

GOOD PAY & GREAT TRAINING: COMPANIES TAKE TWO STEPS IN THE RIGHT DIRECTION

In recent reports from the Bureau of Labor Statistics, it's become clear that the wage gap in the United States is finally shrinking, and it's because wage growth in blue-collar jobs is outpacing growth in white-collar positions by a sizable margin—about 10% versus 7.5%. What's more, in response to a growing skills gap in skilled trades positions and out-of-control college costs, companies are increasingly adopting *hire-to-develop* cultures that create invaluable opportunities for workers to upskill for free. By our count, that's two steps in the right direction.

As we always say, macroeconomic trends mean very little until you understand how they play out in a regional or local market. Because of this belief, we survey employers across the country about their wages, benefits, and hiring requirements every year and we share our regional findings.

Here are two key takeaways from our June 2019 employer survey on light-industrial hiring and compensation trends:

MARKET PRESSURES LED MANY COMPANIES TO INCREASE NEW HIRE WAGES

A tight labor market produced starting wage increases for about two-thirds of surveyed positions, and the competition really heated up in a few positions. Of positions we surveyed on in both 2018 and 2019, the median pay rate (the point at which 50% of employers pay more and 50% of employers pay less) rose by \$0.50 or more in 60% of the positions. Furthermore, on average, 62% of company respondents said they increased the starting wage of a given position at least once in the past 12 months. Assemblers/fabricators, forklift drivers, general production laborers, and packers/hand packers were more likely to earn a higher starting wage than their 2018 counterparts because an average of about 70% of employers indicated an increased starting wage for these positions.

TWO-THIRDS OF COMPANIES RECOGNIZE THE NEED TO UPTRAIN EMPLOYEES

Countless reports say our nation's younger workers are disillusioned with the workplace and financially insecure, with little hope of a better life than that of their parents. One solution is, of course, to simply throw money at workers but another is to throw training at them—and it's our favored solution. Disillusionment and debt can cripple a workforce, but employer-sponsored training programs—ones that don't necessarily require a leave of absence or tuition payments—provide a path up the career ladder and out of the red. Of employers who responded to our survey, 66% offer at least one type of formal career progression program, with the most common being a company-paid trades certification or credential. A recent survey by Deloitte¹ shows that *lack of advancement and lack of learning and development opportunities* are the second and third most common reasons a millennial or Gen Z worker plans to leave an organization within the next two years, and our job seeker survey shows that *career paths* and *on-the-job training* are the second and fourth highest-ranking reasons a worker aspires to work for his or her dream employer. Suffice it to say not only do workers want upward mobility, they're willing to work for it.

HOW DO YOU MEASURE UP?

Our *2019-2020 Dollars and Sense | Guide to Light Industrial Jobs* report contains position-specific information about hiring requirements, wages, and benefits for production workers in 15 different positions, and it specifically focuses on entry-level new hires and the wages, perks, and benefits offered to them during their first year on the job. The book is broken out into regional sections so you can compare your job offering against that of competitors in your region. We understand that local markets may act slightly differently, so use this book as a jumping-off point—and then reach out to us if you want additional help creating a competitive employment package!

[VIEW A COPY OF DOLLARS AND SENSE AT WWW.ELWOODTHINKS.COM](http://WWW.ELWOODTHINKS.COM)

¹Parmelee, Michele. "Deloitte Research Reveals a 'Generation Disrupted': Growing up in a World of Accelerated Transformation Leaves Millennials and Gen Zs Feeling Unsettled about the Future." Deloitte, 17 May 2019. www2.deloitte.com/global/en/pages/about-deloitte/press-releases/deloitte-millennial-survey-research-reveals-gen-z-unsettled.html.

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