



2014 IW Salary Survey: Manufacturing Pay Gets a Boost

Let's cut right to the chase. For most manufacturing management, the news is good on the pay front, according to the 2014 Industry Week Salary Survey. Salaries for U.S. manufacturing management are up over the previous year, and, more often than not, pay raises are part of compensation packages.

In short, the upward trajectory of salaries demonstrated in the 2013 IW Salary Survey continues in the current inquiry.

The pay increases are riding what has been good economic news for many. The manufacturing industry as a whole grew in 11 of the 12 months of 2013 and expanded again in January 2014, according to the Institute for Supply Management. Moreover, the overall economy grew for the 56th consecutive month, the ISM said.

Even more, the profile of U.S. manufacturing has been raised by the buzz of reshoring and such news as the recent announcement by President Obama about the creation of two Midwestern manufacturing hubs. The positive news, however, is tempered by exactly the opposite. Sharp Manufacturing, for example, confirmed to the Knoxville News Sentinel in late January that it would lay off more than 300 workers as it ends solar panel production in Memphis. One salary survey respondent, a plant/facilities manager in the plastics and rubber industry, shared this: "Our facility is currently slated to close at the end of 2014. We were bought by an equity group that decided we had too much capacity within the corporation."

And as for reshoring, "I haven't seen much of it," writes a manufacturing/production manager in the paper/printing/publishing industry and living in the Middle Atlantic region.

The Tale of the Data

U.S. manufacturing managers earned an average salary of \$111,480, according to the 2014 IW Salary Survey. That's up from \$103,613 in the previous year's survey and the second consecutive year in which the average has breached the \$100,000 level.

Many managers received raises. Fully 71% of respondents reported a boost in their base salary compared with the previous year, while less than 3% said their salary has declined. Among the latter group is an R&D/product development manager in the transportation equipment and vehicles industry who reports, "I never got back salary reductions from five years ago."

Some **62% of survey respondents reported receiving a bonus**. The average bonus among the 600 or so managers who provided a flat figure rather than a percentage was \$29,991. That compares with \$25,000 in last year's report. And like last year, bonuses varied wildly, from less than \$1,000 to several hundred thousand.

Of course, salaries varied wildly as well. While the average salary among all respondents is \$111,480, the story is much different once you begin digging into the data by demographics. For example, manufacturing management in the chemicals industry topped earners across all industry verticals, making an average base wage of \$131,154. Managers in the consumer goods/durables industry, by contrast, earn a more modest base wage at \$95,012. Expectedly, age and experience are major factors in pay as well. **At the low end, managers between the ages of 21 and 29 -- which comprised just 2% of the survey population -- earn an average salary of \$69,026;** while management at the other end of the spectrum **-- age 60 or greater -- earn \$121,206.** Similarly, nearly \$50,000 separates the average salaries of manufacturing management with just one to two years in manufacturing from those with 26 years or more.

The Challenge and Satisfaction of Manufacturing

Brian is a 26-year-old lean leader with a degree in industrial engineering and about five years in manufacturing. He works in the fluid controls industry and says he is among the few people he graduated with "who ended up in a field they wanted with decent pay." Moreover, he can envision manufacturing as his long-term career.

"The work we do is important," he says of manufacturing. "I think the U.S. as a nation needs to produce tangible things."

It's not a new story but perhaps it is the manufacturing story least well told: **Manufacturing professionals like their careers, and the challenge manufacturing presents is a big reason why. Indeed, fully 87% of survey respondents said they were satisfied with manufacturing as a career path, with 42% identifying themselves as "very satisfied."**

A smaller but still significant percentage -- 76% - added that they were satisfied in their current

job, with slightly more than a quarter identifying themselves as "very satisfied."

Manufacturers express these satisfaction levels despite sharing a laundry list of concerns about their industry that includes too many governments regulations, a shortage of incoming talent and off shoring.

"Manufacturing is one of the best jobs to experience the thrill of challenges every day. It covers every aspect of new products, engineering, processes, customers, vendors, and most of all, the human element," writes an operations manager in the industrial machinery industry with 26-plus years of experience, living in the Middle Atlantic region and earning \$100,000.

"I like what I do, and I make good money doing it," says Bob Osborne, owner of Certified Color Corp., which produces paint for schools and the movie industry.

He is located in southern California and has been in manufacturing for more than 45 years.

Osborne purchased the company in 2005 and did so at an age when many people would be looking toward retirement. Work ethic explains some of that, he says, but he also simply enjoys running daily operations and the people interaction. His company also is about to introduce a new innovation, he says.

Which brings us back to career satisfaction? Why are so many manufacturing professionals satisfied with their career choice? The response to another survey question may help answer this question. **Fully 20% of survey respondents told Industry Week that having challenging and interesting work to do is what matters most to them in their job.** That percentage ties "challenging work" with "job stability" as the top-rated factors that matter most to respondents in their jobs -- and beats out base salary, which came in third at 15%.

"The challenges of work are what make it exciting to come to work every day. Seeing the results of good teamwork, commitment and a well-crafted plan make it rewarding," says a

supply-chain/logistics manager in the aerospace and defense industry with more than 20 years of experience and earning \$104,000.

A director of manufacturing and production in the wood products/furniture industry with 26-plus years in manufacturing shares similar sentiments: "I am an individual that is driven by accomplishment, not financial reward."

Nevertheless, U.S. manufacturing remains a disappearing career path in the minds of many. Listen to Brian, the young industrial engineer who works in the North Central region at a manufacturing company that employs a large numbers of workers.

When Brian shared with others the news that he had obtained a position in manufacturing, "they were shocked that there is still manufacturing [in the region] and [by] the numbers that are employed in manufacturing," he says.

Methodology

The 2014 Industry Week Salary Survey was conducted online via emailed invitations to subscribers. The survey took place from

November 2013 to January 2014. A total of 1,230 surveys were returned. After the data were cleaned (removing largely incomplete surveys and a handful of non-U.S. subscribers, primarily) 1,096 people turned in responses from the 2014 survey. Respondents were not compensated but were offered the chance to provide candid comments regarding their salaries, occupations and employers. The candid comments may have been lightly edited, primarily for spelling. All responses were anonymous.

Manufacturing Salary Tables

Pacific Region: Home to the Highest Earners	
Average Salary by Geographic Region	Salary
Region (% of Response)	
Middle Atlantic (NJ, NY, PA) (13%)	\$118,514
Mountain (AZ, CO, ID, MT, NM, NV, UT, WY) (4%)	\$114,853
New England (CT, MA, ME, NH, RI, VT) (6%)	\$115,953
North Central (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI) (44%)	\$107,355
Pacific (AK, CA, HI, OR, WA) (7%)	\$119,756
South Atlantic (DC, DE, FL, GA, MD, NC, SC, VA, WV) (14%)	\$108,528
South Central (AL, AR, KY, LA, MS, OK, TN, TX) (13%)	\$113,657

CHEMICAL INDUSTRY PAYS (1 OF 2)	
Average Salary by Industry	Salary
Industry sector (% of response)	
Chemicals (6%)	\$131,154
Pharmaceuticals/Health Care (2%)	\$129,539
Electronics/High-Tech/Telecom Equipment (6%)	\$125,724
Aerospace & Defense (9%)	\$124,392
Consulting/Education (3%)	\$123,371
Petroleum & Coal (2%)	\$120,219
Paper/Printing/Publishing (5%)	\$113,990
Automotive/Transportation Vehicles & Equipment (11%)	\$110,766
Stone, Clay & Glass (1%)	\$110,665

CHEMICAL INDUSTRY PAYS (2 OF 2)	
Average Salary by Industry	Salary
Industry sector (% of response)	
Plastics & Rubber Products (5%)	\$109,384
Industrial Machinery (16%)	\$108,121
Wood Products/Furniture (3%)	\$107,560
Construction/Building Equipment (5%)	\$106,879
Metals (12%)	\$105,741
Medical Devices/Lab Equipment (5%)	\$103,715
Food & Beverage (4%)	\$96,298
Apparel/Textiles (1%)	\$95,733
Consumer Goods/Durables (4%)	\$95,012
Computer Equipment/Peripherals/Software (<1%)	\$69,434

STAFF SIZE OFFERS FEW SALARY CLUES	
Average Salary by Staff Size	Salary
Number of employees you manage (% of response)	
0-10 (67%)	\$104,173
11-25 (14%)	\$120,982
26-50 (6%)	\$110,528
51-100 (6%)	\$122,050
More than 100 (7%)	\$156,273

THE INFLUENCE OF SIZE	
Average Salary by Company Size	Salary
Annual corporate revenues (% of response)	
Less than \$25 million (24%)	\$99,152
\$25 million-\$50 million (11%)	\$101,819
\$51 million-\$100 million (10%)	\$103,484
\$100 million-\$500 million (15%)	\$121,965
\$500 million-\$1 billion (9%)	\$119,687
\$1 billion-\$20 billion (22%)	\$122,279
More than \$20 billion (9%)	\$116,194

MORE SCHOOLING, BETTER PAY	
Highest Education Level Attained	Salary
(% of response)	
High School (4%)	\$80,890
Some College (12%)	\$83,412
Two-Year Degree (7%)	\$89,084
Four-Year Bachelor's Degree (32%)	\$105,037
Some Graduate Study (15%)	\$122,119
Master's Degree (27%)	\$133,257
Doctorate (2%)	\$147,196

OLDER MANAGERS, BIGGER EARNERS	
Average Salary by Age	Salary
Age (% of response)	
21-29 (2%)	\$69,026
30-39 (6%)	\$86,169
40-49 (22%)	\$104,101
50-59 (45%)	\$114,909
60+ (25%)	\$121,206

View the complete **2014 Salary Survey**

- 6-page PDF (a \$10 value, free for registering)
- Printable and shareable

Download the PDF NOW!

Jill Jusko, March 11, 2014

Source: <http://www.industryweek.com/salary-survey/2014-iw-salary-survey-manufacturing-pay-gets-boost>