



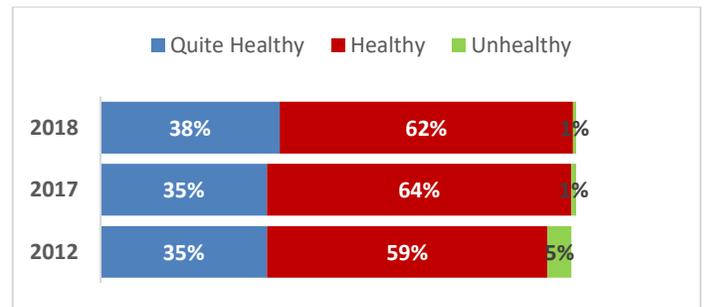
NORTHEAST WISCONSIN MANUFACTURING ALLIANCE 2019 MANUFACTURING VITALITY INDEX

The Alliance's 9th 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 during October and November 2018 by the University of Wisconsin-Oshkosh's Center for Customized Research Services. The survey sample was drawn from 601 manufacturers in Northeast Wisconsin with \$3 million or more in annual revenue and 25 or more employees. 164 companies completed either a telephone or online survey (27 percent response rate). Responses are at a 95 percent confidence level.

FINANCIAL HEALTH & BUSINESS GROWTH

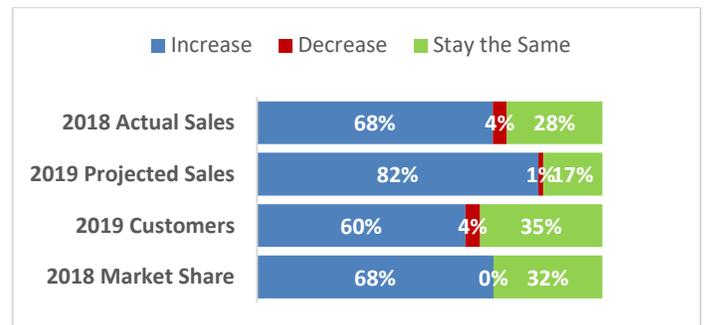
Financial Health

- Manufacturers' 2019 plans 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 2019. Over 68 percent of respondents reported increased sales in 2018.
- Over eighty percent of manufacturers expect increased sales in 2019.
- 60 percent expect to add customers in 2019. They also foresee increases in quotes or requests for their products or services.

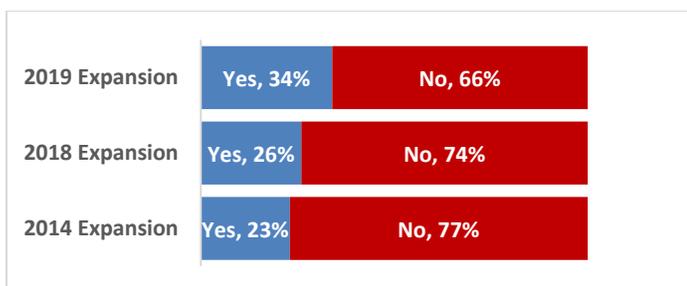


EXPANSION & PLANT MODERNIZATION

Plant Expansion & Modernization Planned in 12-24 Months

2019 plant expansion plans are significantly higher than 2018.

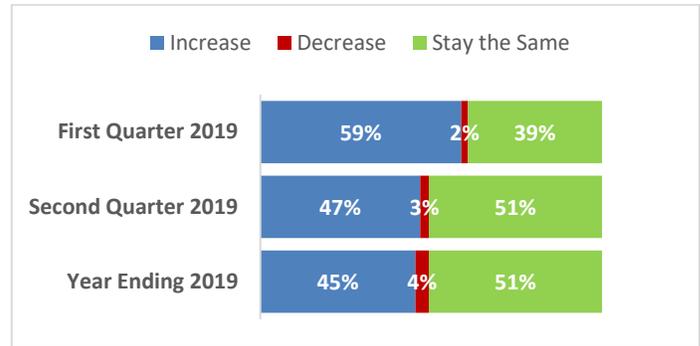
Plant modernization has increased significantly over the years: 70 percent are planning a modernization project.



WORKFORCE RECRUITMENT

Manufacturing Workforce Hiring Needs

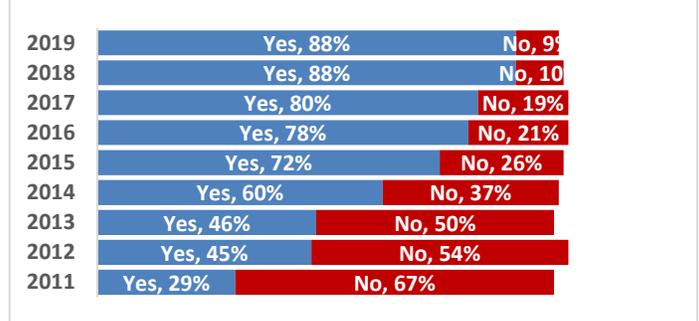
- 59 percent of respondents anticipate hiring new personnel in the first quarter of 2019. This is a record high from the other years of the study.
- Over 45 percent of manufacturers are planning to hire in each quarter throughout the year.
- Slightly more manufacturers anticipate hiring in 2019 than 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 2019.
- The skills shortage has increased from the first year of the study in 2011, in which 29 percent could not find the talent they needed, to 88 percent in 2019.



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/Operators	\$14.94
2. Machinist/CNC Machinist	\$23.76
3. Engineers	\$36.10
4. Welders	\$17.47
5. Industrial Maintenance/Electro-Mechs	\$26.22
6. Skilled Trades (electricians, pipefitters)	Varied
7. Assemblers	\$15.36

Skills Highest in Demand

- Many employers are finding the workforce deficient in “soft skills” (non-technical skills).
- Communication skills and attendance account for over half of the skills highest in demand.

Skills Highest in Demand
1. Attendance
2. Communication Skills
3. Accountability
4. Time Management
5. Technical Skills

RECOMMENDATIONS

For the ninth 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.

Jeffrey Sachse, Director of Research, produced the report. The NEW Manufacturing Alliance is a partnership of over 260 manufacturers, educational institutions, workforce development boards, 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.