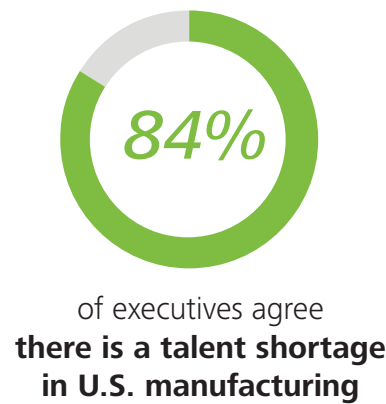


Over the next decade nearly **3 1/2 Million** manufacturing jobs need to be filled The skills gap will result in **2 Million** of those jobs being unfilled

CEOs and manufacturing executives around the world identify talent-driven innovation as the number one determinant of competitiveness. Yet, manufacturing executives report a significant gap in their ability to find talent with required skills. More troubling ... the skills gap is expected to grow substantially over the next decade. What impact could the gap have on company performance and how large is the gap likely to grow? The Manufacturing Institute and Deloitte conducted a study to understand the impact and extent of the skills gap, and at the present pace the industry faces a 2 million shortage over the next decade.

Filling jobs is no easy task



80% of manufacturing companies are willing to pay more than the market rates in workforce areas reeling under talent crisis

SIX out of **TEN**

open skilled production positions are unfilled due to talent shortage



Deloitte.

M Institute

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2014 Deloitte Development LLC. All rights reserved.
Member of Deloitte Touche Tohmatsu Limited

A nationally representative sample of executives from companies of varying sizes and industries responded to the Skills Gap Survey.

Sources include: Bureau of Labor Statistics (BLS) and Deloitte analysis

¹ Milken Institute and Economic Planning Institute.

² The U.S. Department of Commerce, Bureau of Economic Analysis.

The skills gap is widening

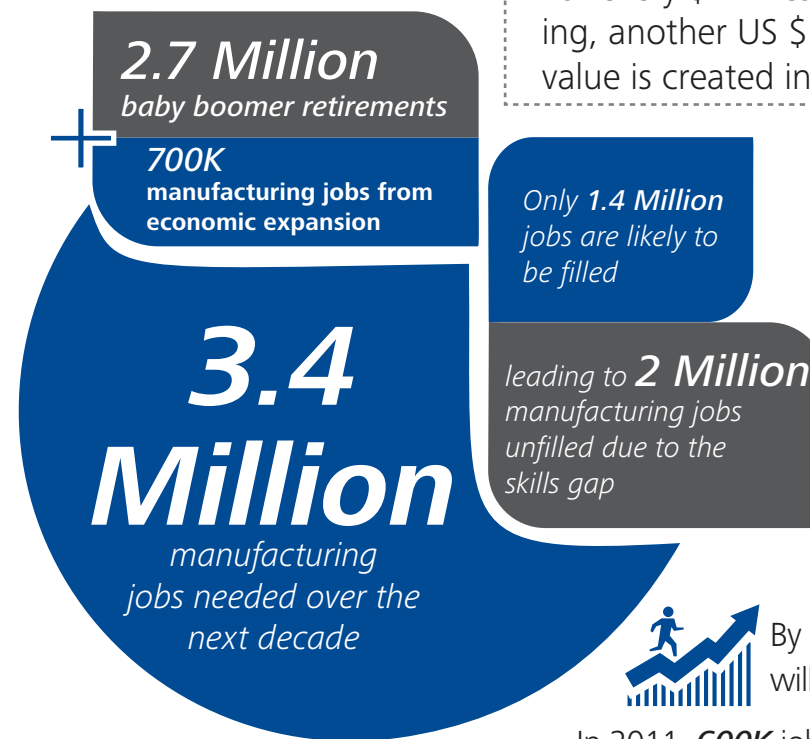
Over the next decade nearly 3 1/2 million manufacturing jobs will be needed and



The implications are significant

Every job in manufacturing creates another 2.5 new jobs in local goods and services¹

For every \$1 invested in manufacturing, another US \$1.4 in additional value is created in other sectors²



By 2025 the skills gap will grow to **2 million**

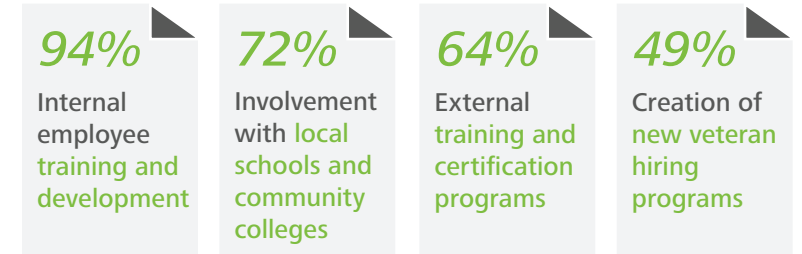
In 2011, **600K** jobs were unfilled due to the skills gap

The **retirement** of baby boomers, strength of the economy and **attractiveness of the industry** are ranked among leading factors impacting the talent shortage.

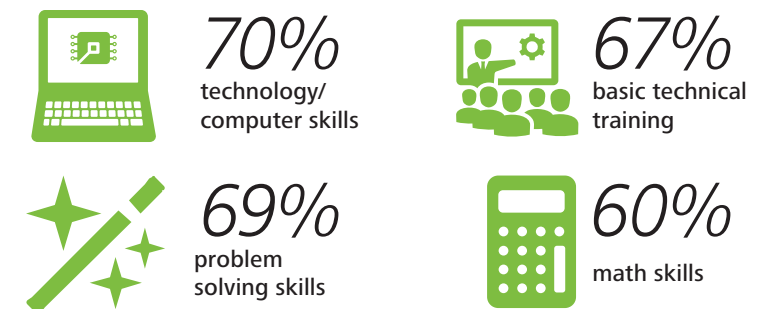
Developing talent is essential

Adding to the complexity is finding workers with the skills required to meet today's advanced manufacturing requirements

The most effective skilled production workforce development strategies cited by executives



Percentage of executives that indicate current employees are not sufficient in key skills



Talent shortage impact to the business

82% of executives believe the skills gap will impact their ability to meet customer demand

executives also feel it will impact their ability to...

- 78% implement new technologies and increase productivity
- 69% provide effective customer service
- 62% innovate and develop new products
- 48% expand internationally