WRTP thoughts on Manufacturing, Milwaukee and the Opportunity to Make the Sector and the City Stronger

MAY 15, 2013
EXECUTIVE SUMMARY

Manufacturing in Milwaukee is emerging from the deep slump of the first decade of the 21st Century. Activity, output, and hiring are on the rise. Some firms have entry-level openings for the first time in over a decade. This should be celebrated, embraced and encouraged throughout our community. Manufacturing is a foundational Milwaukee sector, pulling dollars into the region as the region's goods are sold across the world. But manufacturing growth is also important because these firms often offer jobs with good wages and benefits. And in a community where decent work is so desperately needed, especially for jobs that don't require college degrees, these jobs provide an especially golden opportunity. As manufacturing grows, so will both Milwaukee's economy and opportunity for workers who need it most.

The reinvigoration of manufacturing presents Milwaukee with a real opportunity. And the manufacturing opportunity could provide an answer to some of the city's most ruinous problems, especially the economic isolation of our central city population. Milwaukee can forge a stronger system to answer the skill needs of employers by building skills and connecting central city residents to step onto the region's manufacturing shop floors. But that system will perform only if leaders across the region build on positive experience and also find new ways to work together on this shared project—public and private sectors, labor and management, community and business—all working together.

Together we can embrace and pursue the simultaneous projects of (1) building the most competitive manufacturing region in the US by providing key supports for modernization and technology and workforce skills, and (2) using opportunities in the region's manufacturers opened by growth to build a system for central city residents to get the skills and experience they need to secure jobs in the sector.

For more than two decades, the Wisconsin Regional Training Partnership (WRTP) has been at this critical intersection connecting manufacturers' needs and community opportunity. The WRTP is led by labor and management leaders in the region's manufacturing and other key sectors. Their projects respond directly to needs identified by some of the region's best firms. Often the WRTP helps design and promote training for current workers and to develop future workers for expanding firms. Rigorous national evaluation has proven the strength of this model and the WRTP's capacity to connect private sector needs with community interest. The WRTP is nationally renowned for this work and has gained extensive and unique understanding of and experience in Milwaukee manufacturing. Annually, the WRTP conducts a “needs assessment” of manufacturing which provides the pulse of the region’s leading manufacturers. The WRTP has also built connections with community organizations and Information and relationships allow the WRTP to design entry-level manufacturing training for central city workers.

This policy paper is intended to provide key data on manufacturing in Milwaukee and the problems which our central city community confronts. More important, we discuss the work we at the WRTP have done and will continue doing in order to build a stronger bridge from community to manufacturers throughout the region. We hope that setting these things down will contribute to a stronger conversation in Milwaukee between business, labor, community, and the public sector leaders about the ways that we can all work together to support our region's manufacturing sector and secure good family supporting employment for workers who have been too often without opportunity.

In support of a manufacturing agenda for the region, the WRTP will continue to bring labor and management voices to the discussion, to use those voices to design new projects and other innovations that will support the bridge for more central city to cross to manufacturing employment. Further, on the basis of the experience and practices we have developed, we will continue to advocate for policy changes – at levels from local to federal and in work from institutional practice to funding – that can enhance manufacturing in Milwaukee and provide key resources to support its growth.

WRTP to continues to focus on building key relationships with public leaders by coordinating efforts through partnerships such as the Milwaukee Mayor’s Manufacturing Partnership Initiative. Similar efforts over the last two years with the leadership of Milwaukee County and the State of Wisconsin provide critical support to ensure industry remains strong and grows while the local workforce is being prepared to meet the 21st century challenges of the manufacturing career pathway.

We are substantially leveraging public and private resources to create a visionary workforce development intermediary model that bridges the regional disconnect between the workforce, community, resources and industry.
Milwaukee has long been a manufacturing city. And it still is. While employment is unlikely to surge to the levels of the past, the sector is critical in the city generating revenue, innovation, and jobs. Since the early 1990s, the Wisconsin Regional Training Partnership has worked with labor and management leaders to ensure a strong continuing future for the manufacturing sector. Today we are struck by the opportunity that is emerging in the sector and the many ways this community can come together to support its growth and extend its opportunities. With this paper, we at the WRTP seek to make the case for continued emphasis on manufacturing in this community, for forging ever-stronger partnerships to ensure that manufacturing opportunity extends to those—in schools and in neighborhoods—that most need it. And, given our insight and connections to labor and management leaders and data gathered through work in the field, we offer some thoughts on key steps forward in that work.
MANUFACTURING IN MILWAUKEE

It is true that employment in the sector is unlikely to ever reach back to the levels of the late 1970s when one-in-three of the region’s workforce worked in manufacturing. Still, even given decline, nearly one-in-five workers hold jobs in the sector now. And these jobs provide stronger wages and benefits than the rapidly growing service sector – especially for those who don’t have college degrees. This sector is not the only important sector in Milwaukee. But it is critical. Supporting manufacturing and building stronger systems central city access to its opportunities is not holding onto the past but rather embracing and understanding a future where Milwaukee will thrive with both greater economic diversity and a vibrant manufacturing sector.

And it is clear from talking to management and labor leaders, and to community residents that these opportunities are too good to go neglected. Emerging opportunities in manufacturing should be celebrated and embraced throughout our community. Now is the time to build a stronger Milwaukee infrastructure to support this industry as it grows finally after the long slump of the first decade of the 21st Century.

Manufacturing facts that make this opportunity clear
WAGES
Metro Milwaukee manufacturing offers good wages. In 2012, the median manufacturing job paid $19.75 per hour, a wage substantially above the overall median of $17.00 per hour. And manufacturing jobs typically also offer predictable full-time schedules and decent benefits which are hard to come by in the service sector without a college degree.

SPECIALTY
Milwaukee is the 6th most “manufacturing specialized” city in the nation.

CENTRALIZED
The state has six of the most manufacturing-specialized metropolitan areas in the country, the greatest number of any state: Milwaukee, Sheboygan, Oshkosh, Racine, Wausau, and Fond du Lac (Wial et al. 2012 appendix).

MARKET
Wisconsin vies with Indiana as one of the most manufacturing specialized states in the nation. The state is number one or number two given the high share of the workforce in manufacturing: 17 percent.

STABILITY
Over 2000-11, the nation lost nearly one-third of its manufacturing jobs. In Wisconsin, one-in-four jobs were lost. So while the decade was brutal for manufacturers, Wisconsin’s manufacturers were in a better position and remain in a stronger position than the national picture.

INNOVATION
Manufacturing is a force of innovation. The sector accounts for nearly 70 percent of U.S. total R&D despite shrinking to approximately 11 percent of the economy (Atkinson 2011).

Essential and dynamic, manufacturing still matters in Milwaukee. Leaders from across our region should work together to strengthen the infrastructure that can support this sector. Led by management and labor in the sector, the WRTP stands poised to contribute to and help promote that discussion.
Economic Isolation in Milwaukee’s Central City

Manufacturing could provide a partial answer to some of the city’s most ruinous problems, especially the economic isolation of our central city population. This was not always so. In 1970, more than half of black men in Milwaukee were employed in factories (Levine, 2010). Thanks, in part to that manufacturing access, in 1979, black/white inequality in wages was well-below the national average: the black median wage was 94 percent of the white median. The 1980’s witnessed the rapid loss of central city manufacturing jobs to suburban industrial parks, southern states, and abroad. Milwaukee’s black male manufacturing workers suffered the deepest losses. Today, just 14 percent of African American men in Milwaukee hold manufacturing jobs (ibid) and the median black worker earns 40 percent less per hour.

The loss of family-supporting manufacturing jobs has contributed to Milwaukee having some of the country’s worst racial disparities in employment. In 1970, 85 percent of Milwaukee’s African American males in their prime working years (25 to 54 years old) had jobs. Today, just over half (53 percent) are employed.

The tragic consequences of all these changes are evident and often lamented in the community. Wisconsin has the highest rate of incarceration of African American men of any state in the nation. And school performance in Milwaukee needs to improve, especially for the city’s African American children. We do not imagine that these serious problems will be solved overnight. But we know that there is more that can be done to extend economic opportunity and help support competitiveness and productivity for manufacturers in the region.

And that is part of the solution.
what we do

Established in the early 1990s and still thriving today, we are proud that the WRTP can reasonably be called the nation’s premier labor-led workforce intermediary. Evolving from roots in manufacturing, the WRTP has proven through rigorous evaluation and through long sustainability that intermediaries can build lasting solutions to problems that riddle firms, workers, communities, and our labor market. Our model is both flexible and evolving in many ways while being unique and firmly committed to specific. Perhaps most important of all principles of the WRTP is the organizational and programmatic focus on joint labor/management leadership of all initiatives.

Joint labor/management leadership of the organization is at the core of our work. Labor and management leaders who lead our manufacturing steering committee are not looking to the WRTP as community service, or in order to connect with a few employees. They are creating an organization that can build the solutions that their industry needs, that can go out and secure public and private resources to respond to those needs, and that can advocate with public systems for the sorts of policy changes that will help solve those problems. From this perspective, the WRTP is much more than a single project it works on – not just a way to train and connect central city workers to entry-level jobs, though it does that well – it is an industry voice, and industry driven generator of solutions, the collective site where shared problems can be identified and solutions to them promoted and pursued.

This labor/management focus of the WRTP generates a number of benefits for the organization, and for the community. Most obviously, the WRTP is connected to some of the best quality jobs in the regional labor market in terms of wages and benefits. Too often, programs respond to or are designed in response to the needs of employers with much lower quality jobs (and higher turnover which generates a consistent need to hire). Additionally, WRTP reaches more consistently to all jobs within the firm. Their focus reaches past the entry-level, directly to development of mentors and attendance policies, on to incumbent worker training issues and even to questions of modernization of process and technology. That reach provides a more dynamic mix for program development, and provides the project with a stronger understanding of a firm’s internal dynamics, not just the hiring process from the outside. In these ways, the unique labor foundation of the project pays off for workers and the community.

OVER THE LAST TWO YEARS

WRTP/BIG STEP has been instrumental in understanding our needs and developing a curriculum to meet those demands. WRTP/BIG STEP not only supports employers in Wisconsin, they support individuals, communities and our local economy by helping put people back to work.

— Alesia Butera, Milwaukee Gear Company

WRTP/BIG STEP ended 2012 with promising preliminary numbers. In 2012, WRTP/BIG STEP served 1,652 individuals. WRTP/BIG STEP facilitated 284 employment placements in family-supporting jobs at an average industry starting wage of $17.80 per hour. Of this, 62.7% were racial minorities including African Americans, Latinos, Asian-Americans, Native Americans, and those who identified themselves as multi-racial or bi-racial. Women accounted for 7.4% of these placements in non-traditional occupations, with no wage gap by gender. WRTP/BIG STEP secured employment for participants with 109 different employers throughout the region.

For example, WRTP/BIG STEP graduated 31 students from CNC Manufacturing pre-employment trainings in 2011. We worked with local manufacturers including Milwaukee Gear and Milwaukee Cylinder to develop, design and implement the classes.

The flexibility in the training allowed each company to tailor the course to their specific needs, thereby increasing the value of the graduates. All 31 trainees were hired following graduation and began working at a rate of $15 per hour.
As part of the Mayor's Manufacturing Partnership Initiative, WRTP/BIGSTEP has implemented two strategies to meet industry demand and connect individuals to employment: 1. Direct Placement of unemployed qualified individuals and 2. Pre-employment occupational skills training articulated to career pathways and connected to employment upon completion. Under the Mayor's Manufacturing Partnership Initiative, WRTP/BIGSTEP ran customized skills training classes in partnership with area manufacturers in the course of the project funding period and conducted outreach and recruitment to identify and place individuals into employment with over twenty manufacturers throughout the region. Direct hire assistance includes a variety of strategies to assist employers to improve and enhance their ability to identify, hire, and retain a qualified and productive workforce. Direct hire services available to employers include recruitment, applicant pre-screening, assessment, and applicant job matching. Several employers utilized direct hire assistance to meet multiple openings throughout the project period, including SPX Waukesha Electric, Harley-Davidson, HB Performance, Oilgear and Hellman-Tyton.

In 2012, WRTP/BIGSTEP designed and operated six Entry level Skills Manufacturing (ELMS) training programs in conjunction with manufacturing partners committed to training and developing their entry level workforce. The ELMS training program is a flexible and customized response to the occupational and production specific needs of the individual manufacturers and provides a direct link to graduates to employment. Notably, the project was built on the experience of the partnership between Milwaukee Gear, WRTP/BIGSTEP, and the MAWIB.

Subsequent ELMS training programs were developed and operated with GE Energy, HB Performance Systems, Trace-A-Matic and Herker Industries in conjunction with labor partnerships. All participants were trained in Entry Level Manufacturing Skills (ELMS) curriculum with a CNC Machining focus. ELMS is standard industry designed essential skills training that integrates combination of occupation based hands on skills training as needed to ensure new workers have basic safety and knowledge needed to gain employment with a particular employer, as well as provide exposure and connection to career pathways and advancement opportunities in the industry.
Kimberly Stenzel, from Racine, WI says she never worked a job making over $10/hour in her entire life. She is raising her three grandchildren, seven year old twins and a twelve year old, and was living in overcrowded conditions with her grandchildren and her brother’s family. She was living paycheck to paycheck and she says that frequently was not enough to pay the bills. In fall of 2012, while working for a large chain superstore for minimum wage, Kimberly decided to begin a training program with WRTP/BIG STEP that was designed for GE Energy.

Over four months, Kimberly trained in CNC Machining at Waukesha County Technical College and in Entry Level Manufacturing Skills in WRTP/BIG STEP’s Center of Excellence in coordination with IAMAW -District 10. It was not always easy. She and her classmates carpooled to make it to classes and she hadn’t been in school for years, so Kimberly says she didn’t have a lot of self confidence when she started WRTP/BIG STEP’s program. She was still working, but she trusted in WRTP/BIG STEP that if she put in the hard work with the program something better was on the other side. Kimberly was a star student and not only inspired WRTP/BIG STEP staff with her dedication to the program, but also became a leader and a mentor for her fellow students who chose her to speak for all of them at their graduation.

Kimberly graduated from the GE-CNC Machining program with WRTP/BIG STEP on January 18, 2013. After graduation, she found a temporary job in shipping and receiving with Super Steel for $16/hour. In March 2013, GE completed its hiring process and Kimberly started on the machining floor in an entry level position at $17/hour. As of May, Kimberly makes $18/hour and as a new IAMAW Local 1377 union member, her wages will continue to rise on the union scale during her training period with another $2.45 in raises through June. After one year with GE, Kimberly will be transferred into working directly on the CNC Machines at a wage of $26/hour! With a full line of union negotiated benefits including health insurance, sick leave, personal leave, vacations and retirement benefits, she no longer has to worry about how to pay her bills if she or her grandchildren get sick and her future is more secure.

Kimberly’s life has truly changed. When asked the most important thing WRTP/BIG STEP did to change her life, Kimberly said, “They gave me the skills and the knowledge that I can do something more than I was doing and to step into a career. I didn’t know I could even go to school anymore. More importantly they gave me the confidence to know that I did not have to settle for a minimum wage low skilled job, that I was capable of so much more. I actually feel successful now!” She still stops by WRTP/BIG STEP occasionally and says she loves her job at GE that she says is not as physically hard on her as working in a superstore was although she laughs that she does get a nice work out on her arms.

As for her life now, Kimberly and her grandchildren have moved into their own apartment and her grandchildren have a new pride in having their own home. The other day the oldest said sweetly, “Grandma, why don’t you go take a nap.” When Kimberly awoke from the nap her granddaughter had cleaned the kitchen spotless. Kimberly marvels at the change in her grandchildren. She said, “Our lives are so different now. It’s really nice to be able to occasionally take my grandchildren to see a movie and not have to worry if I will still be able to feed them that night.” She has set a budget at her starting wage and puts all her raises into a savings account to begin something she’s never had before, an emergency fund. Eventually, she plans to purchase a home, so someday she has something to leave to her grandchildren.

Interview by Renee S. 11/15/2012
Even in a poor economy, we accomplish successful placement rates by relying heavily on our intimate knowledge of the regional economy, our employer-driven strategy, high quality relationships with community partners, and visionary leadership. Our well-established relationships result in a fluid placement process with quality employers and in quality careers.

The results speak for themselves; our goals are to expand programming in 2013 to 2000 served and 500 placed into career pathway positions with another expansion in 2014. Additional resources would allow our programs to grow on a scalable basis by adding additional training programs, instructors, curriculum development, industry field work, and more in depth mentoring services.
In August of 2011, Chanell found herself with no job, her unemployment insurance had run out, and she had no income at all. She had no other choice, but to apply for W2 benefits. A single mother, her twins, seniors in high school and her 11 year old were her motivation to keep trying to find work. Her experience was varied. She ran a daycare, cleaned houses, and over 15 year ago, she worked in manufacturing for a very short period of time before her children got sick and she had to quit working.

She had an idea that she wanted to get back into Manufacturing, but didn’t have a way to get the training needed for those jobs today or a way to get in the door. Chanell’s W2 worker sent her some job leads including one at Harley Davidson and as a motorcycle rider; she decided to apply for that position. She didn’t get the job because of her lack of training at the time, but through the process, she found WRTP/BIG STEP.

In May of 2012, Chanell entered WRTP/BIG STEP’s Entry Level Manufacturing Skills (ELMS) course, at the time she was getting $653/month from W2 to support her entire family. Chanell’s family pulled together and helped her care for her children while she went through the training. Her instructors at WRTP/BIG STEP and the trainees became a family to her. “If I can do this, anybody can do this. I learned trigonometry at 42 years old!”

On Friday, July 27th, 2012, Chanell and her fellow trainees graduated from the WRTP/BIG STEP ELMS class. On Monday, July 30, 2012, Chanell went to work at Herker Industries as a CNC Swiss Machine Operator at a starting wage of $13.75/hour. Chanell said, “I now make more in one week than I was getting in a month on W2!”

The transition to work was very comfortable for her because of WRTP/BIG STEP’s training process. “We were at the company four times job shadowing, so I already knew some people there. I’m still learning on the job and I make it a point to work on all the machines. I make mistakes occasionally, but my supervisors hired me knowing I was an on the job trainee, so they just spend more time teaching me when that happens. I do a lot of overtime because I want experience doing everything in my field. After three years of consistent work, I’ll be considered an expert and my career will take off.”

WRTP/BIG STEP Success Story

“I now make more in one week than I was getting in a month on W2!”

Some Recommendations Looking Forward

Our work in the field and annual research on firms has revealed both opportunities and challenges with skill, training and access to jobs in the region’s manufacturing sector. In conjunction with the Center on Wisconsin Strategy (COWS), the WRTP has undertaken a research project to better understand the skills challenges facing Milwaukee manufacturers, and the training resources available to workers. Through a series of interviews with industry and labor stakeholders, the research generated a set of recommendations meeting the dual challenges of economic growth for firms and opportunity for central city workers:

- Educate and train line-level managers to encourage their commitment to in-house training and career pathways for workers, and provide information on how to access and advocate for training resources.
- Develop strategies to build support from global corporate leadership, as their buy-in is central to effective training programs.
- Prioritize internal apprenticeship, mentoring, and peer-learning programs as a means to develop both hard and soft skills, and develop strategies to enhance support from management. Historically, these have been key avenues for career pathway advancement.
- Recognize the importance of semi-skilled positions in advanced manufacturing by developing training programs specific to these positions and promoting career pathways through these positions.
- Begin to build information and discussion around the negative potential impacts of automated hiring processes on candidate selection, particularly with respect to lower-skill positions.
- Seek direct involvement by regional firms in recruiting and discourage reliance on automated hiring processes by identifying their negative impacts on new hire productivity, retention and advancement via a career pathway.
- Promote work based learning opportunities for youth and use the employer and labor leadership to help build stronger connections from schools to manufacturing careers.

Interview by Renee S. 11/15/2012

Chanell was on public assistance in May 2012 and working full time with full benefits by the end of July 2012 including health, dental, paid vacations and holidays, paid uniforms, short and long term disability and many others. This turns out to be an extra bonus. On public assistance, her twin daughters were only eligible to stay on her insurance until age 19 and only if they stayed in Wisconsin. In August, one of her daughters was diagnosed with rheumatoid arthritis and nearly decided not to go to college. Being allowed to stay on her mother’s new health insurance through work gave her access to the treatment she needed to be free to go to the college of her choice and in September 2012, Chanell’s daughters chose to go to Lane College in Tennessee and Lincoln College in Missouri. Chanell said, “I’m so proud that my daughters can go to college after all we went through financially in the past few years since my divorce. Not only can they go, but I can help them pay for it and keep them healthy while they are there, that means a lot to me.”

Asked to reflect on all of this Chanell said, “I have great family support and I credit that for keeping me motivated. For me though, this is a process. It was hard to go on public assistance. If I hadn’t swallowed my pride though and asked for help, I never would have found WRTP/BIG STEP and I wouldn’t be here now working and supporting myself and my children. This program makes a difference. I’m proof of that.”

Interview by Renee S. 11/15/2012
At the WRTP, we are excited about the opportunities that are so clear in this moment. We are relieved that so many firms and unions are moving back into the direction of growth. We are thrilled that this means more chances for us to answer industry need with community resources. We know that moving forward will required more of the same and we look forward to contributing our significant resources, and expertise, especially in terms of labor/management leadership and connections, to building a stronger manufacturing infrastructure in the city.

A few thoughts for moving forward:

First, effective work in manufacturing requires knowledge of the reality of manufacturing work. This may seem obvious, stated this way. But it should be more fully embraced. The leadership for WRTP work comes from the sector. Our staff know and understand shop floor realities. Our training is built on understanding from hiring to supervisors to workers themselves. It is this deep knowledge of manufacturing that has served both the sector and the community well. And that knowledge is built on relationships developed over time and work in the field cultivating relationships, staying current on new trends, understanding the evolution of the industry. Field work inside the sector is not glamorous, but it is absolutely essential. And it is a strength we can offer.

Second, we are committed to not only employer leadership of this work, but also we are committed to worker leadership as well. This is another unique strength of WRTP work. Union leadership in manufacturing work helps identify trends in the industry with a broader perspective than one firm. Union contracts in firms mean that much of our work is with some of the best paying employers in the region. Worker representation and voices in our projects help clarify skills and make our training directly relevant to the jobs. We think of this connection to workers as a foundational strength that can be leveraged in ways that help the sector and this community. The WRTP is uniquely able to help bring the perspective of workers into this critical discussion.

Finally, just as we are committed to building infrastructure to support a more competitive manufacturing sector, and to working with and involving workers in the project, we are also committed to using these manufacturing opportunities to extend economic opportunity throughout this community. Whether by building stronger connections from public schools into this work, or from the central city into these opportunities, we will continue to seek to find ways that the answers we build for manufacturing in the city bring answers to the question of economic opportunity as well. And we know that part of that work is to help firms and unions in the transition to workforces that may be more diverse in age and race than in the past.

Our vision for what this work can mean to firms, to the regional economy, to the community, and even to democracy, is far reaching. But we are not naive. We just know that without these goals, the direction of our work will not be clear. Nor do we imagine that working alone (even with the firms and unions that we already connect with, or even with all the community partners we already work with) we can achieve this complete vision. For that, we will need more engagement from every sector. And for now, we hope to start the journey toward this vision by starting a conversation with this paper.


The Center on Wisconsin Strategy has long been an essential part of the WRTP. From our founding and throughout the years, we have worked together to develop the best possible policy, knowledge, and programs. For this report, we gratefully acknowledge this partnership. COWS staff helped with interviews and analysis of results, developing the structure and text, and discussion and drafting policy principles.

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