

Millions of Manufacturing Jobs Could Go Unfilled

A jobs program in Louisville is filling a skills gap and putting Americans back to work.

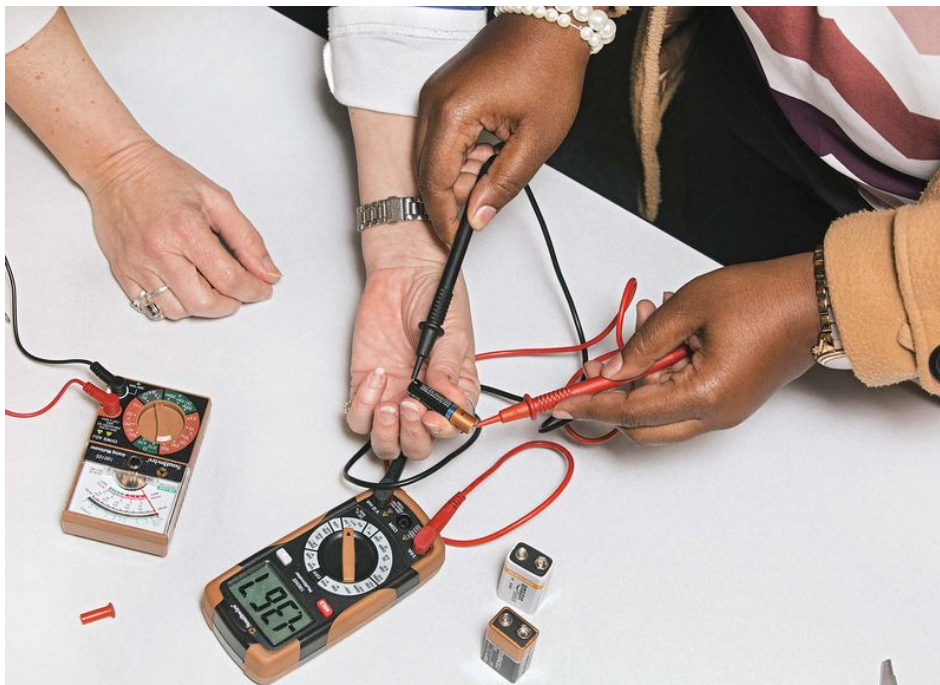
by **Carol Hymowitz**

March 16, 2017, 1:43 PM EDT

From

<https://www.bloomberg.com/businessweek> | Subscribe

https://subscribe.businessweek.com/pubs/BW/BWK/BloombergBusiness_allaccess_05_15_RightRaUS_CA.jsp?cda_page_id=185262&cda_mag_code=BWK&id=1470086454872&lsid=62141620548031319&vid=1 | Reprints
<https://olt.theygsgroup.com/bloomberg/>



An instructor demonstrates how to use an ohmmeter, which measures electrical resistance.

Photographer: Josh Anderson for Bloomberg Businessweek

James Michael Logsdon, a Louisville auto mechanic, hadn't been in a classroom in 40 years when his company went out of business in 2015, but he was keen to learn something new. He enrolled in a free program for blue-collar workers at KentuckianaWorks, a regional job-services group that offers education and training courses and connects students with prospective employers. In five weeks, he got certified production technician (CPT) training and was hired weeks later at Atlas Copco AB, the Swedish tool-and-equipment maker.

"I had a long interview, but it wasn't until I talked about the courses I'd taken and showed my grades that they wanted me," says Logsdon, 59, who now repairs tools used by automakers and equipment manufacturers.

Donald Trump promises to bring factory jobs back to the U.S. from overseas, but many blue-collar workers are hurt more by a lack of skills than by globalization. Unskilled assembly-line work has been replaced by so-called advanced manufacturing jobs that require some computer, information technology, or other technical knowledge. In Detroit, Louisville, Grand Rapids, Mich., and other manufacturing hubs, many employers can't find workers with those skills.



KentuckianaWorks deputy director Cindy Read during a recent class. Photographer: Josh Anderson for Bloomberg Businessweek

"Manufacturing jobs are here and growing in numbers, but you can't just show up at a plant after high school and get hired any longer. You need some specialized training and certifications," says Chauncy Lennon, head of Workforce Initiatives at JPMorgan Chase & Co., which helps fund KentuckianaWorks as part of a \$250 million commitment to support training for manufacturing, health-care, and other middle-income jobs. KentuckianaWorks' other

fundors include the Louisville Redevelopment Authority, the National Fund for Workforce Solutions, and several foundations.

Over the next decade, 3.4 million manufacturing jobs are expected to become available as baby boomers retire and economic growth spurs work opportunities, according to a 2015 study by the Manufacturing Institute, a Washington-based think tank, and Deloitte LLC. But a skills gap could result in 2 million of those jobs staying unfilled. Workers are most lacking in computing and technical skills, as well as basic math and problem-solving, the study found. More than 80 percent of 450 U.S. executives surveyed said the gap will affect their ability to meet customer demand, and 78 percent said it will make it more difficult for them to use new technologies and increase productivity.

“If you’re wrapping 300 Hershey chocolate kisses a minute, you need to know how to use a robot, and if you’re making tiny instruments for medical equipment, you need to understand mechatronics,” says Fred Dedrick, president and chief executive officer of the National Fund for Workforce Solutions, a nonprofit that works with 32 job-training programs across the country. “Some big companies have closed and left devastation, but it’s inaccurate to say there aren’t opportunities in manufacturing,” he says.

To ensure that its curriculum meets employers’ needs, KentuckianaWorks, which has an annual budget of about \$700,000, enlisted local manufacturers, including Cardinal Aluminum, Ford Motor, and Kellogg, to help design two training programs: the five-week CPT course and a basic two-week version.

Both programs are intensive and have trained people age 18-60. Only 56 percent of those who start one stick with it to the end, but those who do usually find jobs quickly. Since 2014, when the training was launched, 973 graduates have been hired at partner companies at an average salary of about \$13 an hour. Cindy Read, deputy director of KentuckianaWorks, says most are entry-level production jobs, “but if you’ve had the discipline to train and get credentials, and then you stick it out on a job and are willing to learn, you can move up quickly.”

That’s the case at KCC Cos., a metal fabricator with 350 employees that makes commercial roof products and heating, ventilation, and air-conditioning units. The company has hired 10 KentuckianaWorks graduates in the past year. “The basic training they get sets them apart from other

entry-level candidates, and once they're hired we can expand their knowledge," says Michael Kopp, a KCC recruiter. He attends at least one session of every course to meet trainees and talk about the company. Kopp also keeps in touch with instructors. "Not everyone we've hired has worked out," he says, "but our retention success rate with these trainees is higher than with other hires."

Logsdon, the former auto mechanic who works at Atlas Copco, says he was "as green as you can be" when he started the training, after losing his job with a small family-run repair shop. He'd never worked on a computer and had to learn Windows and Excel quickly, because the curriculum was online. Classes ran from 8 a.m. to 5 p.m., and there were tests every Friday. "I got more than the CPT certificate. I got confidence, mentoring, and help writing a résumé," he says.

Initially, Atlas Copco, which found Logsdon's résumé online, offered him a temporary job repairing tools for \$17.50 an hour, 30 percent less than what he'd earned as a mechanic. Still, he jumped at the chance to work for a growing company where workers are encouraged to make decisions and, he says, "solve our own problems."

In November, Logsdon was offered a permanent job with benefits. He plans to keep working as long as he can. "I put in 10-hour days here, starting at 5 a.m.," he says, "and I've never been happier in a job."

The bottom line: *Over the next decade, as 3.4 million manufacturing jobs become available, a skills gap could result in 2 million staying unfilled.*

