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## Skilled Manufacturing Jobs: Are They Here to Stay?

[By Amit Agarwal]

Manufacturing has always been at the heart of the U.S. economy. Today, more and more manufacturers are moving toward acquiring skilled workforces because of intense global competition. Foreign threats such as outsourcing have taken away some manufacturing jobs, but the picture at times seems to get blown out of proportion.

### Demand for Skilled Manufacturing Jobs

Developing countries like China are controlling world pricing for several products and therefore increasing domestic production costs. To meet this competition (without political intervention regarding imports), U.S. companies are resorting to the people-first approach. Manufacturing jobs involving modern technology, flexibility, and innovation are the order of the day. Shortages of qualified individuals, especially in industries such as engineering and information technology, are leading manufacturing companies to retain and train employees with required skills. Blue-chip manufacturing companies are investing heavily in training employees on high-tech machinery.

According to statistics, an estimated 76 million baby boomers will retire over the next 20 years, creating additional demand for skilled workers. As older, trained workers retire, it is becoming difficult for manufacturing companies to find replacements. Ever-evolving technology is also creating demand for workers familiar with new tools and systems. Surveys reveal that nearly 90% of manufacturers have difficulty finding skilled workers.

### Skilled Manufacturing Jobs Pay More

The United States has seen millions of manufacturing jobs outsourced to countries where low-cost labor is available. This has increased demand for the remaining jobs that require higher skills. According to economists, these jobs pay between \$50,000 and \$80,000 a year to those with the required math, mechanical, and computer skills. Demand for individuals who can repair computers or robots is so high that companies are offering recruitment bonuses and paying for relocation expenses, which is more common with white-collar jobs.

### Outsourcing Skilled Manufacturing Jobs

According to the 2006 Duke CIBER/Booz Allen offshoring study, although skilled manufacturing jobs are being outsourced, there is fear among U.S. companies of "loss of managerial control." 48% of the companies surveyed said that loss of managerial control was a major risk associated with offshoring. This figure was 30% higher than in 2005, pointing toward growing apprehension regarding offshoring. Apart from this concern, companies are also concerned about the impact of outsourcing on operational efficiency.

According to the survey, the average number of U.S. jobs lost per offshore project fell by 71% between 2005 and 2006. Moreover, 59% of outsourced work is sent to locations across the United States.

Looking at the other side of the debate, although offshoring high-value work does not lead to major job losses in the U.S., it creates more jobs globally. As the U.S. population ages, based on 2006 productivity levels, 15.6 million, or close to 5%, more employees will be required by 2015 to maintain the current ratio of workers to the total population. Therefore, by 2015, the United States will require greater numbers of workers, and offshoring will contribute to fulfilling the demand. Some analysts feel that while employees, especially those in the manufacturing industry, may feel a pinch due to offshoring, trying to reverse this trend may have worse consequences.

### ON THE NET

Preparing Tomorrow's Manufacturing Workforce  
[findarticles.com/p/articles/mi\\_qa3618/is\\_200606/ai\\_n17189129](http://findarticles.com/p/articles/mi_qa3618/is_200606/ai_n17189129)



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Education Level of the Manufacturing Workforce

[www.neweconomyindex.org/states/2002/01\\_knowledge\\_05.html](http://www.neweconomyindex.org/states/2002/01_knowledge_05.html)

An Abundance of Higher Skilled Manufacturing Jobs?

[economistsview.typepad.com/economistsview/2006/08/an\\_abundance\\_of.html](http://economistsview.typepad.com/economistsview/2006/08/an_abundance_of.html)

Priority Shipping Overseas: Offshoring Highly Skilled Jobs

[www.offshoringtimes.com/Pages/2006/offshore\\_news1352.html](http://www.offshoringtimes.com/Pages/2006/offshore_news1352.html)

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