

## Workforce and Manufacturing Analytics Briefing

Volume 13

April 2018

### Manufacturing



**Unemployment rates** remain locked at low levels and projected to tick down in near- to medium-term at least. Labor force size and participation rates continue to provide challenges.

Early signs of **slowing growth rates** in some manufacturing metrics, and potential capacity bottlenecks in transportation.

In this environment, importance of **Recruiting, Retention, Engagement** rising in importance.

- Led by durable goods, the 22,000 manufacturing jobs added in March completes the **strongest six-month hiring spree** since 1998.
- Digging a little deeper, there is **some slowing growth** in new orders and production, combined with rising raw materials costs – much tied to recent implementation of tariffs. Still a healthy sector, but some metrics worth monitoring
- Trade wars have **direct and indirect impacts on US manufacturing**, and are adding a new level of uncertainty to company and sector forecasts.

### Workforce

- Unemployment rates still at 17-year low (4.1%) and projected by Fed to **dip to 3.8% by end of year**. No end in site to environment of 'full employment'.
- Growth rate of **working age population will stay at chronically low levels**, and will require strong, effective programs in recruiting, retention, engagement and related areas.
- Antidotal - and growing - evidence that **companies are more open to flexible workforce solutions** like part-time schedules, updated attendance points systems for better retention, and 'second chance' programs.