



# MANUFACTURING Institute

Education Reform  
& Workforce  
Development

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Research

EMILY DEROCCO  
PRESIDENT

May 10, 2011

House Manufacturing Caucus Workforce Development Briefing

# Immediate Need for Talent

## THE WALL STREET JOURNAL.

DOW JONES  
A NEWS CORPORATION COMPANY

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FRIDAY, MAY 6, 2011 - VOL. CCLVII NO. 105

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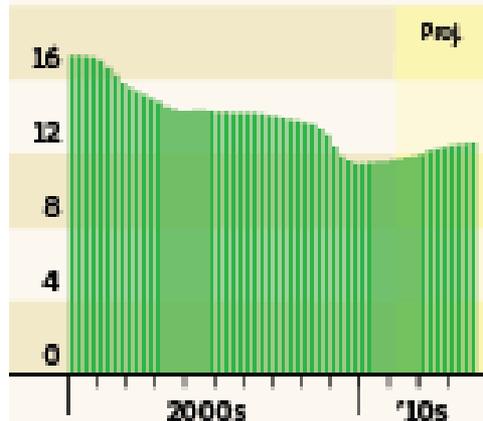
# Help Wanted on Factory Floor

BY JAMES R. HAGERTY

## Now Hiring

U.S. manufacturing employment is growing after years of declines

Millions of jobs



Sources: Labor Dept.; IHS Global Insight

U.S. manufacturing companies, long known for layoffs and shipping jobs overseas, now find themselves in a very different position: scrambling for scarce talent at home.

Large and small manufacturers of everything from machine tools to chemicals are scouring for potential hires in high schools, community colleges and the military. They are poaching from one another, retraining people who used to have white-collar jobs, and in some cases even hiring former prisoners who learned machinist skills behind bars.

Even with unemployment near 9%, manufacturers are struggling to find enough skilled workers because of a confluence of three trends.

First, after falling for more than a decade, the number of U.S. manufacturing jobs is growing modestly, with manufacturers adding 25,000 workers in April, the seventh straight month of gains, according to payroll firm Automatic Data Processing Inc. and consultancy Macroeconomic Advisers. The Labor Department's jobs report on Friday is

*Please return to page A12*

■ Jobless claims surge..... A2

# Long-Term Demand for Talent

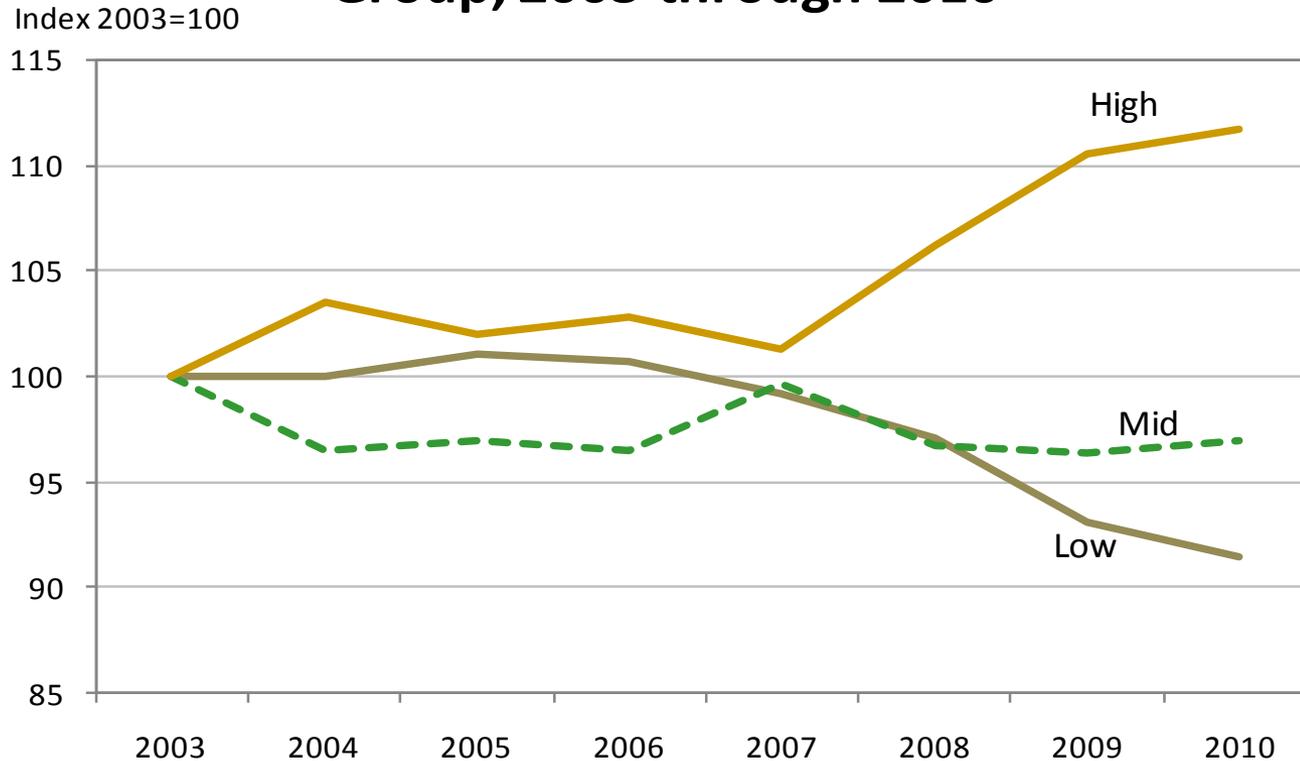
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- Over 2 million jobs will need to be filled in manufacturing by 2018.
- Firms need nearly 200,000 qualified candidates annually to fill available engineering and production occupations

# Manufacturing Jobs Require Higher Skills

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## Manufacturing Employment by Skill Group, 2003 through 2010



Sources: Chmura Economics & Analytics and Current Population Survey.

5/10/2011

# The Challenges

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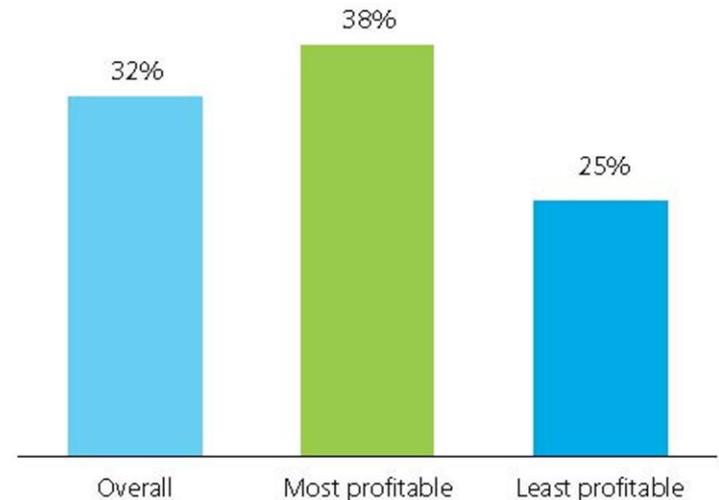
- Even at the height of the global recession, **32% of surveyed companies reported moderate to serious skills shortages in the hiring pool.**

- Contributing to our workforce challenges are:

- Demographics: We face a graying workforce coupled with a shrinking pipeline.
- Technological advances in modern manufacturing require more advanced skill sets.
- Major deficits in our education system hamper U.S. competitiveness on the world stage: our global competitors continue to surpass our educational system in producing a high-volume, high-quality technical workforce.

Moderate to serious shortages across all skills

Most profitable and least profitable companies



Source: [People and Profitability—A Time for Change](#)

5/10/2011

# Key Targets

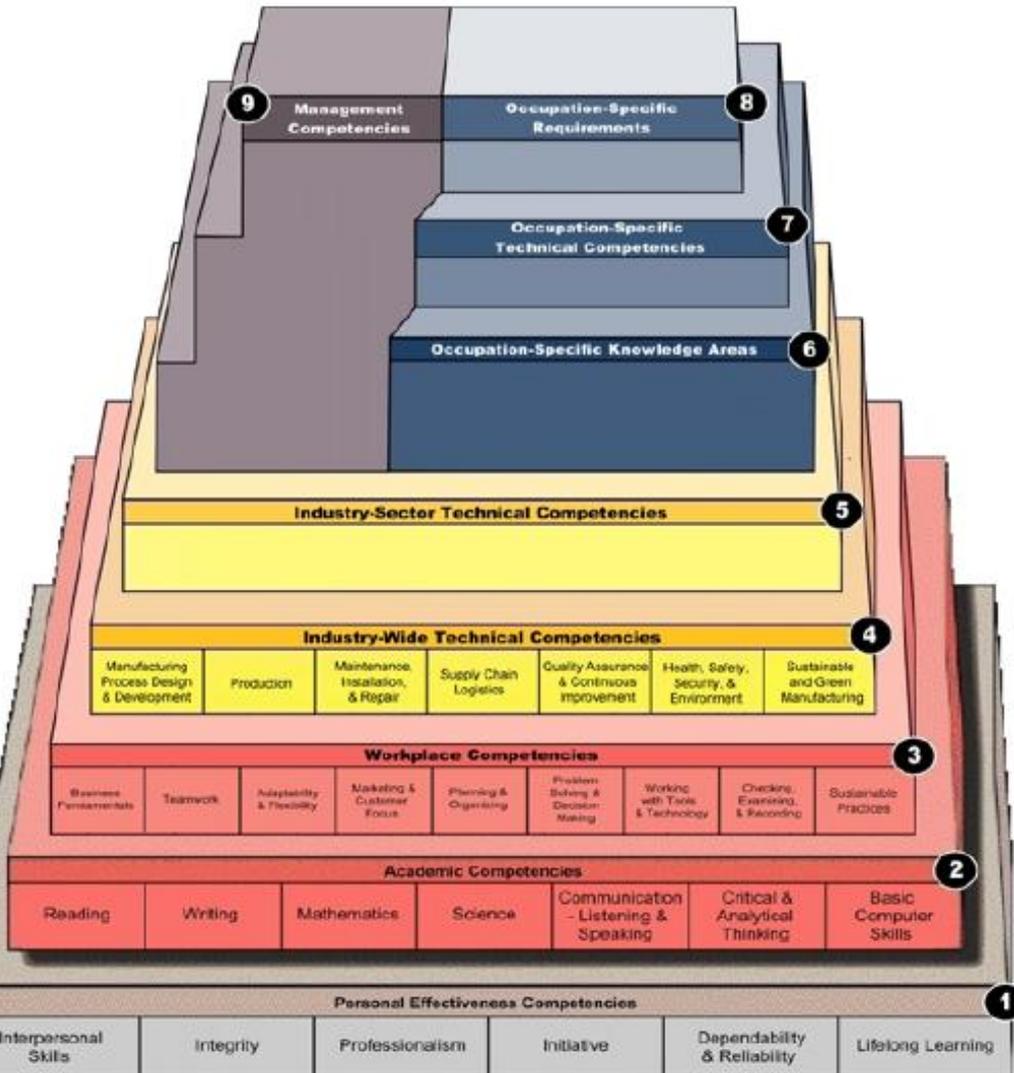
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- Improve our dismal high school completion rates;
- Close the widening “middle-skills” gap;
- Prepare workers for jobs requiring postsecondary education;
- Upgrade the skills of millions of current and transitioning workers;
- Equip companies to defeat foreign competition.



***Providing competency-based, customized education and training for the manufacturing workforce...today and tomorrow***

# Advanced Manufacturing Competency Model



Career Paths – Life Long Learning

*High Quality Middle Class Jobs*

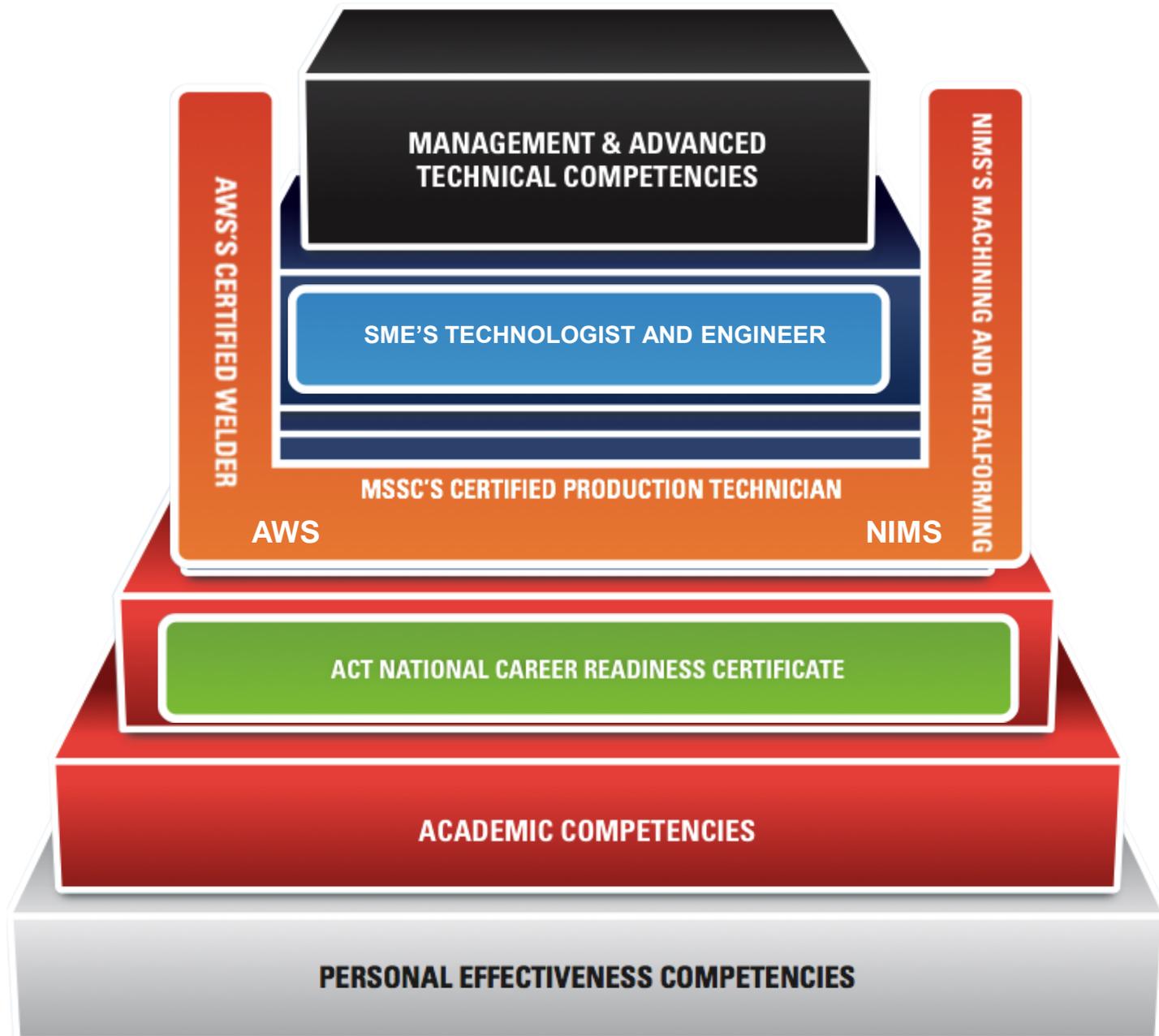
Occupation-Specific  
Certifications

Entry Level Industry  
Certifications

Ready for Work, Ready for College

5/10/2011







Education Path

Certification Path

Career Path



# Championing National Legislation

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## America Works

112TH CONGRESS  
1ST SESSION **H. R. 1325**

To require that certain Federal job training and career education programs give a priority to programs that provide an industry recognized and nationally portable credential.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 2011

Mr. DONNELLY of Indiana (for himself, Mr. PLATTS, and Mr. BOREN) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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### A BILL

To require that certain Federal job training and career education programs give a priority to programs that provide an industry recognized and nationally portable credential.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Manufac-  
5 turing Efficiency and Retraining Investment Collaboration  
6 Achievement Works Act” or the “AMERICA Works Act”.

5/10/2011

# A “Win-Win” Scenario

