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Companies increasingly source more of their parts and products from U.S. manufacturers like Kentucky-based Jones Plastic. JONES PLASTIC & ENGINEERING

## Factories In U.S. Are Struggling To Fill Jobs

BY PAUL BERGER

Craig Jones's biggest problem for years was winning new business for his familyrun plastics company headquartered in Louisville, Ky.

Today, the challenge is finding workers to meet the company's growing order book as companies increasingly source more of their parts and products from the U.S.

"My biggest concern as we continue to reshore business is, who's going to do the work?" said Jones, the chief executive of Jones Plastic & Engineering.

Jones Plastic has five factories in the U.S. and three plants in Mexico churning out door handles for refrigerators, spray arms for dishwashers, and washing machine doors for companies like **Whirlpool** and GE Appliances. The business is among many U.S. manufacturers that say they are struggling to find skilled workers to put a Made in America label on their goods.

U.S. factories employ about 13 million people. Plant owners are struggling to fill positions even as other sectors of the economy, such as transportation and warehousing, have recovered from pandemic- era labor shortages.

For most of 2024, the gap each month between manufacturing job openings and hirings has hovered at about 100,000 positions. More than 60% of employers in a recent survey by the National Association of Manufacturers said attracting and retaining talent is a top concern. The trade

group forecasts the sector will need to fill 3.8 million roles over the next decade because of retirees leaving the industry and growing manufacturing demand.

Manufacturers are scrambling to fill positions as more companies are rethinking their supply chains and moving production out of Asia. A KPMG survey earlier this year found 73% of U.S.-based executives said their companies have brought or are bringing back more of their supply chains to the Americas because of geopolitical and economic uncertainty.

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Instead of relying on a single country, such as China, to produce most of their goods, multinational companies are moving toward regional models in which factories in Europe or North America supply a greater share of products for those markets. The strategy shortens global supply chains and, in theory, reduces the risk of shocks such as trade wars, geopolitical conflicts and sudden price spikes or bottlenecks in supply chains.

Japanese machinery maker Kubota Tractor is expanding its U.S. factories and distribution center networks as part of "a strategic blueprint of onshoring," said Robert Davy, the company's director of supply-chain operations in the U.S.

Susanne Waidzunus, global supply manager at Inter IKEA Group, the company that manages IKEA's supply chain, said the furniture retailer is seeking out more North American suppliers to reduce the region's dependence on shipping from other parts of the world. Lego is spending more than \$1 billion to open a factory in Virginia in 2027 that will supplement its Mexico plant to feed the Americas.

The investments are happening as a slew of new semiconductor and electric-vehicle battery plants are expected to open in the next few years, boosted by U.S. government grants, across states such as Ohio, Nevada, Georgia, Idaho, Arizona and Texas.

"It's boom time," said Carolyn Lee, president of the Manufacturing Institute, a workforce development and education affiliate of the National Association of Manufacturers. Lee said the industry usually advertises about 500,000 job openings each month. "When those facilities open in 2025 and 2026 that need is going to go up even higher," she said.

Labor demand across manufacturing is uneven. Some factory employers are cutting jobs as they respond to shifts in the economy and a slowdown in spending on farm equipment and big-ticket items like cars and major appliances. But the overall trend is toward a shortage of workers.

The problem is exacerbated by an exodus of Baby Boomers from factory work that began with a surge of retirements during the Covid pandemic, Lee said.

Manufacturers say factory work has an image problem. They say teenagers think of jobs in plants as dirty and unskilled, even though factories have become cleaner and more reliant on skilled workers operating high-tech machinery.

"Everyone wants to understand how to attract young people because it's a struggle," said Stacy Mc Coy, vice president of research at industrial staffing firm, Employbridge.

McCoy said younger workers aren't as amenable as older generations to shift work that can involve 12-hour days. They also are more likely to want a job that offers some remote work or a better work-life balance. She said some automakers are so desperate for workers they are bringing back retirees to work temporary, part-time jobs. "Once they're gone those skills are gone," she said.

Craig Jones's son Ryan Jones, Jones Plastic's chief operating officer, says finding younger workers to replenish the company's graying ranks can be frustrating because of the high number of "lower quality candidates."

"They're shaky, they're flaky," said Jones, who is 39 years old. "There's not a lot of high percentage chances that they're going to stick around."

Some manufacturers say high schools push too many students toward four-year bachelor's degrees while neglecting associate degrees that can be more appropriate, as well as more lucrative, for some students.

"It seems like high school counselors are really pushing everyone that if you don't have a four-year degree you're not going to be successful," said Shannon Lafferty, general manager of Blum USA, which makes hinges and drawer systems used in furniture and cabinetry at its factory outside Charlotte, N.C. "Where are the skilled individuals going to be developed to support the onshoring efforts of manufacturing in the U.S.?"

Some companies like Jones Plastic are turning to apprenticeship programs overseen by the Manufacturing Institute to provide a pipeline of workers. Blum USA runs a program modeled after a similar initiative at its parent company in



Austria. Students enter the program from high school and are paid to spend one day a week in the classroom and four days in the factory.

They graduate after four years with a journeyman's certificate in a trade, an associate degree in mechatronics— which combines mechanical engineering, electronics and computer science—no debt, and a salary of about \$50,000 per year.

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