

# The Skills Gap in U.S. Manufacturing 2015 and Beyond

## Overwhelming Support: U.S. public opinions on the manufacturing industry

### *Report highlights*



# Report information

## Citations

### **Public perception of manufacturing**

Deloitte Development LLC and The Manufacturing Institute. Overwhelming Support: U.S. public opinion on the manufacturing Industry. 2015.

<http://www.themanufacturinginstitute.org/Research/Public-Perception-of-Manufacturing/Public-Perception-of-Manufacturing.aspx>

### **Skills gap in U.S. manufacturing**

Deloitte Development LLC and The Manufacturing Institute. The skills gap in U.S. manufacturing: 2015 and beyond. <http://www.themanufacturinginstitute.org/Research/Skills-Gap-in-Manufacturing/Skills-Gap-in-Manufacturing.aspx>

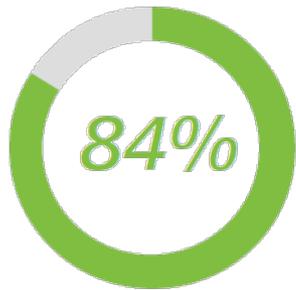
## Short URLs for Twitter

Public perception: [bit.ly/1pz5iz0](http://bit.ly/1pz5iz0)

Skills gap: [bit.ly/1DUe6c6](http://bit.ly/1DUe6c6)

# Filling jobs is no easy task

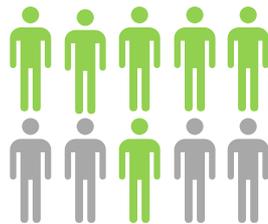
The 2015 Manufacturing Institute and Deloitte Skills Gap study confirmed there is still a significant shortage of talent in U.S. Manufacturing and is only projected to grow over the next decade.



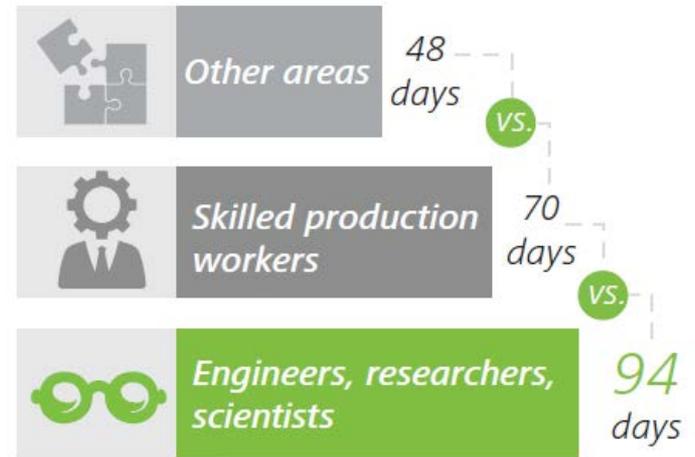
of executives agree **there is a talent shortage in U.S. manufacturing** and...

*SIX out of TEN*

**open skilled production positions** are unfilled due to talent shortage



It takes **90+ days** to recruit highly skilled workers



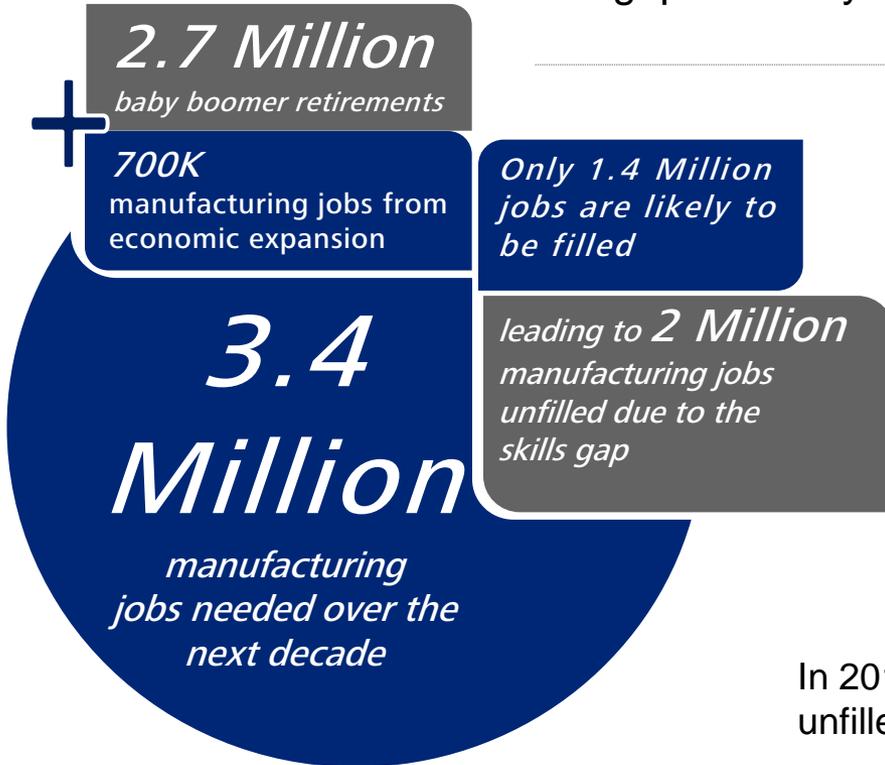
even when **80%** of manufacturing companies are **willing to pay more than the market rates** in workforce areas reeling under talent crisis



# The skills gap is widening

Over the next decade nearly **3 ½ Million** manufacturing jobs need to be filled

The skills gap will likely result in **2 Million** of those jobs going unfilled



*The implications are significant*

**Every job** in manufacturing **creates another 2.5 new jobs** in local goods and services<sup>1</sup>

**For every \$1 invested** in manufacturing, **another \$1.37 in additional value is created** in other sectors<sup>2</sup>



By 2025 the skills gap will grow to **2 million**

In 2011, **600K** jobs were unfilled due to the skills gap

The **retirement** of baby boomers, strength of the **economy** and *attractiveness of the industry* are ranked among leading factors impacting the talent shortage.

Sources include: Bureau of Labor Statistics (BLS) and Deloitte analysis  
 1 Milken Institute and Economic Planning Institute.  
 2 The U.S. Department of Commerce, Bureau of Economic Analysis.

# Talent shortage significantly impacts manufacturers

The Skill gap negatively influences operations, company growth and the bottom line in a variety of ways.

**82%** of executives believe the skills gap will impact their ability to meet customer demand

*Executives also agree it will impact their ability to:*



78% implement new technologies and increase productivity



69% provide effective customer service



62% innovate and develop new products



48% expand internationally

## *The implications are significant*

Between 2004 and 2012, **U.S. manufacturing industry lost \$9 billion to \$25 billion per year** of output because of open positions that went unfilled.<sup>1</sup>

# Closing the gap: attracting and developing talent is essential

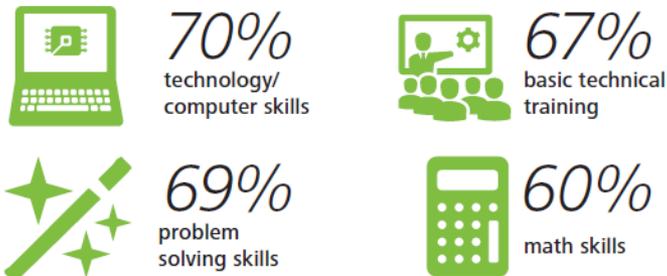
Adding to the complexity is finding workers with the skills required to meet today's advanced manufacturing requirements. A holistic approach is needed in order close the gap and remain competitive.

## Start by developing and retaining current workforce:

The most effective skilled production workforce development strategies cited by executives



Percentage of executives that indicate current employees are **not sufficient** in key skills



## Then employ methods to attract and develop the right people:

**Find:** Employ advanced analytics to enhance candidate screening practices

**Develop:** Invest in internal training programs and external partnerships that build critical skills

- Dream It. Do It.™ | Skills Certification System | STEP

**Target:** Develop integrated recruiting and communications approach with the target in mind

**Grow:** Change the public's perception in order to grow the overall pool of interest

- Manufacturing Day | Manufacturing Institute and Deloitte Public Perception Study

# Americans value a strong manufacturing sector

The 5th Manufacturing Institute and Deloitte Public Perception study confirms Americans remain steadfast in their support of manufacturing and also uncovers opportunities to strengthen interest, support, and engagement in the U.S. manufacturing industry.

**90%** of Americans believe manufacturing is **very important to economic prosperity**

Manufacturing is ranked **among the most important domestic industries** for helping maintain a strong national economy

Americans believe the industry can **compete globally**



Competitive advantages identified by respondents

Americans **support manufacturing job creation**

**If given an opportunity to create 1,000 new jobs in their community, manufacturing tops the list**

- # 1 Manufacturing Facility**
2. Technology development center
  3. Energy production facility
  4. Healthcare facility
  5. Retail center
  6. Communications hub
  7. Financial institution

## *Yet Americans are reluctant to choose careers in manufacturing*

While more than half of respondents believe manufacturing jobs are interesting and rewarding, negative perceptions toward manufacturing still exist and need to be addressed.

**Only 1 out of 3**

Parents would encourage their children to pursue a career in manufacturing

### **WHY?**

66% worried about job security and stability

53% worried about unfavorable perception of the industry

*Reasons for not encouraging child or younger generation*

Only...  
**1/2** Of Americans believe manufacturing jobs to be **interesting and rewarding**

Only...  
**1/3** Agree that manufacturing jobs are increasingly **available and accessible**

53% believe school systems provide exposure to manufacturing skills



30% believe school systems encourage students to pursue manufacturing careers



**THREE out of FOUR**

Believe manufacturing jobs are the first to be moved to other countries

## Americans have strong views on what needs to change

Americans agree action and investment is necessary to **drive manufacturing competitiveness** and when the *industry engages, perceptions change*.

 **82%** agree U.S. **healthcare costs** need to **decrease**

 **80%** agree U.S. needs a **comprehensive energy policy**

 **78%** agree **U.S. education** system needs **reform**

**82%**

**of Americans believe the U.S. should further invest in the manufacturing industry**

*Americans indicate **targeted programs would increase interest in manufacturing careers***

**72%** Internships, work study or apprenticeship

**68%** Certification or degree programs for manufacturing skills training

**61%** On campus recruiting by manufacturing firms

**52%** Tours of advanced manufacturing facilities for students

### *Industry familiarity **increases positive perception***

- Those familiar with manufacturing are **2X as likely** to **encourage a child to pursue manufacturing**
- **Ranked manufacturing 3<sup>rd</sup> as career choice** out of 7 key industries versus 5th overall