



THE INCREASING SKILLED LABOR SHORTAGE

Companies are struggling to find qualified candidates for their skilled labor positions, like those in the manufacturing, light industrial, and marine industries.

The current state of skilled labor is **bleak**.



By 2030, the global manufacturing industry is expected to experience a deficit of more than 7.9 million people. The resulting loss in revenue may be as high as \$607.1 billion.¹



More than 25% of manufacturers had to turn down new business opportunities due to a lack of workers.²



Manufacturers say it takes upwards of three months to fill openings and more than two months to fill positions for skilled production workers.³



Vacant positions impact several business areas, notably – productivity (51%), growth (47%), customer service (42%), and innovation (43%).³



A 2018 survey published by the Manufacturing Institute says that 3.5 million manufacturing jobs will need to be filled in the next decade and 2 million of those jobs will go unfilled.⁴



A U.S. Bureau of Labor Statistics report shows that shortages of skilled workers are most serious in the machinist, fabricator, tool and dye maker, electrician, and technician trades. These are the highly skilled jobs that take a lot of training but pay decent wages.⁴

A number of contributing factors continue to impact this distressed market.

Baby Boomers retiring, dwindling apprenticeship programs, and a lack of interest in trades, to name a few.

About **10,000 Baby Boomers reach retirement age every year**, and 5,900 leave the labor force.⁵

Over the decades, the participation rate of prime-age workers, especially **men 25 to 54 years old**, has fallen steadily, from **98% in 1954 to 88% today**.⁶

The number of **apprenticeship programs** in the U.S. **has shrunk by 36%** since 1998.⁷

52% of teens have little or no interest in a manufacturing career; another 21% are ambivalent, and 61% said they seek a professional career, far surpassing other issues, such as pay (17%), career growth (15%), and physical work (14%).⁴

The skilled labor gap is widening at an alarming rate, so businesses **need to adapt—and fast**.

Evolving recruiting efforts, changing staffing strategies, and upskilling their current workforce are a few ways to address the shortage. Here are other ways the shortage is being addressed:



The Department of Labor [website for Registered Apprentices](#) shows that in 2009, there were 420,000 registered apprentices and 18,889 (6.6%) were in manufacturing. Today, there are 585,000 people registered in the federal apprentice program, but only 15,600 (3%) in manufacturing. The total number of apprentice registrants has grown by 28%, but the number of manufacturing registrants has declined.⁸



Former President Trump's executive order has established Industry Recognized Apprentice Programs (IRAPS) for 3.8 million workers, with \$90 million in federal funding.⁸



Companies can turn to staffing firms that offer placement of skilled laborers to quickly fill any gaps.



Firms can partner with staffing agencies for temporary-to-hire, direct hire, and other staffing solutions to help address any skilled labor needs.

We're Committed to Addressing the Skilled Labor Shortage

Learn more about how NSC can help you through the skilled labor shortage and place highly qualified laborers in your roles.

[NSC-TECH.COM](https://www.nsc-tech.com)



1 <https://business.linkedin.com/talent-solutions/blog/trends-and-research/2018/industries-biggest-talent-shortages-2030>
2 <https://www.industryweek.com/talent/article/22027389/how-manufacturers-are-tackling-the-skills-gap>
3 <https://www.industryweek.com/the-economy/article/22026709/skills-gap-could-cost-us-economy-25-trillion-over-next-decade>
4 <https://www.industryweek.com/talent/article/22027515/lets-get-real-about-the-skills-gap-and-start-solving-it>
5 <https://www.pewresearch.org/fact-tank/2019/07/24/baby-boomers-us-labor-force/>
6 <https://www.bls.gov/opub/mlr/2018/beyond-bls/down-and-downs-we-go-the-falling-us-labor-force-participation-rate.htm>
7 <https://bg.hbr.org/2012/12/who-can-fix-the-middle-skills-gap>
8 <https://www2.deloitte.com/us/en/pages/manufacturing/articles/public-perception-of-the-manufacturing-industry.html>