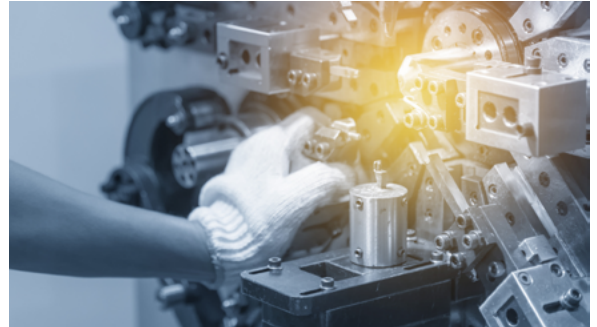


Filling the Pipeline: U.S. Manufacturers Have Thousands of Job Openings



The retiring Baby Boomers and a lack of interest on the part of younger job seekers is making life difficult for manufacturers as they prepare for the post-COVID era.

With the national unemployment rate expected to average 5.7% this year, 5% in 2022 and 4.7% in 2023—then average out to 4.1% between 2026 and 2031—the race is on to fill open positions before the U.S. jumps on the “stellar” economic growth track that organizations like [Bank of America](#) are predicting this year.

Already constrained pre-COVID, the labor market has been a particularly challenging point for employers this year, with some experiencing a bigger dearth than others. Warehouse labor is difficult to find, fast-food restaurants are handing out iPhones to new applicants, and other industries are coming up with creative ways to both recruit and retain workers.

Soon, U.S. manufacturers that ignore these realities may find themselves unable to fill open positions in their organizations. According to a [new report from Deloitte](#), U.S. manufacturers believe that finding the right talent is now 36% harder than it was in 2018, even as the unemployment rate has nearly doubled the number of available workers.

\$1 Trillion in Lost Opportunities

Deloitte’s new projections suggest vacant positions could cost the U.S. economy \$1 trillion in 2030 alone. And while the manufacturing industry recouped 63% of jobs lost during the pandemic, it says the remaining 570,000 had not been added back by the end of 2020 (despite a near record of job openings in the sector).

Seventy-seven percent of manufacturers that Deloitte surveyed say they will have ongoing difficulties in attracting and retaining workers in 2021 and beyond. “Left unabated, the manufacturing skills gap—which is now anticipated to leave 2.1 million jobs unfilled by 2030—could cost the U.S. economy as much as \$1 trillion,” said Deloitte and The Manufacturing Institute’s in their report, [“Creating pathways for tomorrow’s workforce today: Beyond reskilling in manufacturing”](#)

The Jobs are Coming Back

According to the study, the pandemic outbreak eliminated about 1.4 million U.S. manufacturing jobs, undoing more than a decade of manufacturing job gains. And while the industry hired back 820,000 of these jobs by the end of 2020, it says the remaining 570,000 had not been added back (despite nearly 500,000 job openings).

“This is true despite a near-record pace of job openings in the sector,” Deloitte points out. Other key report findings include:

- Executives surveyed reported they cannot even fill higher paying entry-level production positions, let alone find and retain skilled workers for specialized roles.
- Finding the right talent is now 36% harder than it was in 2018, even though the unemployment rate has nearly doubled since.
- The top two consequences cited by manufacturers of not being able to fill jobs were the inability to increase revenue growth (82%) and maintain production levels to satisfy demand (81%).

- Seventy-seven percent say they will have ongoing difficulties in attracting and retaining workers in 2021 and beyond.

Deloitte adds that manufacturing positions often go unfilled because of new entrants having different expectations for jobs and careers (according to 38% of the manufacturers surveyed); lack of attraction or interest in the industry (36%); and the retirement of Baby Boomers (34%).

“Given the foundational role the manufacturing sector plays in our nation’s economy, it is deeply concerning that at a time when jobs are in such high demand nationwide, the number of vacant entry-level manufacturing positions continues to grow,” said Deloitte’s Paul Wellener, in the report.

8 Steps to Take Now

According to Deloitte, manufacturers that want to improve their employee recruitment success rates should take these eight steps:

1. Engage more with local communities to recruit talent against competing jobs.
2. Hire former military personnel for mid- to highly-skilled positions.
3. Broaden talent pipelines to draw more diverse job candidates.
4. Candidly assess company culture to identify areas of improvement with diversity, equity and inclusivity (DEI) programs.
5. Tie leadership performance to DEI metrics.
6. Launch recruitment efforts at the high school level to build awareness of career-building and attractive pay in manufacturing.
7. Consider reorienting shift-based jobs toward more flexible arrangements.
8. Leverage advanced technologies, including virtual reality training, to increase digital skills.

“Attracting and retaining diverse talent presents both a challenge and solution to bridging the talent gap,” Wellener said. “To attract a new generation of workers, the industry should work together to change the perception of work in manufacturing and expand and diversify its talent pipeline.”

