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The Voice for Manufacturing



Home

About MAC

The MAC Action
Newsline

Manufacturing
Our Future
Summit

Upcoming
Programs

Toolbox

Resource
Library

Partners

Contact Us

[Send a Letter
to the Editor](#)

[join mail list](#) | [email an associate](#)

From the Desk of Jack Healy

Manufacturing Needs the Support of Manufacturers

By Jack Healy, Director, MassMEP

It is an unfortunate fact that the manufacturing community in Massachusetts has lost sight of the value of public opinion. Because we spend too little time telling the story of our successes, there are few, very few, people in state government, education, or the public at large, who know and understand that the manufacturing sector is the biggest contributor to the State's Gross Product. Even as the Goldilocks finance industry comes to an end, there are very few people who have the understanding that making something produces real wealth and that we still make a lot of things in this state.

Massachusetts: 2007 Gross Domestic Product* (by Industry)

Rank	Sector	% of GDP	In Billions \$
1	MANUFACTURING	13.8%	42
2	Real Estate, Rental, Leasing	13.1%	40
3	Professional, Technical Services	11.5%	35
4	Finance, Insurance	11.1%	34
5	Healthcare, Social Assistance	8.3%	25

(*GDP as a percentage of total GDP in chained dollars. Source: Governor's Budget Recommendation, Fiscal Year 2010, House 1, Volume 1, page 2-80)

If you look at the manufacturing economic multiplier effect that includes the parts of other economic sectors that provide support to manufacturing, you will see that what we make in Massachusetts still defines who we are in this state. **Without manufacturing, our economy would be about 40% smaller and we would be a much different place.**

The public seems to know all about the sizeable manufacturing displacements due to global competition in a number of sectors, such as textiles and paper manufacturing, as well as job losses caused by the changes in technologies, such industries as printing and telecommunications. But there is no recognition of the fast growing manufacturing sectors, such as:

Massachusetts Growth Sectors (as of 2008 annual sales)

Massachusetts Growth Sectors (as of 2009, annual sales)

- Pharmaceuticals Medicine Manufacturing - \$5.9 Billion
- Navigational Measuring and Control Instr. - \$8.8 Billion
- Medical Equipment and Supplies - \$3.6 Billion

The above three sectors, accounting for approximately \$18 billion in manufacturing output, represent more in manufactured shipments alone than the total individual output of any one of the neighboring states of Maine, New Hampshire, Vermont, or Rhode Island. And, since 2001, Massachusetts has been fortunate to see growth in seven other sectors, including Food Mfg, Beverages, Plastic,s and Machinery. These sectors balance the decline in the contracting sectors and have allowed the Massachusetts manufacturing economy to continue to grow and to contribute to the increasing Gross State Product.

We started this column by noting it is sad that manufacturing has lost sight of the value of public opinion. Without it there will be little support for the needs of the manufacturing sector, no matter how great the contribution to Gross State Product. This lack of public support is detailed in a new report produced jointly by the Boston Consulting Group and the National Association of Manufacturers titled, "[*The Innovation Imperative in Manufacturing: How the United States Can Restore Its Edge.*](#)" This report notes that "a skilled, educated workforce is the most critical element of innovation success and the hardest asset to acquire." The report also details the well known fact "U.S. students are not being encouraged to pursue science and technology-related fields," not only by the various publics, but by the parents who work in manufacturing as well. Ask any gathering of manufacturers to tell you how many of their grandchildren or children will be working in manufacturing. You will note by the response that you receive that we have lost the publics support for manufacturing internally as well as externally. If manufacturers are to do anything, they should start with educating their own personnel about the importance of manufacturing.

Even though we seem to be at the brink of an abyss with the current recession, just about every manufacturer that we meet still talks about the need for critical job skills. At a recent meeting of renewable energy manufacturers, the discussion universally centered on the need for job training and engineering skills. Anyone listening to this group came away with the distinct understanding that the renewable energy manufacturing sector's growth within our state will be highly dependent on their ability to acquire the necessary job skills. The same problem plagues every manufacturing sector in the state.

Recession Brings Change

The good news is that this current recession is bringing change to the manufacturing community. There is widespread recognition that the effects of the past year's productivity increases have made employees much more valuable; they are handling close to \$300,000 in shipments and over \$170,000 in value added output per employee. Such gains support a general willingness across the manufacturing community to make sizeable investments in employee training, which, in turn, is starting to connect the manufacturing community to the world of education.

We now have government officials realizing that if we are to ever pay down all of the debt being incurred to correct the recession, we will need to restore our overall

manufacturing capability. It is our political community that is leading the charge in calling for inclusion of Science, Technology, Engineering, and Math (STEM) courses in the general school curriculums. Initiatives such as the recent STEM Summit, led by Congressman James McGovern of Massachusetts, are now providing real pressure to support manufacturing's education needs. Senator Mark Warner of Virginia recently spoke with a gathering of manufacturers, offering to work closely with them to forge a "clearly articulated and comprehensive strategy" to strengthen America's competitiveness. Senator Warner said that as governor he was amazed to see the lack of coordination of programs in the world of education and that "we have to get serious about work force training." The Senator has introduced the idea of teaching "[Lean Manufacturing](#)" in our schools.

Even with such political support, real change can only come with the participation of the manufacturing community as a whole. Historically, the large manufacturers (companies over 500 employees) functioned as the primary bridge from the world of manufacturing to the world of education. But this condition has deteriorated as the large manufacturing community has declined and the small manufacturing enterprises (SME'S) that lack the resources or culture of developing educational relationships on their own have grown. Developing these relationships is a critical need for the overall manufacturing community structure to move forward .

Manufacturers who are interested in helping to meet these needs can do so by contacting Ted Bauer (508) 831-7020 and joining the Massachusetts Manufacturing Education Network.

Quinsigamond Community College is also developing a marketing campaign to promote manufacturing as a viable career opportunity. This is an opportunity for manufacturing companies to become involved in their future workforce. [See related article](#), or for more information contact Carol King at 508-854-7526 or cking@qcc.edu

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