FACTS ABOUT THE

PAINT & COATINGS INDUSTRY

THE VALUE ADDED BY PAINT & COATINGS

By protecting and beautifying the surfaces to which they are applied, paints and coatings enhance the value of everything — from homes and manufactured products, to bridges and other structures. This enhancement adds value far beyond the cost of buying or applying the paint or coating.

Consider the auto industry. It's not hard to imagine what a car would look like without the coatings that add value by making it attractive and protecting it. Without coatings, you'd see a car that quickly rusts, is dull in appearance, and has a very short useful life.

Think of trucks, buses, farm and construction machinery and equipment without the protective coatings that keep them from rusting. Think of the value added to appliances, metal and wood furniture, hardware, lighting fixtures . . . the list is endless. Practically every man-made product has a coating that is necessary to protect it and maintain its usefulness. Primary categories of paints and coatings include the following:

Architectural Coatings

The largest segment of the paint industry produces architectural coatings — including consumer paints — which make up more than half of the total volume of coatings produced annually in the United States. In 2015, the industry shipped more than $11.2 billion of architectural coatings.

These products are used to beautify and maintain the surfaces of homes, public buildings, offices and factories. About half are applied by "do-it-yourself" consumers, who recognize that paint is the most versatile, least costly and easiest to use of all home decorating products.

Industrial Coatings

Coatings applied at the time of manufacture of products are known as industrial coatings. In 2015, $7.8 billion of industrial coatings were sold to customer industries.

Special Purpose Coatings

This industry segment includes a wide array of divergent coatings. The one unifying characteristic is that these coatings tend to be "field-applied," as opposed to being applied in a factory setting. In 2015, industry shipped $5.6 billion of special purpose coatings.

Special purpose coatings represent the smallest of the three major classifications of coatings. This segment can be divided into the following major sub-segments:

- **Automotive Refinish Coatings** is the largest sub-segment, with a value of $2 billion in 2014.
- **Industrial Maintenance Coatings** is the second largest sub-segment, with a value of $1.3 billion in 2014.
- **Traffic Marking Paint,** used on roadways, parking lots and airport surfaces, had a value of $454 million in 2014.
- **Marine Paints,** including both OEM (original equipment manufacturer) and refinish applications, had a value of $400 million in 2014.

CONTINUE >>>

For more facts about the Paint and Coatings Industry, visit www.paint.org.

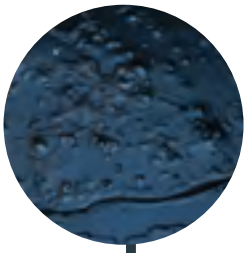
American Coatings ASSOCIATION™

PAINTS & COATINGS
FROM SOURCE TO MARKET

SOURCES

ORES & CLAYS

CRUDE OIL & NATURAL GAS



SEEDS & BEANS

COMPONENTS

ALUMINUM PIGMENTS, TITANIUM DIOXIDE WHITE, IRON OXIDE YELLOW, EXTENDER PIGMENTS & FILLERS, INORGANIC COLORS

ALCOHOLS, ESTERS, KETONES, ORGANIC SOLVENTS, GLYCOLS, ORGANIC COLORS, ACRYLICS, EPOXYS, POLYESTERS, POLYURETHANES, VINYLS

ALKYDS, DRYING OILS, OTHER BIOBASED FEEDSTOCKS

PRODUCTS

Architectural Coatings
Industrial Coatings
Special Purpose Coatings

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FACTS ABOUT THE

PAINT & COATINGS INDUSTRY

ECONOMIC CONTRIBUTIONS

Paints and coatings provide real value and are necessary for protecting and preserving the objects to which they are applied. Coatings are applied to almost everything we own and use, prolonging usefulness and providing protection from scratches, rust, and corrosion.

The following facts highlight the significant contributions industry makes to the U.S. economy and the people employed in the industry.

- The U.S. paint and coatings industry employed 287,400 workers in 2015, adding 9,000 jobs from the previous year.
- Product shipments by U.S. paint and coatings producers totaled an estimated $30.2 billion in 2016, rising 10% or $2.8 billion from 2015.
- In 2015, there were over 46,000 paint and coatings establishments in the United States.
- The payroll for the U.S. paint and coatings industry was nearly $13.6 billion in 2015. Industry payroll rose by 6.4% between 2014 and 2015, compared to an increase of 3% for the entire private sector, adjusted for inflation.
- The U.S. paint and coatings industry paid an average annual wage of $47,200 in 2015. The highest average annual wage was paid by the paint and coatings manufacturing sector at $71,300 in 2015.
- California ranked first in the nation for paint and coatings industry employment with 38,600 jobs in 2015.
- Texas ranked second with 26,600 paint and coatings industry jobs in 2015. Florida followed Texas with over 21,100 paint and coatings industry jobs; New York and Ohio rounded out the top five leading states for paint and coatings industry employment in 2015, with 14,400 and 13,100 jobs, respectively.
- The highest paid paint and coatings industry wages were those in Ohio, where the annual average wage for the state's paint and coatings industry workers was $63,900 in 2015; New Jersey's paint and coatings industry workers received the second highest annual average wages at $59,800.
- Minnesota, Michigan, and Illinois each had strong paint and coatings industry average annual wages of at least $58,000 in 2015.
- California was also the leading state for paint and coatings industry payroll, at $1.7 billion in 2015.
- Texas, Ohio, Illinois, and Florida completed the list of top five states in paint and coatings industry payroll in 2015.

Top 10 States with the Highest Number of Paint and Coatings Industry Employees

State	Workers
California	38,618
Texas	26,645
Florida	21,143
New York	14,431
Ohio	13,069
Illinois	12,729
Washington	9,685
Michigan	9,682
Pennsylvania	8,773
Georgia	7,264

Total U.S. Workers: : 287,400

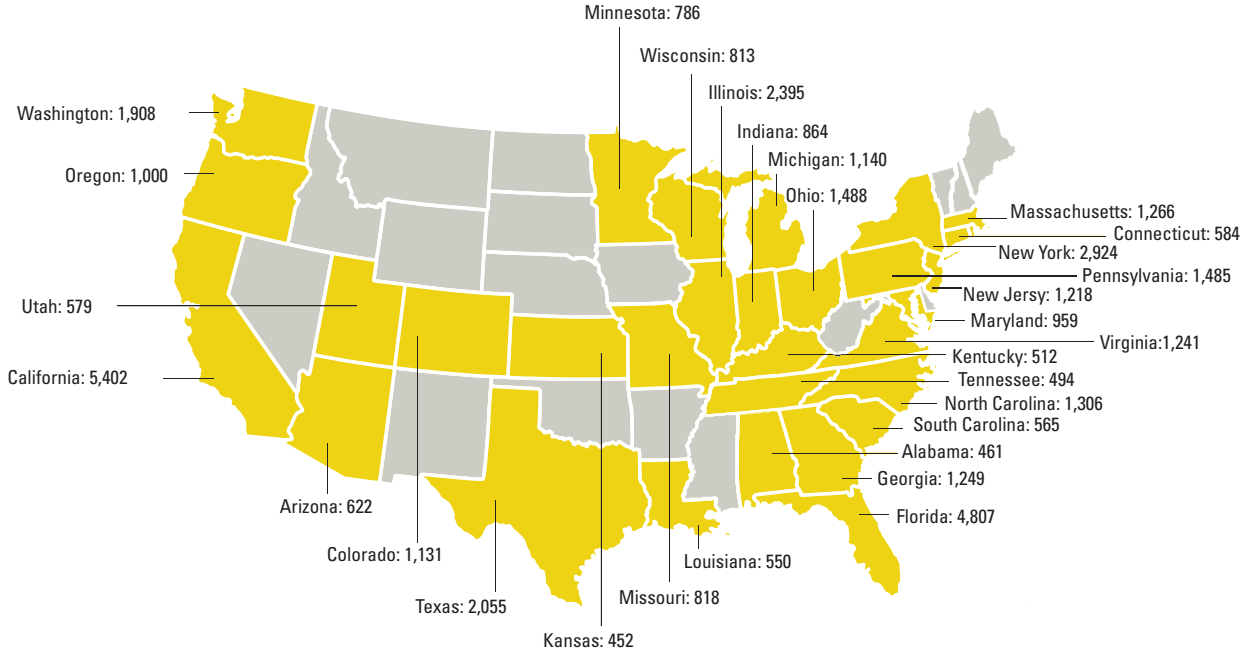
(based on 2015 data)

Data gathered applies to the following NAICS codes: 325510, Paint and Coating Manufacturing; 444120, Paint and Wallpaper Stores; 424950, Paint, Varnish, and Supplies Merchant Wholesalers; and 238320, Painting and Wall Covering Contractors.

Continued >>

Top 30 States with the Highest Number of Paint and Coatings Establishments, 2015

Total U.S. Establishments: 46,000



U.S. EXPORTS

Source: Data based on the following 3 four-digit Harmonized Tariff Schedule (HTS) codes: 3208, Oil-based Paint and Varnishes; 3209, Water-Based Paint and Varnishes; and 3210, Paints and Varnishes for Leather. Trade statistics were derived from U.S. Bureau of the Census data and are reported on a Census or Customs basis. State export statistics are drawn from the Origin of Movement (OM) series compiled by the Foreign Trade Division of the U.S. Census Bureau.

- The United States exported $2.3 billion in paint and coatings products in 2016, the second highest level in more than a decade.
- The U.S. paint and coatings industry posted a positive trade surplus of $1.5 billion in 2016.
- The U.S. paint and coatings industry exports to Canada (over $1 billion) and Mexico (nearly $500 million) in 2016 totaled $1.5 billion combined. These two NAFTA partners have consistently been the two largest export markets for the industry, accounting for two-thirds of all U.S. paint and coatings industry exports in 2016.
- The third largest export market for U.S. paint and coatings products was China at $94 million in 2016.
- Thailand and Japan rounded out the top five leading export markets for U.S. paint and coatings products in 2016, at $42 million and $37 million, respectively.
- Illinois led the states with the most paint and coatings exports, with $299 million in 2016; Texas was second with $241 million in paint and coatings exports in 2016.

The American Coatings Association (ACA) is a voluntary, nonprofit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory and judicial issues, and provides forums for the advancement and promotion of the industry through educational and professional development services.

FACTS ABOUT THE

PAINT & COATINGS INDUSTRY

ADDRESSING ENVIRONMENTAL ISSUES PROACTIVELY

For years, the paint and coatings industry has aggressively looked for strategies to manufacture products in an environmentally conscious way, without compromising product performance.

Industry R&D, market demand, recent regulatory developments, and continuing market trends toward water-based coatings, powder coatings, ultraviolet cure coatings, and other processes, as well as lower-emitting coating products, have contributed to reductions in both hazardous air pollutants (HAPs) and volatile organic compound (VOC) emissions from production in recent years.

The paint and coatings industry has taken steps for maximum environmental improvements by managing and minimizing toxins and wastes, reducing air emissions, and promoting product and environmental stewardship. Here is a short list of environmental successes:

- More than 90% of architectural coatings sales in the United States are now for environmentally preferable water-based paint.
- Volatile organic compound (VOC) emissions from architectural coatings have drastically decreased over the last few decades, even while the use of architectural coatings has increased over the same time period nationwide. California's South Coast Air Quality Management District estimates that VOCs from architectural coatings in the Los Angeles area — the air basin with the most severe air quality issues in the country — decreased by over 50% between 2008 and 2014.
- The U.S. Environmental Protection Agency's (EPA) Toxic Release Inventory (TRI) indicates that releases by the paint and coatings sector decreased by 81% between 1990 and 2014. Toxicity-weighted results for air releases present an even more significant decline, decreasing almost 94% from 1990. Air toxics — also known as HAPs — decreased by 82% between 1990 and 2014, and toxicity-weighted air toxics releases declined by 94%.
- The paint and coatings industry reduced its total production waste by 48%, from 1995 to 2013, while increasing the percentage of the total waste it recycles by over 81% during that period.
- The paint, coatings, and adhesives manufacturing industry reduced its generation of Resource Conservation and Recovery Act (RCRA) hazardous waste in the United States by over one-third (34.8%) since 2001.
- 97% of all waste solvents from paint and coatings manufacturing facilities are reclaimed for future use.
- The total quantity of electricity purchased and used for heat and power — and as a result, greenhouse gas emissions — from the paint and coatings sector decreased by 17.8% between 2007 and 2012.
- U.S. EPA noted in its recent Paint and Allied Products Rule that the paint manufacturing industry has drastically reduced hazardous air pollutant emissions in the last two decades.

Sources:
U.S. Environmental Protection Agency's Toxic Release Inventory
U.S. Environmental Protection Agency's National RCRA Hazardous Waste Report, 2001 & 2013
U.S. Census Bureau's 2007 & 2012 Economic Census
South Coast Air Quality Management District's 2012 Air Quality Management Plan
South Coast Air Quality Management District Rule 314 – Fees for Architectural Coatings: Preliminary 2014 Data
U.S. Environmental Protection Agency's Paint and Allied Products Area Source Rule
ACA Industry Market Analysis, 9th Edition (2014-2019)
PaintCare®

CONTINUED >>>

For more facts about the Paint and Coatings Industry, visit www.paint.org/environmentalfacts.

American Coatings ASSOCIATION℠

PaintCare®

The American Coatings Association (ACA) created PaintCare®, a not-for-profit 501(c)(3) organization whose sole purpose is to ensure effective operation and efficient administration of paint product stewardship programs on behalf of all architectural paint manufacturers in the United States. Unused or leftover paint is a major focus of product stewardship efforts because of its high volume in the household hazardous waste stream, its high cost to manage, and the potential for increased reduction, recovery, reuse, and recycling. PaintCare® undertakes the responsibility for ensuring an environmentally sound and cost-effective program by:

- Developing and implementing strategies to reduce the generation of post-consumer architectural paint;
- Promoting the reuse of post-consumer architectural paint; and
- Providing for the collection, transport, and processing of post-consumer architectural paint using the hierarchy of "reduce, reuse, recycle," and proper disposal.

PaintCare® participation is not limited to ACA members, but open to all architectural paint manufacturers. Legislation mandating the creation of the PaintCare® program has been enacted in nine jurisdictions since 2009, where programs are being implemented: Oregon, California, Connecticut, Rhode Island, Vermont, Minnesota, Maine, Colorado, and the District of Columbia (November 2016).

PaintCare®'s success is astounding:

- the program's more than 1,800 paint drop-off sites — the large majority of which are paint retailers — provide access to a site within 15 miles for most residents in each PaintCare® state — that's some 61 million U.S. residents;
- the program has collected and recycled — or responsibly managed — more than 12 million gallons of post-consumer paint (through December 2015), of which approximately 70% is latex paint and 30% is oil-based paint; and
- the program has also recycled more than 5,400 tons of metal and plastic paint cans.

Overall, paint recycling is now more convenient throughout the states in which PaintCare® operates, particularly in areas where local governments do not offer paint recycling opportunities; governments that previously collected leftover paint are realizing direct financial savings; and communities that were underserved have new services.

Those are just a few highlights of the PaintCare® program. For more information about PaintCare®, please visit the program's website at www.paintcare.org.

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