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Manufacturing: The Misunderstood Industry

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According to a 2009 national survey, Americans believe that manufacturing is the most important industry for a strong national economy. Yet only 17 percent said their schools encourage manufacturing careers, and only 13 percent said their own parents encouraged them to pursue a career in manufacturing.¹

The disconnect between these two views—that manufacturing is critically important, but not as a career—has dire implications for the U.S. since now, more than ever, competitive manufacturing rests on employee quality.

The disconnects don't stop there. For example, only a third of respondents believe manufacturing jobs are higher-paying than other industries when, in reality, manufacturing compensation is 22 percent higher than non-manufacturing.²

A career in manufacturing certainly has challenges—as any career does. Southerners have watched manufacturing employment in apparel and textiles decline for decades. Although few industries have escaped the recent economic downturn, manufacturing usually falls faster than other sectors during recessions (it grows faster in expansions).³ Furthermore, reducing employment, therefore increasing plant productivity, is a goal of every plant manager.

Despite these issues, the U.S. has maintained its manufacturing base. The U.S. is still the world's largest manufacturer, with a steady global share of 22 percent for the last 30 years.⁴ In contrast, Germany has seen its share drop from about 11 percent to about six and a half percent over the same period.

For our present and future economic well being, the U.S. needs to maintain and expand its strong manufacturing base. The country needs to expand exports, increase domestic and foreign investment in R&D, and increase “talent-driven

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innovation”—the number one driver of global manufacturing competitiveness.⁵ Of course, accomplishing these is easier said than done.

A couple of national programs offer some solutions. Dream It. Do It.—a program of the National Association of Manufacturers—consists of an awareness campaign and career pathway/certification program that has been launched in 17 locations nationwide, including Kansas City, Upstate South Carolina, the Tennessee Valley, and the states of Mississippi and Virginia. The Education Foundation of the Society of Manufacturing Engineers has many programs and scholarships for students to promote science, technology, engineering, and math. On the state level, many community college systems have been leaders in worker training and retraining in the manufacturing industry.

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The time to act is now. Ninety percent of manufacturers report having difficulty finding skilled production workers. This is coupled with the fact that the industry is facing the retirement of a large segment of its current workforce: the average age of the U.S. manufacturing worker is 50 years old.

What can you do? Manufacturers need to participate in educational organizations within their communities: school boards, parent organizations, advisory councils. Economic developers and public officials should use the tools provided by previously mentioned groups. We all need to innovate. For example, the Industrial Extension Service at North Carolina State University is conducting a statewide bus tour to recognize manufacturers, their products, and employees, ending at the state capitol. And, in Tupelo, Mississippi, Itawamba Community College is among 16 community colleges offering an advanced manufacturing camp this summer aimed at high school students. If more elected officials and parents visited modern high-tech factories, they would realize this is not their grandfather’s textile mill.

Failure to get more students into manufacturing now will further hamper manufacturers in an increasingly competitive global marketplace, and thus jeopardize our economic future.

Southern Growth Policies Board is a non-partisan public policy think tank based in Research Triangle Park, N.C. dedicated to strengthening the South’s economy and creating the highest possible quality of life. Formed by the region’s governors in 1971, Southern Growth conducts research and provides a forum for policy deliberation and collaboration among elected officials, citizens and leaders from business, academia, and economic and community development. Southern Growth works in the areas of technology and innovation, globalization, workforce development, community development, civic engagement and leadership.

¹ *Public View on Manufacturing, 2009 Annual Index, Deloitte and The Manufacturing Institute, p. 5.*
SGPB calculations based on data from The Facts About Modern Manufacturing, The Manufacturing Institute, 2009, p. 11.

² *The Facts About Modern Manufacturing, p. 3.*

³ *Ibid., p. 14.*

⁴ *2010 Global Manufacturing Competitiveness Index, Deloitte, Council on Competitiveness, p. 6.*

⁵ *Average Age of Manufacturing Workers: 50 Years Old, AllBusiness Online, <http://www.allbusiness.com/human-resources/workforce-management/4062454-1.html>.*