domestic content of imports is not captured. For instance, if U.S. cotton is used by foreign apparel manufacturers in t-shirts imported into the United States.

As mentioned above, food, beverages, and tobacco products have one of the highest domestic content shares of any commodity group. There are many potential reasons for this: high transportation costs relative to unit value; consumer preferences for local flavors and cuisines; trade protection policies for certain products, such as sugar; regulations about ingredients in food products; food safety inspections; and spoilage risk during transportation. Using an alternative methodology, the U.S. Agricultural Department estimated the import value share of consumption in various types of manufactured and non-manufacturing food products. The import value share of consumption of manufacturing products rose from 19.2 percent in 2008 to 26.2 percent in 2021.⁵ In 2021, this share was lowest for dairy products at 10 percent and highest for grain and oilseed milling products at 57 percent. In terms of the domestic value share, calculated as 100 percent minus the import value share, this would be 90 percent and 43 percent respectively. The low import share for dairy products suggests that high costs per unit and high spoilage risk during transportation were important factors. On the other hand, grain and oilseed milling products face less risk of spoilage, likely not requiring refrigeration.

Box 1: Data limitations

Input-output tables are useful data sources for understanding the relationship between industries and commodities in an economy. However, they face certain limitations that are relevant to our analysis. First, the values in the import tables are imputed based on the assumption that each industry uses imports of a commodity in the same proportion as the imports-to-domestic supply for the same commodity. For example, if 15 percent of the domestic supply of steel is imported, every industry is assumed to use 15 percent imported steel. Therefore, all variability of import usage across industries is due to differences in the types of commodities used in production; it is not based on industry-specific import information. Second, our estimate of domestic content only pertains to domestic output. Due to limited data on the production process in imported goods, we cannot estimate any potential domestic content of these imports, e.g., if U.S. cotton is used by foreign apparel manufacturers in t-shirts imported into the United States. This limitation leads to a potential underestimate of domestic content.

For more information, see: “Measuring the Nation’s Economy: An Industry Perspective: A Primer on BEA’s Industry Accounts.” https://www.bea.gov/sites/default/files/methodologies/industry_primer.pdf

⁵ The USDA methodology estimates the value of food consumption as its production value, which excludes stocks, includes imports, and subtracts exports. In this issue brief, we use the value of consumer food expenditures, which includes retail and food-service margins, overhead expenses, and labor costs. Including these costs potentially underestimates the share of imports, since import values are generally based on wholesale prices and do not include some of these costs. See [USDA ERS - U.S. Agricultural Trade at a Glance](#) for more information.

Table 2. Domestic Content In Gross Domestic Purchases by Sub-Industry
(Millions of dollars)

Industry	Gross Domestic Purchases	Domestically-Produced Output		Imported Final Goods		Domestic Content	
		Total	Share	Total	Share	Total	Share
	(a)	(b)	(c)	(d)	(e)	(h)	(i)
Total manufacturing	3,661,111	2,315,693	63%	1,345,418	37%	1,908,460	52%
Food and beverage and tobacco products	783,720	689,175	88%	94,545	12%	612,503	78%
Motor vehicles, bodies and trailers, and parts	677,526	408,451	60%	269,075	40%	290,832	43%
Chemical products	340,572	200,629	59%	139,943	41%	170,159	50%
Computer and electronic products	336,117	105,437	31%	230,680	69%	96,052	29%
Machinery	324,460	194,745	60%	129,715	40%	159,608	49%
Petroleum and coal products	265,764	252,715	95%	13,049	5%	180,774	68%
Miscellaneous manufacturing	183,087	84,647	46%	98,440	54%	76,832	42%
Apparel and leather and allied products	165,677	19,956	12%	145,721	88%	18,093	11%
Other transportation equipment	164,613	137,299	83%	27,314	17%	114,490	70%
Electrical equipment, appliances, and components	135,996	55,128	41%	80,868	59%	45,726	34%
Furniture and related products	91,987	49,146	53%	42,841	47%	41,677	45%
Plastics and rubber products	52,211	26,965	52%	25,246	48%	22,588	43%
Fabricated metal products	45,766	27,223	59%	18,543	41%	23,269	51%
Textile mills and textile product mills	33,617	16,564	49%	17,053	51%	13,821	41%
Paper products	24,185	21,516	89%	2,669	11%	18,601	77%
Nonmetallic mineral products	15,758	8,848	56%	6,910	44%	8,074	51%
Wood products	14,986	12,997	87%	1,989	13%	11,641	78%
Printing and related support activities	3,801	3,405	90%	396	10%	3,062	81%
Primary metals	1,268	847	67%	421	33%	659	52%

Conclusion: Are Americans buying American-made goods?

In this issue brief, we examined three different measures of what is purchased in America. We found that about half of the manufactured goods that Americans purchased in 2023 was made in America using domestic inputs. More precisely, we estimate that domestic content comprised 52 percent of the value of gross domestic purchases of manufactured goods in 2023. This measure is lower than the domestically-produced content measure of 63 percent, which includes the value of imported inputs (i.e. foreign content in domestic output).

This work contributes to a body of research using input-output tables to understand global supply chains. For example, whole-world input-output tables describe the linkages among many countries' industries, including their intermediate exports/imports to specific industries in specific countries. Using these types of tables, economists can study complex supply chain relationships that are beyond the scope of this paper. For example, U.S. exports may return to the United States as imported intermediate or final goods, e.g. U.S. -grown cotton is exported to Vietnam and imported back into the United States from Vietnam as a t-shirt. While these relationships are excluded from our measure of domestic content, they could be areas for future work.

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