

4/25/2013

Mr. Chairman and Members of the Subcommittee:

My name is Ryan Costella. I serve as the Director of Strategic Initiatives at Click Bond, Inc. We are a family owned company and just celebrated our 25<sup>th</sup> anniversary this past year. We employ 250 people at our headquarters in Carson City, NV, and an additional 60 people at our facility in Watertown, CT.

Thank you for the invitation to testify today at the hearing: *Help Wanted: The Small Business STEM Workforce Shortage and Immigration Reform*. I look forward to our conversation on the importance of STEM skills and their relevance to economic stability and the viability of small businesses.

Click Bond is the global leader in the design and manufacture of adhesive-bonded fasteners. Our products have revolutionized how the aerospace, marine, and transit vehicle sectors build their products around the world. Industries that were once dominated by riveted fasteners in their assembly solutions have evolved substantially, now embracing the use of structural adhesives to create the attachment points, which prevents the drilling of holes.

Our customers realize significant savings on cost of labor and materials, increased efficiency and profitability, and enhanced health and safety and reduction of risk. They trust our record of commitment to quality design, performance, and on-time delivery of parts. They know they can depend on our unique ability and knowledge of materials not only to innovate new solutions for their future challenges but also to provide robust customer service and training anytime, anywhere in the world.

We are proud of our presence as a U.S. manufacturer, leading our industry in innovation, environmental stewardship, and workforce development. We are heavily involved in our community and are committed to building partnerships with educational, workforce, economic development, and civic leaders to create a sustainable talent pipeline that serves the workforce needs of the manufacturing industry for decades to come.

Click Bond is a family itself and remains committed to fostering a family-friendly culture that provides our employees with competitive pay and benefits as well as multiple career advancement opportunities through subsidized education and training. As a result, we are developing a talented next generation workforce that enhances our competitiveness and capacity to continue meeting customer needs globally.

The future is bright, and there is no shortage of opportunity for us to continue innovating, growing, and expanding our business right here in the United States. To do that sustainably, however, we must aggressively confront an issue that most businesses are facing, which has now commonly become known as the Skills Gap.

Despite high unemployment levels, businesses are struggling today to find skilled employees to fill their jobs. Compounding the problem, millions of Baby Boomers are preparing to leave the workforce, and we haven't even begun to account for growth.

Will it be possible to fill this gap? If we are struggling to find skilled people today, where will we find them in the future, as the problem magnifies? How do we fix this problem?

While there are no easy answers, I can report that Click Bond and other companies like us are taking the problem very seriously and finding new ways to tackle the issue head on.

There is a lot of talk about STEM education these days. Many people wonder, "What the heck is STEM?" They are then told it means, "Science, Technology, Engineering, and Math." But that's not really an explanation of what we mean by STEM education and skills.

Let me be more specific from an employer's perspective. Frankly, STEM starts with the basics that all people should master in a basic education. The ability to read, write, do math, and think critically are all key pillars, complimented by the ability to show up on time, communicate effectively, and work in teams. People with these skills can be developed and trained to pursue a menagerie of career pathways in multiple sectors of our economy. Without those foundational skills, the future is bleak.

Ideally, these skills are mastered by the time a person leaves high school. Whether we're talking about an entry level accountant or technician on our assembly floor, our top design engineer or a quality inspector, the head of our sales team or the folks who package and ship our parts out the door, all aspects of today's manufacturing workforce require these foundational skill sets on a daily basis.

As you might imagine, these skills aren't unique just to manufacturing. Many employers, whether in energy, defense, IT, health care, transportation, logistics, hospitality, entertainment – the list goes on – require these basic skills.

Unfortunately today, even with record unemployment numbers, we are having a tough time finding people who can demonstrate these basic skills.

Some allege that maybe this gap isn't real at all and that's it's just an acute problem. Maybe manufacturers are just "too picky." Finding people with the basic skills I outlined – ability to read, write, do math, problem-solve, show up on time, communicate effectively, and work in teams – isn't some outrageous litmus test for employment: it's the minimum threshold to have a chance at a future on any career path.

Some say we don't pay enough. That's not true either. In 2011, the average manufacturing worker in the United States earned \$77,060 annually, including pay and benefits. The average worker in all industries earned \$60,168. Even more, for every dollar spent in manufacturing, another \$1.48 is added to the economy, the highest multiplier effect of any economic sector. Our greatest asset is our people, and most manufacturers fund robust training and education programs in partnership with our local high schools, community colleges, and universities.

Some say our operations are too dirty, and the jobs are too low-level. None of this is true either. If anything, people are constantly surprised with how clean manufacturing operations are in the 21<sup>st</sup> century. We sit at the forefront of environmental, safety, and quality standards. We can't compete globally if we aren't. To maintain these top notch requirements, we depend on highly skilled individuals, even for our most entry level jobs. With rapidly evolving technology, we need people who have the foundations to think, challenge the status quo, and solve new problems that we can't even anticipate today.

In response to these misperceptions and to the larger problem of the Skills Gap, many of us historically have pounded our fists on the table and pointed fingers, blaming the education system and other leaders for the gap we're seeing. Blaming and finger-pointing don't achieve anything. This problem is serious, and we have to work together to find solutions.

I'm happy to say that we've changed our tune in Nevada by looking in the mirror. Let me share with you some of the success we've seen.

The manufacturing community has realized that our proactive communication is the key to the future. We are engaging with students, parents, teachers, and the community to explain that our industry isn't dirty smokestacks and low-paying jobs; in fact, we're bringing a message that manufacturing jobs ARE the well-paying jobs of the future. Along with marketing and advertising campaigns like Dream It Do It, commissioned by the Manufacturing Institute, we are opening the doors of our factories to teachers, students, and parents, and we're making substantial progress in showing our community that our operations represent the most exciting and sustainable careers of the future!

We are engaging with leaders in higher education – especially our community colleges – to ensure that their investments in training facilities and curriculum are worthwhile. We are now scaling a fast-track training program that literally takes people from the unemployment lines to full time employment with benefits as machine operators (the entry level position for a career as a machinist) in just 16 weeks. We were proud to hire four graduates from the program, and all of them stand out as model employees with bright futures ahead of them. Similar programs are in development for welding.

We partner with leaders in our workforce development system to ensure that the formula used in allocating Workforce Investment Act and other training dollars is demand-driven. Using these funds to train people for the jobs that exist today and in the future while simultaneously providing them with nationally portable, industry driven credentials as proof of their skill set is a win-win equation for everyone, employee and employer!

We partner with economic development officials by highlighting the success stories and illustrating the number of national credentials granted as proof of a skilled workforce to attract more employers to our state to take advantage of the talent we are cultivating here.

We are making these investments because it's critical for our survival. We are making these investments because manufacturing is a tremendously exciting career path. Our quality-critical products enhance the performance and longevity of military aircraft and the efficiency and competitiveness of

airliners/commercial aircraft. Others are developing technology and products that are causing breakthroughs in medicine, renewable energy, IT, transportation, logistics, and so much more. The reality is: manufacturing makes America strong. And we want to keep it that way.

Our efforts to develop and train people alone, however, aren't enough.

As the Baby Boomers leave our workforce, we will need to find new engineers, quality control experts, machinists, accountants, marketing and communications professionals, and so many more in order to grow and compete in the 21<sup>st</sup> century and beyond.

It will be critical that we have a pool of talent from which to recruit this dynamic manufacturing workforce.

We are strong believers that competition breeds excellence, so if people from other parts of the world are eager to come here legally to pursue their passion or a great idea or to be part of existing ideas that are flourishing, we want to welcome them. That's what America is all about, and it's what makes us different!

As the CEO of the National Association of Manufacturers recently stated, "Talent and skill have no borders...Manufacturers need to be able to hire the right person with the right skills at the right time."

Our company wants access to the world's best and brightest, period. Thousands of small and medium sized businesses are in the same boat. If existing regulations can be adjusted to make it easier for hard-working and talented people to come here legally to stay and build lives and families, pay taxes, and help make our businesses even more dynamic and viable – not to mention make our economy stronger and our future more secure – then we stand in support of those ideas. Rather than educate the world's best in our universities and then send them home to eventually sit across from us at the negotiating table, let's make it easier for them to stay here in our great country and sit on our side of the table.

Thank you, and I look forward to your questions.