This report highlights various workforce-related strategies and features in-depth analysis of manufacturing labor trends in the Western United States of Arizona, California, Oregon, Nevada and Washington. The report includes employment performance in 2012 and a forecast for 2013 and beyond.

Our analysts provide insight into trends that impact labor growth in the region, including:

• Recruiting & retention
• The manufacturing skills gap
• Training & education
• Managing Gen Y workers
• Social media in recruiting
• California employment law updates
• Navigating the Affordable Care Act

This report also includes directories of colleges and universities that offer plastics- and manufacturing-relevant programs; Manufacturing Extension Partnership offices and a list of workforce-related resources that offer potential sources of funding and guidance, including information on hiring, training, internships and apprenticeships. The directory includes federal, state and local agencies in western states.

The report also offers a perspective from Allison Grealis, program director, Women in Manufacturing, regarding the employment of women in manufacturing.
WEST COAST LABOR TRENDS 2013
ANALYSIS OF EDUCATION, TRAINING AND WORKFORCE DEVELOPMENT

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Upcoming Releases From Plastics News Reports

Manufacturing Technology Outlook 2013 - Automation & Robotics
Release: August 2013

Rotomolding Market Review and Outlook 2013
Release: September 2013

Release: September 2013

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West Coast workforce: A complex region

While unemployment remains a concern in western states, employers still say they are having a difficult time filling skilled positions.

The U.S. labor market continued in a positive direction in 2012, though hiring was not robust enough to kick the soft recovery into high gear. Economic forecasters expect a similar performance in 2013.

U.S. manufacturers are in a dilemma partly of their own making. They are the world’s most productive, generating nearly 21 percent of the world’s manufacturing output, and have gained that status by focusing on high-value, high-quality products stamped out on automated production lines. Manufacturing employment is lower than any time since the 1930s because the advanced factory has little need for entry-level workers with little education. Instead it needs toolmakers, processors, engineers, millwrights and electronics technicians — the skills that the American education system no longer nurtures.

“Manufacturers are ready to power the economy,” said Jay Timmons, president and CEO of the National Association of Manufacturers. “With the right policies in place, we will transform a difficult and sluggish recovery into an economic resurgence. After all, manufacturing has the highest multiplier effect of any other sector of our economy. Investments in manufacturing multiply across the economy, creating jobs and growth in other sectors. Simply put, manufacturing makes America strong.”

Nationally, according to the U.S. Bureau of Labor Statistics, there are 3.3 unemployed people for every job opening. While this figure is down from a recession level of 6.2 unemployed people for every job opening, that number is still higher than the last pre-recession rate of 1.8.

According to Michael Taylor, senior director for international affairs and trade at the Society of the Plastics Industry Inc., there isn’t a pronounced trend in regional employment shifts in state-by-state employment data.

He noted that regional SPI employment statistics have changed very little since 2001. He pointed out that business owners would like to see a more business-friendly environment, and continued uncertainty remains an issue. In response to this uncertainty, business owners hedge on investing.

“As a result of that uncertainty, we believe that employment numbers will lag behind growth overall,” he said. “After the first half of the year, when there is some political certainty out there, employment numbers may kick up some more. This pattern holds true if you look at the concentration of those people employed in the plastics industry, not just for total employment numbers.”

Job market growth

Mark Zandi, chief economist of Moody’s Analytics, pointed out that the job market is slowly, but steadily, improving, though some rough patches could be ahead for the second half of 2013.

According to Zandi, the remainder of 2013 could be difficult as the full impact of sequestration will hit in the summer, taking winds out of the sails of a slow-growing economy. The economist expects the fiscal cuts to shave 1.5 percentage points from GDP this year, reducing growth from a potential 3.5 percent to Moody’s estimate of 2 percent.

“Assuming nothing goes badly awry and there are no additional major changes to near-term fiscal policy, the recovery will regain momentum going into 2014,” Zandi said. “The fiscal headwinds will lessen by more than half and all but fade away by 2015.”

Zandi expects the jobless rate to gradually drop through the second half of 2013 to 7.3 percent before falling below 7 percent in 2014.

Automatic Data Processing Inc. (ADP), a provider of business outsourcing and capital management solutions to approximately 600,000 clients in more than 125 countries, reported that the private sector added 135,000 new positions in May, below its projection of 150,000.

Zandi said nearly every industry has seen slower growth since the start of 2013, with smaller businesses hit particularly hard.

California added 10,460 jobs in May, according to the Regional Employment Report which is produced by ADP in collaboration with Moody’s Analytics Inc. The ADP Regional Employment Report measures the change in regional and state non-farm private employment each month on a seasonally adjusted basis.

According to ADP, the state lost 1,270 manufacturing jobs during the month.

Overall ADP’s Pacific region – which includes California, Oregon and Washington – gained 18,000 jobs from April to
THE REPORT FEATURES CHARTS, INCLUDING PLASTIC EMPLOYMENT ...

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POTENTIAL CHALLENGES IN THE WEST COAST LABOR MARKET ...

Skills gap California’s biggest workforce challenge

For several years, employers in California have been suggesting that, yes, they have job openings but they also have a scarcity of skilled applicants for these positions.

James Watson, president & CEO, California Manufacturing Technology Consulting, said the skills gap remains one of the biggest workforce hurdles in the Golden State and throughout the region. In 2001, California had 1.865 million manufacturing jobs. As 2012 drew to a close, the state had 1.238 million jobs, a decrease of more than 33 percent.

“One of the biggest reasons is the state’s proximity to cheap labor in Mexico and the Pacific rim,” Watson said of the loss of manufacturing jobs.

In spite of the job losses, California remains No. 1 in terms of manufacturing employment. As Watson noted, as goes California in terms of manufacturing, so goes much of the nation.

Watson heads CMTC, a non-profit consulting company founded in 1992 whose mission is to create solutions for the improvement of its customers’ performance by fostering innovation and sharing knowledge. Operating in three sectors, CMTC provides solutions to achieve growth and profitability for manufacturers, the sustainability and modernization of legacy parts for the defense industry and high operational performance for healthcare organizations.

CMTC is affiliated with the National Institute of Standards and Technology (NIST) and is part of the Hollings Manufacturing Extension Partnership (MEP) Program.

CMTC also is involved in seeking solutions to the skills gap and Watson said California’s community colleges are playing a key role in reversing the trend.

“We are in this environment in which people are using social media not just for the personal reasons, but for business reasons. More and more, Schwartzman said people are using social media not just for personal reasons. They are making short lists of vendors, social media communications. He has been working in the social media industry since 2004 and recently introduced a program to accelerate digital literacy in the workplace. Schwartzman also is co-author (with Paul Gillin) of “Social Marketing to the Business Forensic Psychology.”

“Having a social media strategy, you want to direct your social media efforts where your clients are at. You do not want to be where your clients are not,” Schwartzman said. “If your clients are on Twitter, you want to direct your social media efforts there.”

“We are in this environment in which companies cannot afford to do anything in today’s environment where you do not have a social media strategy, you cannot just be there. You have to be active. There are companies that have social media efforts where your clients are at. You do not want to be where your clients are not. If your clients are on Twitter, you want to direct your social media efforts there.”

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Social media a tool for recruiting, job searches

With the growth of sites such as LinkedIn, Facebook and Twitter, professional networking that employs social media as a recruitment tool is becoming more prominent.

As these sites add members by the minute, a growing number of employable people spend at least a portion of their day on one or more social media platform.

Most employee recruiters – 92 percent – and hiring is LinkedIn. A total of 89 percent of U.S. businesses have made a hire through it, compared to Facebook, at 26 percent and Twitter, at 15 percent.

Additionally, 84 percent of recruiters use social media to recruit candidates that might not otherwise have applied, and, in 2013, companies are expected to use social media to recruit for more than 80 percent of job openings.

headhunter.”

Schwartzman also is co-author (with Paul Gillin) of “Social Marketing to the Business Customer,” one of the first books devoted exclusively to business-to-business social media communications. He has been conducting live social media training programs to accelerate digital literacy in the workplace since 2004 and recently introduced online social media training.