



A Production Predicament, Fabricator Fatigue, Sheet Metal Struggles

Whatever you want to call it, there's no doubt that the manufacturing and metalworking industry is experiencing a tough time. Companies of all sizes and capabilities may struggle with any or all of the following:

- Lack of skilled labor
- Stagnant or declining sales
- Irregular sales, production, or money collection cycles.

Whether your primary service is as a fabricator of sheet metal products, a reseller of machinery, or a solo sheet metal shop, **we feel your pain — and so does the rest of the industry.**

A Growing Workforce

While sheet metal employment growth is projected to be a slow 4.8%, welders, cutters, solderers, and brazers are **growing faster** than the average for all occupations — 8.2% compared to 7.7%.

PROJECTED INDUSTRY GROWTH 2020 – 2030

WELDERS, CUTTERS, SOLDERERS + BRAZERS



SHEET METAL WORKERS



MACHINISTS



TOOL + DIE MAKERS



TOTAL EMPLOYMENT

Source: BLS Employment Projections



With Growing Openings Left to Fill

From 2020 to 2030, the U.S. Bureau of Labor Statistics is projecting employment openings among these industries hovers around 10%. Many expected openings come from **the need to replace workers who pursue different occupations or retire from the labor force.**

AVERAGE ANNUAL OPENINGS 2020 – 2030

49,200

WELDERS, CUTTERS, SOLDERERS + BRAZERS

13,100

SHEET METAL WORKERS

41,200

MACHINISTS

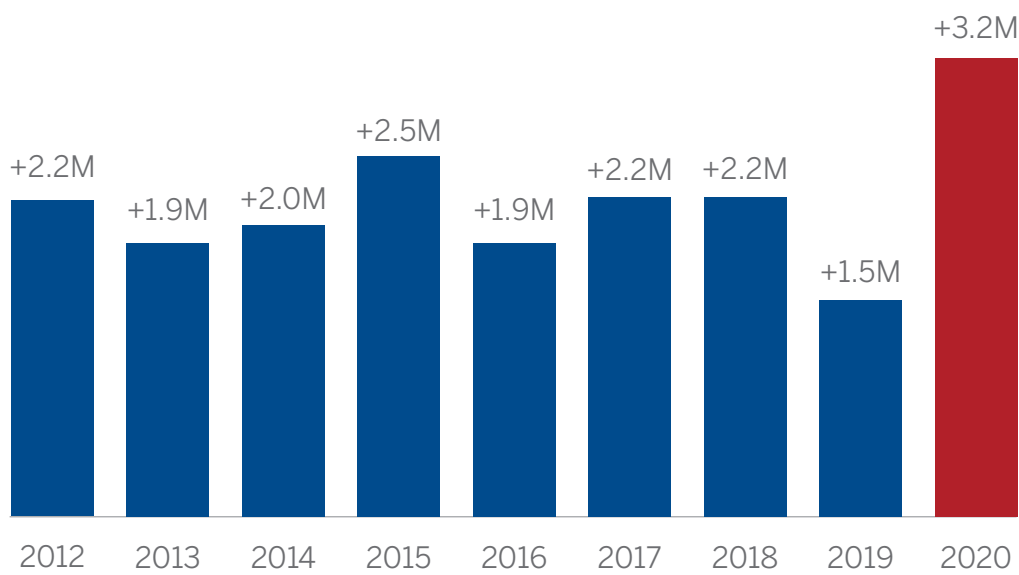
6,400

TOOL + DIE MAKERS



Speaking of Retirement...

Baby Boomers and women entering the workforce in the 1970s and '80s provided companies with an abundance of reliable, college-educated labor power and helped define today's work culture. However, tides are turning as many Boomers are reaching retirement age and are (deservedly) exiting the workforce in droves. Before 2020, an average of 2 million Boomers retired. Thanks to COVID-19 remote work policies and the exhaustion that came with hours of Zoom calls, in 2020, over 3 million people retired — **1.1 million more than expected.**



ANNUAL INCREASE IN BOOMER RETIREMENTS

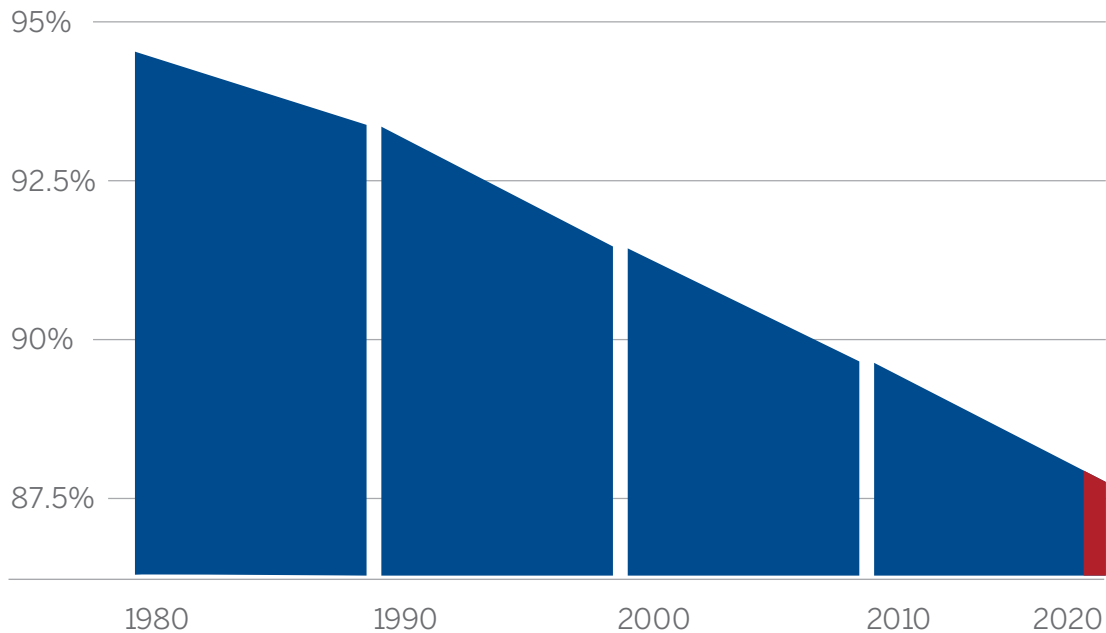
Source: Pew Research Center analysis of July, Aug and Sept Current Population Survey monthly files (IPUMS)



An Uninterested Generation

Prime-age male workers have been quietly exiting the workforce for quite some time now. The number of males not participating in the workforce dropped by 3 million between 1980 and 2019.

PRIME-AGE MALE LABOR FORCE PARTICIPATION RATE PLUMMETED FROM 94% IN 1980 TO 89% IN 2019



Source: BLS Current Population Survey

**Shout out to all the
#womeninmanufacturing**
who have kept things moving!

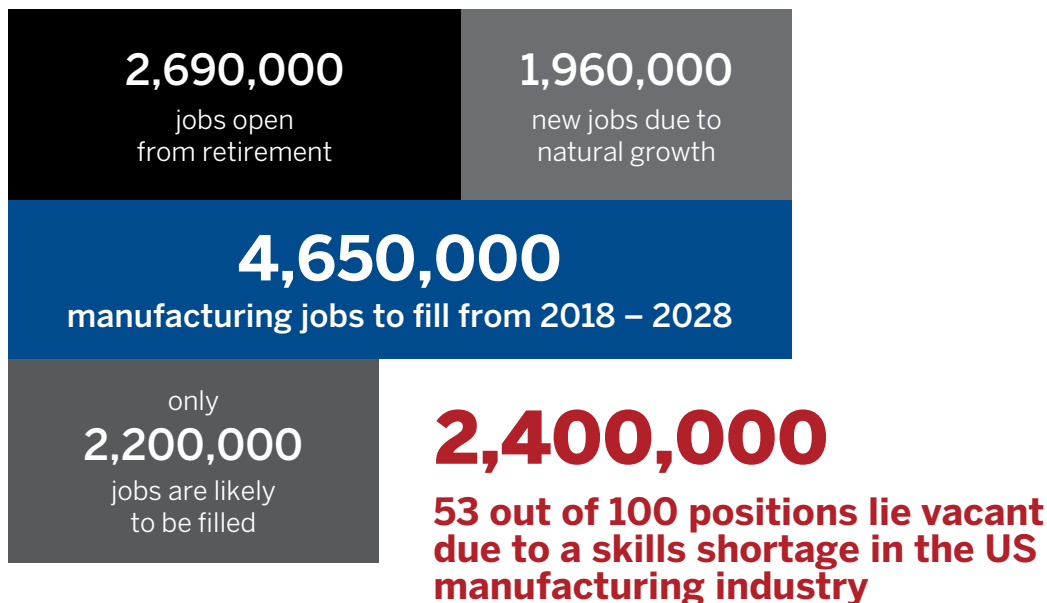


So Who's Going to Work?

Good question. In short — the gap continues to widen, especially in the manufacturing space. Although Millennials became the largest demographic in the labor force in 2016¹, thanks to lower total fertility rates, there simply aren't enough Millennials and Gen Zers to replace the Boomer generation in the workforce.

A smaller population, coupled with decreased interest in working full-time positions, means those responsible for hiring and recruiting are left to face unfavorable circumstances. **According to Deloitte and The Manufacturing Institute research, this lack of skilled labor may result in 2.4 million unfilled positions between 2018 and 2028.**

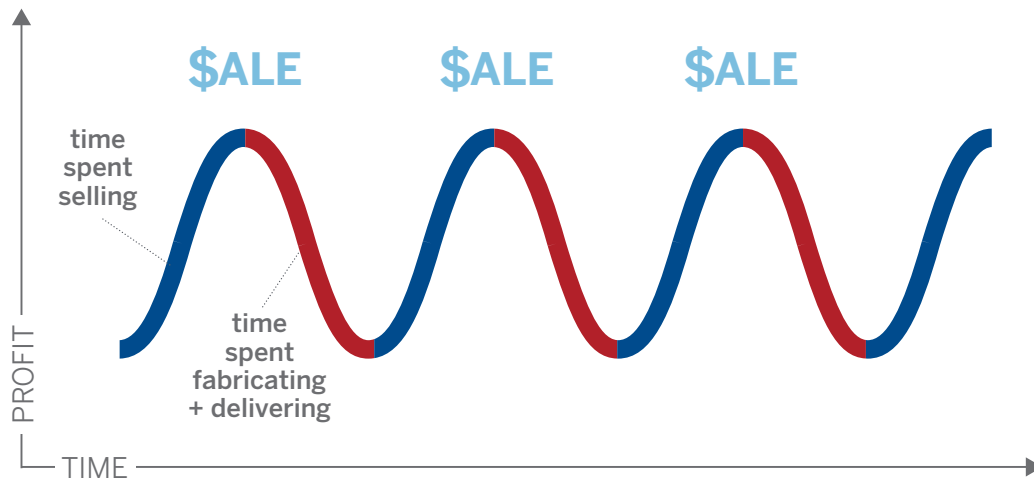
THE SKILLS GAP MAY LEAVE AN ESTIMATED 2.4 MILLION POSITIONS UNFILLED BETWEEN 2018 AND 2028



The Real Impact on You

There's an ebb and flow to production, sales, and money collection cycles. If you're out selling, you can't produce. If you're in the shop producing, you can't get out and sell. You get the idea...

You make money at the sale. Everything after that eats away your gain — and the labor shortage is one of the leading causes of slow or delayed production. Many manufacturing shops are struggling to find skilled trade workers and, as a result, are facing erratic production, sales, and money collection cycles. These issues are real impediments to growth.



Manufacturers recently surveyed by Deloitte and The Manufacturing Institute stated that **being unable to fill positions has impacted their inability to increase revenue growth (82%) and maintain production levels to satisfy demand (81%).**²



Sounds Grim — But There's Another Way

If you're asking yourself...

Why am I still juggling production and sales?

Why should I struggle with the impossible task of finding good employees?

How do I shorten the gap between selling a job and collecting money?

...we've got a good solution.

Using a trusted manufacturer is one of the best ways to remove the burden of staffing, let you focus on selling, and stabilize your cash flow. Look for an established manufacturer with **a track record of retaining experienced fabricators, offering a breadth of capabilities, and providing excellent customer service and support.** Moving staffing and production issues to a manufacturer allows you to focus on selling rather than filling orders. And you can **let the manufacturer carry the material, labor, or other costs** throughout the project cycle. In most cases, you won't owe any upfront costs and will have 30+ days after the product is delivered to pay.

¹<https://www.pewresearch.org/fact-tank/2020/04/28/millennials-overtake-baby-boomers-as-americas-largest-generation/>

²<https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/deloitte-manufacturing-skills-gap.html>



US Duct is an American-owned and -operated manufacturer of industrial ductwork systems and custom ventilation solutions. The combination of a dedicated sales team and skilled fabrication team gives contractors, ductwork installers, and sheet metal fabricators everything they need to select and sell ductwork to end-users. From design to fabrication to on-time delivery, we'll be a reliable partner that can save you time and money and remove the stress of manufacturing and selling ductwork.

CONTACT A DUCT GUY TO SEE HOW US DUCT CAN MAKE DUCTWORK EASY FOR YOU.

CONTACT US

4898 McCracken Road, Kernersville, NC 27284
855-487-3828. info@us-duct.com