

BEYOND BEAUTY

2026 Economic Impact of the U.S. Personal Care Products Industry

Includes State Information

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LETTER FROM THE PRESIDENT & CEO



“

*... the U.S. cosmetics and personal care products industry ... supported more than **2.5 million jobs** and generated a massive **\$495.6 billion** in economic output in 2024.”*



A handwritten signature in black ink that reads "Tom Myers".

Tom Myers
President & CEO
Personal Care Products
Council

When people think of beauty, they often focus on appearance—but the real story is revealed when you look at the numbers. The cosmetics and personal care products industry’s true beauty lies not only in what it creates, but in the hardworking industry professionals it employs, the lives we touch daily, and the communities we strengthen through economic growth, jobs, innovation, and entrepreneurship.

As President & CEO of the Personal Care Products Council (PCPC), I see this commitment first-hand. Our member companies help people look and feel their best, at every stage of life and on every personal journey. From sunscreen and deodorant to toothpaste and shampoo, millions of people of all ages and backgrounds rely on our essential products every day.

But as the title of this report suggests, there is a story to share that is “beyond beauty.” It is a story about an industry that supports robust supply chains, fuels local economies, and serves as a cornerstone of economic resilience across the nation.

In that spirit, PCPC is proud to present this economic impact report to help the public and policymakers better understand the essential role our industry plays across the economy and why its continued success matters to us all.

The cosmetics and personal care products industry continues to be a vibrant sector in the economy. As detailed in the report, U.S. consumers are increasing their spending on cosmetics and personal care products, and the number of firms – particularly small businesses – in the industry is steadily expanding.

This means jobs and economic growth. Specifically, the U.S. cosmetics and personal care products industry, including manufacturing, distribution, and services, supported more than 2.5 million jobs and generated a massive \$495.6 billion in economic output in 2024.

In short: our products are essential to the public’s health and wellbeing—and our industry is essential across the U.S. economy.

With policies that support innovation, growth, and consumer trust, our industry’s future is bright—and our story will continue to be about helping people look and feel their best, and our significant economic impact beyond beauty.

INTRODUCTION



The industry touches millions of Americans' lives in obvious ways, as consumers use these safe, effective products every day.

Consider some examples of products at work in Americans' lives.

Think about the people managing self-care and self-esteem with a skin care regimen that makes them look and feel their best.

Or, more broadly, consider the small business owner who opens a salon serving community members of all ages and backgrounds, or the manufacturing plant that assembles products, both employing residents and contributing to local economies.

Examples of daily use are numerous, reflecting the essential role of the cosmetics and personal care products industry.

This report, "Beyond Beauty: Economic Impact of the U.S. Personal Care Products Industry," shows the perhaps less obvious ways the industry impacts Americans—it looks beyond the products and quantifies the industry's economic impact.

And the proof is in the numbers: the cosmetics and personal care products industry **contributes hundreds of billions of dollars to the U.S. economy.**

It creates millions of jobs in local communities; generates billions in tax revenue; supports entrepreneurs and innovation; and employs a diverse workforce that reflects the consumers it serves. **It is essential to the economy.**

The data also show it is thriving. After rebounding from the COVID-19 pandemic, consumers are increasing their spending on personal care products, and the number of firms and small businesses has steadily risen.

While the vast majority of the U.S. personal care products industry consists of small businesses, it depends on both domestic and international trade. It creates billions of dollars in exports, demonstrating the industry's global footprint and competitiveness. Given the industry's deep integration into the global economy, its performance is closely tied to international trade policies.

The cosmetics and personal care products industry continues to be a vital and resilient pillar of the U.S. economic landscape.

Highlights from the economic impact of the industry, including manufacturing, distribution, and services, show:¹



ECONOMIC IMPACT

- **Total Economic Output.** Generated \$495.6 billion in total economic output directly, through supply chains, and employee spending.
- **GDP Contribution.** Contributed \$242.4 billion in total value added to the U.S. GDP.
- **Tax Revenue.** Generated \$136.6 billion in federal, state, local, and labor income taxes.
- **Key Economic Hubs.** Served as economic engines in several states, including California, Texas, New York, Florida, New Jersey, and Pennsylvania, that collectively generated more than \$231 billion in economic output and supported more than 1.2 million jobs.
- **Exports.** Reached \$15.8 billion in 2025, with New York leading all states at \$5.5 billion.



JOB CREATION

- **Employment.** Contributed more than 2.6 million total jobs, with approximately 1.2 million directly employed in the manufacturing, services, and distribution sectors.
- **Labor Income.** Generated \$110.7 billion in labor income, with average annual earnings of \$54,000 for a direct job.



ENTREPRENEURSHIP & INNOVATION

- **Industry Composition.** Supported an entrepreneurial spirit, with small businesses (defined as fewer than 500 employees) accounting for 95.5% of all product manufacturing firms in 2022. The total number of firms has steadily grown from 870 in 2004 to 1,146 in 2022.
- **Research and Development (R&D).** Invested more than \$1.3 billion in domestic R&D in 2023 to bring new and improved products to consumers.

¹All data is for 2024, unless otherwise noted.



INCLUSIVE & DIVERSE WORKFORCE

- **Workforce Diversity.** In manufacturing, employed 56.2% women and 25.2% Hispanic or Latino individuals in 2024, exceeding the U.S. national averages.
- **STEM Careers.** Supported science, technology, engineering, and math (STEM) careers, with 13.3% of the industry's manufacturing workforce consisting of STEM professionals.



INDUSTRY DYNAMICS

- **Consumer Spending Surge.** Rebounded after the COVID-19 pandemic. Consumer spending remained stable for about a decade through 2022 and surged by 2024, driven by an increase in spending by young and middle-aged consumers.
- **Top Export Markets.** Canada, Mexico, and China accounted for 41.6% of total exports, with Canada and Mexico alone representing more than one-third of U.S. cosmetic exports.

BACKGROUND

This report, commissioned by the Personal Care Products Council (PCPC), quantifies the economic footprint of the U.S. personal care products industry, with a primary focus on the product-level analysis. This analysis is limited to the manufacturing, development, production, and marketing of 29 personal care product categories.

The remainder of this report provides a detailed analysis of the U.S. personal care products industry, beginning with an assessment of its economic impacts at both the national and state levels.

The report then provides an overview of products manufacturing dynamics, including trends in R&D, innovation, and consumer spending.

The final section analyzes the industry's global trade footprint and how shifts in trade policy affect its competitiveness.

KPMG has prepared the study contained herein, which includes the Disclaimer appearing in Appendix B: Disclaimer.

METHODOLOGY

The economic impact of personal care products was evaluated using a multi-layered methodology, which translated 20 years of detailed, product-level trade data into national and state-level economic impacts. This approach utilized a customized economic model and a U.S. Input-Output model to provide an assessment of the personal care products industry's direct, indirect, and induced impacts on the U.S. GDP, employment, labor income, and taxes. All results are presented in 2024 dollars unless otherwise noted.



ECONOMIC IMPACT ASSESSMENT

“

*The beauty industry is a vital contributor to the U.S. economy: creating **billions of dollars in economic output ...**”*



The cosmetics and personal care products industry develops and manufactures safe, effective products that millions of people rely on every day.

Behind the products on store shelves and online is a vast, interconnected system of manufacturing, distribution, and services that geographically spans the U.S. and abroad.

This breadth and scale make the industry a steady and reliable engine of economic activity.

The beauty industry is a vital contributor to the U.S. economy: creating billions of dollars in economic output, generating substantial tax revenue at the federal, state, and local levels, creating jobs in local communities, and paying billions in labor wages.

The industry's impact is both national and local, with a significant economic impact in California, Texas, New York, Florida, New Jersey, and Pennsylvania.

Together, these six states lead the industry by generating more than \$231 billion in economic output and employing more than 1.2 million jobs. These numbers underscore how the manufacturing, services, and distribution of cosmetics and personal care products power local communities and economies.

The following text provides data at the national and state levels.

NATIONAL AND STATE IMPACTS OF PERSONAL CARE PRODUCTS, SERVICES, AND DISTRIBUTION

Table 1: Impacts of the personal care products manufacturing, services, and distribution²

Table 1 demonstrates the reach of the personal care products industry through manufacturing impacts, contributions of services, and distribution of personal care products.

ECONOMIC IMPACTS	DIRECT	INDIRECT	INDUCED	TOTAL
Economic Output (\$B USD)	\$247.8	\$121.2	\$126.6	\$495.6
Value Added (\$B USD)	\$122.0	\$54.5	\$65.9	\$242.4
Employment (No. of Jobs)	1,165,300	846,100	634,500	2,646,000
Labor Income (\$B USD)	\$63.0	\$30.5	\$17.1	\$110.7
Tax Revenue (\$B USD)	\$68.3	\$32.9	\$35.4	\$136.6

Data Source: KPMG Analysis

Table 2: Total economic impacts of personal care products manufacturing, services, and distribution for the top 10 states³

Table 2 disaggregates the overall impacts associated with manufacturing, services, and distribution of personal care products for the top 10 states.

STATES	TOTAL ECONOMIC OUTPUT (\$B)	TOTAL VALUE ADDED (\$B)	TOTAL EMPLOYMENT (NO. OF JOBS)	TOTAL LABOR INCOME (\$B)	TOTAL TAX REVENUE (\$B)
California	66.5	32.5	355,000	14.9	18.3
Texas	40.3	19.7	215,100	9.0	11.1
New York	40.0	19.5	213,400	8.9	11.0
Florida	33.6	16.4	179,500	7.5	9.3
New Jersey	26.1	12.8	139,200	5.8	7.2
Pennsylvania	25.1	12.3	134,100	5.6	6.9
Illinois	18.4	9.0	98,000	4.1	5.1
Ohio	17.5	8.6	93,400	3.9	4.8
North Carolina	13.7	6.7	73,100	3.1	3.8
Virginia	13.5	6.6	72,200	3.0	3.7
Rest of U.S. ⁴	201.0	98.3	1,073,000	44.9	55.4
All States	495.6	242.4	2,646,000	110.7	136.6

Data Source: KPMG Analysis

² Direct, Indirect, and Induced impacts may not add to Total due to rounding.

³ Direct, Indirect, and Induced impacts may not add to Total due to rounding.

⁴ The remaining 43 states and territories were grouped under "Rest of U.S." For all state and territory breakdowns, refer to Appendix A: Supplemental Information.



COSMETICS AND PERSONAL CARE PRODUCTS INDUSTRY TRENDS

The data in this report underscore the strength and value of the U.S. personal care products industry, defined by entrepreneurship, growth, innovation, and inclusivity.

At its core, the industry is driven by firms and small businesses that are steadily entering the marketplace and expanding across the beauty sector.

Consumer spending on personal care products has rebounded after the COVID-19 pandemic, signaling increased consumer confidence and reinforcing the industry's resilience. This growth reflects a dynamic environment that rewards innovation and responds to evolving consumer needs.

At the same time, innovation is sustained through increasing investment in R&D, ensuring that products are backed by rigorous science and continuous advancement.

Equally important is the industry's role as an employer, supporting a diverse and skilled workforce across manufacturing, services, and distribution.

The industry stands out for employing more women and people of color than the national average and leveraging the expertise of STEM professionals throughout the manufacturing and product development process.

Together, these trends highlight an industry that makes meaningful contributions to the U.S. economy, while delivering value through innovation and job opportunities.

The following section provides data on key characteristics of the market landscape.

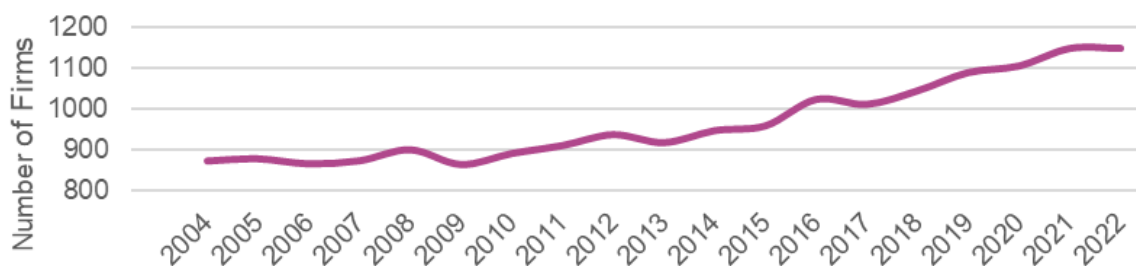


INDUSTRY COMPOSITION

Fueled by a surge in entrepreneurship, the U.S. personal care products industry expanded from 870 firms in 2004 to 1,146 in 2022 (Figure 1). This represents a compounded annual growth rate (CAGR) of 1 percent, reflecting a period of steady and consistent expansion for the U.S. economy.

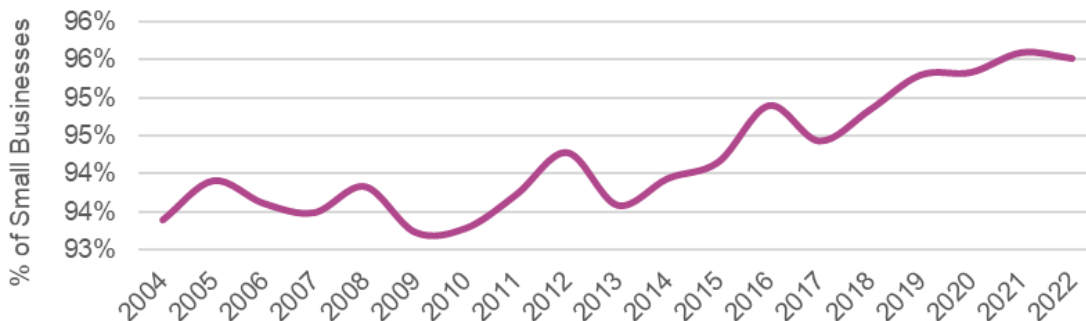
In 2022, small businesses, defined as those with less than 500 employees,⁵ made up 95.5 percent of U.S. firms (1,095 out of a total of 1,146 personal care products businesses). This marks an increase from 93.4 percent in 2004, reflecting a steady upward trend in the prevalence of small businesses over the past two decades, as shown in Figure 2.

Figure 1: Growth of the total number of U.S. firms in the personal care products industry



Data Source: United States Census Bureau, Statistics of U.S. Businesses

Figure 2: Prevalence of small businesses in the personal care products industry



Data Source: United States Census Bureau, Statistics of U.S. Businesses

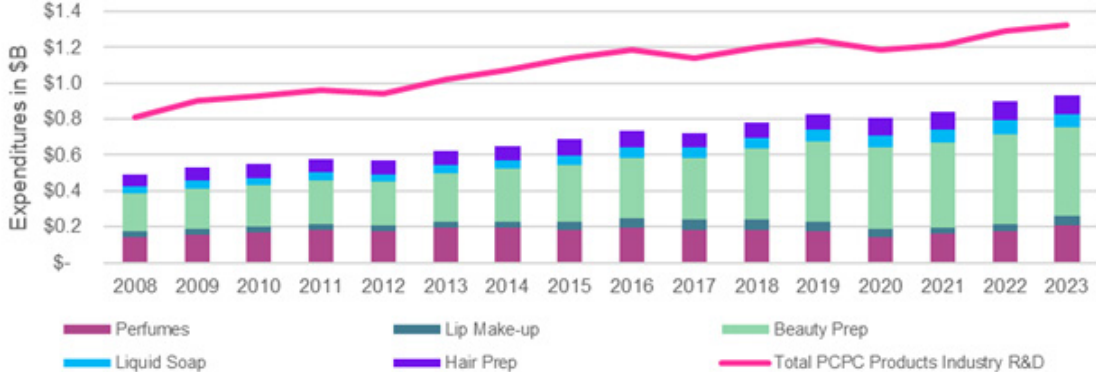
⁵Detailed explanation of choice in threshold is detailed in the Industry Composition Section of the Appendix.

RESEARCH AND DEVELOPMENT

The personal care products industry is deeply committed to research and development. Domestic expenditures⁶ steadily increased between 2008 and 2023, reaching more than \$1.3 billion in 2023 to bring safe, innovative products to consumers.

The domestic research landscape shows a stable trend in R&D expenditure for three of the top five products (shown in Figure 3) based on their 2023 R&D spending.

Figure 3: Historical domestic R&D expenditure of personal care products



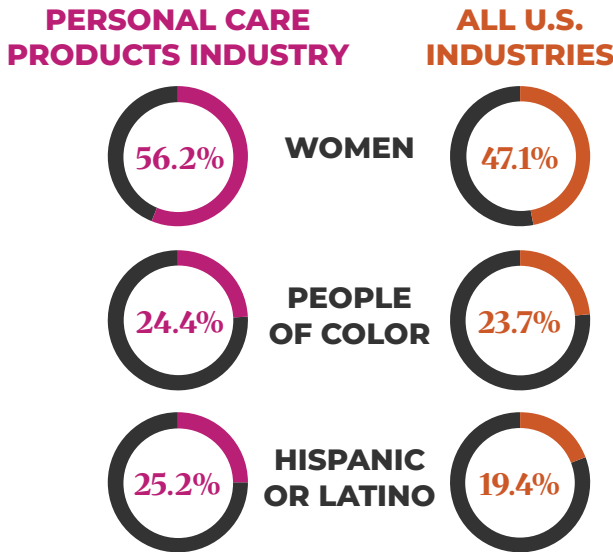
Data Source: National Science Foundation, Business Enterprise and Research and Development Survey
⁶ A few products' R&D expenditures were imputed. The imputation is detailed in the Research & Development Analysis section of the Appendix.

WORKFORCE COMPOSITION

Along with the high amount spent on R&D, STEM professionals across many fields, including chemists, engineers, health and safety engineers, technicians, and many more, play an integral role throughout the manufacturing process, ensuring compliance with

health and safety regulations. In 2024, 13.3 percent of the workforce was comprised of STEM professionals, demonstrating the ongoing commitment of PCPC member companies to scientific excellence.

Figure 4: Employment by gender, race, and ethnicity in 2024



In addition to the commitment to scientific rigor, this industry employs diverse workforces with **more women and people of color than the US average** (shown in Figure 4). Having a workforce that reflects its diverse consumer base is critical in creating products that fit needs across different demographics and cultures.

Data Source: Bureau of Labor Statistics, Current Population Survey

CONSUMER BEHAVIOR

Consumer spending on personal care products among U.S. households highlights evolving market trends and consumer preferences. **From 2013 to 2024, the monthly average annual expenditures increased by 5% for females and 11% for males.** While both groups show fluctuating

expenditures over the years, female expenditures consistently exceeded those of males. Female monthly expenditures fluctuated between approximately minimum \$41 and maximum \$49, whereas male spending ranged from about minimum \$31 to maximum \$41, as seen in Figure 5.

Figure 5: Adjusted monthly average annual expenditures of personal care products and cosmetics by sex

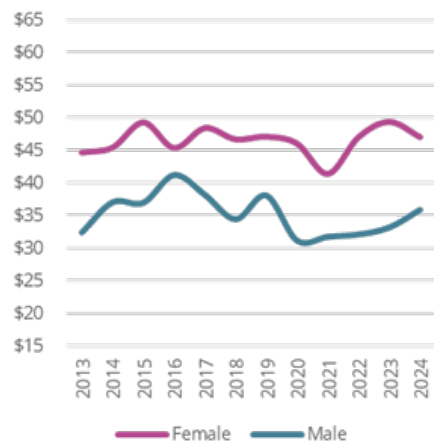
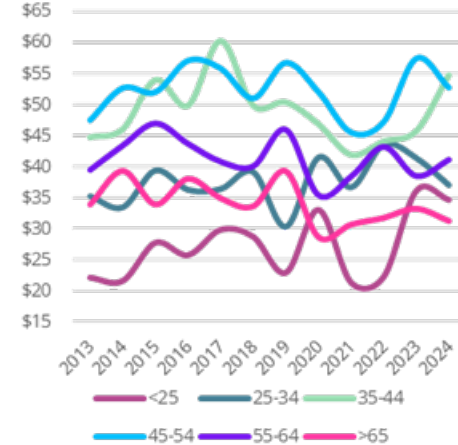
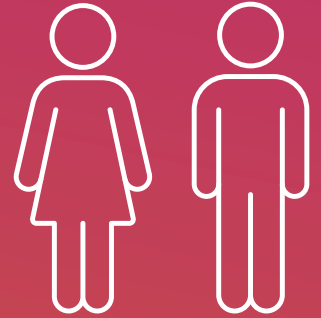


Figure 6: Adjusted monthly average annual expenditures of personal care products and cosmetics by age



Data Source: Bureau of Labor Statistics, Consumer Expenditure Survey, and KPMG Analysis.

SPENDING CHANGE 2013 - 2024



\$45 ▶ \$47
0.4% CAGR

\$32 ▶ \$36
0.9% CAGR

A CLEAR TURNING POINT

After a noticeable dip around 2020–2021 during the COVID-19 pandemic for several age groups, most demographics show a strong rebound in spending in the following years.

- **Youth Spending Soars:** The highest spending increase, both in absolute dollar value and percentage terms, was observed in the under-25 age group, challenging their previous position as the lowest spenders.
- **Middle-Aged Lead:** By 2024, the 35–44 and 45–54 age groups established themselves as the new top spenders.
- **Mid-Range Volatility:** The 25–34, 55–64, and over-65 age groups fall into a middle tier of spending, typically ranging from \$30 to \$45. These groups exhibit highly volatile spending patterns, with their trend lines frequently intersecting.



TRADE AND GLOBAL COMPETITIVENESS OF THE U.S. COSMETICS AND PERSONAL CARE PRODUCTS INDUSTRY





“*The U.S. cosmetics and personal care products industry plays a significant role in international trade and export growth, supporting U.S. competitiveness and domestic manufacturing.*”

In 2025, exports reached \$15.8 billion, underscoring the industry’s scale and its steady contribution to economic activity.

Canada and Mexico remain the cornerstone of U.S. exports, accounting for \$4.2 billion and \$1.4 billion, respectively. Canada alone represents more than a quarter of all U.S. personal care products exports. When combined with China, the third-largest destination at \$1.1 billion, these three markets account for \$6.6 billion, or 41.6% of total exports. This concentration underscores how reliant the industry is on a relatively small number of key partners, making it especially sensitive to shifts in trade policy or regional economic conditions.

Table 3: U.S. Exports, Imports, and Trade Balance of Personal Care Products in 2025

COUNTRY/REGION	EXPORTS (\$M)
Canada	\$4,154.5
Rest of the World	\$3,254.6
Mexico	\$1,356.3
Rest of European Union ⁷	\$1,254.0
China	\$1,056.4
Rest of Asia	\$948.0
UK	\$853.6
France	\$614.1
Germany	\$442.2
Korea	\$348.1
Japan	\$331.5
Brazil	\$282.9
Ireland	\$217.9
India	\$152.5
Africa	\$130.0
Spain	\$106.5
Indonesia	\$93.6
Italy	\$88.7
Malaysia	\$84.3
Total	\$15,769.8

Data Source: United States International Trade Commission

⁷ “Rest of the EU” includes EU member countries not listed individually in the chart. As shown, France, Germany, Ireland, Spain, and Italy are reported separately in Table 3. The same breakout methodology applies to Asia.

In addition to North America, Europe and Asia play critical roles in sustaining export growth. European markets collectively imported \$3.6 billion in U.S. personal care products, led by the United Kingdom at \$853.6 million, followed by France and Germany. In Asia, China anchors demand, while countries such as South Korea, Japan, and India represent important and growing markets. As shown in Table 3, these regions diversify the industry’s global footprint and highlight opportunities for expansion in high-growth consumer markets.

Table 4: Key states for exports of personal care products

2024 TOP U.S. EXPORTERS	
State	Amount Exported (\$B)
New York	\$ 5.5
California	\$ 2.1
Florida	\$ 1.6
Michigan	\$ 1.5
Texas	\$ 1.5

Data Source: U.S. International Trade Commission

In the U.S., export activity is anchored by key state-level hubs. New York stands out as the leading exporter at \$5.5 billion, reflecting its role as a center for business, finance, and international trade. Other states, including California, Texas, Florida, and Michigan, also play significant roles, supported by strong logistics networks and large consumer bases, as detailed in Table 4. Together, these hubs form the backbone of U.S. trade in personal care products.



Underlying these state-level export hubs are highly specialized, globally integrated supply chains. The industry relies on these systems to meet stringent safety, quality, and performance standards. They reflect structural realities rather than sourcing preferences, as constraints in U.S. raw materials, ingredient availability, manufacturing capabilities, and production scale limit full domestic sourcing.

At the same time, this global integration creates some vulnerabilities. Personal care products that use internationally sourced inputs often lack domestic substitutes. As a result, trade disruptions, particularly tariffs, can quickly ripple through supply chains, raising production costs and reducing the global competitiveness of U.S. manufacturers.

Trade policy scenarios illustrate how changes in global and regional dynamics can influence the U.S. personal care products industry. The industry is deeply integrated within North America, underpinned by the United States–Canada and Mexico Agreement (USMCA), which enables the free movement of compliant goods on a tariff-free basis and supports highly efficient cross-border supply chains. Together, these provisions create a stable and predictable trade environment that has been central to the industry’s growth and competitiveness.

This same level of integration, however, also creates vulnerability. If the USMCA were not renewed and 25% tariffs were reintroduced, cross-border trade with two of the industry’s largest partners would decline sharply. Modeling suggests that U.S. exports could fall by nearly \$1.9 billion, with the most significant losses concentrated in Canada and Mexico (Tables 5 and 6).

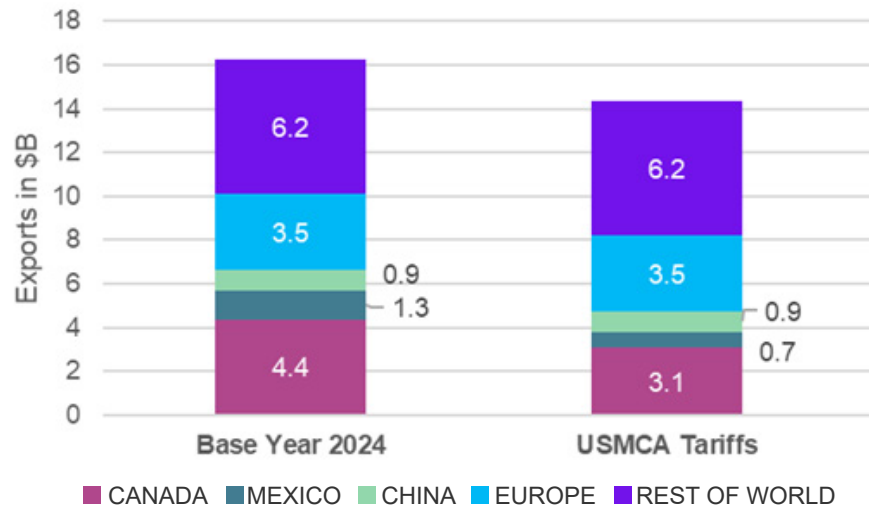
Rather than boosting domestic production, these disruptions would likely reduce overall trade and prompt a limited reallocation of exports to other markets. As shown in Table 6, the share of trade shifts to countries such as China, underscore how difficult it is to replace well-established North American trade relationships.

The overall economic effect is contractionary. Tariffs on Canada and Mexico lead to declines in U.S. industry output, employment, exports, and imports, reflecting the critical role these partners play as both key markets and suppliers. Instead of generating new growth, trade becomes smaller and more regionally restructured, with the U.S. adjusting its mix of trading partners rather than expanding total activity.

Figure 7 further illustrates that export declines are concentrated among major trading partners, amplifying exposure to targeted tariffs and reinforcing the importance of stable trade relationships.

The industry’s trade dynamics point to a clear conclusion. Its strength is built on open markets, integrated supply chains, and regulatory alignment, particularly within North America. Disruptions to this system do not create new opportunities so much as they redistribute and reduce trade, underscoring the importance of maintaining stable and cooperative agreements such as the USMCA.

Figure 7: U.S. exports of personal care products in \$B under USMCA tariffs



Data Source: KPMG Analysis





Table 5: Potential impact of USMCA tariffs

IMPACT ON THE U.S. MARKET	USMCA TARIFFS
Change in GDP (%)	-0.03%
Change in GDP (\$B)	-8.1
Impact on Personal Care Products:	
Change in Employment (No.)	-1,200
Change in Economic Output (%)	-1.4%
Change in Economic Output (\$B)	-1.0
Change in Exports (%)	-11.8%
Change in Exports (\$B)	-1.9
Change in Imports (%)	-1.4%
Change in Imports (\$B)	-0.4

Data Source: KPMG Analysis

Table 6: Export effects on PCPC products in the USMCA tariffs scenario

	EXPORT EFFECTS					
	Canada	Mexico	China	Europe	Rest of World	Total
Base Year 2024 - U.S. Exports (\$M)	4,372.0	1,332.0	934.3	3,457.3	6,163.4	16,259.0
USMCA Tariffs – Change in U.S. Exports (\$M)	(1,275.3)	(638.4)	(0.2)	1.53	1.8	(1,910.6)
	IMPORT EFFECTS					
	Canada	Mexico	China	Europe	Rest of World	Total
Base Year 2024 - U.S. Imports (\$M)	2,235.7	1,553.6	1,514.8	14,059.9	5,807.7	25,171.7
USMCA Tariffs – Change in U.S. Imports (\$M)	(912.0)	(623.7)	141.3	563.5	480.3	(350.5)

Data Source: KPMG Analysis

While the patterns in the USMCA tariffs scenario (shown in Table 6) highlight industry-specific effects of trade disruption, they also reflect a broader reality: tariffs have compounding impacts. Retaliation reduces the competitiveness of U.S. exports, while tariffs on imported inputs raise costs for domestic producers. U.S.-manufactured cosmetics and personal care products are especially vulnerable due to their visibility and consumer-facing nature, making them prime targets for retaliation and accelerating the shift toward non-U.S. alternatives.

This dual pressure compresses margins and can lead to declines in both output and value added. In a modeled scenario, a 10% U.S. tariff combined with 25% retaliatory tariffs from Canada and the European Union is projected to reduce industry output by \$263 million, with exports falling sharply from \$15.8 billion to \$11.7 billion.

At the same time, the industry depends on globally sourced inputs, including specialized ingredients, raw materials, and packaging. Tariffs on these inputs increase production costs for U.S.-based manufacturers, placing them at a disadvantage relative to competitors in regions such as the European Union, Japan, and Korea.

Taken together, the trade profile of the U.S. cosmetics and personal care products industry reflects both strength and interdependence. The industry benefits from established global connections, diversified markets, and strong domestic export hubs. It relies on international supply chains for key inputs that are not available at scale in the United States, all within a highly regulated environment. As a result, changes in trade policy can have meaningful effects on operations, costs, and competitiveness. Maintaining open and stable trade relationships remains important to supporting the industry's continued growth and economic contribution.

“Taken together, the trade profile of the U.S. cosmetics and personal care products industry reflects both strength and interdependence.”



APPENDIX A: SUPPLEMENTAL INFORMATION

ECONOMIC CONTRIBUTIONS BY STATE

Total Economic Contributions of U.S. Personal Care Products Manufacturing, Distribution, and Services by State, 2024.

STATE	TOTAL EMPLOYMENT CONTRIBUTION*		TOTAL LABOR INCOME*		TOTAL GDP CONTRIBUTION**	
	Jobs	Percent of State Total	\$Billion	Percent of State Total	\$ Billion	Percent of State Total
California	355,015	2.28%	14.9	1.04%	32.5	0.80%
Texas	215,084	1.81%	9.0	0.98%	19.7	0.71%
New York	213,353	2.57%	8.9	1.12%	19.5	0.84%
Florida	179,495	2.06%	7.5	1.24%	16.4	0.95%
New Jersey	139,209	3.78%	5.8	1.89%	12.8	1.51%
Pennsylvania	134,054	2.51%	5.6	1.46%	12.3	1.22%
Illinois	98,044	1.87%	4.1	1.00%	9.0	0.78%
Ohio	93,377	1.95%	3.9	1.25%	8.6	0.93%
North Carolina	73,144	1.75%	3.1	1.06%	6.7	0.79%
Virginia	72,245	2.14%	3.0	1.16%	6.6	0.87%
Georgia	67,665	1.62%	2.8	0.95%	6.2	0.70%
Massachusetts	65,851	2.06%	2.8	0.88%	6.0	0.77%
Michigan	56,734	1.48%	2.4	0.91%	5.2	0.74%
Arizona	56,080	1.99%	2.3	1.19%	5.1	0.90%
Colorado	54,216	2.23%	2.3	1.14%	5.0	0.89%
Washington	53,690	1.79%	2.2	0.77%	4.9	0.57%
Tennessee	51,421	1.81%	2.2	1.12%	4.7	0.84%
Minnesota	48,898	1.92%	2.0	1.08%	4.5	0.88%
Maryland	48,878	2.18%	2.0	1.20%	4.5	0.82%
Wisconsin	42,385	1.66%	1.8	1.09%	3.9	0.86%
Missouri	42,336	1.71%	1.8	1.10%	3.9	0.86%
Indiana	41,488	1.49%	1.7	0.99%	3.8	0.73%
Connecticut	37,529	2.57%	1.6	1.21%	3.4	0.96%
South Carolina	32,040	1.67%	1.3	1.15%	2.9	0.82%
Utah	30,303	2.09%	1.3	1.31%	2.8	0.93%
Nevada	26,725	1.94%	1.1	1.23%	2.4	0.91%
Oregon	25,535	1.50%	1.1	0.90%	2.3	0.71%
Louisiana	25,445	1.57%	1.1	1.07%	2.3	0.71%
Alabama	24,248	1.41%	1.0	0.96%	2.2	0.68%
Kentucky	22,809	1.35%	1.0	0.93%	2.1	0.71%
Kansas	20,267	1.71%	0.8	1.15%	1.9	0.81%

STATE	TOTAL EMPLOYMENT CONTRIBUTION*		TOTAL LABOR INCOME*		TOTAL GDP CONTRIBUTION**	
	Jobs	Percent of State Total	\$Billion	Percent of State Total	\$ Billion	Percent of State Total
Iowa	19,700	1.50%	0.8	1.02%	1.8	0.68%
Oklahoma	18,930	1.40%	0.8	1.00%	1.7	0.66%
Arkansas	15,946	1.45%	0.7	1.03%	1.5	0.78%
Idaho	14,135	1.92%	0.6	1.34%	1.3	1.00%
Nebraska	13,757	1.61%	0.6	1.11%	1.3	0.67%
Mississippi	12,866	1.37%	0.5	1.14%	1.2	0.75%
New Hampshire	12,281	2.03%	0.5	1.08%	1.1	0.94%
Puerto Rico	10,695	1.42%	0.4	1.74%	1.0	GDP not reported
Delaware	9,886	2.41%	0.4	1.39%	0.9	0.82%
District of Columbia	9,824	1.87%	0.4	0.66%	0.9	0.49%
Hawaii	9,410	1.82%	0.4	1.17%	0.9	0.73%
New Mexico	8,914	1.30%	0.4	0.92%	0.8	0.56%
West Virginia	7,162	1.28%	0.3	0.93%	0.7	0.62%
Maine	6,497	1.19%	0.3	0.78%	0.6	0.60%
Rhode Island	6,290	1.45%	0.3	0.91%	0.6	0.72%
North Dakota	5,600	1.58%	0.2	0.99%	0.5	0.64%
South Dakota	5,370	1.41%	0.2	1.00%	0.5	0.64%
Montana	4,694	1.10%	0.2	0.77%	0.4	0.55%
Alaska	3,141	1.24%	0.1	0.72%	0.3	0.40%
Vermont	2,016	0.79%	0.1	0.51%	0.2	0.40%
Wyoming	1,186	0.55%	0.0	0.38%	0.1	0.21%
Virgin Islands	139	0.56%	0.0	0.52%	0.0	GDP not reported
U.S.	2,646,000	2.00%	110.7	1.10%	242.4	0.83%

Note: Numbers may not add to the total due to rounding.

* Data is from: Bureau of Labor Statistics, “Quarterly Census of Employment and Wages”

** Data is from: U.S. Bureau of Economic Analysis, “SAGDP – State annual gross domestic product (GDP) summary”

INDUSTRY COMPOSITION

NAICS level small business counts were collected from the U.S. Census Bureau Statistics of U.S. Businesses⁸.

The U.S. Small Business Administration defines the small businesses by the number of employees in an establishment by NAICS code. Using these standards and considering the data granularity, a small business is defined as an establishment with less than 500 employees⁹.

NAICS level data was disaggregated using the methodology outlined in NAICS Disaggregation Method.

RESEARCH & DEVELOPMENT ANALYSIS

NAICS level Research & Development spending is gathered from the National Science Foundation's Business Enterprise Research and Development surveys¹⁰. Data was disaggregated using the methodology outlined in NAICS Disaggregation Method.

R&D expenditures for Perfumes, Lip Make-up, Eye Make-up, Nail Prep, Skin Powders, Beauty Prep, Shampoos, Hair Wave, Hair Lacquer, Hair Prep, Toothpaste, Oral Hygiene, Shaving Prep, Deodorants, Bath Prep, Other Cosmetic, Bar Soap and Liquid Soap were imputed using the average of two adjacent years due to data quality concerns.

⁸ U.S. Census Bureau, "Statistics of U.S. Businesses", < SUSB Datasets >, Accessed December 2025

⁹ U.S. Small Business Association, "Table of Small Business Size Standards" (Technical Documentation), U.S. Small Business Association, March 17, 2023

¹⁰ National Center for Science and Engineering Statistics (NCSES). 2023. Business Enterprise Research and Development: 2020. NSF 23-314. Alexandria, VA: National Science Foundation. Available at <https://nces.nsf.gov/pubs/nsf23314/>.

APPENDIX B: DISCLAIMER

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