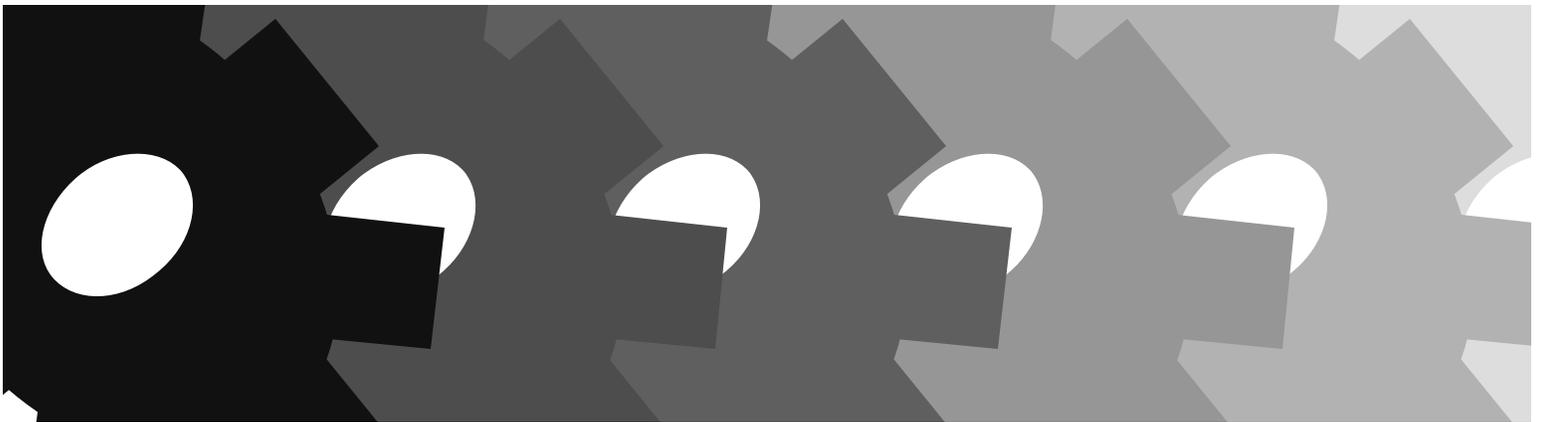


FROM PROCESSING FOOD TO FABRICATING METALS

A Profile of Manufacturing Sector Initiatives Across America



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and
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ACKNOWLEDGEMENTS

This publication was made possible by the manufacturing sector practitioners that generously contributed their time to this body of work. Without the knowledge they shared, this report would not have been possible. A list of the participating practitioners appears in the appendix. The National Network of Sector Partners (NNSP) and the National Association of Manufacturers (NAM) Center for Workforce Success also thank the Charles Stewart Mott and the Annie E. Casey Foundations for their support of our partnership.

THE CENTER FOR WORKFORCE SUCCESS AT THE NATIONAL ASSOCIATION OF MANUFACTURERS

The Center for Workforce Success is the nationally known workforce development arm of the National Association of Manufacturers. As the NAM's non-profit education and training affiliate, the Center finds, creates and promotes workforce development solutions for today's and tomorrow's manufacturers. The National Association of Manufacturers is the largest industrial trade association in the United States, representing 14,000 members including 10,000 small and medium-sized companies; and member associations serving manufacturers and employees in every manufacturing sector and in all 50 states.

NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER

The National Economic Development and Law Center (NEDLC), established in 1969, is a non-profit public interest law and planning organization that specializes in community economic development. It works in collaboration with community organizations, private foundations, corporations and government agencies to build the human, social, and economic capacities of low-income communities and their residents. NEDLC helps to create both strong, sustainable community institutions that can act as "change agents," and an effective local infrastructure for their support.

NEDLC believes that forging partnerships between nonprofits, the public sector, and industry is a key strategy in building family economic self-sufficiency. Since the late 1980's, NEDLC has pioneered the development and replication of the *sector approach*, industry partnerships in a specific industry (health care, manufacturing, and child care, for example), designed to solve workforce and economic development challenges in ways that benefit participating employers, unemployed and low-wage workers, and their local economy. NEDLC has designed instructional materials, provided intensive on-site technical assistance, developed trainings, held convenings, and worked to develop the field of sector initiatives for more than 20 years.

With the support of the leading practitioners and funders in the field, NEDLC created and manages the National Network of Sector Partners. The Network serves as the national resource center for the more than 300 sector initiatives now underway in more than 20 industries. NNSP works with a wide range of stakeholders to expand the number and effectiveness sector initiatives across the country to create win-win solutions for low income individuals and their families, industries, and communities.



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NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER



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INTRODUCTION

The National Network of Sector Partners, the national membership association for organizations implementing industry specific workforce and economic development initiatives across the United-States, is collaborating with the National Association of Manufacturers' workforce education and training affiliate, the Center for Workforce Success. The collaboration seeks to enhance the scale, scope, and sustainability of business-led workforce development using a sector approach and led by national trade associations. With support from the Charles Stewart Mott and the Annie E. Casey Foundations, the NAM/NNSP collaboration is based upon the hypothesis that sector initiatives led by an industry trade group will more easily and fully engage and sustain employer commitment and grow to scale more quickly within the industry. NAM and NNSP expect to engage the synergies of businesses moving talent in, up, and around member companies in a specific geographic region, while simultaneously providing greater opportunities for workers and the unemployed in that region. This collaborative effort is the first example of a national trade association working to integrate sector strategies broadly in its industry.

Throughout 2004/2005, the NAM/NNSP project will:

- develop local sectoral initiatives led by the NAM's national affiliates and their local businesses in key subsectors of the manufacturing industry;
- build these initiatives to scale and share the lessons learned broadly throughout the NAM organization for further application in other communities and subsectors.
- build a cadre of manufacturing leaders who will be prepared to communicate the value of using a sector approach and the importance of public sector investment in such work.

The first step in this collaboration has been to conduct an analysis of current manufacturing sector initiatives now underway across the US. This work was designed to create greater understanding about current work, structure, outcomes, challenges, and relationships in the industry and to inform the NAM/NNSP partnership about the state of existing manufacturing sector initiatives. These data offer lessons that may be helpful to the partnership – and to others - for new manufacturing initiatives in their communities.

This paper summarizes the analysis conducted by NNSP in early 2004. It is based upon is a summary of survey findings collected in March and April of 2004 from 31 current manufacturing sector initiatives.

The information contained in this report represents more than 75% of the current manufacturing initiatives NNSP has identified.

In addition to the survey, this report has also drawn information from two other sources – a convening of current manufacturing initiative leaders and supporters, held in Boston, Massachusetts in April 2004 and brief case studies/snapshots of a variety of manufacturing initiatives.

The survey data reported here was drawn from a wide variety of manufacturing initiatives underway across the United States. The organizations leading these initiatives include business associations, labor/management partnerships, community based nonprofits, workforce boards, educational institutions, community development corporations, and others. These workforce intermediaries reflect their individual and varied missions and this can be seen in the limited number of any one type of organization reported on here. Thus, definitive findings about manufacturing sector initiatives cannot be drawn from this report.

From Processing Food to Fabricating Metals was published as a resource for the



NAM/NNSP collaboration, but also for the development of additional and effective manufacturing initiatives across the United States. As more states and the federal government – as well as foundations and other funding sources – consider more investments in strengthening manufacturing, initiatives like those reported here may offer promising lessons.

Profile: The Arkansas Wood Manufacturers Association (AWMA)

One of the business associations in our respondent pool, The Arkansas Wood Manufacturers Association offers a comprehensive workforce development program. Originally brought together to address skyrocketing worker compensation insurance rates, the association was founded in 1992. AWMA is committed to providing market data, technology and training to strengthen and expand the wood products industry. By reducing costs and expanding the market the association seeks to improve the wood industry's global competitiveness.

The wood manufacturing industry employs around 17,000 workers that account for 15% of Arkansas's jobs in durable good manufacturing. The industry produces a diverse array of products ranging from furniture and pallets to aircraft cabinetry and millwork.

In 1998, the association created the centerpiece of its workforce development efforts, the AWMA Apprenticeship. The apprenticeship is unique for the wood manufacturing industry, the only program that offers a "Wood Technician" certificate recognized by the US Department of Labor. An 8,000 hour program, apprentices are trained in both the classroom and on the job.

In addition to woodworking skills, apprentices receive training in computers, exposure to CNC programming, forklift driver training, education in quality control, and are offered training correspondence and distance learning courses via the internet. AWMA also effectively works with the growing Latino population in Arkansas and has a comprehensive ESL program. AWMA works with each apprentice individually providing career management counseling. While enrolled in the program, the apprentices are placed with sponsor employers. As the apprentices are continually trained, they receive pay increases—usually every six months. Individuals leaving the apprenticeships find jobs in a mix of occupations that include industrial design, programming, skilled craftsmen in addition to many others.

AWMA serves several populations. These include low-wage workers, incumbent workers, in-school youth, immigrants and adults with limited English proficiency. Individuals 18 and older can enroll in the adult program. Youth older than 16 have the opportunity to enroll into the Youth Apprenticeship Program. They are offered opportunities for pay through summer internships and weekend employment.

As a business association, AWMA seeks to respond to the needs of its nearly 125 members. Whether lobbying in the legislature or filling a skills gap, AWMA is agile in adapting to a changing environment. In addition to its apprenticeship program, AWMA provides direct services to employers as well. Services include technical assistance, customized training and structuring a pipeline for career advancement. With a dual-customer approach, the Arkansas Wood Manufacturers Association ensures the health of the industry by strengthening its employers and workers.

Snap Shot

Location: Morrilton, AR

Sub-Sectors: wood manufacturing

Employer Partners: over 125

Budget: \$200,000

Funding Sources: WIA, State Dept. of Labor, membership dues, foundations

Profile: The Jane Addams Resource Corporation (JARC)

The Jane Addams Resource Corporation (JARC) is a community development corporation founded in 1985. Although JARC's first activities related to youth education, the organization became concerned with the flight of manufacturing firms from Chicago, and the economic consequences for the low-income communities in which they were based. For that reason, JARC began to develop both the expertise and the connections to work with manufacturing employers. Its sector-based strategy includes providing training and a range of other services aimed at improving the competitiveness of metalworking manufacturers in the Chicago Metropolitan Region while helping lower-income individuals achieve self-sufficiency.

Snap Shot

Location: Chicago, Illinois

Sub-Sectors: food, fabricated metal, machinery, computer and electronics, transportation, furniture, miscellaneous

Employer Partners: S&C Electric, Freedman Seating, Electro Technic, Tella Tool & Mfg., PK Tool & Mfg.

Budget: \$779,201 (FY 2004)

Funding Sources: City, Fee for Service, Incumbent worker monies, state funds, foundation.

In 1991, JARC initiated its Metalworking Skills Training Program (MSP) for incumbent workers in the industry, providing instruction to 200-400 trainees yearly. JARC opened its Training Center for the Metalworking Trades in 1996 (and doubled the size in 2003), fully developing its niche expertise—die setting, earning the first US Department of Labor-registered apprenticeship program for that trade.

In 1998 JARC established its Careers in Metalworking Program (CMP), designed to provide skills training to unemployed individuals who are then placed in entry-level positions. This program serves a wide range of job seekers, 40-50 yearly-- including refugees, women, ex-offenders, public assistance recipients. It emphasizes development of basic skills and industry-specific vocational skills. In addition to metalworking, JARC also works in the machinery manufacturing, computer and electronic product manufacturing subsectors.

JARC's interventions have transformed employers' practices that also benefit low-income workers. For example, JARC works with employers to develop career paths within their firms, and provides customized training that allows workers to progress up the ladder. By promoting from within, employers improved job retention and became less strapped by shortages of higher-skilled job applicants. By working with over 50 companies, JARC is changing the norms within the manufacturing sector in Chicago resulting in improved hiring, training, and advancement strategies.

JARC sees its initiatives in the metalworking industry as a vital part of a larger community development strategy that includes business and real estate development, at-risk youth educational programs, adult education, career counseling and job placement services, and public policy development. For example, incumbent workers enrolled in metalworking programs might also benefit from Adult Education Classes. JARC will soon begin to offer financial literacy training to the workers in the community.

Through its policy advocacy, JARC hopes to influence the creation of legislation introducing new incentives for industry to invest in training. JARC is active in the State Agenda for Community Economic Development (SACED), which is a state-wide collaboration of community based organizations and advocacy groups that since 1997 has sought to promote the Community-Business Partnership model as the tool to improve the lives of low-income people in Illinois.

According to the Aspen Institute's Sectoral Employment Development and Learning Project, participants in JARC's incumbent worker and unemployed individual training programs saw substantial increases in pay and hours worked. Two years after graduation, JARC participants saw a 22% increase in hourly wages to \$14.55¹. Further, employers have reported a cost savings of up to 60% due to waste reduction, improved worker communication and problem solving skills, reduced set-up time and improved safety practices.²

¹ Zandniapour, Lily & Conway, Maureen; "Gaining Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs; SEDLP Research Report No. 3; The Aspen Institute; February, 2002; page 20

² Glasmeier, Amy; Nelson, Candance; Thomson, Jeffrey; "Jane Addams Resource Corporation; A Case Study of a Sectoral Employment Development Approach"; The Aspen Institute; December, 2000; Page 53

WHAT SECTOR INITIATIVES ARE

Sector initiatives focus attention on a specific industry in a particular community or region to solve industry staffing problems while improving jobs and increasing advancement for low-income people and low wage workers in that industry. These initiatives share four common elements. They:

- Focus on a single industry, customizing solutions for multiple employers in the industry
- Are led by a workforce intermediary with deep knowledge of the industry that works to coordinate worker and workplace solutions
- Provide training, support, and access to career pathways that benefit low income job seekers and/or low wage individuals working in the industry
- Promote systemic changes in the pathway to employment in the industry, the employment practices, and public sector investments to achieve better outcomes for both workers and multiple businesses in the industry

A sector initiative is, by definition, a dual customer model and achieves benefits for the businesses in the sector as well as advancement for its workers. Moreover, sector initiatives are lengthier investments than traditional workforce development programs. They take place over multiple years and combine workforce and economic development strategies to deepen benefits and to achieve systemic changes.

METHODOLOGY AND FINDINGS

NNSP maintains the nation's most complete database of sector initiatives across industries as one of its core services. Early in 2004, NNSP reviewed its database to identify existing sector initiatives across the United States with work focused on the manufacturing industry. In this process, NNSP staff identified 42 organizations carrying out manufacturing initiatives. While a few additional initiatives may exist, this sampling is the largest of its size studied to date. Of the 42 identified, two programs were no longer in existence. Thirty-one of the existing 40 programs responded to the survey – or a 78% return rate. This paper reports findings from those 31 programs. While this paper describes many findings in detail, NNSP identifies the following as the most central:

Manufacturing sector initiatives are geographically concentrated.

Over 60% of sector initiatives are located in the Midwest, Pacific Coast and Northeast. Virtually no manufacturing sector initiatives were found in the Prairie and Mountain States and very few in the southeast and south west.

While the most senior of the sector efforts are led by community-based organizations, the types of organizations now leading these efforts have diversified greatly. Six different types of institutions serve as workforce intermediaries leading manufacturing initiatives.

Manufacturing sector initiatives are housed in community-based organizations, education institutions, workforce boards, labor-management partnerships, community development corporations, and in business associations. Four business association sector initiatives were part of the sample – the Arkansas Wood Products Association, the Power Transmission Distributors Association, the Berkshire Plastics Network, and the Manufacturers Association of MidEastern Pennsylvania.

Most sector initiatives work with employers across subsectors of the industry rather than concentrating their efforts in only one sub-sector. They also work with multiple employers in the industry, most often a mix of large and small firms.

Rather than working in a single subsector of manufacturing – like high tech or chemical manufacturing -- most sector initiatives surveyed work with employers across several subsectors to assist them in addressing their workforce needs.

Most manufacturing initiatives are complex service organizations, with even the smallest providing at least five distinct services to their target populations and business partners. They also serve a wide population of workers and potential workers.

Nearly all of the initiatives provide occupational skills training and more than 83% provide services to incumbent workers. All provide services to segments of the populations with multiple barriers, although the types of services offered and the populations served vary significantly among the types of institutions in which they are housed.

Manufacturing initiatives face significant challenges.

While many challenges emerged in the responses, they fall into three primary categories – the volatility of the industry, financing the initiative, and dealing with the intensive needs of existing and potential workers. Most respondents commented upon the image of manufacturing as a significant challenge, whether in terms of job loss, perceived flight of jobs overseas, the recession, the slow recovery of jobs in small and medium-sized manufacturing, global competition, and the impact of these challenges on the firms with which they work. This challenge is particularly noteworthy in the manufacturing sector as compared to other sectors.

Manufacturing sector initiatives have multi-source budgets but all struggle to sustain their funding.

Most of the initiatives surveyed have developed multi-source budgets, which range widely in total budget size from less than \$10,000 to \$70 million a year. The most common funding sources for manufacturing initiatives are: foundations, Workforce Investment Act dollars, Federal Department of Labor grants, corporate and business contributions, state DOL funds, and incumbent worker training dollars. Apart from the challenges presented by working in such a volatile industry, sector initiative leaders report that the financing of their efforts is their most pressing challenge. Nearly 20% face severe cutbacks in critical sources that put their initiatives at risk.

Manufacturing initiatives deliver tangible benefits to both their employer partners and the workforce.

The manufacturing initiatives surveyed provided a broad set of benefits to their dual customers. The most common benefits for workers and community residents were: acquisition of jobs with employer benefits, like health care insurance; skill upgrading for entry level employees to promote advancement; and shifts in life and career expectations and life skills. For industry partners, the most common benefits included: increasing the productivity of current workers in the industry; producing strong new skilled workers; improving the relevance of the training provided in local schools and community colleges; and bringing new financing options to businesses to make it possible to retool and invest in workforce development.

Profile: The Garment Industry Development Corporation (GIDC)

New York City is home to a fashion industry cluster employing over 100,000 fashion designers, skilled garment workers, and wholesale workers that generates nearly \$14 billion in revenue yearly. The Garment Industry Development Corporation, a non-profit consortium of labor, industry leaders and government seeks to strengthen New York's apparel industry and to keep industry jobs in New York City. Founded in 1984, GIDC is one of the nation's leading labor-management-government partnerships, providing a wide array of services to employers and workers.

Snap Shot

Location: New York, NY

Sub-Sectors: apparel manufacturing, textile product mills

Employer Partners: Over 200 firms

Budget: \$1.7(FY 2004)

Funding Sources: State Assembly, NYC Dept. of Small Business Success, Industry Fund, US Dept. of Commerce, Consortium for Worker Education

GIDC's central mission is to help New York's garment firms compete in the apparel industry. First, GIDC identifies and targets sustainable markets. In the last year, GIDC carried out an exhaustive analysis of NYC apparel manufacturers and the markets they serve, working with manufacturers to help them win work from five targeted markets. These five markets offer the most potential in terms of stable, long-term orders with good margins, which ultimately leads to healthier businesses, and better wages and benefits for New York City garment workers. GIDC's sourcing team works with smaller brands, retailers, established and emerging designers and with government agencies to locate producers who can meet their need for quality, responsiveness and price.

GIDC then works to develop human resource capacity, providing a number of training programs. The On-Site Productivity Improvement program is designed to increase competitiveness by providing companies with comprehensive operations analysis and solutions to their business needs. Services include needs assessment, management assistance, engineering assistance, employer specific training and statistical quality control. The Employer Specific Training provides on-site training to New York Apparel manufacturers and contractors. Following a train-the-trainer model, it utilizes bi-lingual vocational trainers to assist operators and supervisors to upgrade and diversify the skills needed on the sewing floor. GIDC also provides the "Super Sewers" program that assists nearly 1,000 displaced workers to enhance their sewing machine skills and master workplace English through a 13 week program. Further, the Apparel Skills Training program provides evening courses in pattern making, marker making and sample cutting to assist workers in career advancement. Also, GIDC offers shop owners and supervisors continued learning through the Management Training Seminars and Workshops. Training topics include machine maintenance and repair, computer skills and occupational health and safety. According to the Aspen Institute's Sectoral Employment Development and Learning Project, participants in GIDC's programs saw an increase of 32% in yearly earnings from \$12,639 to \$16,733 two years after graduation.³

Contrary to public perception, the apparel industry is not disappearing in New York, and in fact, continues to be a critical part of the City's economy. GIDC has proven extremely effective in helping New York City firms to remain viable in a competitive worldwide apparel economy.

³ Zandniapour, Lily & Conway, Maureen; "Gaining Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs; SEDLP Research Report No. 3; The Aspen Institute; February, 2002; page 18

Profile: Worksystems Inc. (WSI)

Founded in 1998 after the passage of the Workforce Investment Act, Worksystems Inc. (WSI) is the workforce board that serves Oregon's Washington and Multnomah Counties, and the City of Portland. Coordinating six one-stop career centers, WSI actively collaborates with employers, community colleges, high schools, municipal and state agencies and training providers to deliver a comprehensive package of employment and workforce development programs. Observing that policymakers and local/state administrations had a growing interest in the manufacturing sector because of its high wage base and growing skill shortages, WSI began to conceptualize how it could support the viability of the industry through workforce strategies.

Snap Shot

Location: Portland, OR

Sub-Sectors: primary metals, fabricated metals, transportation equipment

Employer Partners: Boeing, Gunderson, PCC Structurals, Freightliner, ESCO

Budget: \$4.2 million for Manufacturing Sector (2000-2004)

Funding Sources: WIA, US Dept. of Labor, H-1 B funding, corporate/business funding

WSI's first initiative in manufacturing was in the semi-conductor industry in 2000. Funded with an H1-B grant and corporate support, the organization partnered with three community colleges (Portland Community College, Clackamas Community College, and Tillamook Bay Community College), Intel Corporation, and Oregon's Semiconductor Workforce Consortium to develop new and expanded curriculum to be more responsive to skills demand in the industry. The collaboration resulted in a 2-year Associate of Science degree program in microelectronics. From 2000-2003 the program enrolled 393 participants and produced 104 graduates. Though the semi-conductor industry in Oregon severely contracted while the program was underway, WSI, the community colleges and their employer partners remained committed to the program's continued operation. The collaboration's key employer partner, Intel, continued to hire during the economic downturn. Further, they anticipated a wave of job growth in semiconductors when the economy rebounded, an assertion that proved true.

In 2001, WSI received a US Department of Labor Incumbent and Dislocated Worker Skills Shortage Demonstration Project grant to conduct a sector initiative in the metals manufacturing industry. Running until 2003, the program was based on collaboration with three community colleges (Portland Community College, Clackamas Community College, and Mt. Hood Community College) to develop a 12-week intensive dislocated-worker training program for entry-level welders and CNC technicians and customized incumbent worker training for two key employers: Boeing Corporation and PCC Structurals/Div. of Precision Castparts Corporation. Utilizing multiple program strategies such as Vocational ESL and multimedia curricula, the program trained 115 dislocated workers to enter into the metalworking industry and provided technical, ESL, and teambuilding training for 600 current workers.

Both the semiconductor and metals manufacturing programs also involved development of industry websites that serve as sector specific virtual one-stop centers. Accessible through www.connect2jobs.org, the websites provide job seekers and career advancers with information about occupations, skill sets, career ladders, training requirements, training resources, and regional companies. Job seekers can access tools to develop and post resumes and employers can post jobs.

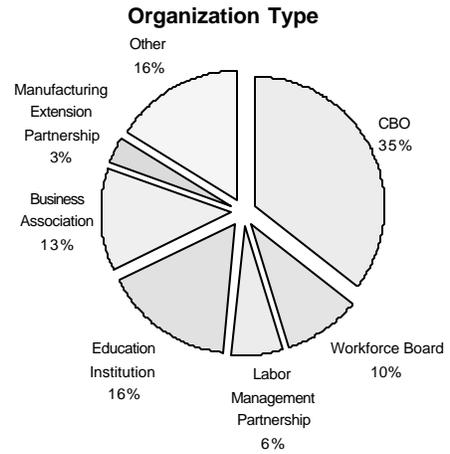
WSI continued its commitment to the metals manufacturing sector and facilitated the development of the Metals Industry Consortium. A collaboration of public education (both high school and post-secondary), employers, state and municipal economic development agencies and the Oregon Employment Department, the consortium identifies workforce needs and develops strategies to address them. Currently the consortium is discussing the possibility of developing a regional training facility to provide hands-on training in metals manufacturing skills.

WSI coordinates a breadth of programs designed to support adults and youth, employers and workers, incumbent and displaced workers alike. Through building partnerships with the multiple stakeholders in its region, WSI brings together an entire community to provide opportunities for workers and develop a vibrant economy.

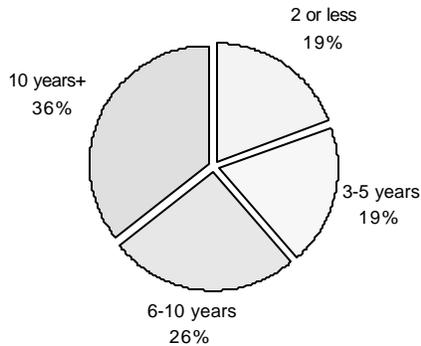
PART I: PROFILING THE INITIATIVES

Organizational Profile

Manufacturing initiatives surveyed are housed in a diverse array of organizations. The largest number is conducted by community-based organizations (35%) followed by educational institutions (16%). Business associations comprise 13%. Workforce boards led two manufacturing initiatives in the survey. Two Labor Management Partnerships and one Manufacturing Extension Partnership are included in the respondent pool. Organizations categorized as “other” included two community development corporations, a non profit manufacturing support/development provider, a municipal authority and an educational research foundation.



Age of Initiative



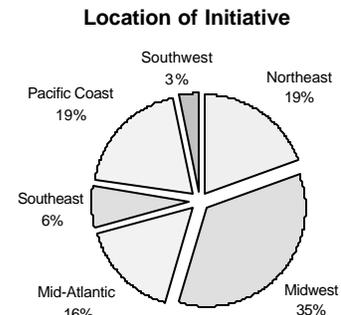
Age of the Initiatives

The manufacturing initiatives vary widely in age. Evenly distributed, 19% of the initiatives were 2 years old or younger, 19% were 3-5 years old, 19% and 26% of the initiatives were 6-10 years in age. About 35% of the organizations were older than 10 years, four of which were older than 15 years.

Roughly 40% of the initiatives were formed in the past five years – a period of stagnant job growth in manufacturing.

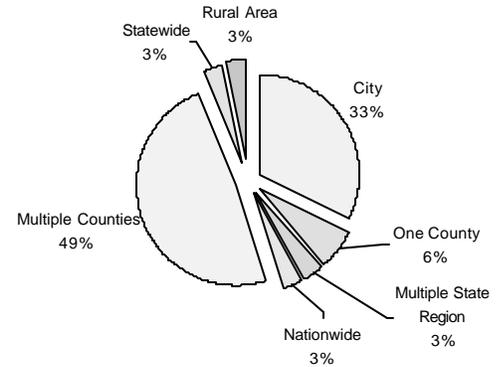
Location of the Initiatives

The geographic distribution of the sector initiatives we studied was heavily concentrated in the Midwest (35%), Northeast (19%) and Pacific Coast (19%). Combined, the three regions account for over 70% of the manufacturing initiatives. The Mid-Atlantic had a modest presence of manufacturing sector initiatives comprising 16% of the overall pool. The South has very few manufacturing sector initiatives with 2 (6%) in the Southeastern Region and one in the Southwest Region (3%).



Geography Served

The Midwest and Northeast regions have the oldest manufacturing sector initiatives. The five oldest initiatives -- the Jane Adams Resource Center (19 years), Garment Industry Development Council (20 years), the Center for Labor and Community Research (22 years), the Industrial Manufacturing Foundation (23 years) and Focus:HOPE (24 years)-- were located in Chicago, Detroit or New York City.

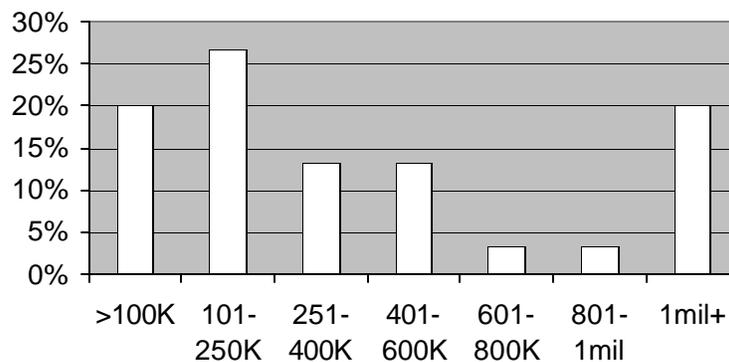


Almost half of manufacturing initiatives studied serve a multiple county region (48%). Significantly fewer initiatives serve only a city or metropolitan area (32%) and only one serves a rural area. Also, only one statewide and one nationwide initiative were present in the respondent pool.

Financing the Initiatives

Manufacturing sector initiatives are financed in a wide variety of ways. Of those with budgets under \$100,000, the majority are business associations and workforce boards. The majority with budgets exceeding \$1 million are community-based organizations more than 5 years old.

Size of Budget



More than half of the groups reported budgets for 2003/2004 that decreased in 2002. There is no clear trend in reported prospects for 2004/2005 funding. Among the initiatives studied, however, nearly 20% reported the upcoming phasing out of important funding, putting their initiatives at risk.

Funding sources utilized by sector initiatives total more than 30. The most commonly reported sources are:

- Foundations (52% of respondents)
- WIA (39% of initiatives)
- Federal grants (32% of initiatives)
- State DOL funds (23% of respondents)
- State incumbent worker funds (19% of respondents)
- Business/corporate investment (19% of respondents)
- Other state funds (16% of respondents)
- State or county welfare or TANF monies (13% of respondents)

Comparing these findings with the funding of general sector initiatives that NNSP compiled in the fall of 2003, manufacturing initiatives receive less monies from WIA (63% in the general initiative sample), TANF (50% in the general sample), and State DOL funds (30% in the general sample). There is no funding arena in which manufacturing sector initiatives receive appreciably more monies than other sector initiatives generally.

Profile: Project QUEST

Project QUEST, a community-based organization was founded in 1993 and has been conducting a workforce development initiative in manufacturing for four years. The organization plays an important role in the economic development of San Antonio, Texas and in the local aerospace manufacturing industry.

Working with unskilled, underemployed, and unemployed adults, Project QUEST provides training opportunities in high demand occupations. Eligible participants are enrolled with an accredited training provider and, upon completion of training activities, placed in an occupation paying family-sustaining wages. During program enrollment Project QUEST participants are provided support services such as comprehensive case management, child-care assistance, and transportation to ensure successful completion of training activities. Project QUEST also actively engages the local community college in responding more effectively to employer needs

Since the September 11 terrorist attacks, the aerospace industry in San Antonio has seen great turmoil. The economic impact of 9/11 compounded by the Kelley Air Force Base Closure, once the employer of 30,000 people. The environment is in transition, with a number of large aerospace firms such as Lockheed Martin and Boeing investing in the development of an industrial park in the former base.

San Antonio anticipates the newly converted Kelly USA industrial park to employ nearly 27,000 professionals by 2006. Park development plans include the addition of almost 1,400 jobs per year through 2006. Yet, local aerospace employers struggle to locate and hire qualified skilled employees and have the pressure of an aging workforce looming overhead. The average age of the airframe and power plant mechanics in San Antonio is over 45 years old and much of the workforce is due to turn over in the next 3-5 years. Project QUEST works closely with its aerospace business partners to train and develop skilled airframe and power plant mechanics and build career paths for its workers.

The aerospace industry has the fourth largest economic impact on our region. It generated \$2.9 billion in revenue in 2000. Local aerospace companies are willing to work creatively to develop the qualified, skilled workforce they need to increase their growth. One business partner shared with QUEST how it positively impacted their bottom line. Based on the organization's investment in the training of a class of technicians, the company saved approximately \$130,000. This is a major selling point to them and other partners. By remaining sensitive to the driving factors in these initiatives, QUEST has been able to offer services unique and specific to the defined need.

Snap Shot

Location: San Antonio, TX

Sub-Sectors: aerospace and transportation equipment

Employer Partners: Standard Aero San Antonio, Boeing Aerospace

Budget: \$2.8 million (FY 2004)

Funding Sources: US Dept. of Labor, city funds, corporate funding, Community Development Block Grants, state funds

PART II: WHAT THEY DO

Services Provided

Manufacturing sector initiatives are complex in their provision of services. None provide less than five services, even those with very small budgets. More than half of the initiatives provide 10-20 services. Many others partner with other groups in their communities to provide additional services.

Number of Services
Provided and the
percentage of respondents
who provide them

5-10	26%
10-15	42%
16-20	26%
21+	6%

The vast majority of manufacturing initiatives provide occupational skill training (77%) and 70% provide incumbent worker training. Also, 70% of initiatives provide job readiness and job placement services. Other most common services provided include employer needs assessment (77%), customized training (76%), structuring a career advancement pipeline for entry-level workers (69%) and retention services (62%). In addition to services, 69% of the initiatives sponsor advocacy efforts targeting policymakers. However, very few initiatives provide supportive services (child care, drug counseling etc.).

Services Most Frequently Provided as a
percentage of responses

- Occupational Training Skills (77%)
- Customized Training (77%)
- Training for Incumbent Workers (70%)
- Job Placement Services (70%)
- Job Readiness Services (70%)
- Identifying Employer Needs (77%)

Services Least Frequently Provided
as a percentage of responses

- Organizing Workers (12%)
- Support Services (15%)
- Business/Cooperative Job Creation (15%)
- Literacy Services (19%)

Certain patterns emerge when looking at services provided by each sector initiative. Business associations **all** offer job retention services, training for incumbent workers, customized training and employer needs assessment. However only 25% of business associations conduct interest/aptitude testing compared to 52% of the rest of the respondent pool and 25% conduct labor market research and analysis compared to 59% of others. Half of business associations provide skills training. None of the business associations provide literacy services, case management after employment, retention services, conduct business/cooperative/job creation services or work to coordinate stakeholders in workforce development. They may partner with others who provide these services.

The vast majority of community-based organizations provide occupational training services (82%), which is also typical of the rest of the respondent pool. More community-based organizations

(73%) provide interest/aptitude testing compared to the rest of the pool (35%). Eighty-two percent (82%) of CBOs provide case management during training compared to 40%. Sixty-four percent (64%) of CBOs provide case management during employment compared to 25%. However, only 45% of CBOs provide customized training compared to 80% of the rest of the pool. Also only 36% of CBOs manage and package multi-source funding streams compared to 50% of the rest of the pool.

The profile of educational associations acting as workforce intermediaries also had certain attributes that were distinct from the rest of the pool. All educational institutions provided career counseling and career management services (100%) compared to only 58% of the rest of the pool. In addition, 80% of educational institutions provide English as a Second Language services compared to only 38% of non-educational institutions. Likewise 80% of them provide technical assistance to employers compared to 46% of the rest of the respondents. Relatively few education institutions (22%) provide retention services compared to almost half of the rest of the pool (58%). Also, few education institutions provide supervisor training and support (20%) compared to 42% of the non-education-led institutions.

There were only two labor management partnerships (LMP) in our respondent pool. Both of them have in common a lengthy list of services provided. This includes:

Career counseling	Industry/labor research and analysis
Job placement services	Occupational skills training
Incumbent worker training	Education as a Second Language
Technical assistance to employers	Retention services
Policy advocacy	Supervisor training and support
Retention of jobs in community	Customized training.

Some of services included in the above list that both LMPs provide (100%) are not typical for the rest of the pool. They both provide technical assistance to employers that only 48% of non-LMPs provide. In addition, only 48% non-LMPs provide retention services, 59% advocate with policymakers, 34% train supervisors, and only 52% of non-LMPs work to retain jobs in the community.

Populations Served as a Percentage of Responses

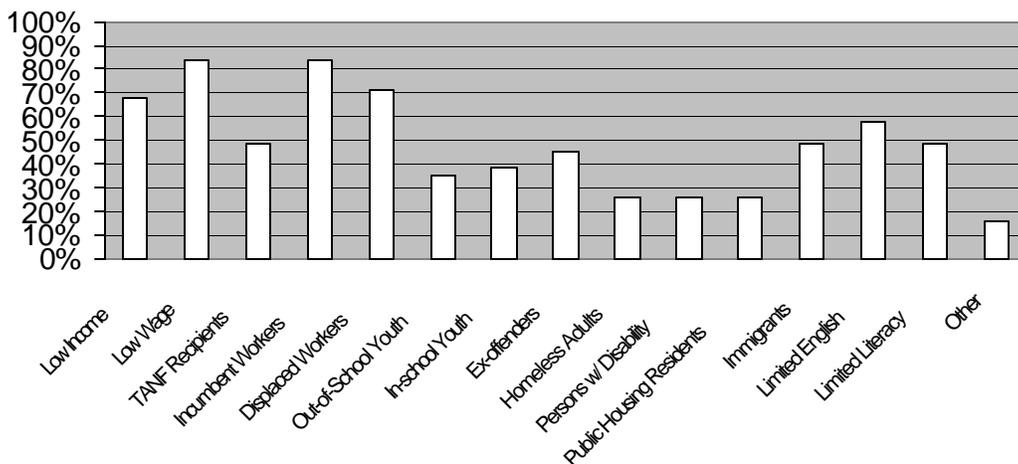
The number of populations that a manufacturing serves ranges widely. Almost half of the organizations focus their services on five populations or less.

Populations Served

1-5	42%
6-10	29%
11+	29%

The vast majority of the initiatives serve incumbent workers (83%), and most also work with low-wage workers (84%) and low-income adults (70%). Also, a good majority of the initiatives also work with displaced workers (70%) and adults with limited English proficiency (69%). Very few responding initiatives work with persons with disabilities (20%) homeless adults (20%), and public housing residents (17%). Five organizations listed that they serve individuals in the “other” category, and these populations served include those in rehabilitation, minorities and women, and training providers helping them make their services more targeted to employer needs.

Frequency of Populations Served



Patterns emerge when looking at populations served according to intermediary type. Seventy-five percent (75%) of business association intermediaries provide services to in-school youth compared to only 33% of the remaining groups. However, only 25% of business associations work with low-income individuals compared to 74% of the rest of the respondent pool. One of the four business associations served immigrants/refugees, but none of these respondents reported providing services to TANF/welfare recipients, ex-offenders, homeless adults, disabled individuals, public housing residents, or adults with limited literacy ability.

Community-based organizations were also revealed to have a relatively unique service population. Ninety-one percent (91%) of CBO respondents provide services to low income adults compared to 56% of non-CBOs. All CBOs target low wage workers compared to 75% of the rest of the respondent pool. Further, a considerably higher percent of CBOs (64%) serve TANF/welfare recipient compared to 40% of the remainder of the pool. Also, 73% of them provide services to ex-offenders while only 30% of non-CBOs target that population. On the other hand, a smaller percentage of CBOs (30%) serve in-school youth compared to 44% of the rest of respondents. Also, fewer of them (45%) target adults with limited English compared to 65% of the non-CBOs.

All education institution intermediaries provide services to incumbent workers and displaced workers. Also, they all target adults with limited English compared to only 50% of the rest of the respondents. More educational institutions (60%) target TANF/welfare recipients when only 46% of the rest of the pool target this group. In addition, more education institutions (60%) provide services to immigrants compared to 46% of non-education institutions.

There were only two labor-management partnerships (LMP) represented in the study. Both provide targeted services to immigrants compared to 42% of the non-LMPs. Also, they both serve individuals with limited English compared with half (50%) of the other respondents. Likewise, both serve adults with limited literacy compared to 38% of the rest of the respondents. Both also serve low-income individuals, low wage workers, incumbent workers and displaced workers.

Profile: Focus:HOPE

Founded in March 1968, Focus:HOPE is a nonprofit civil and human rights organization based in Detroit, Michigan. The organization seeks to unite a multicultural community in common efforts to overcome injustice and build racial harmony. Over the years, Focus:HOPE has initiated practical solutions to the problems of hunger, economic disparity, and inadequate education. Today, some of Focus:HOPE programs and services include a Machinist Training Institute (MTI), the Center for Advanced Technologies (CAT), and the Center for Children (a Montessori-based childcare center created in 1987).

Snap Shot

Location: Detroit, MI

Sub-Sectors: fabricated metal, transportation equipment

Employer Partners: Ford, Lear, General Motors, Johnson Controls, Daimler Chrysler

Budget: \$70 million (FY 2004)

Funding Sources: WIA, corporate/business funding, tuition, state funds, foundations

During the early 1980's in response to an aging workforce and a lack of diversity within the manufacturing workforce, Focus:HOPE created a sector initiative in manufacturing, the Machinist Training Institute. It provides Michigan state-licensed and accredited training in precision machining and metalworking and a pre-engineering program that prepares students for advanced engineering studies. MTI graduates also have the opportunity to continue in Focus:HOPE's Center for Advanced Technologies (CAT) and receive an AA or BS degree in this advanced program. The CAT works with five universities, six corporate partners, and the Society of Manufacturing Engineering. Focus:HOPE also offers training in information technology areas.

Focus:HOPE targets a wide array of populations. Working primarily with low-income individuals, the program has a particular focus on minorities and women. Though a 10th grade math level and 9th grade reading level are required for MTI, Focus:HOPE offers classes to strengthen their math and reading abilities to meet entry requirements. The results have been dramatic. Focus:HOPE produces 46% of the graduates all skilled production programs in Michigan.

Manufacturing workers earn an average annual income of \$58,000 in Michigan.

Focus:HOPE actively engages in building new career ladders and developing new job categories while developing new skills standards with the National Industrial Machining Skills board. Also, the initiative builds literacy and ESL skills by working with direct service providers, mentors its trainees and provides coaching while on the job. Further, Focus:HOPE works with employers to improve human resource policies and works on public policy initiatives.

With an annual budget of approximately \$70 million, Focus:HOPE pulls funds from both public and private sources. These include Workforce Investment Act monies, corporate giving, tuition money, state economic development and training dollars and foundation grants.

As one of the largest manufacturing training initiatives in the country, Focus:HOPE works with the largest transportation manufacturing companies in the world. This includes Ford, General Motors, Lear, DaimlerChrysler and Johnson Controls.

The most important thing that a manufacturing initiative can do, Focus:HOPE states, is to build strong relationships—with employers, funders, policymakers, community based organizations and the public.

According to the Aspen Institute's Sectoral Employment Development and Learning Project, participants in Focus:HOPE's programs saw an increase in hourly wages of 53% from \$8.45 before program participation to \$13.16 two years after graduation.⁴

⁴ Zandniapour, Lily & Conway, Maureen; "Gaining Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs; SEDLP Research Report No. 3; The Aspen Institute; February, 2002; page 20

PART III: KEY PARTNERSHIPS

Connections with Employers

Among the 31 initiatives surveyed, there is great variance in the number of employers with whom the initiative routinely works.

- 17% of those surveyed work with less than 10 employers in their industry each year.
- 43% work with between 11 and 30 employers each year.
- 39% work with more than 20 employers each year, and, of these three initiatives, 2 work with more than 100 employers each year.

Of these initiatives, 84% work with a mix of large and small employers in their communities or regions. Only one initiative works solely with large employers, and four initiatives work solely with small businesses.

The decisions about number of employers or employer mix does not appear to be made on the basis of the age of the initiative or its funding, but rather by the type of economy in which the initiative exists and the strategies it has designed to be of value to the industry.

Only one employer was a key partner to multiple respondents in our survey—the Boeing Corporation. Three respondents stated that they work with Boeing, but do not coordinate among themselves. Further, they do not have a relationship with Boeing’s central headquarters—rather they have independently built partnerships with the Boeing plants local to their communities.

Serving Employers Across Manufacturing Sub-sectors

The overwhelming majority of the initiatives work with employers in more than one part of the manufacturing industry (71%). Only nine (29%) work with employers concentrated in a single industry sub-sector; Fabricated Metal Product Manufacturing was cited as the targeted sector by 63% of existing initiatives. Primary metalworking was the second most frequent industry sub-sector at (37%). Woodworking and food manufacturing were tied for third at 37%.

Industry Associations

More than 87% of respondents worked with industry associations to develop their initiatives. Four initiatives are led by industry associations. While more than 30 associations were named as key partners, the following associations – or their state affiliates -- were named frequently:

- The National Tool and Machining Association*
- The National Association of Manufacturers*
- The Wood Products Association*
- The Society of Plastics Industries
- The Society of Manufacturing Engineers
- The Food Industry Business Roundtable.

* These associations or their state affiliates had repeated references.

The initiatives partnered with these associations in several key areas:

- Credentialing and skill standards development
- Providing help with curriculum materials
- Providing access to donated equipment and machinery
- Conducting joint policy work
- Marketing the initiative to business members
- Keeping the initiative and curriculum relevant to member companies
- Developing joint programming and funding opportunities
- Communicating about the future of the industry.

Several respondents commented that association partners occasionally saw their initiatives as competitors for incumbent worker training dollars or for the opportunity to do this training.

The Public Workforce System

Close to 71% of respondents have developed partnerships with the public workforce system, and workforce boards lead three of the sector initiatives. WIA monies remain a major funding source by respondents, thus this partnership seems critical to the sustainability of most initiatives in the sector. Yet, compared with a broader analysis of the funding sources for general sector initiatives conducted in 2003, manufacturing initiatives are less likely than other sector initiatives to receive WIA funding.

Trade Unions

Slightly more than half (52%) of the initiatives surveyed have developed partnerships with relevant trade unions in their industry. Two of the initiatives in the survey are led by labor/management partnerships – the Wisconsin Regional Training Partnership in Milwaukee and the Garment Industry Development Corporation in New York City. In some cases, these types of partnerships could not develop due to limited union presence in the communities. In other cases, most of the companies involved are quite small and non-union. Working with existing trade unions in sectors and locations in which labor is active seems critical to the success of the initiative and often brings substantial new resources to the table.

Community Colleges

More than 85% of the manufacturing sector initiatives surveyed have developed relationships with community colleges in their regions. Two are led by community colleges. Many others work closely with community colleges that offer training. Some initiatives – like Project QUEST in San Antonio or New Century Careers in Pittsburgh – have worked with the colleges to design and provide training that meets industry demand and new credentials. A few – like Focus:HOPE -- have arranged to offer post-secondary courses and provide educational credentials within their institutions. This is made possible through a link to local post-secondary education institutions that credential participants. Also, some initiatives work to align community college curriculum with the needs of local employers.

Community Based Organizations

Nearly 85% of respondents partner with community-based organizations. Initiatives led by business associations are the least likely engage in these partnerships. While 35% of the respondents are led by CBOs, many more initiatives also partner with these groups to meet client or business needs.

Those surveyed described a number of services for which they partner with CBOs and faith based organizations:

- Supportive services
- Language or literacy training

- Health services
- Youth and family services
- Recruitment services
- Policy/advocacy support
- Career counseling
- Case management
- Job readiness training

The Manufacturing Extension Partnership (MEPs)

Sixty-nine percent (69%) of respondents have worked with their state MEPs to strengthen the impact of their work. Services provided to the different initiatives vary, but the most commonly cited are:

- Technology and lean manufacturing technical assistance or consulting for partner businesses
- Discounted training costs
- Regional analysis of trends
- Influence with larger companies
- Career awareness materials
- Incumbent worker training
- Coordination of training providers working on incumbent training
- Dedicating staff to work in labor/management partnerships
- Participation on advisory councils
- Collaborating on training

A few respondents have found the MEPs to be less than supportive or highly competitive. Some have simply not interacted at all with their state's MEP. A number of respondents commented on MEP funding challenges.

Profile: Westside Industrial Retention & Expansion Network (WIRE-Net)

The Westside Industrial Retention & Expansion Network (WIRE-Net), incorporated in 1988, serves Cleveland's Westside, an area with 600 small- and medium-sized manufacturing firms employing 20,000 workers. WIRE-Net's mission is to retain, grow and attract manufacturing-related businesses and to link leaders to each other and the local community.

WIRE-Net provides a comprehensive set of programs that includes workforce development for incumbent and unemployed workers, youth, manufacturing improvement services, and industrial real estate development and planning. WIRE-Net has a membership of 150 employers in manufacturing and related businesses.

The manufacturing industry is a major employer in northeast Ohio. Nearly 70,000 jobs in metalworking alone (which is the primary hiring industry for machinists) are in the region despite the recent closure of large metal manufacturing firms. Machining occupations pay well with average wages near \$40,000 annually. However, most of the firms hiring machinists are small, family-owned companies, where wages and benefits typically lag behind larger firms. Human resource practices in these firms are also less sophisticated and competitive. WIRE-Net created a position to provide human resource and training consulting services at no cost, in an effort to improve the quality of human resource practice among firms into which the organization places its graduates.

One major issue addressed by WIRE-Net is the disconnection between the community colleges and the needs of the auto manufacturing industry. The organization played a key role in forming of the Northeast Ohio Metalworking Association Consortium (NEOMAC) that pressed local educators to adopt industry-friendly practices in their training and educational programs. In exchange, NEOMAC has helped recruit and to involve industry in training program activities, as well as provided access to jobs for training graduates.

WIRE-net also actively pushes a policy agenda. The organization works with the city Mayor's office and with the city policy infrastructure to improve the environment for and image of the manufacturing industry throughout the legislative and administrative decision making process. Further, WIRE-net leads grassroots organizing efforts to improve wages, benefits and working conditions. Finally, WIRE-Net helped to develop a "model" training program with NASA Glenn Research. The program serves as a demonstration site from which visiting policy-makers, instructors and educators can learn.

Snap Shot

Location: Cleveland, Ohio

Sub-Sectors: wood, printing, chemical, plastics and rubber, primary metal, fabricated metal, machining, computers and electronics

Employer Partners: Thermagon, E.C. Kitzel, Adaret, NPA Coatings, Darly

Budget: \$838,000 (FY 2004)

Funding Sources: WIA, US Dept. of Labor, youth funding, Community Development Block Grants, foundations

PART IV: BENEFITS, CHALLENGES, AND LESSONS

Benefits to Dual Customers

Given their dual customer approach, manufacturing sector initiatives report many positive outcomes for the workers and businesses in their communities. These include:

For workers and community residents:

- A structured plan for wage and job skills increases
- Case management support while in training and on the job to improve retention
- Skill upgrading for entry level employees to promote advancement
- Dramatic shift in life and career expectations and life skills
- Acquisition of jobs with employer benefits, like health care insurance.
- Transferable skills that can be carried from one company to another
- Improved English skills
- Customized skills training at no cost to the trainee.

For businesses:

- Increasing the productivity of current workers in the industry;
- Providing needed career counseling to interested youth in the field and Stimulating their participation in prerequisite courses
- Improving the relevance of the training provided in local schools and community colleges;
- Increasing the safety practices of current workers;
- Helping to find new funding sources to help industry meet its workforce development needs;
- Improving the quality and market for industry products;
- Producing strong new skilled workers;
- Preventing plant closings and enhancing competitive edge;
- Helping to find re-employment for workers being laid off.
- Providing certificates that enable employers to identify potential skilled workers.

Challenges

While respondents reported a wide variety of challenges, the following three were most common:

- **The Vulnerability of the Industry:** Most respondents commented upon the image of manufacturing as a significant challenge, whether in terms of job loss, perceived flight of jobs overseas, the recession, the slow recovery of jobs in small and medium-sized manufacturing, global competition, and the impact of these challenges on the firms and workers with which they work. Because of these constraints, it is much harder for firms affected by these circumstances to invest time or money in the development of their workforces, to hire new workers or advance current workers, or to invest in the development of more advanced and competitive manufacturing models.

- **Funding:** Manufacturing initiatives face a number of challenges related to sustaining their funding. These include:
 1. The high costs that stem from dealing with an industry experiencing drastic change with such tight profit margins.
 2. The limited availability of funding
 3. The misperception among funders that manufacturing is a “dead industry” and that supporting initiatives in the industry is a waste of money.
 4. The slim economic margins of manufacturing firms make it hard to get them to make significant contributions to the training and to provide release time for workers.
 5. Money for the training of new or incumbent workers is declining in a sector where training and retraining is key.

- **The Needs of the Entry Level Workforce:** Sector initiatives are struggling to address the many barriers facing the entry level workforce in their communities given limited funding and limited public supports for low income residents who might be interested in a manufacturing career – i.e. child care, transportation, cuts in community college training monies, etc. The entry level workforce is often characterized by limited literacy, limited English proficiency, low educational attainment, and other significant barriers. In addition, many of those who would be potential workers in the field are not drawn to manufacturing jobs, which they see as in a “dying industry.” Parents are also steering young people away from the sector. The recruitment, preparation for, and retention in the field have become much more demanding, and sector initiatives are struggling to address these issues. Yet all too often, funding is unavailable to sector initiative leaders, businesses, or the affected individuals to address these barriers. The lack of supportive services means that low income individuals who could profit from a transition into the field will not succeed in the field or will never make it onto the job.

Profile: Community Development Technologies Center (CDTech)

CDTech, founded in 1995, is a regional training, applied research and technical assistance nonprofit specializing in community economic development strategies in the Los Angeles area. Two programs provide the foundation for their sector work: the Los Angeles Manufacturing Networks Initiative (LAMNI) and the Worker Income Security Program (WISP).

LAMNI is an industrial and economic development program that organizes and supports networks of small- and medium-sized manufacturing firms in apparel/textiles, ethnic/specialty food processing, toy manufacturing/wholesaling, metalworking, and other industries. CDTech established and directly supports two industry associations: the Food Industry Business Roundtable (FIBR) and the Toy Association of Southern California (TASC). In addition, CDTech works with existing industry associations in other sectors, including apparel, textiles, and metalworking.

FIBR targets ethnic and specialty food processors, the majority of which are small firms with no dedicated human resources staff; many of them, however, are interested in upgrading the skills of their labor force. Many are also immigrant/family-owned businesses unfamiliar with public sector resources. In 2000, FIBR piloted a training program on food safety and quality management systems with the Food and Drug Branch of the State Dept. of Health Services. The training program showed a significant positive impact on employers' bottom line. In addition, the organization has developed a trilingual (English, Spanish and Chinese) training manual on good manufacturing practices that can be used to train production-level employees. CD-Tech plans to investigate the potential career paths available to line employees in food safety and quality management later in 2004.

WISP is an employer-based Individual Development Account (IDA) program with education components in English as a Second Language, financial literacy and home ownership. Many of the WISP employers are drawn from the LAMNI program and come from the food processing and apparel industries.

Food manufacturing in Los Angeles County consists of over 1,300 firms employing 51,000 people. Like other segments of manufacturing, this industry is made up largely of small companies with fewer than 50 employees. A growing number of these businesses cater to the palates of immigrant communities by specializing in ethnic food products. Most employees working in food processing are first generation immigrants themselves.

Two thirds of apparel companies in the Los Angeles metropolitan area are very small businesses employing a per-company workforce of less than 20 people. Even though NAFTA has eroded the contractor base, there are still significant design, product development, production and distribution activities in Southern California. Career ladders and living wages are available to minimum wage workers; however, the industry's sweatshop reputation has discouraged public sector training investments in these employees.

CD Tech's manufacturing sector work is designed to increase the competitiveness of Los Angeles-based firms in these industries and to improve employment opportunity of Los Angeles workers in manufacturing.

Snap Shot

Location: Los Angeles, CA

Sub-Sectors: food, textile, apparel, fabricated metal, machining, toy

Employer Partners: Felbro, El Burrito Mexican Food, Quon Yick Noodle, Qing Hing Noodle, Suss Design

Budget: \$136,000 (FY 2004)

Funding Sources: United Way, corporate funding, fees, membership dues, foundations

Lessons Learned

The survey asked respondents to convey the lessons they have learned in developing their initiatives. The lessons that emerged can be catalogued in two different areas:

Start-Up

Leaders of current initiatives shared the lessons learned around starting up an initiative. These include:

- Get to know the industry you've targeted inside out through plant tours, focus groups, labor market and economic development data, interviews with industry leaders. Don't develop your other partners in the collaboration until you understand industry need well-enough to select the right partners and to ask them to participate in developing truly needed services.
- Engage more employers at the start than may seem necessary to deal with business changes, mergers, and failures.
- Budget enough time for planning, stakeholder development and sustaining the partnerships.
- Build a plan for sustainability from the start. Don't get your first grant, do the project, and then think about how to replace it three months before it's gone. Most initiatives that have passed the start-up phase have at least five sources of funds.
- Start slow, pick doable quantifiable goals that will add real value to the employer partners, and meet these goals flawlessly. This will build the credibility to keep the initiative going.
- Hire staff or consultants who know the industry. Sometimes industry will loan these individuals to you as trainers or mentors.
- Identify industry advisors or champions (more than one) who will be straightforward with you and help market the effort to others. Make them look good. Look for champions who value the skills development of their employees and will talk to other employers about this.
- Charge for some of your services very early – asking for business to provide matches for monies you raise or bring to the table either in cash donation or in-kind support.
- Put systems in place to capture your outcomes for both workers and industry. Be able to verbalize these outcomes.

Further on...

- Grow the financial investment of business partners through corporate fundraising campaigns, placement fees for new workers, business memberships, technical assistance consulting services, or increasing in-kind support. Use the services you provide as leverage for enhanced human resource investment by the firms you serve – better wage progression, new career paths, more release time for training, and so on.
- Select education and training providers carefully. Make sure that what is trained for is relevant and of high quality. Get rid of providers that don't meet your standards.
- Understand that a sector initiative will be a consortium of many partners who contribute what they do best to the initiative and whose contributions are counted in the full budget.

Coordinating the fundraising and sustainability planning for the full initiative is a role that the lead organization needs to take on, but not without help from the other partners. All of the partners can have a role in raising the resources.

- Address the business needs of the whole enterprise with your partners – not just their workforce needs. This need not be done by one organization alone but can be shared among a number of stakeholders. Because of competitive issues, it cannot be overlooked in the manufacturing sector.
- See yourself and your staff as allies in saving and retaining the sector.
- Become focused on balancing the needs of the businesses and the workers. Labor can be a very helpful player here if appropriate to the industry and community.
- Work toward agreed upon job profiles, career ladders, and skills standards that can help both managers and workers navigate in the industry and help interest prospective workers in the industry.
- Be aware of business cycles and have back up plans to shift strategies if required. Be flexible enough to shift quickly and develop funding proposals to leave you this flexibility.
- Get publicity to highlight outcomes, make partners look and feel good, and engage more funders and policymakers in supporting the program.
- Develop creative metrics to capture your outcomes that will illustrate your benefits to workers, participating businesses, and the regional economy. Make sure that all the stakeholders know and can speak about these accomplishments.
- Understand that the work of linking economic development, improving the business climate for manufacturing in your region, and improving workforce development is complex and hard work. It will take time, careful relationship building, policy change, and substantial systemic change. Engage those with real influence in this work with you.

These lessons can be of use to other groups considering start-up of or making sustainable a working manufacturing sector initiative.

CONCLUSIONS

The current manufacturing initiatives that have been explored here provide a rich environment for learning that can be helpful to other initiatives and those hoping to begin new ones. Given the status of the manufacturing industry, its challenges, and diversity – and the importance of manufacturing to the economic base of the country – investments in these types of initiatives appear to have significant benefits to the companies in their regions, but also to the low wage and low-income workers for whom manufacturing initiatives can offer great promise of upward economic mobility.

Policymakers – the President, US Department of Labor, members of Congress, Governors and Mayors – are looking for strategies that can help sustain and create manufacturing jobs in the US and draw other advanced manufacturing businesses to the US. Manufacturing sector initiatives can be helpful partners in this effort, working with economic developers to add a skilled workforce to their other business supports and attraction strategies.

The NNSP/NAM collaboration will continue to probe more deeply into manufacturing sector initiatives, how they might be expanded, identifying the critical elements of success and engaging others in manufacturing initiatives. For additional information about work in this sector, keep connected to NNSP and NAM through their websites – www.nedlc.org/nnsps and www.nam.org/workforce. NNSP and NAM are committed to the growth and strengthening of manufacturing initiatives across the United States and to partnering with others that share these goals.

July, 2004

APPENDIX: SURVEY PARTICIPANTS

Arkansas Wood Manufacturers Association; Morrilton, Arkansas
Artisan Baking Center; Long Island City, New York
Bay Area Industry Education Council; Fremont, California
Berkshire Plastics Network; Pittsfield Massachusetts
Community Development Technologies Center; Los Angeles, California
Center for Labor and Community Research; Chicago, Illinois
Center for Workplace Learning, University of Southern Maine; Gorham, Maine
Chicago Women in Trades; Chicago, Illinois
Coastal Enterprises, Inc.; Wicasset Maine
Detroit Hispanic Development Corporation; Detroit, Michigan
ECCO/E-Team Machinist Job Training Program; Lynn Massachusetts
Flint Genesee Economic Growth Alliance Commerce Center; Flint, Michigan
Focus:HOPE; Detroit, Michigan
Garment Industry Development Corporation; New York, New York
Good Faith Fund; Pine Bluff, Arkansas
Illinois Manufacturing Foundation; Chicago, Illinois
Instituto Del Progreso Latino, Chicago, Illinois
Jane Adams Resource Corporation; Chicago, Illinois
Lancaster County Workforce Board; Lancaster, Pennsylvania
Manufacturers Association of Mid-Eastern PA; Pottsville, Pennsylvania
New Century Careers; Pittsburgh, Pennsylvania
Project QUEST, Inc.; San Antonio, Texas
PTDA Educational & Scholastic Foundation; Chicago Illinois
Region 2000 Regional Commission; Lynchburg, Virginia
San Francisco Center for Applied Competitive Technologies; San Francisco, California
Shoreline Community College; Seattle, Washington
Steel Valley Authority; Duquesne, Pennsylvania
Westside Industrial Retention & Expansion Network (WIRE-Net); Cleveland, Ohio
Seattle Jobs Initiative; Seattle Washington
Wisconsin Regional Training Partnership; Milwaukee, Wisconsin
Worksystems, Inc; Portland, Oregon

For further information, contact Dexter Ligot Gordon at the National Network of Sector Partners at 510-251-2600 or dexter@nedlc.org



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