

NATIONAL COALITION FOR ADVANCED MANUFACTURING

FOR IMMEDIATE RELEASE:
July 23, 2003

For Information: Fred Wentzel
202-429-2220, ext. 106
wentzef@nacfam.org

THE CASE FOR ENHANCING AMERICAN WORKFORCE SKILLS

WASHINGTON, D.C. - The National Coalition for Advanced Manufacturing (NACFAM) today is releasing its landmark report entitled, **The Case for Enhancing American Workforce Skills**. The report examines recent research findings related to the nation's growing skills gap in the manufacturing sector and the problems employers increasingly have in finding skilled workers able to deal with technological changes in the workplace.

The key conclusion is that *the skills gap is deepening*. Nearly 60% of the new jobs in the knowledge-based economy of the early 21st century will require skills that are held by just 20% of the present workforce.

Why is this news? *Because the skills gap is deepening when manufacturing workers are being laid off—over 2 million since 1999.*

NACFAM's research report points out that **the only solution to this dilemma is to *move workforce skills to a much higher place on the national agenda***. (See attached one page summary of the specific findings of this timely research report.)

The report concludes that *industry and government need to join forces* to make substantial improvements in workforce education and training programs and especially to *incentivize American workers* to keep pace with technological change by *continually improving their skills*.

The principal researcher for this report was **Leo Reddy**, NACFAM Founder and CEO. Mr. Reddy has been active in developing national policies and programs in the workforce development field since 1990. He is the industry manager of the Manufacturing Skills Standards Council (MSSC), currently chaired by **Jim McCaslin**, President and COO of the Harley-Davidson Company. The MSSC was formed under the National Skills Standards Act to build a nation-wide system of industry-led skill standards, assessments and certifications for all sectors of manufacturing.

While this research paper offers no public policy recommendations, a recently-released NACFAM policy paper entitled, **Industrial Transformation: Key to Sustaining the Productivity Boom**, lists four specific policy recommendations *designed to enable America's workers to keep pace with technological change*:

- Provide a tax incentive for technical re-training over a worker's career.
- Integrate academic and technical/applied learning into the Perkins Act reauthorization.
- Integrate industry-led skill standards into education and training programs under the Workforce Investment Act reauthorization.
- Accelerate development of certification systems based upon nation-wide, industry-led skill standards.

To interview **Leo Reddy** about the report, to obtain additional copies, or for more information, you may contact Fred Wentzel at 202-429-2220, ext. 106 or e-mail Fred at wentzef@nacfam.org.

NACFAM RESEARCH PAPER RECOMMENDATIONS

1. *The enhancement of workforce skills and knowledge would help the nation sustain higher levels of productivity growth and innovation.*

The development of a highly skilled workforce that is able to keep pace with technological change has the potential to achieve and sustain even higher rates of productivity growth.

2. *The skills gap is deepening.*

Surveys indicate that the shortage of skilled workers is continuing to limit sales, inhibit productivity improvements and pose a major barrier to growth. If current trends prevail, this shortage will become deeper in the future.

3. *Responses at all levels are insufficient.*

Federal, state and local responses clearly indicate a shift away from technical education toward enhanced academic preparation. Federal support has also waned for building a national system of industry-led skill standards that would create a larger pool of skilled and knowledgeable workers required for technology-based growth and innovations.

4. *Employers are increasingly seeking both degrees and skill certifications, but major certification gaps remain.*

Employers want stronger guarantees that workers have both academic and technical skills and knowledge. Small businesses are increasingly looking for workers with industry-led certifications.