



Drew Greenblatt | Inc.com contributor
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Manufacturing Can Help Save the Economy, If We Fix These 6 Gaps

Yes, manufacturing can be an engine of growth again. But it will only happen if we address these critical issues.



Courtesy of TruckPR

It seems hard to believe with people still struggling to find work, but there are 600,000 jobs in U.S. manufacturing that aren't being filled because employers say they can't find applicants with adequate skills, according to a recent survey.

At a recent event at the Aspen Institute in Washington, Deloitte's Craig Giffi attributed that disconnect to several gaps in manufacturing. People in business, academia and all the way to the Oval Office believe that advanced manufacturing is poised to deliver substantial job growth if we can bridge some of these gaps:

The education gap. In a 2009 study of high school graduates around the world, the U.S. ranked 31 in math, 23 in science and 17 in reading. China, by the way, ranked first in all three. The modern factory, even a small or mid-sized one like mine, increasingly relies on sophisticated technology. We desperately need our schools to generate graduates who know how to read a blueprint, who can calculate tangents, diameters and radii so they can confirm the quality of the steel wire baskets we produce.

The gender gap. Women represent nearly half of the U.S. labor force, but only one-quarter of the durable goods manufacturing workforce. The Manufacturing Institute joined with Deloitte, the University of Phoenix, and the Society of Manufacturing Engineers on an initiative called STEP Ahead (that's science, technology, engineering and production) to better promote opportunities for women in manufacturing.

The policy gap. Many people say that President Obama has shined a spotlight on manufacturing more than any president in recent memory, including highlighting it in his State of the Union addresses. But important and vexing issues like tax and regulatory reform that could propel the sector remain mired in the halls of Washington.

The training gap. We dedicate five percent of our annual salary budget on training so that our employees are coming up with the freshest ideas they can. We are going to leverage more out of a six-figure investment in a piece of high-end equipment if we have six knowledgeable people devising the best ways to employ it rather than one person. A manufacturer that can only offer what everyone else offers is not sustainable.

The perception gap. Many people, unfortunately, associate manufacturing jobs with the four D's: dirty, dangerous, dumb and disappearing. In recent surveys, 18-to-24 year-olds ranked manufacturing last among where they would choose to start a career. It's an outdated view, darkened by the downsizings and outsourcing of the past two decades. Driven by trends like lean manufacturing and automation, these jobs are much safer, cleaner and more creative than their reputation. We're proud, for example, that we've gone more than 1,610 days straight without a safety incident.

The growth gap. Manufacturing has added 500,000 jobs since the end of 2009, but more than two million manufacturing jobs were lost in the last recession and output remains well below the 2007 peak, indicating how serious the recent manufacturing recession really was. To compete on a global stage, U.S. manufacturing needs policies that enable companies to thrive and create jobs.

People talk about a seventh gap, but it's a myth: **the wage gap**. In 2011, the average U.S. manufacturing worker earned \$77,060 annually, including pay and benefits. That's 22 percent more than the rest of the workforce. And if the factory is an exporter, the average wage zooms to \$95,000, double what the average American earns.

 $\underline{\text{http://www.inc.com/drew-greenblatt/manufacturing-can-save-the-economy-six-gaps.html}}$



<u>Drew Greenblatt</u> is the president of <u>Marlin Steel</u>, a U.S.-based builder of steel wire baskets and sheet metal material handling containers. Marlin has grown for seven consecutive years, has gone more than 1,600 straight days without a safety accident, and believes passionately in the American manufacturing renaissance.http://www.inc.com/drew-greenblatt/true-cost-of-bureaucracy.html

Marlin Steel 2640 Merchant Drive, Baltimore, MD, USA 21230-3307

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