



Study: As manufacturing changes, California loses jobs but keeps prowess

Purchasing Managers Index for the area is in growth mode, and there are anecdotal and statistical suggestions factories may be hiring.

Brian Watt | July 15

Despite losing thousands of manufacturing jobs over more than two decades, California remains a top manufacturing center in the U.S, according to a report published Tuesday by the [Los Angeles County Economic Development Corporation](#).

The report is entitled "California's Manufacturing Industries: Employment and Competitiveness in the 21st Century." Between 1990 and 2012, it says, California lost 842,180 – or about 40 percent – of its manufacturing jobs. But it still contributes more to the country's manufacturing output than any other state. With 11.4 percent of the U.S.' manufacturing GDP, California beats Texas with 10 percent.

"Manufacturing continues to become more technologically advanced and more lean," says economist Christine Cooper, who co-authored the study. "It means that productivity is soaring, but employment is not, so we continue to lose employment in manufacturing jobs while our output and the value of our output keeps increasing."

While many manual jobs have gone off shore, technology gets the blame and the credit for constantly changing manufacturing.

"As we see higher technology being used in manufacturing, we do need to have targeted curriculum and training programs for the people that are gonna be operating these types of manufacturing processes going forward," Cooper told KPCC.

Cooper adds that California still maintains a lot of advantages in several individual manufacturing industries, including aerospace, apparel, food processing and furniture.

Jim Watson, President and CEO of [California Manufacturing Technology Consulting](#), agrees that the manual jobs in manufacturing have gone overseas and aren't coming back. The new manufacturing jobs in California and throughout the U.S. require backgrounds in engineering and math skills and the ability to work with computerized equipment.

But while California's workforce needs the training to catch up, Watson says the leaders of manufacturing companies must get smarter and more aggressive about cultivating new markets for their goods.

"The future of a lot of manufacturing in Southern California is not in California. It's in this global economy that's beginning to impact everybody," Watson told KPCC.

Watson says his nonprofit recently helped a manufacturer of security and audio equipment grow its business by selling its products in Mexico.

"It took a lot of work on their part," Watson said. "They needed to understand the complexities of the market, how to sell to it, but it all paid off for them."

The report points out that though California is important to the nationwide manufacturing economy, the Golden State's own economy is more diversified, so it depends less on manufacturing than other states.

Manufacturing only makes up 10.7 percent of the state's economic output, while the percentage is much higher in states like Oregon (32 percent) and Indiana (29 percent).