LAUNCH COMMENTARY

APRIL 2025

INDUSTRY & INCLUSION

in the American South

Urban Manufacturing Alliance

THE CENTURY FOUNDATION

For years, the American manufacturing industry has been grappling with a paradox.

It has long been a pillar of the economy, blending research and development with technological innovation,[1] and supporting the country's GDP.

Manufacturing careers are better paying than those in other major industries like retail and hospitality,[2] and its firms have even reported an increase in wages[3] from 2022 to 2023.

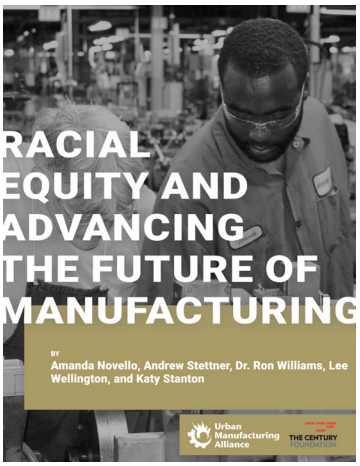
Photo credit: Lorain County Community College

Photo Credit: Northland Workforce Training Center

So why are manufacturing jobs—hundreds of thousands of them[4]—going unfulfilled?

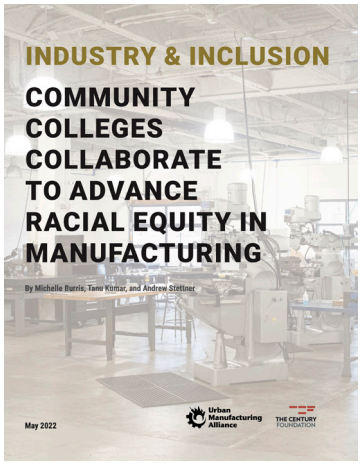
That's the paradox:

Manufacturing careers have all the on-paper characteristics of a good job in an exciting field, yet barriers between the sector and the working-age population are keeping potential candidates on the outside.



Since 2020, the Urban Manufacturing Alliance (UMA) and The Century Foundation have been uniting manufacturing leaders through the Industry & Inclusion (I&I) initiative to inspire local knowledge exchange and action with the goal of abating this problem. I&I helps workforce and education practitioners engage with one another and pilot new strategies, rooted in best practices, to make manufacturing hiring more dynamic by bringing in workers from populations historically underrepresented in the sector.

In I&I's first cohort,[5] **leaders from community-driven workforce development** came together to identify the best ways to improve the hiring pipeline for diverse communities. They shared wins and challenges, and in the process highlighted lessons that policymakers can turn to as they consider expanding support for community-based manufacturing training.



I&I's second cohort[6] shifted the focus to **community colleges**, where technical credentialing programs act as an important gateway to manufacturing for Americans who may not pursue a 4-year college degree. During their time in the cohort educational institutions reported an array of milestones,[7] ranging from new partnerships with industry to create free work-based learning opportunities for students, to a rise in the presence of women and people of color in programs.

The third cohort[8] elevated I&I's work to **regional groups that work across Midwest states.** Announced in November 2023, I&I 3.0 welcomed four U.S. Department of Commerce-funded workforce organizations from Ohio, Michigan, and Illinois that are engaging industry partners and underrepresented communities in training and hiring efforts.

I&I South cohort gathering at Austin Community College, April 2025. Photo Credit: Sandra Dahdah

Now UMA and The Century Foundation have launched another cohort with a new geographical focus, understanding that regional efforts to broaden manufacturing talent pipelines can uplift local efforts aspiring to the same goal.

For this cohort, I&I will unite leaders in a region of the country where federal investment has accelerated renewable energy and advanced manufacturing,[9] and where there's a growing need to connect underrepresented communities to well-paying jobs. That region is the American South.

Since early 2024 the UMA team has been on a listening tour, interviewing leaders in the South who have their finger on the pulse of manufacturing, workforce development and education. Their insights come from Texas to Florida, Alabama to Virginia and many states in between, and what they've shared has provided UMA with a new understanding of the region's opportunities and challenges. Many of those opportunities and challenges mirror what the country's manufacturers as a whole are responding to as they try to assemble a capable workforce to carry the sector forward.

KEY THEMES FROM INTERVIEWS WITH MANUFACTURING LEADERS IN THE SOUTH

- It's essential to address the challenges rural populations face in connecting with technical training, such as transportation and childcare hurdles or a lack of apprenticeship centers in rural areas as compared to urban
- Due to resistance to diversity, equity, and inclusion initiatives, there's a need for strategies to connect with underrepresented groups in the region that focus on zip code or neighborhood instead of race and gender
- Manufacturing ecosystems should be expanded to include industry, government, labor, education, social services, and community partners with the goal of creating pre-apprenticeship and apprenticeship pipelines that increase aptitudes while supporting trainees to fully participate in these programs
- The transition process from unemployment or underemployment to manufacturing careers can be improved with policy solutions that address the "benefits cliff"–a term describing the point at which someone's income increases slightly and they lose public benefits despite still not making enough to maintain financial independence
- There is interest in creating workforce development initiatives that specifically cater to formerly incarcerated individuals
- Finally, given the level of private and public investment flowing into the region for manufacturing, this is a pivotal moment to better connect underserved communities with economic opportunity.

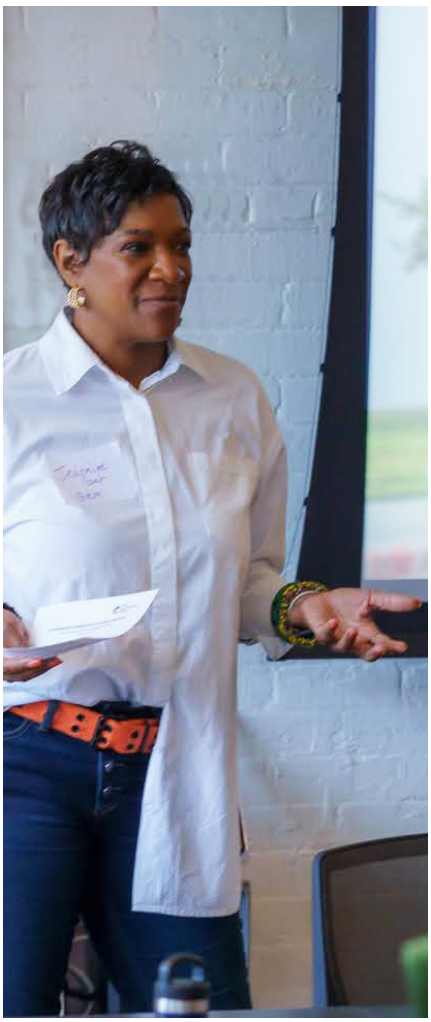


Photo Credit: Armando Madero

Data supports the observation of an untapped opportunity for both manufacturers and underrepresented communities in the South and beyond. As manufacturers struggle to find new employees, a recent accounting of the sector's workforce countrywide shows that it is 65 percent White and nearly 70 percent male.[10] Those workers are vital, but that demographic makeup doesn't mirror the diversity of the U.S. labor pool. Black and Hispanic workers are also underrepresented in senior roles[11]–typically the highest paying positions at manufacturing companies.

Jeannine Gant, the Inclusive Growth Officer at the Detroit Regional Partnership's Global Epicenter of Mobility (GEM) program, couldn't have stated the importance of this opportunity more clearly in her introductory remarks at UMA's June 2024 Regional Convening in Detroit. Speaking about diversity, equity and inclusion initiatives, she said:

> "The political conversation believes that we're trying to exclude people. That's not what we're trying to do. We're simply trying to make sure we're including the historically excluded so that we can build back better together as a region and as a country."

JEANNINE GANT
Inclusive Growth Officer
Detroit Regional Partnership

WHY MANUFACTURING, WHY THE SOUTH & WHY NOW?

Manufacturing is estimated to have 3.8 million job openings between 2024 and 2033, yet nearly 1.9 million jobs may go unfilled by 2033 due to skills gaps and a shortage of applicants, according to an April 2024 report from Deloitte and The Manufacturing Institute.[12] That's largely because manufacturers are struggling to attract applicants with the right skills to handle the technical and digital demands of an evolving industry.

It's a reversal of fate for a sector that once employed more than a third of American males aged 21 to 55 without a college degree.[13] But after decades of business closures, layoffs, and offshoring that have tarnished manufacturing's reputation, UMA and The Century Foundation believe the companies still producing U.S. goods and driving American innovation can fill employment gaps by embracing thoughtful community-led interventions that attract working age populations from underrepresented communities.

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Those interventions are more important now than ever. Federal investment in manufacturing has flourished in recent years. The Biden Administration and Congress put forth executive orders and legislative packages, respectively, with the potential to jumpstart a manufacturing renaissance. Those efforts included the 2022 Inflation Reduction Act, the 2021 Infrastructure Investment and Jobs Act, and the 2022 Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act.

Photo Credit: Northland Workforce Training Center

Photo Credit: Tennessee College of Applied Technology

Together, they unleashed more than a trillion dollars to advance manufacturing, manufacturing supply chains for renewable energy technology, infrastructure, and vital computer components.

The American South is poised to reap the benefits of that influx. Billions of dollars flowed into Southern states for batteries, electric vehicles, semiconductors, clean energy manufacturing, and infrastructure and more. "The South is fast becoming America's industrial heartland," claims a headline from *The Economist* magazine.[14] And while there is uncertainty about the future of these investment packages now, the country's new administration has stated that manufacturing will continue to be an economic priority.

Recruiting enough workers to realize the promise of government investment is a vital next step. But manufacturing's employment needs go beyond the demand created by federal cash injections.

The vast majority of manufacturing job opportunities will come from a single source: Retirees. Approximately 2.8 million workers will clock out a final time within the next decade, creating a combined challenge-opportunity where firms need to find fresh workers who can take over for outgoing employees, while also becoming proficient in the new technologies embraced by 21st century factory floors.

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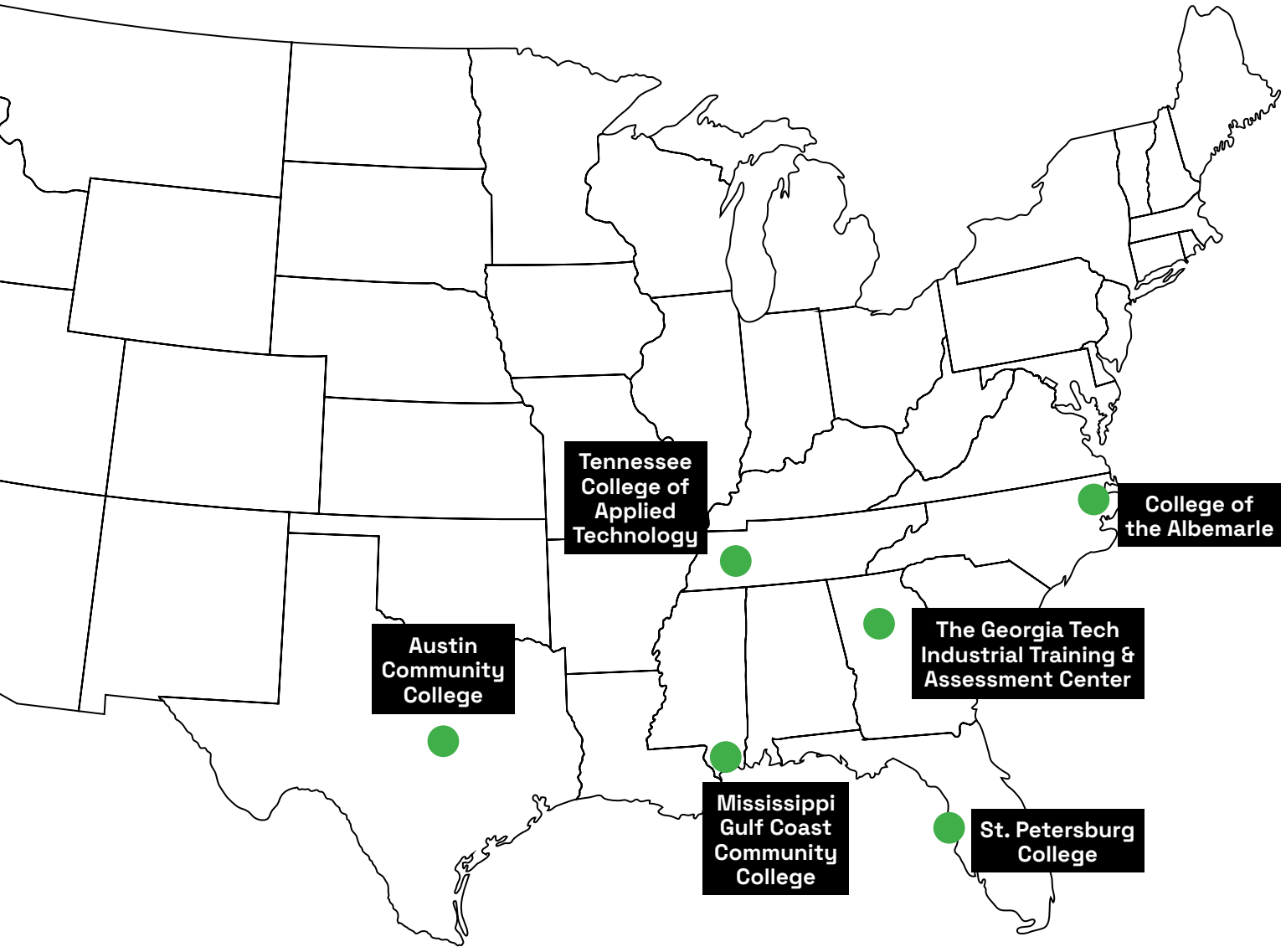
That's all to the benefit of the U.S. economy and manufacturing firms, but what about job-seekers? Manufacturing has long been, and still is, a meaningful provider of middle-class jobs. Among the five largest private sector industries in the country, manufacturing careers on average pay better than three: retail trade, education and health services, and leisure and hospitality, according to an Urban Manufacturing Alliance analysis from 2022.[15]

Even more, manufacturing typically pays better than other industries for workers who don't have a four-year college degree. Average earnings for manufacturing employees without a bachelor's degree are higher for Hispanic workers ($4,800 more per year), Black workers ($5,000 more per year), and white workers ($10,100 more per year) when compared with earnings in other sectors.

It's clear that manufacturing still matters—to American innovation, to workers seeking decent work, and to entire regional economies. And if you head to the South, you'll find major players who are working right now to make economic networks stronger by creating pipelines between companies and communities, all with the goal of ensuring the benefits of manufacturing extend to families' pockets no matter where they live or what their background is.

I&I South Participants

The Urban Manufacturing Alliance is excited to work with a handful of those innovative stakeholders to help advance their work. Over the next year, UMA and The Century Foundation will convene a cohort of workforce and education leaders to collaboratively design new solutions to local challenges, through hands-on peer learning and technical assistance. The map below shows the organizations that will make up I&I's fourth cohort focused on the American South.



● **Austin Community College** (ACC) is a nationally recognized two-year college and the primary gateway to higher education and workforce training in Central Texas. Committed to meeting industry demands and supporting our community, ACC aims to strengthen its efforts in workforce alignment by enhancing partnerships, broadening outreach to underrepresented communities, and refining pathways that recognize diverse learning experiences. The College is building a skilled manufacturing workforce through innovative program models that create seamless entry and advancement opportunities for students. As part of this cohort, ACC seeks to build accessible, flexible learning pathways—including non-credit to credit transitions, credit for prior learning, and strategic community engagement—to better serve students at every stage of their education and career. By developing structured on- and off-ramps, ACC ensures students can enter and progress in manufacturing careers with industry-aligned training that meets both employer needs and regional economic demands.

● **College of the Albemarle** (COA) is one of North Carolina's first community colleges, with four campuses across seven counties in northeastern North Carolina. As part of the cohort, COA hopes to identify barriers facing rural institutions and create practical strategies that COA can implement in their manufacturing programs to strengthen recruitment and increase retention of underrepresented populations.

● **The Georgia Tech Industrial Training & Assessment Center** (ITAC) in Atlanta provides small to mid-sized industrial facilities in the region with free assessments for energy, productivity, and waste, while also supporting workforce development, recruitment, and training. As part of this cohort, ITAC seeks to increase the diversity of workforce talent that is "clean energy cognizant" and serve as a conduit and resource for effectively connecting industry with talent.

● **Mississippi Gulf Coast Community College** boasts a wide variety of manufacturing and workforce programs. In addition, the Industrial Training and Assessment Center for Cybersecurity provides paid internship opportunities for students who gain hands-on experience performing risk assessments for small and medium-sized manufacturers. They hope to recruit more underrepresented students into the program and also attract more women and minority owned companies to participate.

● Founded in 1927, **St. Petersburg College** (SPC) is Florida's first two-year college. Regionally accredited and nationally recognized, SPC became Florida's first state college to offer bachelor's degrees. The College now offers more than 200 associate and bachelor's degrees, certificates, and transfer programs, as well as many high-demand, high-skill, industry-recognized workforce certifications. The College's career-focused curriculum is created with input from industry experts to provide students with real-world skills needed to meet the needs of today's employers.

Dr. Andres Cardenas, a faculty member from St. Petersburg College, is working to develop new learning opportunities to enhance enrollment and retention in Engineering Technology. As part of this effort, Cardenas is also participating in the Industry and Inclusion (I&I) cohort, led by the Urban Manufacturing Alliance (UMA). The I&I cohort focuses on strengthening the nation's manufacturing sector by creating credential-based training programs and fostering deeper relationships between employers and communities. Dr. Cardenas hopes that by engaging with UMA's national coalition, they can continue refining strategies that will not only improve access to these educational opportunities but also ensure that students from all backgrounds succeed and persist in their academic and professional journeys.

● **Tennessee College of Applied Technology** (TCAT) Jackson is located in west Tennessee and is part of a public technical college system that provides high-quality, affordable education and workforce development training to Tennessee residents and area high schoolers. As part of this cohort experience, TCAT Jackson hopes to further develop and refine their credential-based training programs that meet the broader needs of a diverse workforce, ensuring that all students are well-prepared for the evolving demands of education and careers within the manufacturing industry. Overall, they plan to explore innovative solutions and strategies to bolster the manufacturing sector and create new educational frameworks that support these solutions.

ENDNOTES

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