VALIDATE WITH OTHER SOURCES.

Survey Finds More U.S. Manufacturers Reshoring, But Some High Hurdles Remain

October 5, 2026
Robert J. Bowman, SupplyChainBrain

A growing number of manufacturers are reshoring at least a part of their operations to the U.S. or making plans to do so. But they still face significant hurdles, in the form of uncertainty over government trade policy and workforce availability.

First, the good news for American industry. As of this year, 36% of U.S. original equipment manufacturers have either reshored some production or are activity engaged in that effort, up from 29% in 2025. And the share of contract manufacturers taking similar action has risen from 16% to 32%, with 79% reporting that at least some of their customers had "discussed" reshoring in the prior year.

Those numbers come from the 2026 USA Reshoring Survey, conducted by the Reshoring Initiative and Regions Recruiting and polling 249 manufacturers, including 118 OEMs and 131 CMs. The survey's approach, according to Reshoring Initiative founder and president Harry Moser, was to ask, "Have you reshored, why, are you happy, and what makes you bring back more [production to the U.S.]?"

Manufacturers responding positively to any of those questions cited risk arising from geopolitical turmoil, including high tariffs and other trade restrictions, as a major consideration in their sourcing strategies. Fifty-three percent of surveyed CMs said that's driving customers to seek domestic suppliers, up sharply from 24% in 2025. And 60% said importers from China or Taiwan "were at least discussing" reshoring as a means of mitigating risk.

Moser says the Reshoring Initiative's own annual report, based on a library of some 8,000 cases of reshoring and foreign direct investment in the U.S., traces the same trend in even more dramatic fashion. It finds the number of new jobs resulting from such actions growing from 11,000 in 2010 to an expected 330,000 this year.

As a business strategy, reshoring is seen as more than reactive in nature. The new survey identifies a number of operational benefits, with 70% of OEMs citing greater speed to market, 65% improved fulfillment or on-time delivery, and 60% logistics savings.

Hurdles to increased reshoring remain firmly in place, however. Ironically, the same geopolitical tensions that motivate manufacturers to shift production back to the U.S. are also serving to curb those efforts. Shifting U.S. trade policies and fluctuating tariff levels sow uncertainty and undermine long-term commitments to greater investment in American plants.

“Manufacturers can adjust to known costs and opportunities,” Moser says. “What is much harder to manage is a moving target. The survey shows that reshoring interest and investment are there, but companies need greater predictability to commit capital and develop supply chains for the long term.”

Another strong disincentive to reshoring — and one that troubles manufacturing across the board — is workforce availability. Sixty-six percent of survey respondents described the hiring of technicians such as welders, machinists and electrical and chemical engineers as “very difficult or at crisis levels.” And 60% cited the same challenge in securing maintenance and repair technicians.

As incentives for bringing back production, U.S. manufacturers rank having an adequate supply of labor well above tariff and tax cuts, deregulation and a cheaper dollar, Moser says. “They’re saying, ‘You don’t have to subsidize us. Just give me the kind ofworkforce I need in quantity and quality.’”

Survey co-author Regions Recruiting has been hearing from clients over the past two years about a “critical shortage level” of technicians, says Kathy Nunnally Anemogiannis, president and owner of the manufacturing executive search firm. OEMs and CMs are beating the bushes for fresh talent in trade schools, vocational schools and especially community colleges. Traditional four-year universities rank last as sources, she says.

The recent wave of immigrant deportations is further disrupting the manufacturing labor pool. Sixty-four percent of surveyed CMs said it was hampering efforts at recruiting, and leaving “voids” in roles that would normally have gone to experienced immigrant workers, Anemogiannis says.

Automation is frequently cited as the answer to the shallow human labor pool in the U.S. — not to mention a more efficient replacement for people who are already in the plant. Anemogiannis says that doesn’t eliminate the need for technical skillsets of human workers. Moser notes that between 20% and 30% of surveyed producers believe artificial intelligence and automation will erase the cost disparity between U.S. and offshore production by 2040, while “others said that alone would not be enough to make us competitive.”

One notable shift in sourcing trends is the stated desire of OEMs and CMs to be geographically close to product engineering and design. In the early days of offshoring to China and other low-cost countries, many manufacturers claimed that the coming of the internet allowed the design function to be located anywhere in the world, far from the physical plant. That, evidently, is no longer entirely the case. In the minds of today's producers, complications arising during the engineering and product development stages are better addressed by bringing collaborators closer together, Anemogiannis says.

Ultimately, the decision to reshore depends on a complex calculation incorporating multiple inputs. In addition to labor, elements that go into figuring the total cost of ownership include duty, freight, tariffs and the carrying cost of inventory, not to mention the less tangible value of serving customers closer to end markets. But according to the survey, only about 30% of OEMs are currently using that methodology, says Moser. "There's a huge opportunity just to do the math correctly."

Executive summary

The 2026 USA Reshoring Survey shows a meaningful acceleration in manufacturers either bringing production back to the U.S. or actively evaluating it. Among OEMs, 36% reported reshoring activity, up from 29% in 2025, while contract manufacturers quoting reshoring projects doubled from 16% to 32%. Importantly, 63% of OEMs said they intend to make U.S. capital investments during 2026–2027. Reshoring Initiative

The motivation goes beyond tariffs. Manufacturers increasingly see domestic production as a way to reduce geopolitical and supply-chain risk while improving speed to market, delivery reliability and logistics costs. The survey found 70% of OEM respondents experienced better speed to market, 65% improved fulfillment/on-time delivery and 60% logistics savings. At the same time, price competitiveness remains a major problem: 94% of contract manufacturers said price is the primary reason they lose business to imports. Reshoring Initiative

The biggest structural obstacle appears to be labor rather than factory capacity. About 66% of respondents said recruiting technicians such as machinists, welders and technical specialists was very difficult or at crisis levels, while 60% reported similar problems with maintenance personnel. That conclusion is supported by federal labor data showing enormous replacement demand across U.S. manufacturing even where total employment is not expected to grow substantially. BLS estimates almost **1 million production-job openings per year** through 2034, largely because workers are retiring or leaving occupations. Bureau of Labor Statistics

What independent data confirms

1. Capital really is flowing into U.S. manufacturing.
BEA reported that foreign investors spent **$232.2 billion acquiring, establishing or expanding**

U.S. businesses in 2025, nearly 50% higher than 2024. Manufacturing represented **$121.8 billion, or 52.5% of total new foreign direct investment**. Particularly relevant to plastics, chemicals accounted for $45.4 billion and **plastics and rubber products manufacturing accounted for $19.0 billion**. Bureau of Economic Analysis

That is strong independent evidence that the domestic manufacturing investment trend described in the survey is real, although FDI is not exactly the same thing as reshoring.

2. Skilled manufacturing labor is genuinely tight.
BLS projects around **30,400 machinist and tool-and-die openings annually** through 2035 even though total employment in the category is expected to decline slightly. Bureau of Labor Statistics The agency also projects approximately **78,100 annual openings for metal and plastic machine workers**, largely because of retirements and employee turnover. Bureau of Labor Statistics

Deloitte and the Manufacturing Institute reached essentially the same conclusion in September. They describe persistent shortages of manufacturing technicians and estimate that technician employment could expand roughly six times faster than broader production occupations through 2030. Deloitte

For plastics processors and compounders, that is particularly important: automation may reduce direct labor requirements, but it increases the need for maintenance technicians, controls specialists, electricians, process engineers and people capable of running increasingly sophisticated equipment.

3. Automation doesn't eliminate the labor issue.
The SupplyChainBrain article correctly cautions against assuming automation solves everything. BLS expects industrial machinery mechanics to be among manufacturing's fastest-growing occupations because automated plants still require people to maintain and repair equipment. Bureau of Labor Statistics

This supports the survey's argument that reshoring will increasingly depend on a combination of automation **and** higher-skilled technical workers rather than simply recreating older labor-intensive manufacturing operations.

4. Companies remain concerned about supply-chain and geopolitical risk.
Reuters recently reported that U.S. officials are actively trying to fill gaps in domestic supplier networks as large foreign manufacturers expand U.S. operations. One of the recurring challenges is finding U.S. suppliers capable of producing specialized components at sufficient scale. Reuters

That supports one of the most commercially significant implications of reshoring: large OEM investments create secondary opportunities for **Tier 1, Tier 2 and Tier 3 suppliers**, including molders, compounders, toolmakers and material suppliers.

One important qualification

The reshoring story is **not simply "manufacturing is leaving China and returning to America."**

Reuters reported in September that some companies which moved production away from China have actually shifted portions back because alternative locations could not duplicate China's dense supplier network, skilled workforce, infrastructure and manufacturing ecosystem. Reuters

That supports the article's emphasis on **total cost of ownership**. Labor rates alone do not determine manufacturing location. Companies increasingly have to consider:

freight + tariffs + inventory + lead time + working capital + quality + tooling + engineering support + supply-chain risk + responsiveness.

Interestingly, the Reshoring Initiative survey says use of formal TCO analysis among OEMs increased from **30% in 2025 to 40% in 2026**—so the SupplyChainBrain article appears slightly outdated when it says only about 30% currently use it. Reshoring Initiative

What I would be cautious about

The **330,000 reshoring/FDI jobs projected for 2026** should not be interpreted as 330,000 people already hired in manufacturing this year. The Reshoring Initiative database tracks announced reshoring and foreign-investment projects and associates expected jobs with those announcements. Actual hiring can occur over several years, and announced projects can be delayed or modified.

That's important because broader employment statistics paint a more restrained picture. Reuters reported this week that U.S. manufacturing employment has shown relatively little overall improvement despite substantial factory investment, tariffs and industrial-policy initiatives. Reuters

So there can simultaneously be **very large announced manufacturing investments** and only modest near-term manufacturing employment gains.

What this means for plastics and Star/Trivalence

For engineered plastics, I think this trend is commercially significant.

Reshoring and localization should create opportunities particularly in **electrical/electronics, semiconductor infrastructure, data centers, machinery, industrial equipment, automotive components, appliances and defense-related supply chains**. Many of those markets consume the types of materials you deal with—PC, PC/ABS, ABS, FR compounds, nylons and specialty reinforced materials.

The opportunity may be even greater among **contract molders and Tier suppliers than directly at the OEM level**. When an OEM localizes a program, it frequently needs domestic

molding, tooling, compounding, color matching, regulatory documentation and shorter material lead times.

Your strongest commercial message therefore isn't simply **“Made in America.”** It is:

domestic material availability + shorter lead times + lower inventory + faster color/grade development + regulatory support + supply continuity + engineering responsiveness.

Those benefits align almost exactly with the survey's three biggest reported advantages: **speed to market, delivery performance and logistics savings.**

Bottom line: I would consider the SupplyChainBrain article **credible and directionally validated**. Independent BEA, BLS, Deloitte/Manufacturing Institute and Reuters reporting all support the underlying trends. The main caution is that Reshoring Initiative figures represent a relatively small survey and its job totals include announced reshoring/FDI projects, so they should not be confused with official manufacturing employment statistics.