



2008

ShoeStats 2008 provides a snapshot of U.S. footwear industry market trends for 2007 (the most recent full year data available).

The information in *ShoeStats 2008* is derived in part from AAFA's annual 2007 *Trends: An Annual Statistical Analysis of the U.S. Apparel and Footwear Industries* publication. *Trends* is the most comprehensive and authoritative source for U.S. footwear industry statistics. Comprised of data drawn from a variety of sources, *Trends* contains detailed information on imports, retail sales, retail prices, consumption, employment, exports, and domestic production. You will also find relevant economic indicators and other demographic information to provide some perspective on the footwear data.

For more information about *Trends* and/or additional resources for market data, please check out AAFA's Web site at <http://www.apparelandfootwear.org> or contact us.



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Overview

U.S. Consumption

Overall, the U.S. footwear market slowed in 2007. U.S. consumption of footwear declined 0.4 percent, from 2.403 billion pairs in 2006 to 2.393 billion pairs in 2007. Growth in U.S. consumption of men's work shoes was robust but slowed somewhat during the second half of the year, increasing by 37.4 percent in 2007 after having registered a startling 62.9 percent increase during the first half. In contrast, U.S. consumption of women's footwear (nonrubber), the largest footwear category by far, only increased a modest 0.8 percent in 2007 to 952.173 million pairs. U.S. consumption of athletic shoes fell 10.1 percent to 334 million pairs and U.S. consumption of slippers fell 9.3 percent to 119 million pairs.

Meanwhile, the value of U.S. footwear consumption, as measured by Personal Consumption Expenditures (PCE), increased at its slowest pace in years in 2007, growing only 1.9 percent to \$59.2 billion. That increase, however, coupled with the decline in the volume of shoes consumed in 2007, portend growing price pressures for the industry.

U.S. Production and Import Penetration

U.S. production of footwear continued to decline, down 4 percent in 2007. Import penetration, or the percentage of the U.S. market that is supplied by imports, remained at 98.7 percent in 2007. U.S. imports from China currently supply 83.8% of the total U.S. footwear market. U.S. imports supply virtually 100 percent of the U.S. juvenile, athletic, slippers and women's footwear markets. U.S. produced shoes in 2007 supplied a significant, but shrinking, portion of the U.S. market in only men's work shoes (15.2 percent) and plastic/protective footwear (23.7 percent). The success of these two footwear categories can be attributed in large part to footwear made for the U.S. military.

Retail Prices

Over the last ten years, footwear retail prices have experienced a deflationary trend with overall footwear prices actually declining 4.5 percent while overall retail prices surged 27.2 percent during the period. However, increasing cost pressures from rising energy and labor costs are forcing footwear brands and retailers to increase prices. For example women's shoe prices increased 2.6% from 2006 to 2007, setting the stage for the rest of the footwear industry to follow. With the onset of the 2008 economic downturn, it remains unclear if these rising costs will be able to be passed onto consumers in the form of higher prices.

U.S. Footwear Imports

U.S. Imports of footwear were relatively strong throughout 2007 but abruptly declined during the final months of the year. On an annual basis, U.S. imports of footwear decreased 0.4 percent, from 2.371 billion pairs in 2006 to 2.362 billion pairs in 2007. On the other hand, in a sign of rising costs, the value of imported footwear increased 1.2 percent from \$18.7 billion in 2006 to \$18.9 billion in 2007. China remains by far the largest supplier to the U.S. market, accounting for 86.4 percent of the quantity and 71.5 percent of the value of all U.S. footwear imports. While U.S. imports from Vietnam, the second largest supplier to the U.S. market, increased 3.9 percent in 2007, most other large suppliers saw their trade levels decline during the period. To illustrate, of the remaining top ten suppliers, only U.S. imports from #7 supplier Taiwan increased during the year.

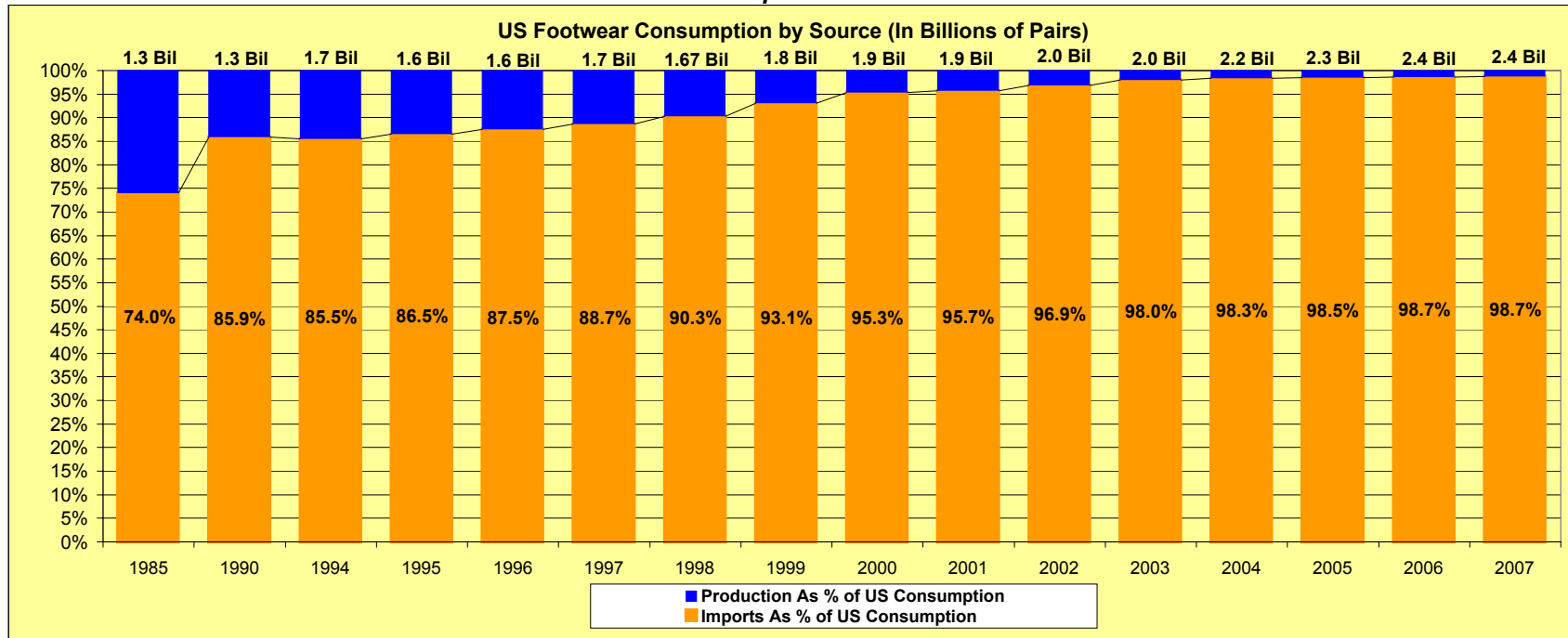
U.S. imports of non-rubber footwear declined 0.9 percent, from 2.057 billion pairs in 2006 to 2.039 billion pairs in 2007. In another sign of increasing price pressures, the average price for imported non-rubber footwear increased by 3.0 percent.

An AAFA-supported bill currently pending before Congress, the *Affordable Footwear Act (H.R. 3934/S. 2372)*, would combat some of these rising costs by eliminating the import duties on about 60 percent of the shoes currently sold in the United States.

U.S. Footwear Employment

Total employment in the U.S. footwear manufacturing sector declined 6.9 percent in 2007. This decline can be attributed to the slowing sales to the U.S. military. However, the percentage of production employees increased 0.7 percent and the average hourly earnings and weekly hours increased 7.5 percent and 7.4 percent, respectively, during the period. The U.S. footwear manufacturing industry seems to have stabilized as no factories closed in 2007.

U.S. Consumption of Footwear



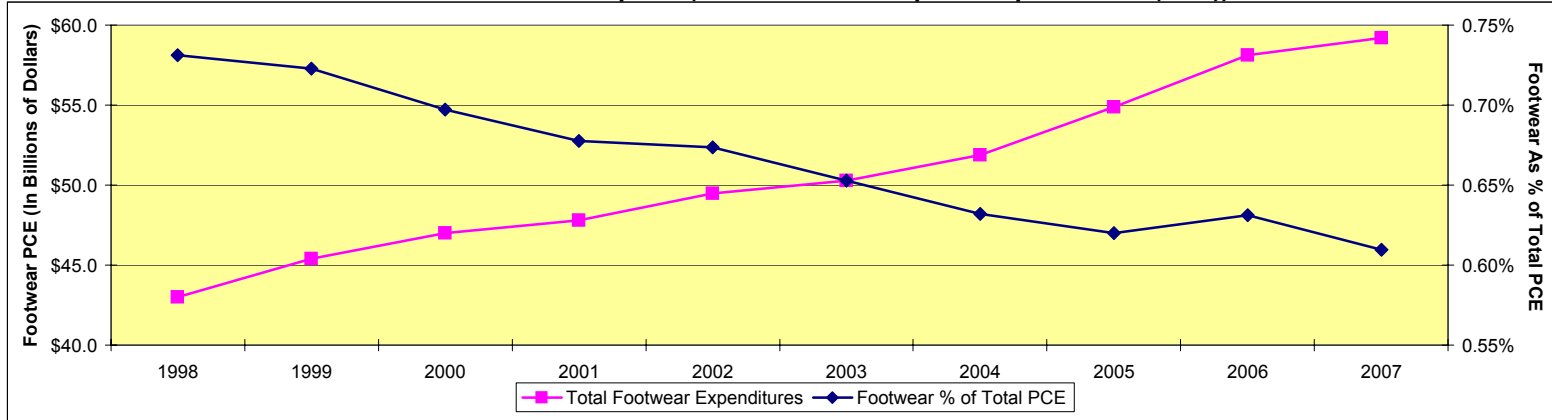
| 1,000s of Pairs | 1985 | 1990 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 06-07 |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|
| Production | 336,400 | 184,568 | 220,400 | 196,000 | 190,100 | 163,200 | 120,877 | 86,645 | 79,718 | 61,400 | 39,810 | 36,698 | 34,021 | 31,936 | 30,660 | -4.0% |
| Imports | 957,100 | 1,120,662 | 1,409,232 | 1,376,080 | 1,488,118 | 1,512,323 | 1,632,622 | 1,764,900 | 1,784,687 | 1,898,066 | 1,968,089 | 2,123,761 | 2,252,451 | 2,371,201 | 2,362,347 | -0.4% |
| Imports from China | 36,407 | 395,719 | 949,419 | 942,264 | 1,037,103 | 1,107,566 | 1,239,700 | 1,368,344 | 1,405,785 | 1,525,520 | 1,602,365 | 1,772,464 | 1,924,474 | 2,043,582 | 2,004,322 | -1.9% |
| US Consumption | 1,293,500 | 1,305,230 | 1,629,632 | 1,572,080 | 1,678,218 | 1,675,523 | 1,753,499 | 1,851,545 | 1,864,405 | 1,959,466 | 2,007,899 | 2,160,459 | 2,286,472 | 2,403,137 | 2,393,008 | -0.4% |
| Import Penetration | 74.0% | 85.9% | 86.5% | 87.5% | 88.7% | 90.3% | 93.1% | 95.3% | 95.7% | 96.9% | 98.0% | 98.3% | 98.5% | 98.7% | 98.7% | 0.0% |
| China % Share | 2.8% | 30.3% | 58.3% | 59.9% | 61.8% | 66.1% | 70.7% | 73.9% | 75.4% | 77.9% | 79.8% | 82.0% | 84.2% | 85.0% | 83.8% | -1.5% |

| Quantity in 1,000s of Pairs | U.S. Production | | | | U.S. Imports | | | | China 07 | U.S. Consumption | | | | % Change 06-07 | Import Penetration | | |
|-----------------------------|-----------------|---------------|---------------|---------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|--------------------|--------------|--|
| | 2004 | 2005 | 2006 | 2007 | 2004 | 2005 | 2006 | 2007 | | 2004 | 2005 | 2006 | 2007 | | Total 07 | China 07 | |
| Nonrubber | | | | | | | | | | | | | | | | | |
| Total Nonrubber | 19,210 | 17,136 | 15,628 | 15,003 | 1,818,737 | 1,937,201 | 2,057,074 | 2,039,090 | 1,778,889 | 1,837,947 | 1,954,337 | 2,072,702 | 2,054,093 | -0.9% | 99.3% | 86.6% | |
| By Product Class | | | | | | | | | | | | | | | | | |
| Men's | 12,094 | 11,490 | 10,916 | 10,479 | 220,484 | 225,551 | 235,878 | 230,127 | 191,933 | 232,578 | 237,041 | 246,794 | 240,606 | -2.5% | 95.6% | 79.8% | |
| Men's Work | 8,869 | 8,781 | 8,692 | 8,344 | 27,766 | 31,544 | 33,879 | 46,535 | 44,503 | 36,636 | 40,325 | 42,571 | 54,879 | 28.9% | 84.8% | 81.1% | |
| Women's | 4,669 | 4,202 | 3,782 | 3,631 | 814,354 | 879,901 | 944,613 | 952,543 | 847,156 | 819,023 | 884,103 | 948,395 | 956,173 | 0.8% | 99.6% | 88.6% | |
| Juveniles' | 222 | 199 | 180 | 173 | 259,821 | 291,269 | 316,690 | 329,435 | 301,420 | 260,043 | 291,468 | 316,870 | 329,608 | 4.0% | 99.9% | 91.4% | |
| Athletic | 120 | 125 | 130 | 125 | 361,836 | 374,119 | 371,631 | 334,049 | 251,955 | 361,956 | 374,244 | 371,761 | 334,174 | -10.1% | 100.0% | 75.4% | |
| Slippers | 1,937 | 968 | 484 | 465 | 124,871 | 120,789 | 130,520 | 118,439 | 116,489 | 126,807 | 121,757 | 131,004 | 118,903 | -9.2% | 99.6% | 98.0% | |
| Other | 168 | 151 | 136 | 131 | 9,605 | 14,028 | 23,863 | 27,964 | 25,433 | 9,773 | 14,179 | 23,999 | 28,094 | 17.1% | 99.5% | 90.5% | |
| Rubber | | | | | | | | | | | | | | | | | |
| Total Rubber | 17,488 | 16,885 | 16,308 | 15,658 | 305,024 | 315,250 | 314,127 | 323,257 | 225,433 | 322,512 | 332,135 | 330,435 | 338,914 | 2.6% | 95.4% | 66.5% | |
| By Category | | | | | | | | | | | | | | | | | |
| Rubber/Fabric | 10,707 | 10,172 | 9,664 | 9,277 | 188,354 | 175,719 | 169,859 | 171,516 | 100,505 | 199,061 | 185,891 | 179,523 | 180,794 | 0.7% | 94.9% | 55.6% | |
| Plastic/Protective | 6,780 | 6,713 | 6,646 | 6,380 | 19,227 | 21,463 | 18,864 | 20,400 | 10,948 | 26,007 | 28,176 | 25,510 | 26,780 | 5.0% | 76.2% | 40.9% | |
| Total Footwear | 36,698 | 34,021 | 31,936 | 30,660 | 2,123,761 | 2,252,451 | 2,371,201 | 2,362,347 | 2,004,322 | 2,160,459 | 2,286,471 | 2,403,137 | 2,393,008 | -0.4% | 98.7% | 83.8% | |

- Note: 2004-2007 U.S. production numbers represent AAFA estimates based on historical trends and anecdotal information.
- Source: U.S. Imports for Consumption, U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).
- Source: U.S. Production (2003 & Previous), Current Industrial Report, U.S. Census Bureau (<http://www.census.gov/cir/www/alpha.html>).

U.S. Personal Consumption Expenditures & Retail Prices

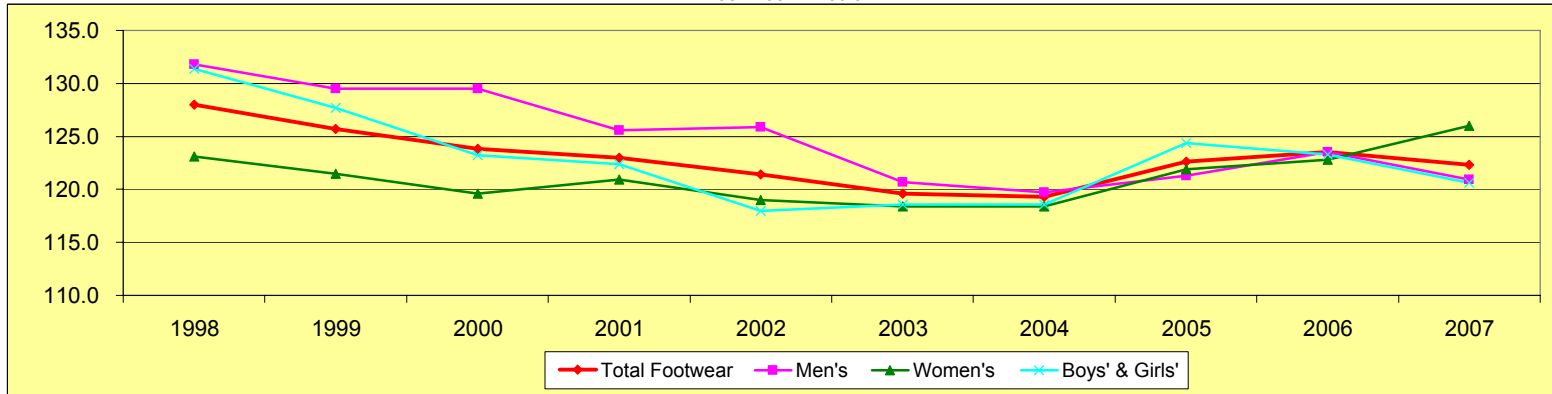
U.S. Footwear Consumption (Personal Consumption Expenditures (PCE))



| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 06-07 | % Change 98-07 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|-------------------|
| Total Footwear Expenditures (in Billion \$) | \$43.0 | \$45.4 | \$47.0 | \$47.8 | \$49.5 | \$50.3 | \$51.9 | \$54.9 | \$58.1 | \$59.2 | 1.9% | 37.7% |
| Footwear % of Total PCE | 0.73% | 0.72% | 0.70% | 0.68% | 0.67% | 0.65% | 0.63% | 0.62% | 0.63% | 0.61% | -3.4% | -16.6% |
| Footwear % of Nondurable Goods | 2.55% | 2.52% | 2.41% | 2.37% | 2.38% | 2.30% | 2.21% | 2.13% | 2.16% | 2.09% | -3.4% | -18.2% |
| Footwear % of Clothing & Shoes | 15.87% | 15.86% | 15.79% | 16.06% | 16.31% | 16.18% | 15.96% | 15.86% | 16.13% | 15.83% | -1.9% | -0.3% |

Footwear Retail Prices (Consumer Price Indices (CPI)) by Product Class

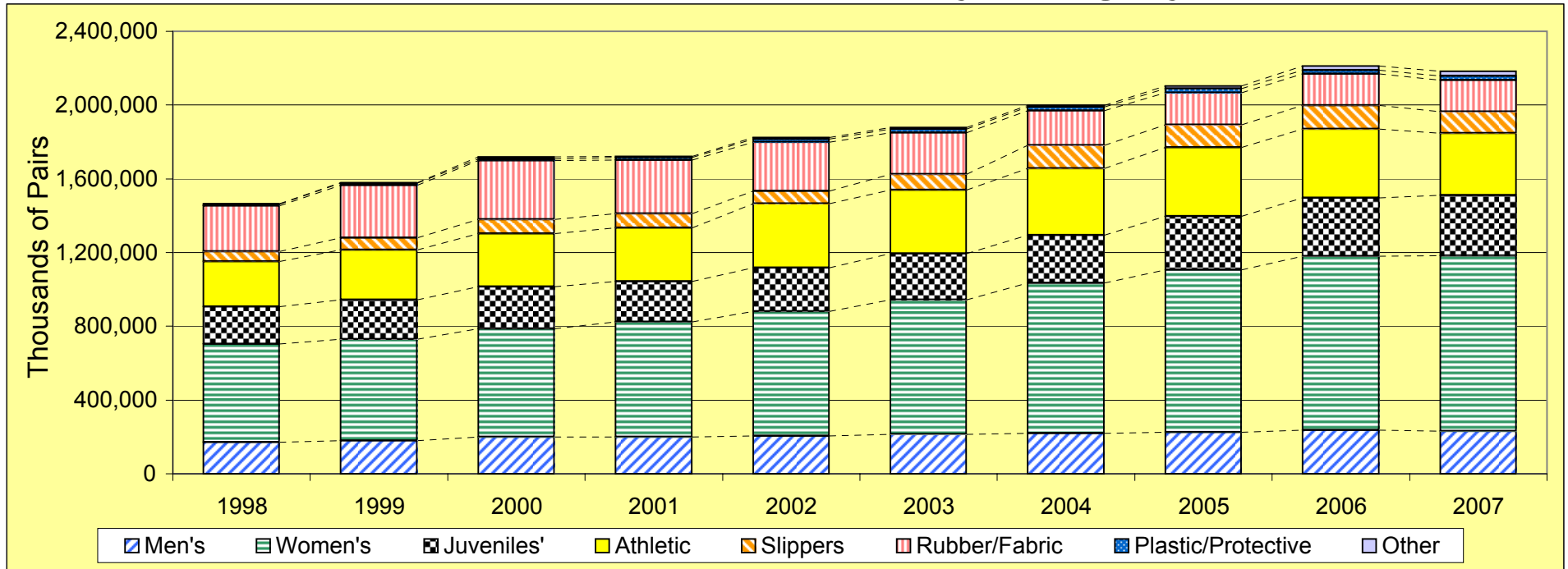
1982-1984 = 100.0



| CPI | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 06-07 | % Change 98-07 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|-------------------|
| Overall Retail Prices (Total CPI) | 163.0 | 166.6 | 172.2 | 177.1 | 179.9 | 184.0 | 188.9 | 195.3 | 201.6 | 207.3 | 2.8% | 27.2% |
| Total Footwear | 128.0 | 125.7 | 123.8 | 123.0 | 121.4 | 119.6 | 119.3 | 122.6 | 123.5 | 122.3 | -1.0% | -4.5% |
| Men's | 131.8 | 129.5 | 129.5 | 125.6 | 125.9 | 120.7 | 119.7 | 121.3 | 123.5 | 120.9 | -2.1% | -8.3% |
| Women's | 123.1 | 121.5 | 119.6 | 120.9 | 119.0 | 118.4 | 118.4 | 121.9 | 122.8 | 126.0 | 2.6% | 2.4% |
| Boys' & Girls' | 131.4 | 127.7 | 123.2 | 122.4 | 118.0 | 118.6 | 118.6 | 124.4 | 123.3 | 120.6 | -2.2% | -8.2% |

• Source: Personal Consumption Expenditure: U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.gov>).
 • Source: Consumer Price Index: U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>).

U.S. Imports of Footwear by Category

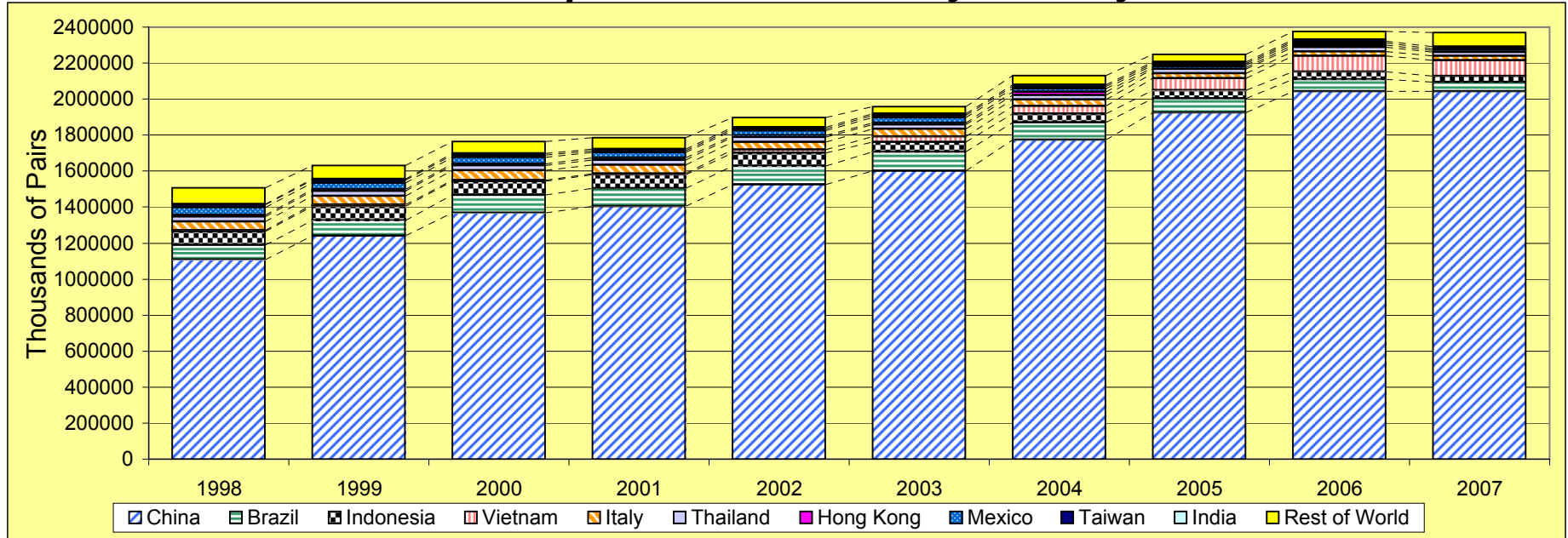


U.S. Total Footwear Imports by Category

| Thousands of Pairs | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 06-07 | % Share of Total '07 |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------------|
| Total Imports | 1,512,323 | 1,632,622 | 1,764,900 | 1,784,687 | 1,898,066 | 1,968,088 | 2,123,761 | 2,252,451 | 2,371,201 | 2,362,347 | -0.4% | 100.0% |
| Men's | 170,826 | 178,621 | 200,464 | 199,539 | 205,551 | 213,284 | 220,484 | 225,551 | 235,878 | 230,127 | -2.4% | 9.9% |
| Men's Work | 20,030 | 21,037 | 24,094 | 23,778 | 24,366 | 26,544 | 27,766 | 31,544 | 33,879 | 46,535 | 37.4% | 1.4% |
| Women's | 533,124 | 551,234 | 587,171 | 623,775 | 676,127 | 730,534 | 814,354 | 879,901 | 944,613 | 952,543 | 0.8% | 39.8% |
| Juveniles' | 201,503 | 214,310 | 228,336 | 218,566 | 234,436 | 251,454 | 259,821 | 291,269 | 316,690 | 329,435 | 4.0% | 13.4% |
| Athletic | 244,994 | 269,723 | 288,064 | 293,464 | 347,686 | 345,271 | 361,836 | 374,119 | 371,631 | 334,049 | -10.1% | 15.7% |
| Slippers | 56,107 | 66,979 | 76,251 | 75,890 | 68,461 | 84,510 | 124,871 | 120,789 | 130,520 | 118,439 | -9.3% | 5.5% |
| Other | 3,248 | 3,358 | 9,869 | 7,757 | 6,877 | 9,391 | 9,605 | 14,028 | 23,863 | 27,964 | 17.2% | 1.0% |
| Rubber/Fabric | 246,841 | 284,799 | 317,261 | 289,599 | 267,160 | 225,668 | 188,354 | 175,719 | 169,859 | 171,516 | 1.0% | 7.2% |
| Plastic/Protective | 9,787 | 9,615 | 10,398 | 14,350 | 16,525 | 18,322 | 19,227 | 21,463 | 18,864 | 20,400 | 8.1% | 0.8% |

- Note: The above categories will not equal total U.S. footwear imports because they do not include zories.
- Source: U.S. Imports for Consumption: U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).

U.S. Imports of Footwear by Country



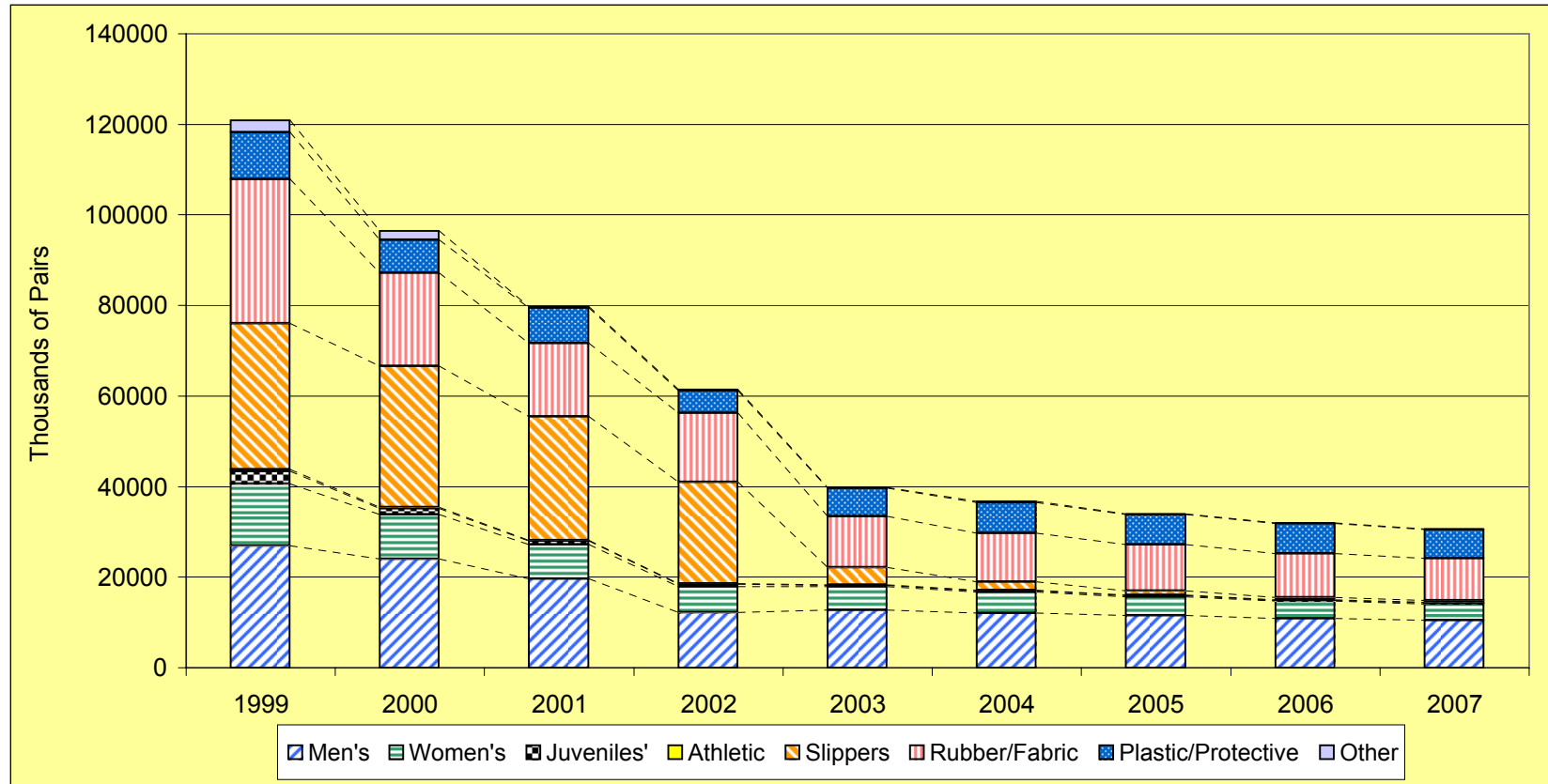
| 1000s of Pairs | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 06-07 | % Share of Total '07 |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------------|
| China | 1,107,566 | 1,239,700 | 1,368,344 | 1,405,785 | 1,525,520 | 1,602,365 | 1,772,464 | 1,924,474 | 2,043,582 | 2,041,614 | -0.1% | 86.4% |
| Vietnam | 7,175 | 8,294 | 7,319 | 8,285 | 17,537 | 30,460 | 43,707 | 64,480 | 86,714 | 89,503 | 3.9% | 3.8% |
| Brazil | 83,294 | 85,563 | 98,540 | 97,462 | 101,627 | 103,275 | 98,834 | 79,318 | 66,714 | 51,726 | -22.5% | 2.2% |
| Indonesia | 74,279 | 79,454 | 76,145 | 75,161 | 73,103 | 56,947 | 46,728 | 46,288 | 42,185 | 33,614 | -20.3% | 1.4% |
| Italy | 48,683 | 48,074 | 52,287 | 48,555 | 43,550 | 40,256 | 35,264 | 27,783 | 25,490 | 24,409 | -4.2% | 1.0% |
| Thailand | 26,485 | 27,167 | 27,571 | 26,578 | 27,077 | 25,329 | 25,305 | 24,450 | 23,578 | 19,964 | -15.3% | 0.8% |
| Taiwan | 15,855 | 15,156 | 13,740 | 11,102 | 10,185 | 14,058 | 13,139 | 9,092 | 8,955 | 11,923 | 33.1% | 0.5% |
| Mexico | 42,782 | 38,282 | 34,748 | 30,394 | 26,247 | 28,387 | 15,722 | 10,338 | 11,095 | 11,029 | -0.6% | 0.5% |
| India | 1,985 | 6,598 | 7,096 | 6,757 | 6,566 | 7,372 | 8,037 | 9,513 | 10,383 | 10,252 | -1.3% | 0.4% |
| Hong Kong | 8,326 | 8,794 | 10,577 | 10,616 | 10,301 | 9,802 | 19,058 | 10,000 | 12,672 | 8,529 | -32.7% | 0.4% |
| Rest of World | 95,893 | 75,540 | 68,532 | 63,952 | 56,353 | 49,837 | 45,503 | 46,716 | 40,431 | 59,784 | -13.5% | 2.5% |
| Total Imports | 1,512,323 | 1,632,622 | 1,764,899 | 1,784,647 | 1,898,066 | 1,968,088 | 2,123,761 | 2,252,451 | 2,371,201 | 2,362,347 | 5.3% | 100.0% |

\$ Value (in 1000s of U.S. Dollars)

| | | | | | | | | | | | | |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|---------------|
| China | \$7,909,327 | \$8,339,971 | \$9,098,588 | \$9,647,478 | \$10,114,068 | \$10,396,087 | \$11,185,922 | \$12,467,866 | \$13,600,167 | 13,540,035 | -0.4% | 71.5% |
| Vietnam | 114,902 | 145,672 | 124,491 | 132,000 | 223,921 | 324,407 | 472,812 | 716,111 | 950,833 | 970,188 | 2.0% | 5.1% |
| Brazil | 1,019,866 | 956,516 | 1,146,928 | 1,159,756 | 1,078,393 | 1,038,486 | 1,079,644 | 1,017,196 | 893,488 | 755,001 | -15.5% | 4.0% |
| Indonesia | 746,283 | 751,041 | 730,982 | 724,356 | 730,399 | 569,203 | 492,528 | 510,098 | 471,113 | 369,093 | -21.7% | 2.0% |
| Italy | 1,157,759 | 1,175,611 | 1,250,743 | 1,251,237 | 1,175,142 | 1,233,530 | 1,241,615 | 1,128,717 | 1,101,622 | 1,191,567 | 8.2% | 6.3% |
| Thailand | 341,738 | 325,304 | 328,908 | 314,153 | 277,076 | 284,442 | 286,574 | 291,618 | 292,940 | 244,453 | -16.6% | 1.3% |
| Taiwan | 133,891 | 102,113 | 86,356 | 70,685 | 67,085 | 70,072 | 75,207 | 56,594 | 47,370 | 106,345 | 124.5% | 0.6% |
| Mexico | 261,840 | 271,336 | 283,477 | 250,335 | 223,788 | 235,356 | 201,811 | 203,886 | 222,156 | 200,484 | -9.8% | 1.1% |
| India | 83,540 | 93,251 | 108,820 | 98,278 | 92,330 | 107,879 | 124,437 | 138,056 | 153,343 | 161,998 | 5.6% | 0.9% |
| Hong Kong | 59,873 | 57,018 | 66,494 | 80,741 | 67,157 | 60,082 | 85,754 | 50,730 | 70,856 | 71,284 | 0.6% | 0.4% |
| Rest of World | 1,578,054 | 1,471,204 | 1,349,611 | 1,255,543 | 1,096,994 | 993,506 | 1,024,785 | 963,508 | 960,739 | 1,386,944 | 44.4% | 7.3% |
| Total Imports | \$13,347,199 | \$13,632,018 | \$14,508,904 | \$14,903,821 | \$15,079,196 | \$15,252,969 | \$16,185,336 | \$17,493,650 | \$18,693,771 | \$18,926,109 | 6.9% | 100.0% |

• Source: U.S. Imports for Consumption: U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>)

U.S. Footwear Production

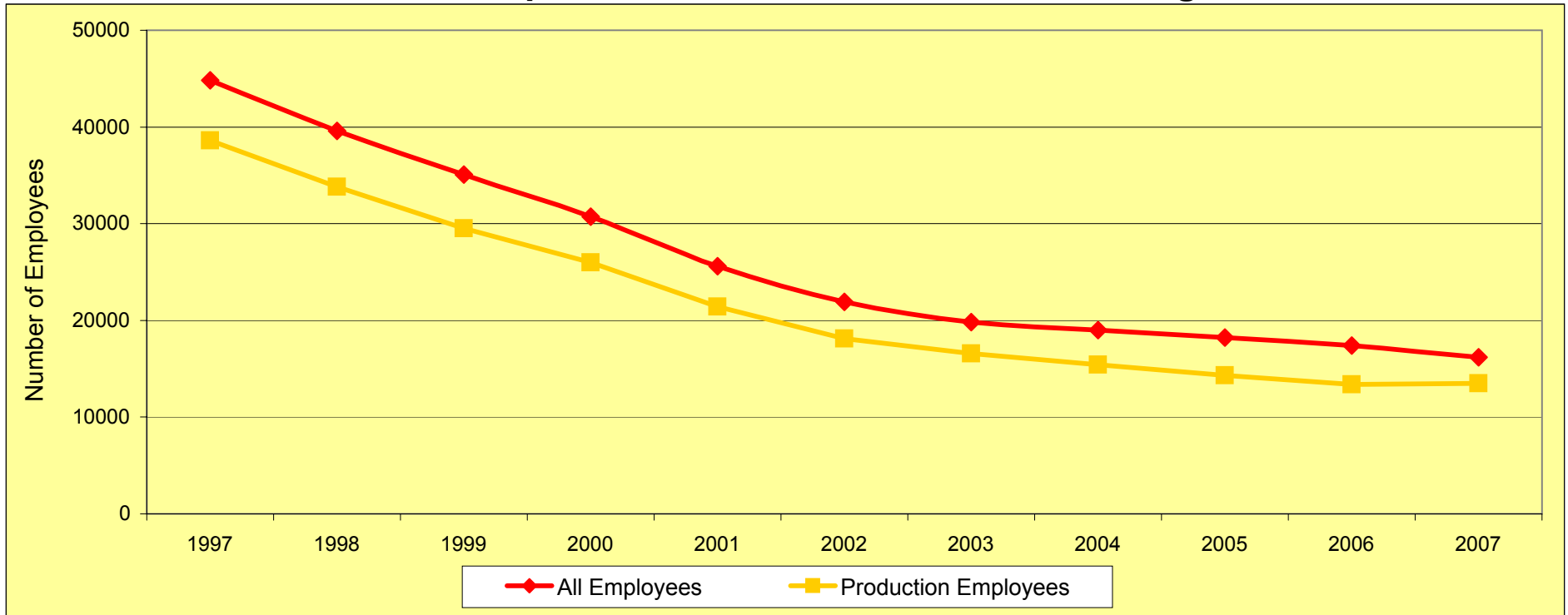


U.S. Production by Category

| Thousands of Pairs | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 99-07 | % Change 06-07 |
|-------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Total Production | 120,877 | 86,645 | 79,718 | 61,400 | 39,810 | 36,698 | 34,021 | 31,936 | 30,660 | -74.6% | -4.0% |
| Men's | 26,982 | 23,983 | 19,645 | 12,245 | 12,731 | 12,094 | 11,490 | 10,916 | 10,479 | -61.2% | -4.0% |
| Men's Work | 9,392 | 9,158 | 8,730 | 7,063 | 8,063 | 8,869 | 8,781 | 8,692 | 8,344 | -11.2% | -4.0% |
| Women's | 13,632 | 9,796 | 7,603 | 5,650 | 5,188 | 4,669 | 4,202 | 3,782 | 3,631 | -73.4% | -4.0% |
| Juveniles' | 2,842 | 1,389 | 778 | 491 | 277 | 222 | 199 | 180 | 173 | -93.9% | -4.0% |
| Athletic | 313 | 310 | 157 | 149 | 119 | 120 | 125 | 130 | 125 | -60.1% | -4.0% |
| Slippers | 32,235 | 31,181 | 27,225 | 22,464 | 3,873 | 1,937 | 968 | 484 | 465 | -98.6% | -4.0% |
| Other | 2,577 | 2,007 | 204 | 167 | 187 | 168 | 151 | 136 | 131 | -94.9% | -4.0% |
| Rubber/Fabric | 31,825 | 20,587 | 16,301 | 15,266 | 11,271 | 10,707 | 10,172 | 9,664 | 9,277 | -70.8% | -4.0% |
| Plastic/Protective | 10,471 | 7,188 | 7,805 | 4,968 | 6,164 | 6,780 | 6,713 | 6,646 | 6,380 | -39.1% | -4.0% |
| Factory Closings | 11 | 3 | 6 | 3 | 6 | 3 | 0 | 1 | 0 | | |

- Note: 2004-2007 U.S. production numbers represent AAFA estimates based on historical trends and anecdotal information.
- Source: 2003 & Previous - Current Industrial Report, U.S. Census Bureau (<http://www.census.gov/cir/www/alpha.html>).

Snapshot of U.S. Footwear Manufacturing



Employment, Hours & Earnings in the U.S. Footwear Manufacturing Industry

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 06-07 |
|-------------------------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| All Employees | 44,800 | 39,600 | 35,100 | 30,700 | 25,600 | 21,900 | 19,800 | 19,000 | 18,200 | 17,400 | 16,200 | -6.9% |
| Production Employees | 38,600 | 33,800 | 29,500 | 26,000 | 21,400 | 18,100 | 16,600 | 15,400 | 14,300 | 13,400 | 13,500 | 0.7% |
| Average Hourly Earnings | \$8.85 | \$9.25 | \$9.43 | \$9.77 | \$10.01 | \$10.25 | \$10.80 | \$11.39 | \$11.50 | \$11.45 | \$12.31 | 7.5% |
| Average Weekly Hours | 37.2 | 36.4 | 36.9 | 38.2 | 37.0 | 37.7 | 38.8 | 37.7 | 37.7 | 37.7 | 40.5 | 7.4% |

Employment and Factory Closing

| | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | % Change 06-07 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|
| Total Employees | 44,800 | 39,600 | 35,100 | 30,700 | 25,600 | 21,900 | 19,800 | 19,400 | 18,200 | 17,400 | 16,200 | -6.9% |
| Net U.S. Factory Openings/Closings | (10) | (7) | (11) | (15) | (11) | (3) | (6) | (3) | 0 | (1) | 0 | N/A |
| Cumulative Openings/ Closings since 1967 | (750) | (757) | (764) | (775) | (790) | (801) | (804) | (810) | (813) | (813) | (813) | N/A |

- Source: Employment, Hours & Earnings, U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>).
- Source: Factory Closings, AAFA Estimate.