

Gun Companies are Making Millions at the Expense of American Lives

In 2020, more than 45,000 Americans died from fatal firearm injuries, the highest reported in two decades. National statistics on the physical and mental injuries caused by gun violence are not collected, but were they included, the number impacted would be far higher. Estimates suggest that gun deaths increased in 2021 and have remained high throughout the current year. And as of late July, more than 25,000 people in the United States have been killed by gun violence in 2022.

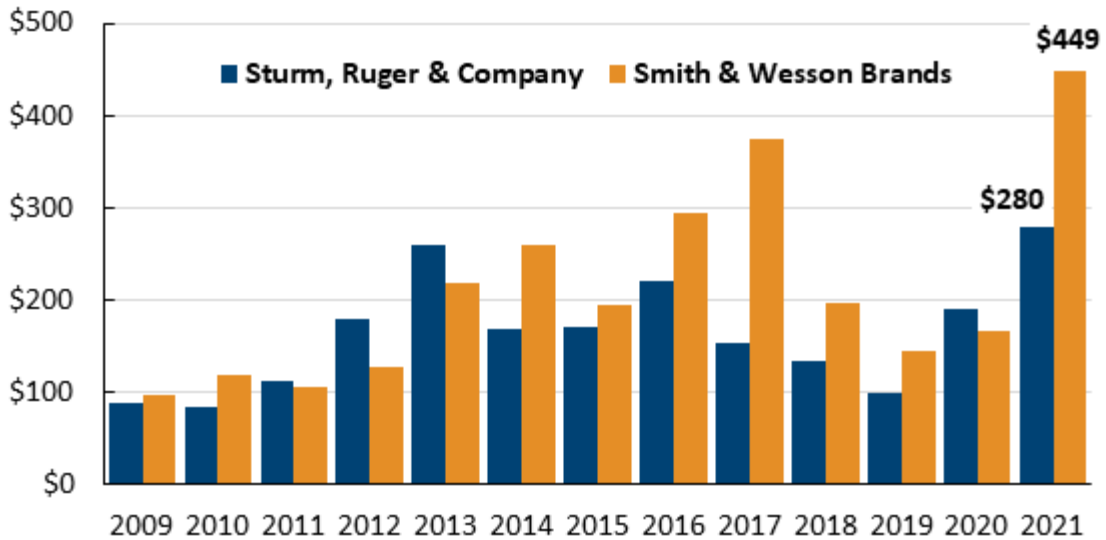
As Americans are facing these tragedies and their impacts, gun companies are reaping the benefits with help from aggressive marketing tactics and gun lobbyists. Over the past two years gun manufacturers made record profits, as gun sales hit record highs. This surge in sales is fed by a cycle of fear encouraged by the gun industry's own marketing, which specifically targets young customers and plays on racial and gender stereotypes. The industry is free to fuel this arms race without facing consequences because the NRA successfully lobbied to get them immunity from the product liability lawsuits that would face any other industry.

Gun companies are earning record profits at the expense of human lives

As gun violence has surged in recent years, gun companies have recorded record profits. From 2009 to 2017, profits increased steadily. While they lagged between 2018 to 2020, gun profits have soared in the last year (see figure below). For example, in 2021, the largest publicly traded gunmaker in the United States, Sturm, Ruger & Company, topped \$280 million in profits and set a new company record. Similarly, profits for Smith & Wesson Brands, the second largest gunmaker, reached nearly \$450 million and reached a new company high. The windfall for gunmakers is occurring at the same time that firearm deaths, gun injuries and mass shootings are increasing.

Gun Company Profits Rose in Past Decade, Spiking in 2021

Gross profits in millions of dollars, 2009 to 2021



Source: Macrotrends

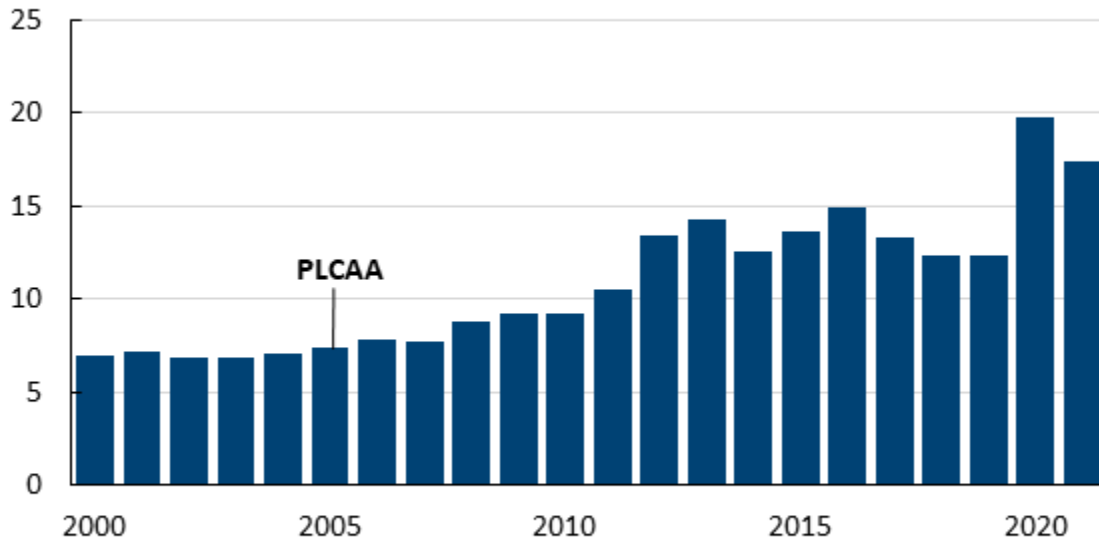


Over the last two years, gun violence has increased and the firearm industry is reaping huge profits

In the last two decades, gun sales have increased, notably spiking in the last two years (see figure below). Prior to the pandemic, gun sales topped out at 16.7 million in 2016. However, in 2020, [gun purchases](#) hit a record high of 22.8 million gun sales, 37% higher than the previous record. In 2021, gun sales hit their second-highest level at 19.9 million guns sold or 19% higher than the pre-pandemic record.

Estimated Gun Purchases Have Increased in Past Two Decades

Millions of handgun and long gun background checks, 2020 to 2021



Source: FBI's National Instant Criminal Background Check System (NICS)
 Notes: FBI's data doesn't correspond perfectly with purchases because not all background checks are associated with individual sales of new guns.



Over the last two years, as gun sales have increased in the United States, there has also been a spike in gun-related deaths and violence (see table below). The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) has documented a [connection](#) between pandemic gun sales and increased violence, as guns sold in 2020 were more likely to wind up at crime scenes within a year than in any previous period.

As Gun Sales Have Risen and Remained High Over The Past Two Years, So Has Gun-Related Violence			
Sales	2019	2020	2021
Gun purchases (in millions)	13.9	22.8	19.9
Gun-Related Violence			
Homicides, unintentional deaths and other types of gun violence	15,492	19,518	20,948
Total number of injuries	30,198	39,533	40,590
Mass shootings	417	610	692

Source: Small Arms Analytics and Gun Violence Archive
 Note: Gun-related violence data was aquired end of July, 2022.

As guns sales have spiked, so, too, did the profits of major gun companies. According to Securities and Exchange Commission (SEC) filings, publicly traded firearm and ammunition company earnings since the beginning of the pandemic have outpaced previous years' earnings by more than [\\$3 billion](#). To put this figure in context, these recent years represent the most profitable ever for several gun companies, while for others they are among the highest in the [last](#)

[decade](#) or so. Smith & Wesson Brands [reported](#) \$1.1 billion in sales in 2021, compared to \$530 million in 2020 and \$481 million in 2019. Sturm, Ruger & Company [reported](#) that it made \$730.7 million in sales in 2021, up from \$558.9 million in 2020 and \$410.5 million in 2019.

[Gunmakers' profits rise after mass shootings](#)

Gun sales rise and gunmakers' profits routinely increase in the aftermath of highly publicized mass shootings. For example, after the Sandy Hook elementary school shooting in 2012 and the San Bernardino terrorist attack in 2015, gun sales jumped by [3 million and 1.6 million](#), respectively. Based on normal buying patterns, these numbers exceeded expectations by more than 1 million sales. In months leading up to these events, the deviations from predicted buying patterns were consistently less than 200,000 extra sales.

Investors also [anticipate spikes](#) in sales after mass shootings, which drives up share prices of gun and ammunition companies. For example, shares of Sturm, Ruger & Company and Smith & Wesson Brands [rose after](#) the massacres at Sandy Hook, San Bernardino, California and Parkland, Florida. And [the day after](#) the recent deadly school shooting in Uvalde, Smith & Wesson Brands and Vista Outdoor (the parent company of Remington Ammunition), saw their stock prices increase by about 7%, while Sturm, Ruger & Company saw a more than 4% increase in stock prices. By comparison, the stock market overall was up just 1%.

[Free from accountability, the gun industry enables lethal gun violence](#)

In the United States, the gun industry is fully shielded from being held accountable for harm resulting from use of their products. This immunity is markedly different from protections afforded nearly all other industries, which can be held accountable for products or practices resulting in harm to consumers. This differential treatment is the result of passage of the [Protection of Lawful Commerce in Arms Act \(PLCAA\)](#). This act, which was passed in 2005, with a strong push from [the NRA and the larger gun lobby](#), gives gun manufacturers and sellers immunity from legal accountability for the harms caused by their products, protecting gun manufacturers and sellers from the civil lawsuits that are used to hold other industries accountable. Protections afforded under PLCAA have created an environment that enables the gun industry to engage in irresponsible sales practices and to neglect product safety improvements with impunity.

PLCAA and the immunity it provides have facilitated the launch of a new and booming market for increasingly lethal weapons. Prior to PLCCA, gun companies focused their marketing efforts almost exclusively on the sale of guns for hunting and recreational shooting purposes. Post-PLCCA, gun manufactures orchestrated a distinct and deliberate [shift](#) in their marketing tactics, emphasizing the advertisement of guns for personal protection, self-defense and concealed carry. This new focus helped reverse previously stable sales and spur a new civilian market for products that had previously been seen as weapons exclusively for war. As a result, after 2005, the firearm industry saw a [steep increase](#) in the supply of large-caliber pistols and rifles, which was driven by growing demand for more lethal weapons, such as assault rifles.

The National Rifle Association claims to represent gun owners, but instead protects the gun industry's profits

Although the NRA has long billed itself as a membership organization rather than an industry group, their financing structure is more like that of industry trade groups. Specifically, membership dues account for only [one-third](#) of the NRA's revenues, while their [remaining revenues](#) are raised largely from gun manufacturers, including through a membership program called "Ring of Freedom" which was created after the passage of PLCAA. This program funnels millions of dollars from [gun manufacturers](#) to the NRA through sponsorships. As PLCAA provided a path to increased profits for gun manufacturers, the NRA benefited financially from these robust sales, creating an incentive for the NRA to maximize gun sales through various methods.

Because the NRA profits from increased gun sales, the organization has a financial interest in increasing the number of gun transactions rather than just the number of gun owners. This unique arrangement has given a small group of gun owners disproportionate influence in the organization, as the vast majority of guns produced are purchased by a small group of buyers. Although 41% of American adults [report](#) that they or someone in their households own a gun, half of the privately owned guns in America belong to just [3% of the adult population](#), giving this small group an outsized role in setting gun policy for the entire country.

Gun companies are locked in a dangerous "race to the bottom" in products and practices, creating a cycle of violence

Since receiving immunity from civil litigation in the mid-2000s, the firearms industry has broken previous taboos on marketing tactical products to civilians in an effort to boost sales. Notably, firearms advertising increasingly exploits fear and racial and gender stereotypes, as well as targeting younger and younger audiences. These practices have become more extreme, as the industry engages in an increasing downward spiral of salacious marketing tactics. In a 2012 Maxim ad, Bushmaster declared, "Consider your man card reissued", when buying an assault rifle. Daniel Defense, the company that sold the rifle to the Uvalde assailant, posted a picture on May 16, 2022 of a child holding a rifle on twitter with the caption, "Train up a child in the way he should go, and when he is old, he will not depart from it".

Gun Companies are Making Millions at the Expense of American Lives



Daniel Defense
@DanielDefense

Train up a child in the way he should go, and when he is old, he will not depart from it. 🙏



12:26 PM · May 16, 2022 · Twitter for iPhone

At the same time the gun industry has engaged in increasingly aggressive campaigns, it has continued to reject safety-enhancing innovations, such as personalized “smart guns” and [childproof standards](#). Instead, the industry has shifted production and marketing over time to emphasize the deadliest weapons, such as AR-15s and military-style pistols. Responsible

Gun Companies are Making Millions at the Expense of American Lives

manufacturers, marketers and gun owners have increasingly been unable to rein in these practices.

With these marketing techniques gun companies are instigating fear and normalizing gun violence. As sales are increasing, so are the number of American lives being taken from these lethal weapons.