

# Manufacturing's Future Workforce

## Attracting new skills and talent

While economists closely follow the national unemployment statistics reported monthly by the U.S. Department of Labor, this does not always accurately reflect the challenges faced by manufacturing companies looking for skilled talent in today's workforce. There are a combination of factors at play, including the need for newer skills created by the digitized manufacturing landscape as well as the shift from a baby boomer economy to younger generations. In their [third manufacturing skills gap report](#), Deloitte and The Manufacturing Institute<sup>1</sup> estimated 2.7 million baby boomers will retire by 2025, which will cause an enormous labor shortage to fill.

Although the younger generation would typically step into those roles, the manufacturing industry is facing an identity crisis. Younger workers associate manufacturing jobs with pollution, and with repetitive and potentially dangerous work, even though new technologies have significantly improved manufacturing processes. As a result, the manufacturing sector needs a modernized management strategy that articulates a new vision for the industry. It will also require investing in the resources and job training that will enable a young workforce to see a lasting and successful career in manufacturing.

## In-house resources

For the leaders facing mounting pressures to keep up with the consequences of the widening skills and labor gap, the most effective strategy is to begin internally, with development of robust in-house training and recruitment programs.

In research conducted with support from Bank of America Merrill Lynch, the Urban Manufacturing Alliance surveyed and interviewed hundreds of manufacturers across six cities for the State of Urban Manufacturing (SUM) study. In that research, larger manufacturing firms said they mostly hire people referred by current employees and through services like online job boards.

**But the fact that these manufacturers also reported a struggle to find qualified employees suggests that traditional hiring practices could use an overhaul.**

According to another recent [study](#)<sup>2</sup> conducted by The Manufacturing Institute and Deloitte, **Americans strongly believe that targeted programs would be a valuable resource for driving new growth opportunities**, with 67% citing internships and apprenticeship programs,

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## Key takeaways

- Retiring baby boomers will create a significant manufacturing labor shortage
- Manufacturers need a plan to attract younger workers who may view the industry negatively
- Partnering with schools, investing in education and training, and targeting non-traditional work pools are ways to create a next-gen workforce

and 62% of those surveyed identifying certification or degree programs as potentially effective. Many of these in-house programs can tap the in-depth expertise of senior employees before they transition into retirement.

Equipping all current and future employees with these resources is not only critical for addressing the talent shortage in the short term, but it's also a clear demonstration of a company's investment in its employees, which helps attract and retain talent for long-term growth.

### Bye-bye boomers

2.7 million baby boomers will retire by 2025, causing an enormous labor shortage<sup>1</sup>



## Influencing the educational system

To help ensure a skilled workforce of the future, organizations can partner with local high schools and colleges to redefine the perception of the industry and introduce students to the required technical skills before they enter the workforce.

While many organizations are already taking the steps to familiarize students with the sector, there is still work to be done. In 2017, only 24% of Americans<sup>2</sup> felt their local school system provided students with information about a career in manufacturing. Companies may benefit from presentations at job fairs or from internship and apprenticeship opportunities to help dispel myths about the manufacturing industry. These programs offer hands-on experience without the full commitment of employment. Students get a better idea of what the job entails, while employers can identify strong job candidates.

Investing time and resources into educating students is important now, as individuals in the post-millennial generation (born from 1997 and on) are approaching the ages of 16 to 20 and are beginning to make career decisions.<sup>3</sup>

## Reaching untapped populations

As organizations rebuild their workplace cultures around professional development and training initiatives, manufacturing leaders can also address the current skills gap by turning to untapped populations such as refugees, immigrants or other non-traditional work pools. For example, [Nehemiah Manufacturers](#) creates new opportunities for individuals from disadvantaged communities by providing hands-on training in technical manufacturing and leadership skills, leading them to build sustainable careers while supporting job fulfillment.

Other innovative recruitment initiatives include: Baltimore's [Second Chance](#) which trains individuals with criminal records and helps connect them with manufacturing jobs that work with deconstructed building materials; [Detroit Kitchen Connect](#) helps food manufacturers from refugee and immigrant communities get their products to market; the [Jane Addams Resource Center](#) in Chicago provides CNC, welding and press brake training to low-income adults looking for employment; and [Seattle Sewn](#) provides training and job placement services for the apparel manufacturing sector.

**The future success of manufacturing depends on a renewed commitment to the workforce.** Whether it's leveraging current employees and soon-to-be retirees, familiarizing students in the classroom with manufacturing industry opportunities or tapping into a non-traditional workforce, keeping up with the momentum of today's industry begins with empowering and enabling all levels of the workforce.

<sup>1</sup> *The Skills Gap in U.S. Manufacturing: 2015 and Beyond*, 2015.

<sup>2</sup> *U.S. Perception of the Manufacturing Industry Study*, 2017.

<sup>3</sup> Pew Research Center, 2018.

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