Manufacturing Workforce Outlook

Addressing the Growing Needs

Presented to the Northeast Indiana Lean Network Advisory Committee

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Northeast Indiana employers are facing significant worker and skill shortages now – and the challenge will only grow:

- Projected need for new workers due to job growth in the next decade in 11 northeast Indiana counties: 29,337 workers
- Projected need for replacement workers due to retirements in the next decade in the 11 counties: 89,031 workers
- Total additional workers needed: **118,368**
- Some key occupations have double-digit projected growth and retirement rates
Manufacturing is the largest industry employer in northeast Indiana, with 82,800 employees. Like the rest of the region’s industries, manufacturers are also facing significant worker and skill shortages:

- Projected need for new workers due to job growth in the next decade in manufacturing: 5,999 workers

- Projected need for replacement workers due to retirements in the next decade in manufacturing: 19,111 workers

- Total additional workers needed: **25,110**

- Some key occupations have double-digit projected growth and retirement rates
Projected Manufacturing Jobs Needs

Occupations with the most projected jobs increases in the next 10 years:

- Machinists (includes CNC), 957
- Team Assemblers, 906
- Industrial Maintenance Technicians, 320
- Welders, Cutters, Solderers, 297
- First-Line Supervisors, 285
In a survey of 46 northeast Indiana manufacturing employers, these were listed as the top jobs needs:

- Production Workers/Team Assemblers
- Maintenance Technicians
- Machinists (including CNC)
- First-Line Supervisors
- Machine Tool Cutting Setters or Operators
In a survey of 46 northeast Indiana manufacturing employers, these were listed as the top employability (or soft) skills needs:

- Self-Motivated
- Problem-Solving
- Teamwork
- Detail-Oriented
- Oral and Written Communication
Current Occupational Skills Needs

In a survey of 46 northeast Indiana manufacturing employers, these were listed as the top occupational skills needs:

- Lean Manufacturing
- Maintenance/Repair
- Quality Assurance
- Machining
- Electrical
Manufacturing Earnings Comparisons

- Earnings for northeast Indiana workers since 2007 have increased only modestly (16.5 percent, or 1.5 percent below the inflation rate).

- In the last 10 years, manufacturing, the largest industry employer, has seen average annual earnings rise 15.2 percent to $65,721.

- Health care, the second largest employer, has seen average annual earnings rise 26 percent to $53,671.

- Nationally, manufacturing earnings have risen 22 percent in the last 10 years and are on average $15,527 higher than the region’s.
The Workforce Challenges

- The low unemployment rate, the dearth of workers, the projected worker needs and sluggish earnings growth.

- Almost one in four workers (23%) will be retirement eligible in the next decade.

- Young workers are not entering key sectors at rates needed to meet projected needs for workers.

- Some talent development networks are still not fully aligned with the needs of the labor market.

- Jobs are evolving and require higher levels of multi-disciplinary technical proficiency (e.g. robotic welders).
Leaving Silos Behind

Ten Years Ago:

- Little integration and collaboration between all of the essential parties, including workforce development, economic development, Career & Technical Education (CTE), adult education, High School Equivalency (HSE), higher education, and industries.

- Few common objectives.

Today:

- All parties, for the most part, work together to develop strategies and initiatives that help people enter career pathways, land employment, and enhance skills.
Leaving Silos Behind

Today:

- Common objectives, including support for the regional “Big Goal” to increase the percentage of residents with high-quality degrees and credentials to 60%, and sharing commitment to the mantra: talent development, attraction and retention.

- Collaborative initiatives, including sector partnerships, incumbent worker training (Skill-Link) and awareness campaigns like MADEBYME.

- Strong collaboration involving funding sources, including WIOA, OCRA grants, Skill UP Indiana grants and CEDIT.
Ten Years Ago:

- Workforce development focused on helping hard-to-serve people acquire degrees or jobs.

Today:

- Focus is on a wide spectrum of people and on career development and career pathways.
- Focus is on a palette of options, including industry-recognized short-term credentials, pre-apprenticeships/apprenticeships and internships.
- Workforce development is driven not by people’s needs but by industry demand.
Shifting Focuses

Sector Partnerships

- Work with K-12 systems to engage with students and promote career pathways and opportunities.

- Work with K-12 systems to create teacher/counselor externships.

- Support work-based learning programs for students.

- Work with postsecondary institutions to inform curricula specific to critical career pathways.

- Begin to expand those at the table to include wrap-around services, such as social services institutions.
Ten Years Ago:

- Labor market data was less robust and was not used liberally to drive programs and initiatives.

Today:

- Increased use of labor market information to establish workforce needs and anticipate trends.
- New sources, such as Help Wanted Online and Burning Glass.
- More integrated, timely data provided by EMSI.
- More coordinated utilization of CRI and DWD analysts.
Meeting the Workforce Challenge

- Regional commitment to collaboration, shared strategies and systemic change in developing talent.

- Commitment to an employer-driven workforce system.

- State and federal funding to support initiatives, including the governor’s new Next Level Jobs initiative (nextleveljobs.org)

- Fully developed youth development programs such as Jobs for America’s Graduates (JAG), Be Someone Now and Junior Achievement.

- Growing talent attraction efforts.

- Some improvement in wages.
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