



Generation Z to The Rescue as Manufacturing Faces a ‘Silver Tsunami’

2019 L2L Manufacturing Index reveals Generation Z’s interest in manufacturing, but the industry needs to fight for their attention and participation

July 9, 2019 - SPARKS, Nevada - U.S. Manufacturing has a workforce problem. But a new survey conducted by [Leading2Lean \(L2L\)](#) reveals that there is an unlikely hope for a new generation of workers that will spur industry-wide innovation.

The [2019 L2L Manufacturing Index](#), an annual measurement of the American public’s perceptions of U.S. manufacturing, found that adults in Generation Z (those aged 18-22) are 19% more likely to have had a counselor, teacher or mentor suggest they look into manufacturing as a viable career option when compared to the general population. One-third (32%) of Generation Z has had manufacturing suggested to them as a career option, as compared to only 18% of Millennials and 13% of the general population.

Better still, the survey also found that Generation Z is intrigued by careers in manufacturing. They are 7% more likely to consider working in the manufacturing industry and 12% less likely to view the manufacturing industry as being in decline, both compared against the general population. These findings may be in relation to Generation Z having a larger exposure to the industry compared to previous generations with one-third (32%) having family members or friends working in the manufacturing industry, compared to 19% for Millennials and 15% for the general population.

“For many years, manufacturing has struggled to introduce and entice new workers to the industry,” said [Keith Barr](#), President and CEO of [L2L](#), the lean manufacturing software company behind the survey. “The industry has failed to compete with technology for their interest. Unfortunately, the industry hasn’t fully explained the dynamic, technology-driven environment of the modern plant floor. With Gen Z just moving into the workforce, we need to encourage their participation in modern manufacturing. If we don’t, I’m afraid the industry will be hit with the negative effects of the Silver Tsunami.”

U.S. Manufacturing peaked in the 1970s when Baby Boomers started entering the workforce.

Now, Boomers are retiring and with them goes vast institutional knowledge and experience. According to the latest government data, there are now 522,000 open manufacturing jobs in the United States (an all-time high)¹, and a recent report from Deloitte and The Manufacturing Institute (the National Association of Manufacturer’s social-impact arm) projects that 2.4 million manufacturing jobs will go unfilled over the next decade.²

Unfortunately, vast misconceptions about the industry persist. For example, the [2019 L2L Manufacturing Index](#) revealed that over half (53%) of the general population assumes the average salary of a mid-level manufacturing manager is under \$60,000. In reality, the average salary for a manufacturing manager in 2018 was \$118,500, [according to IndustryWeek](#).³

While Generation Z appears to have had greater overall exposure to manufacturing, misperceptions around the highly technical and modern nature of the industry still remain. A majority (56%) of Generation Z would consider working in the tech industry, while only 27% would consider working in the manufacturing industry. Additionally, they are more likely to consider manufacturing jobs boring when compared to Millennials and the general population.

Leading2Lean though has reason to believe that the industry is making positive moves towards a better-informed public. Last year's [2018 Leading2Lean Manufacturing Index](#) measured that 70% of people believed that the American manufacturing industry was in decline. When the same question was asked in this year's survey, only 54% of people believed the industry is in decline, showcasing a surprisingly better understanding of the present state of the industry.

“With Gen Z we have an opportunity as an industry to build a new workforce, but it will be a challenge that the industry is going to have to take seriously in order to get their attention and participation,” said Barr. *“We know that the workforce crisis is a top concern with a majority of manufacturers.⁴ Instead of hoping new workers will appear, the industry needs to make changes that will attract the workforce. Gen Z is incredibly tech savvy. The industry needs to consider developing and deploying plant-floor technology that utilizes gamification and transparency to take advantage of Gen Z's unique skills. The greatest opportunity for manufacturing is to have an engaged, empowered workforce that is constantly innovating.”*

Education is the key, and it is an area that manufacturing continues to struggle in. When surveyed about alternative types of education, the [2019 L2L Manufacturing Index](#) found that a vast 75% of people have never had a counselor, teacher or mentor suggest they look into attending trade or vocational school as a means to a viable career option. The number was slightly lower with Generation Z (59%) and Millennials (67%), but still showcases an extreme disconnect in consideration of alternatives outside of traditional 4-year institutions.

When surveyed about the likeability and availability of work, 54% of Generation Z respondents agreed that there is a shortage of skilled manufacturing workers in the U.S., and 43% agreed that manufacturing jobs are an attractive option to younger workers and the next generation of workers. A majority (59%) of Generation Z also agreed that trade schools offer promising career opportunities for high school students graduating in 2019.

Generation Z grew up in the midst of the Great Recession, watched their older peers accumulate student debt, then struggle to pay it off with low-paying jobs right out of college. They are seeking higher paid jobs in a more transparent and open learning environment, and they're increasingly open to alternative types of education and training. ⁵ Barr believes manufacturing jobs can meet their needs and provide the diverse and rewarding work experience they crave.

To learn more about the [2019 L2L Manufacturing Index](#), view more survey results, and download data visualizations, please visit www.l2l.com/leading2lean-manufacturing-index.

Survey Methodology

The 2019 L2L Manufacturing Index findings are sourced from two online omnibus surveys conducted by [Engine](#) in May of 2019 and initiated by [Leading2Lean \(L2L\)](#). The first survey was conducted May 6-8, 2019 and distributed to a sample of 1,003 adults demographically representative of the U.S. at a 95% confidence level. The second survey was conducted May 9-13, 2019 and distributed to a sample of 225 respondents aged 18-22 at a 95% confidence level. A total of 303 respondents were aged 18-22 from the two surveys, providing a 6% margin of error for the total Generation Z (18-22) audience. Leading2Lean has defined "Generation Z" as those born between 1997 and 2012 as defined by Pew Research Center.⁶

About Leading2Lean

Founded in 2010, Northern Nevada based [Leading2Lean \(L2L\)](#) unifies manufacturing plants toward the common goal of production performance. The company works with manufacturers of all industries to provide a suite of software solutions that break down the silos that inhibit communication, alignment, and efficiency by enabling the right data to the right people at the right times. The company's Lean Execution System (LES) software, [CloudDISPATCH](#), provides critical real-time and actionable data to create a problem-solving, engaged workforce through L2L's Manufacturing 4.0 solution. For more information, visit www.L2L.com.

Sources:

¹ NAM Manufacturers' Outlook Survey - Q4 2018

www.nam.org/wp-content/uploads/2019/05/NAM-Q4-2018-Manufacturers-Outlook-Survey.pdf

² Deloitte - 2018 Skills Gap in Manufacturing Study www2.deloitte.com/us/en/pages/manufacturing/articles/future-of-manufacturing-skills-gap-study.html

³ 2018 IndustryWeek Salary Survey

www.industryweek.com/talent/2018-industryweek-salary-survey-pay-takes-dip-morale-stays-high

⁴ National Association of Manufacturers' 2018 Manufacturers' Outlook Survey

www.themanufacturinginstitute.org/News-Articles/2018/11/14-Skills-Gap-Report.aspx

⁵ Deloitte Insights - Gen Z Enters the Workforce

www2.deloitte.com/insights/us/en/focus/technology-and-the-future-of-work/generation-z-enters-workforce.html

⁶ Pew Research Center - Defining Generations: Where Millennials end and Generation Z begins

www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins

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