

April 2016

an **URGENT CALL**
to solve the **MANUFACTURING**
WORKFORCE CRISIS
threatening our region's economy



A WORKFORCE IN CRISIS

Greater Louisville manufacturers are facing a full-scale crisis. Too few qualified candidates are entering manufacturing, especially as entry-level operators. Moreover, many are not prepared to do the work. High turnover rates are hurting efficiency. The Louisville area's manufacturing sector is an \$11 billion industry, representing 17% of the region's economic activity and 13% of regional employment¹. But, the manufacturing businesses that fuel the local economy cannot be sustained and grow without enough people to do the work.

After decades of decline, U.S. manufacturing is experiencing a resurgence, and Greater Louisville is at the forefront. From 2009 to 2015, Kentucky added manufacturing jobs at three times the national rate, and the average pay has grown faster as well². Today's manufacturers offer great career opportunities for anyone willing and able to work. Modern factory jobs are safe, high-tech and challenging, and salaries for entry-level to mid-skilled workers can range from \$30,000 to \$80,000³.

To solve this workforce crisis, manufacturers are taking the lead to rebuild partnerships across the community. In late 2015, GE Appliances hosted the first-ever Greater Louisville Manufacturing Workforce Development Summit that focused on the shortage of qualified entry-level job candidates. The meeting convened manufacturers and key leaders from state and local governments, educators, nonprofits and others, who worked together to develop initiatives that will help Greater Louisville grow its pool of manufacturing talent and retain its rich heritage and leadership in this crucial sector of the economy.

This Community Playbook is a working document that summarizes the initiatives that this group will undertake.

¹ Bluegrass Economic Advancement Movement (BEAM), Kentucky Cabinet for Economic Development

² Kentucky Chamber

³ Salary.com

COMING FROM BEHIND: Why there's a worker shortage

Several factors converged to cause the current workforce crisis:

- Today, jobs in advanced manufacturing require computer aptitude, problem-solving skills and the ability to work in teams.
- Lack of work-ready candidates is the result of the decline in manufacturing over the last 30 years, as manufacturers stopped developing the pipeline of new workers and high schools offered fewer manufacturing-focused courses.
- Technical two-year degrees are in high demand and provide direct access to high-paying careers, yet the four-year college track is often presented by parents and educators as the only path to success.
- Baby boomers are retiring in greater numbers. Plus, Greater Louisville job growth is increasing across all sectors, placing further demand on a shrinking pool of qualified applicants.

Although the Commonwealth spends \$1.2 billion a year on workforce development and training, the crisis in the state's largest employment sector (manufacturing) remains and is deepening. Dispersed responsibility and funding among state agencies and no clear, overarching strategy make it difficult to achieve true progress and measurable impacts.



**Louisville's
manufacturing
companies employ
more than
77,000 people
in the region.***



13%

of the region's employment is in manufacturing.*

OPPORTUNITIES FOR ADVANCEMENT

In April 2014, area manufacturers first convened to address workforce issues and subsequently created the Greater Louisville chapter of the Kentucky Federation for Advanced Manufacturing Education (KYFAME). The chapter partnered with Jefferson Community and Technical College and in fall 2015 welcomed its first class of 19 students, who enrolled in the two-year, work-and-learn Advanced Manufacturing Technician (AMT) program. Students get on-the-job training as they earn an applied associates degree. Because they get paid for school and work hours, they graduate with little to no education debt. The program will add a second class for fall 2016 with a goal of 40 students.



As the AMT program addresses the issue of training mid-skilled workers, a different solution is needed to address the great and growing shortage of entry-level operators. Today's modern manufacturing enterprises need production workers familiar with basic manufacturing processes and safety practices, and with skills such as how to calculate, measure data and communicate effectively. They also need "soft skills" such as a good work ethic, steady attendance and the ability to pass a drug screen. With this foundation, a worker can be trained for success at the entry level and with additional training, can advance to higher-paid positions.

***Speaking as one team.
Playing for one goal.***

Manufacturers are committed to reconstructing the talent pipeline and are leading the change. With our Greater Louisville community partners, we agree to drive this multi-faceted strategy to promote growth of advanced manufacturing in the region. We need all members of the community to play their parts to advance this critical economic development initiative. Summit participants identified the following issues that require action.

Led by area manufacturers, the effort to solve our manufacturing workforce crisis must involve the entire community.

GOAL #1

Expand the pipeline of work-ready entry-level employees.



GOAL #2

Build the emerging manufacturing workforce by clearly defining and promoting school programs that teach the skills needed for successful careers in manufacturing.





GOAL #3

Increase awareness of manufacturing careers in the Greater Louisville area and statewide.



GOAL #5

Align state and local agencies to maximize effectiveness of all workforce development efforts.



GOAL #4

Improve work readiness by encouraging schools to adopt student behavior certifications.



GOAL #1 Expand the pipeline of work-ready entry-level employees.

1. Improve awareness of the Certified Production Technician (CPT) program.

- Deploy marketing materials to promote CPT in a compelling manner.
- Ensure that veterans, immigrants and members of historically disadvantaged communities are aware of opportunities opened up by CPT.

2. Create alternate CPT delivery methods to improve accessibility.

- Provide alternatives to the current four-week, on-site course, including night and weekend classes or post-hire manufacturer-provided classes.
- Implement CPT programs in secondary and post-secondary schools.
- Develop online CPT programs.

3. Enhance the CPT program to better familiarize candidates with the manufacturing environment.

- Add plant site visits to the program so students understand the working environment.

GOAL #2 Build the emerging manufacturing workforce by clearly defining and promoting school programs that teach the skills needed for successful careers in manufacturing.

1. Influence development of school curriculum and programming.

- Partner with the Kentucky Department of Education on career pathways advisory groups in order to align school curriculum with employer needs.
- Include the Certified Production Technician (CPT) program in technical education pathways and programs at Jefferson County Public Schools and Bullitt County Schools.

2. Develop links with schools to promote manufacturing careers.

- Sponsor employer tours of facilities, job shadows and open houses in partnership with Junior Achievement.
- Deliver presentations to middle and high school students and teachers.
- Create employer advisor groups in each school district to encourage manufacturers' engagement.
- Implement teacher externship programs at manufacturing companies.



\$1.37

Additional value created in other sectors for every \$1 invested in manufacturing*

GOAL #3 Increase awareness of manufacturing careers in the Greater Louisville area and statewide.

1. Improve public awareness of manufacturing careers.

- Develop a public awareness campaign with a clear, focused strategy that targets all available pools of workers.

2. Increase awareness among students, parents, teachers and administrators about career opportunities in manufacturing.

- Create a manufacturing awareness campaign focused on middle and high schools.
- Promote the value of a two-year technical degree.
- Link with Mayor's SummerWorks Program to give students experiences in manufacturing.

600,000

Number of manufacturing jobs nationwide that go unfilled because skilled workers cannot be found*



GOAL #4 Improve work readiness by encouraging schools to adopt student behavior certifications.

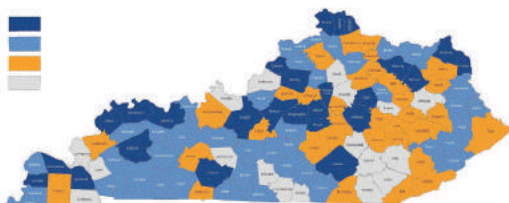
1. Establish a measurable soft skills credential that students can earn in high school.

- Pursue adoption of the certification by Jefferson County Public Schools and other area school districts that do not yet have it.
- Encourage employers to include certification as basis for employment preference.

2. Pursue work-ready community certification in area counties that do not yet have it.

3. Create and promote an "incentive" for students to earn the certification.

KENTUCKY'S
CERTIFIED
COUNTIES



*Source: <http://workready.ky.gov/Certified/CountyMap.aspx>

*National Association of Manufacturers (NAM)

GOAL #5 Align state and local agencies to maximize effectiveness of all manufacturing workforce development efforts.

1. Support the Governor's plan for a comprehensive review by December 2016 of the state's workforce development system.

- Address key questions such as:

- How can we improve coordination between agencies and eliminate silos?
- What metrics should be used to evaluate agency effectiveness?
- What should be the state's workforce development strategy?
- How can we best leverage and direct federal funding to achieve the state's workforce development objective?

2. Support adoption of recommendations to improve effectiveness of workforce development.

It's game time.

Manufacturers are working to rebuild partnerships across the community to reconstruct the talent pipeline. With community support, it is possible to fill that pipeline with prepared workers, bolstering the economy and enriching lives with high-paying, rewarding careers. By achieving the five goals outlined in this Playbook, the community can tackle the workforce crisis and help build a winning future for all.



2.5

The number of jobs in local goods and services generated by one manufacturing job

SUMMIT PARTICIPANTS

Amatrol

Bullitt County Public Schools

Bullitt County Economic Development

Cardinal Aluminum

Ford

GE Appliances

Greater Louisville Inc. (GLI)

Jefferson Community & Technical College

Jefferson County Public Schools

Jefferson County Public Schools Foundation

KentuckianaWorks

Kentucky Association of Manufacturers

Kentucky State Government

Kentucky Federation for Advanced Manufacturing Education (KY FAME)

Lantech

Manufacturing Skills Standards Council (MSSC)

Nth/works

Ohio Valley Educational Cooperative (OVEC)

Opportunity Knox

Paradise Tomato

Universal Woods

Westport Axle

