



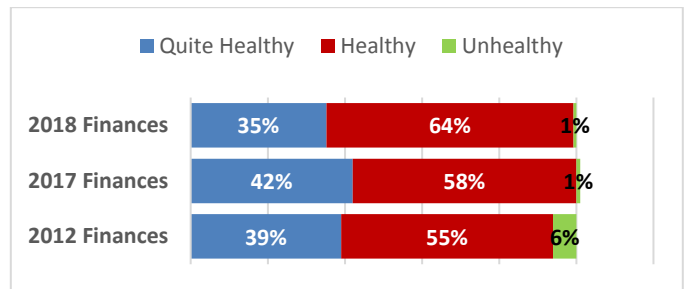
NORTHEAST WISCONSIN MANUFACTURING ALLIANCE 2018 MANUFACTURING VITALITY INDEX

The Alliance's 8th annual northeast Wisconsin Manufacturing Vitality Index found the manufacturing sector (23 percent of the region's employment base) remained strong over the past year. The survey was administered in October and November 2017 by the University of Wisconsin-Oshkosh's Business Success Center. The sample was drawn from 601 manufacturers in Northeast Wisconsin with \$3 million or more in annual revenue and 25 or more employees. 147 companies completed either a telephone or online survey (24 percent response rate). Responses are at a 95 percent confidence level.

FINANCIAL HEALTH & BUSINESS GROWTH

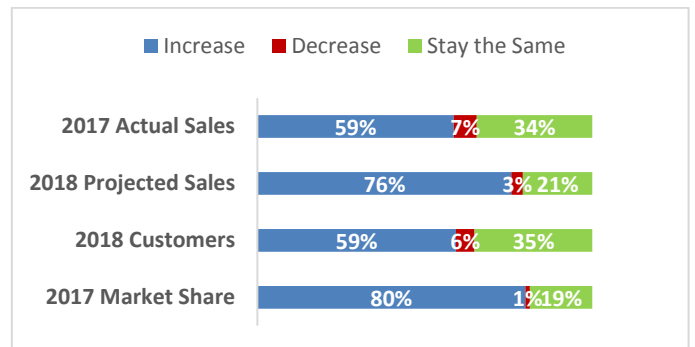
Financial Health

- Manufacturers' plans in 2018 for sales growth and capital investments remain strong, positive indicators of the vitality of manufacturing in the NEW North.
- 99 percent of respondents said they expect their companies' financial health in the next 6-12 months to be healthy or quite healthy.



Business Growth

- The survey points to sustained industry growth in 2018. Over 59 percent of respondents reported increased sales in 2017.
- Over three-quarters of manufacturers expect increased sales in 2018.
- 59 percent expect to add customers in 2018. They also foresee increases in quotes or requests for their products or services.

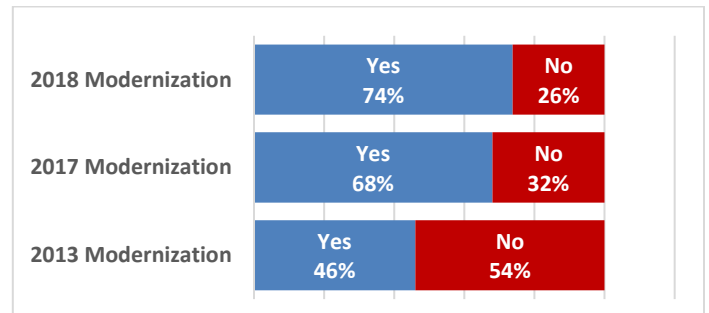
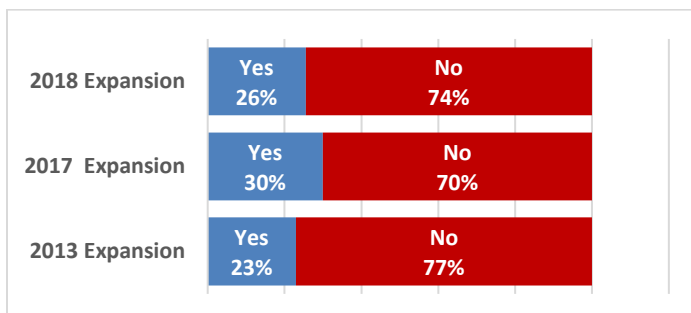


EXPANSION & PLANT MODERNIZATION

Plant Expansion & Modernization Planned in 12-24 Months

2018 plant expansion plans are slightly lower than 2017.

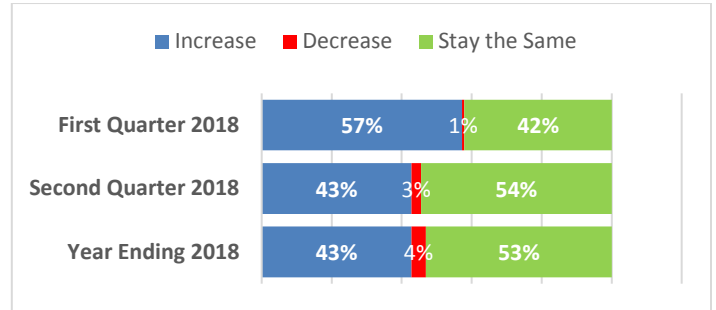
Plant modernization has increased significantly over the years: 74 percent are planning a modernization project.



WORKFORCE RECRUITMENT

Manufacturing Workforce Hiring Needs

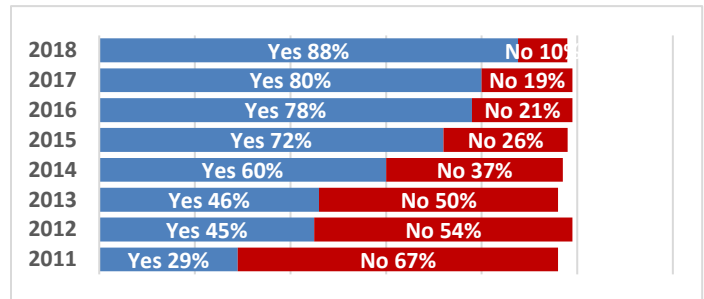
- 57 percent of respondents anticipate hiring new personnel in the first quarter of 2018; this is a record high from all of the other years of the study.
- There are over 40 percent of manufacturers planning to hire in each quarter throughout the year.
- Slightly more manufacturers anticipate hiring in 2018 than in years past, pointing to increased activity.



SKILLS SHORTAGE

Difficulty Finding Talent

- Nearly nine out of ten of companies will have trouble finding talent in 2018.
- The skills shortage has increased from the first year of the study in 2011, in which 29 percent could not find the talent they need, to 88 percent in 2018.



Most Difficult-To-Fill Occupations

- Companies are having difficulty finding Machinists and CNC Machinists, which has been among the most difficult-to-fill position every year the study asked this question.
- Most of the occupations going unfilled require post-secondary education, although most do not require a four-year degree.

Most Difficult-To-Fill Occupations	Average Hourly Wage
1. General Labor	\$11.77
2. Machinist/CNC Machinist	\$22.63
3. Machine Operators	\$18.50
4. Engineers	\$35.28
5. Welders	\$19.62
6. Assemblers	\$14.60
7. Electro-Mechanical/Service Technician	\$25.68

Skills Highest in Demand

- Many employers are finding the workforce deficient in “soft skills” – non-technical skills.
- Communication skills and attendance accounted for over half of the responses.

Skills Highest in Demand
1. Attendance
2. Communication Skills
3. Work Ethic
4. Time Management
5. Mechanical Skills

RECOMMENDATIONS

For the eighth year in a row, companies responding to the survey verify the strength of the manufacturing sector in Northeast Wisconsin. More than half the manufacturers surveyed said they are investing in facilities. However, this financial optimism is tempered by another recurring finding – skilled workers are in high demand, but there are not enough qualified candidates to fill numerous job openings.

The Alliance is one part of the solution, providing a unified voice to advocate for the region’s manufacturing needs and communicating that the industry offers many lucrative careers. However, individual manufacturers can and must contribute to creating and retaining a dynamic, skilled workforce that will sustain and grow the region’s manufacturing base, today and into the future.

The Alliance thanks Jeff Sachse, Faculty Associate, University of Wisconsin Oshkosh, for his expertise in preparing this report.

The NEW Manufacturing Alliance is a partnership of over 190 manufacturers, educational institutions, workforce development, chambers of commerce, and economic development in the 18-county New North region. For more information, see www.newmfgalliance.org and/or contact Ann Franz at (920) 498-5587 or ann.franz@nwtc.edu.

