

Manufacturing Misunderstood

Manufacturing is leading the U.S. out of the Great Recession. According to the Institute for Supply Management, manufacturing output increased in January at its fastest pace since 2004. As confidence about the recovery improves, manufacturers are placing new orders, expanding capacity, and hiring more workers, leading some analysts to predict between 3-4% economic growths in 2011.

The recovery of manufacturing is quite visible here in South Carolina. In 2010, the state Department of Commerce recorded \$3.7 billion in new capital investment by manufacturing companies. This is 91% of all new investment last year. Manufacturing created 16,622 new jobs, accounting for 81% of new jobs.

In fact, the 142 manufacturers who announced investments in 2010, including Boeing, Caterpillar, Bosch, Mohawk, and Proterra, have chosen to open or expand their operations in South Carolina to meet growing domestic and global demand. Manufacturing news for 2011 indicates that trend will continue with nearly 1700 jobs and \$291 million in investments already reported by Commerce officials.

In spite of these gains, many in our state, even our nation, don't understand the importance of manufacturing nor do they place a high emphasis on encouraging young people to consider a career in manufacturing. Whether they are business owners, educators, government officials or the public in general, many people believe the myth that manufacturing occurs outside America's borders. That sentiment couldn't be farther from the truth. The U.S. still ranks first in manufacturing, out-producing second-place China by more than 40%.

U.S. manufacturers continue to deliver about a quarter of the world's manufacturing output. We produce high-end products that manufacturers in developing nations cannot produce with low-cost labor and materials. Products like jet engines, sophisticated computers, high-end automobiles, and clean energy products like wind turbines and nuclear reactors are manufactured in the U.S. These require highly-skilled workers, designers, planners, and technicians. And these people are well rewarded for their efforts, earning about 25% more than their non-manufacturing counterparts.

Technology advances have allowed U.S. manufacturers to continue its dominance in producing more goods, even though it takes fewer people to accomplish this feat. But the reality is that our emphasis on creativity, innovation and entrepreneurial spirit drives invention and technology breakthrough that make U.S. manufacturers successful. Breeding a workforce that continues to foster our "Yankee ingenuity" is as important to our economic stability as it was a hundred years ago.

Manufacturers require more than just mechanics and production line workers to succeed. They need employees at all levels with critical thinking skills, the ability to solve problems with new ideas, and good communication skills. As South Carolina's manufacturers invest in new plants, equipment and employees, we as a state must provide

highly-skilled and productive workers so these companies can prosper. Manufacturing is quite a sophisticated endeavor.

The work is demanding to create innovative and cutting-edge products that consumers will embrace, but the rewards are great. Manufacturers are not only major employers in our communities; they are big contributors, through taxes, charitable giving, infrastructure development, volunteer hours, education support, and the list goes on. Ask a community leader about the impact of gaining a new manufacturer, and the positive accolades will begin to flow.

The Silver Crescent Foundation has long advocated building a “pipeline” to develop and deliver the educated and productive workforce for our state’s manufacturing community. Through our Discover Manufacturing Design Challenge and Camp Success programs, we collaborate with business and education partners to foster exposure and interest in the exciting world of manufacturing. We also recognize those companies who exhibit excellence and support local efforts to foster ongoing workforce development through the annual Salute to Manufacturing and Silver Crescent Awards.

Many past Silver Crescent Award recipients like Bridgestone-Firestone, BorgWarner, Alcoa, Sonoco, GE Energy and Packaging Corporation of America rightfully place a high value on a creative and innovative workforce, supporting numerous activities such as continuing education and training for their current employees. They also partner with local schools and colleges to foster career exploration and education in hopes of attracting the best and brightest of the next generation to join their respective teams.

As our nation continues to grow, there will be stiff competition for talented individuals who can use their imagination and skill to solve the challenges and demands of the marketplace. We believe South Carolina’s manufacturers must continue to share their positive stories to all who will listen in order to capture the creators, inventors and innovators of tomorrow.

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The Silver Crescent Foundation is currently accepting nominations for the Silver Crescent Award for Manufacturing Excellence. Applications are available on its website: silvercrescentsc.org.