



Strategies to Save and Create Manufacturing Jobs

By Emily Maher

Manufacturing plays a key role in driving the U.S. economy, but the sector has experienced significant job losses since the 2000s. The number of jobs has fallen even as output has continued to grow due to improvements in automation and technology.

Communities with larger shares of manufacturing—"manufacturing-intensive communities"—are especially sensitive to the sector's job performance. On average, these communities perform worse than others in the U.S., suffering almost half of all manufacturing job losses.

However, there is a silver lining. Research by Tim Bartik of the [W.E. Upjohn Institute for Employment](#)

[Research](#) found there are policies that can spur, or at least stabilize, manufacturing employment. Some successful communities are investing in cost-effective public-private partnerships that offer targeted services for small and medium-sized businesses and for workers. This fosters long-term manufacturing job growth. Partnerships include:

■ **Customized business services.** These services, designed for small and medium-sized businesses, include job-training and mentoring programs.

Training programs are typically provided by community colleges, with input from the business community, to teach new hires specific job skills or upgrade existing workforce skills. In some cases, the Upjohn Institute found this type of service increased the number of jobs by [nearly 4%](#).

Did You Know?

- Since 2000, the number of manufacturing jobs has declined by one-third.
- Public-private partnerships are helping some communities create new jobs.
- The [Hollings Manufacturing Extension Partnership](#) has service locations in all 50 states and Puerto Rico.

Manufacturing extension services provide specialized business and technical assistance to existing businesses. Through a network of university and experienced private-sector experts, businesses receive high-quality technical assistance in areas ranging from technology adoption and product design to marketing.

■ **Worker skills development programs.** These interventions are designed to help workers at any stage of their career and range from high-quality public education to on-site job training. They provide a good return on public investment by building lifelong skills and increasing workers' earning potential. As a result, many states are creating apprenticeship programs that lead to advanced manufacturing careers. For example, [CareerWise Colorado](#) splits high school students' time between the classroom and workplace. While these programs are designed to aid workers, business also benefit from high-quality work, a trained workforce and reduced turnover costs.

■ **Investment in infrastructure.** Other partnerships with local communities can catalyze development potential. Examples include land betterment projects, neighborhood development, brownfield redevelopment, and improving access to transportation. Businesses can capitalize on these partnership options, which benefit the entire community, for their own development.

Federal Action

For more than 30 years the federal government has invested in small and medium-sized manufacturing jobs through the [Hollings Manufacturing Extension Partnership](#) (MEP), a program operated by the [National Institute of Standards and Technology](#) (NIST). MEP is a national network of 400 centers providing customized services for small and medium-sized manufacturers (SMMs) to [help them create and retain jobs](#), increase profits, and save time and money.

State Action

With private and public support, states are positioning themselves to employ effective approaches to boost manufacturing jobs.

In Indiana, the state with the [highest concentration of manufacturing employees](#) in the nation, the [Next Level Jobs initiative](#) provides free, statewide training programs for workers. An Employer Training Grant program for high-growth fields, including advanced manufacturing, can reimburse an employer up to \$50,000 per trained and retained employee.

Top 10 States with the Highest Percentage of Manufacturing Employees

	State	Percentage
1	Indiana	18.8%
2	Wisconsin	18.4%
3	Michigan	18.4%
4	Ohio	15.5%
5	Iowa	15.1%
6	Kentucky	14.5%
7	Alabama	14.2%
8	South Carolina	13.8%
9	Minnesota	13.5%
10	Arkansas.....	13.4%

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates

Michigan [puts significant economic development resources](#) into promoting state and local manufacturing job growth. Notably, Michigan's most manufacturing-intensive community, Grand Rapids, experienced nearly 5% manufacturing job growth from 2007 to 2015. Success was spurred in part by adding a local manufacturing extension service office, investing in downtown infrastructure and improving skills development access through the [Talent 2025](#) initiative.

States continue to invest in MEP centers, and MEP centers that receive state investment tend to serve more clients and have broader economic impacts. Recently, the New Jersey MEP received [\\$2 million](#) in grant funding from the state to scale apprenticeship programs in 139 advanced manufacturing companies over the next three years.

MEP centers provide a window into the performance of nation's manufacturing sector. Enterprise Minnesota's 2018 [State of Manufacturing](#) survey indicates 64% of manufacturers expect economic expansion, twice as many as in 2016. However, high levels of optimism continue to be tempered by concerns about attracting entry-level and technically trained employees, further emphasizing the need for customized job-training programs.

Additional Resources

- [The National Institute of Standards and Technology's Hollings Manufacturing Extension Partnership](#)
- ["What Works to Help Manufacturing-Intensive Local Economies?" report by W.E. Upjohn Institute for Employment Research](#)

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