



2024 LABOR MARKET OUTLOOK

Manufacturing

The State of Manufacturing

U.S. manufacturing punches above its weight, contributing nearly 12% of U.S. GDP while employing just 8.3% of the workforce.¹ American manufacturing companies have more-than-doubled spending on the construction of new factories since the pandemic,² partly due to incentives available under the Infrastructure Investment and Jobs Act (IIJA) of 2021 and the CHIPS and Science Act of 2022.

As U.S. manufacturers embark on ambitious plans to reshore their operations and build out domestic supply chains, employment and output are both poised to surge—if, that is, the full spectrum of required talent pipelines (e.g., factory production workers, machine operators, programmers, data scientists, engineers, and designers) can keep up.

“Manufacturing has seen notable improvements in productivity over the past decades, driven by advancements in automation, machinery, and management practices. But manufacturing jobs tend to be hard, high-pressure, skill-intensive, and they offer less flexibility than many alternatives. Despite above-average productivity growth, industry pay has only grown at an average pace. The success of a domestic manufacturing resurgence will require greater investments in equipping workers with the right technical expertise and retaining them longer.”

-Julia Pollak, ZipRecruiter Chief Economist

Spending on factory construction has risen more than 60% since the pandemic

U.S. manufacturing construction spending, seasonally adjusted



Source: U.S. Census Bureau, Total Construction Spending: Manufacturing in the United States, Jan 1, 2020 - Nov 30, 2023.

¹ "All Employees, Total Nonfarm," Federal Reserve Bank of St. Louis, Nov. 3, 2023; "All Employees, Manufacturing," Federal Reserve Bank of St. Louis, Nov. 3, 2023.
² "Construction Spending," U.S. Census Bureau, Jan. 2020 - Oct. 2023.

Industry Snapshot

Fastest-growing job titles

Based on change in job postings, 2022 to 2023

Demand for these roles rose between 2022 and 2023:



Machine Operator



Production Worker



CAD Designer/Drafter



Shop Supervisor



Industrial Maintenance Technician

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023; roles with over 100 postings.

Top-performing job titles

Based on average # of clicks per posting

Job seekers on ZipRecruiter express the highest interest in these roles:



Prototype Machinist



Product Test Specialist



AutoCAD Draftsman



Principal Process Development Engineer



Scheduling Agent

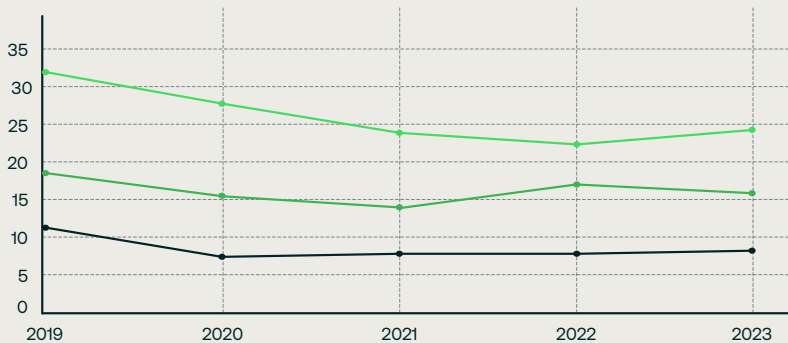
Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; roles with over 100 postings.

Evolving job requirements

Manufacturers have pared back education requirements due to staffing shortages, but are increasingly investing in apprenticeship programs and other training initiatives.

Percentage of Job Postings

- High School/GED
- Bachelor's Degree
- Graduate or Professional Degree



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2019 - Oct. 24, 2023.

Top-performing markets

Based on average # of applies per posting

Job seekers in manufacturing on ZipRecruiter express greatest interest in these markets:



Fairburn, GA



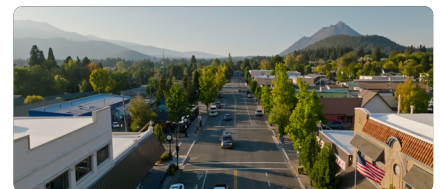
Merrillville, IN



New York, NY



Fort Worth, TX



Turlock/Fresno, CA



Houston, TX

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; markets and roles with over 100 postings.

Workforce Implications of the Fourth Industrial Revolution

The fourth industrial revolution is well underway, with traditional manufacturing methods giving way to smart, connected systems using technologies such as the Internet of Things (IoT), artificial intelligence (AI), machine learning, big data, and automation. There is a growing demand for workers with skills in AI programming, machine learning, and data analytics to manage and optimize these advanced systems.

Technological transformations brought about by AI and green technologies are raising widespread concerns about job displacement and inequality. Companies are finding it easier to secure buy-in from workers and politicians when they participate in comprehensive workforce development programs that upskill existing employees in-house and equip them with the technological skills required.

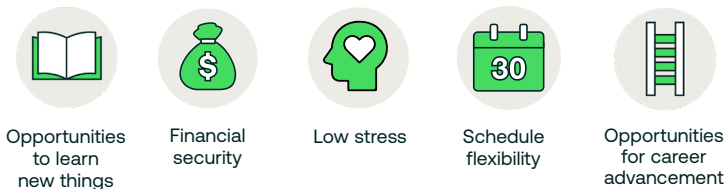
Shortages of manufacturing talent are also compelling employers to design new programs to retain older workers who would otherwise retire and to appeal to other untapped talent pools. For example, philanthropic organizations are providing training to women (who have gone from making up 25% of the manufacturing workforce in 1960 to just 29% now)³ and running apprenticeship programs in high schools to encourage more students to pursue careers in manufacturing.

On ZipRecruiter, only 5.5% of manufacturing roles offered remote work opportunities in 2023, compared with 11% of job postings overall.⁴ To compensate for the lack of flexibility in the location of the work, manufacturing employers are providing greater flexibility in terms of when the work is conducted.

Attracting the Workforce of Tomorrow

What workers want

Job seekers like manufacturing roles for the opportunities to learn and advance their careers.



Source: ZipRecruiter Q3 2023 Job Seeker Confidence Survey.

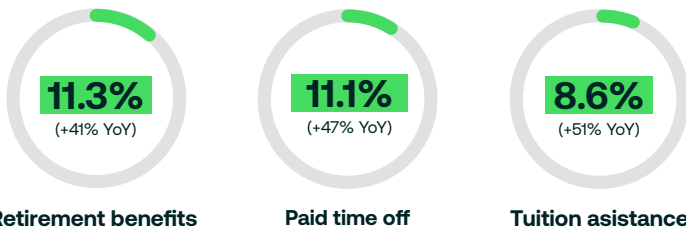
5.5%

of manufacturing job postings on ZipRecruiter offer remote work.

Source: ZipRecruiter, Inc. internal data, Jan. 1, 2023 - Oct. 24, 2023.

Trending benefits

Mentions of benefits in job postings on ZipRecruiter



Source: ZipRecruiter, Inc. internal data, Jan. 1, 2022 - Oct. 24, 2023.

39.5%

of manufacturing job postings on ZipRecruiter are hourly.

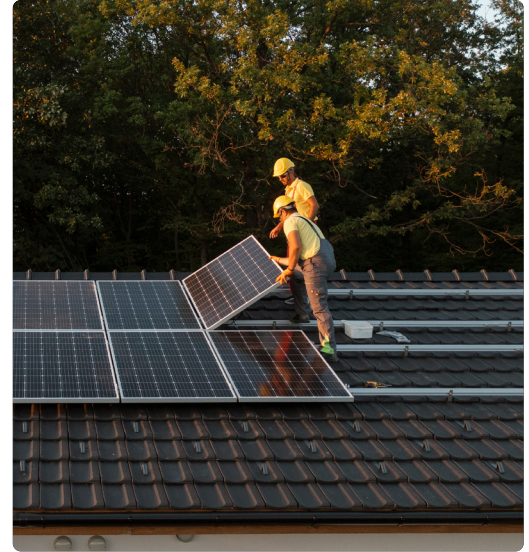
Source: ZipRecruiter, Inc. internal data, Jan. 1, 2023 - Oct. 24, 2023.

³ "Current Employment Statistics," U.S. Bureau of Labor Statistics, Jan. 1960 - Nov. 2023.
⁴ ZipRecruiter, Inc. internal data, Oct. 24, 2023.

2024 Spotlight: Sustainable Manufacturing

Sustainable manufacturing is surging globally as consumers demand more solar panels and electric vehicle chargers, and as they increasingly value environmental responsibility in the manufacturing of their cellphones and sneakers. The shift has led to greater emphasis on resource efficiency, recycling, and waste reduction, as well as more eco-friendly materials. Companies are also increasingly shifting to renewable energy sources with a view towards net-zero emissions.

These shifts are making manufacturing jobs more appealing to people who value sustainability and environmental stewardship. They are also increasing industry demand for skilled workers in sustainable technologies, renewable energy, and environmental management. The broader industry shift underscores the need for a versatile and high-skilled workforce.



ZipTips

Manufacturing companies are facing an aging workforce and an impending wave of retirements. At the same time, many are struggling to recruit younger workers. Here are some steps companies can take to build a sustainable and resilient workforce:

1. Invest in training and upskilling

Prepare existing employees for evolving roles and emerging technologies by addressing skills gaps and reducing worker opposition to technological change. Adopting advanced technologies and training workers to use them makes manufacturing roles more appealing to a tech-savvy modern workforce.

2. Collaborate with educational institutions

Forge partnerships with vocational schools, community colleges, and universities to create tailored programs that align with the skills needed in manufacturing. Participate in school outreach programs, career fairs, and industry events to showcase the exciting and technologically-advanced opportunities available in modern manufacturing. Encourage students to pursue careers in the industry through internships and apprenticeships.

3. Adopt flexible work arrangements

Make roles attractive to a wider talent pool by implementing part-time or phased retirement programs and adopting scheduling processes that respect employee preferences and provide some autonomy.

4. Promote diversity and inclusion

As manufacturing roles become more technologically-advanced and flexible, they will become more appealing to a wider range of workers. Encouraging women, minorities, and individuals from different backgrounds to join the manufacturing workforce can help mitigate skill shortages.

5. Promote employee well-being

Provide a safe, comfortable, ergonomic workplace. Survey employees to find out how to best increase engagement and reduce turnover.

6. Provide competitive compensation and benefits

Many manufacturing workers have alternative options that are more flexible, less stressful, and better-paid. Pay will need to become more competitive to compensate employees for relatively less flexibility. Since the pandemic, many manufacturers have implemented pay-for-performance programs that have boosted employee productivity and given workers opportunities to increase their income substantially.