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Guest Column

Oregon's manufacturing future rests on workers' skill levels

State's producers can help promote the sector through several types of activities

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Manufacturing is a critical sector of the Oregon economy.

We have over 6,000 manufacturers, over 200,000 workers, and a payroll of over \$9.8 billion. Manufacturing represents 15 percent of Oregon's total economic output. In addition, it provides high-wage jobs with an average annual wage of \$53,350 -- 46 percent higher than the average state wage. Entry-level workers can earn a living wage in most companies.

Oregon is expected to experience 15 percent growth in employment between 2004 and 2014 -- just from economic expansion. Yet for every job created by economic growth, two openings are expected due to replacement needs. Replacement jobs represent nine out of 10 openings in Oregon's manufacturing industry -- an industry that includes high tech/semiconductors, transportation equipment, metals, food processors, wood and paper products, and other regional industries. Some 53,000 skilled workers will be needed in the next 10 years to fill new jobs and replace retiring baby boomers.

Today, manufacturers can operate anywhere in the world -- they can move to locations that provide the best value for materials, energy, land and labor. Businesses seek competitive advantages -- which include access to workers with the best knowledge and skills. Currently, Oregon cannot compete on the basis of labor cost with China or India. But we can compete based on the knowledge, skills and innovation of Oregon workers. We must focus our energies on having the best talent in the world.

Although the importance of manufacturing to Oregon's economy is clear, challenges abound. Most Oregonians are not aware of the impact of manufacturing on the state and regional economy. Potential new workers may not be attracted to manufacturing because of old stereotypes and a negative image. Some 43 percent of Oregon manufacturers report a shortage of skilled workers. Dissatisfaction is growing about graduates' work-readiness skills. Many current workers are struggling to keep pace with technological upgrades and there is a recognized lack of career technical education and apprenticeship opportunities.

With the current needs and situation clearly in front of us ... the call is for action.

Gov. Ted Kulongoski challenged the manufacturing industry to come up with a plan to address these issues. Specifically the challenge was to:

- Link statewide centers of manufacturing activity to share ideas and best practices.
- Expand the reach of high-performance manufacturing practices to create more competitive companies.
- Invest in worker training and attract workers to high-demand occupations to fill the skilled worker shortage.
- Raise awareness about the value of Oregon's manufacturing industry and its high-wage career opportunities.

Under the leadership of the Northwest High Performance Enterprise Consortium, specifically Charlie Lake and Audrey Theis, dedicated individuals are working on the following proactive solutions for Oregon's future:

- Workplace solutions: Seed fund high-performance manufacturing consortiums across all regions of the state.
- Systems solutions: Create a "network of networks" to link regional manufacturing consortia and cluster-based activity.
- Work force solutions: Revamp high school diploma requirements to include work readiness criteria and provide graduates that meet the needs of 21st century employers.

- Communications: Launch a media/communications campaign to promote the importance of manufacturing, the value of high-performance practices and the opportunities available in high-skill, high-wage, manufacturing jobs.

There are many activities currently going on in the state to support our manufacturing industry. Be proactive. NWHPEC's Web site (nwhpec.com) describes ways to get engaged in any of the above projects. You can also contact your local work force investment board (worksourceoregon.org) for more information.

The face of manufacturing in Oregon is changing. What will it look like when we are successful?

Oregon's work force education and training systems will produce workers with the skills manufactures need.

Worker skills will fuel the innovation and provide Oregon companies with a competitive edge in the global economy.

Success in the global market will ensure prosperity for Oregon's economy, companies and workers.

Prosperity will allow for continued reinvestment to further build Oregon's private and public work force systems.

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