

OPENING STATEMENT AS PREPARED FOR DELIVERY



**Opening Statement of
Chairman Steve Chabot
House Committee on Small Business
Hearing: “The New Faces of American Manufacturing”
AS PREPARED FOR DELIVERY
May 12, 2016**

Good morning. Thank you all for being with us today as we discuss the present and future state of American manufacturing. Given the importance of manufacturing to our economy, I am delighted to be holding this hearing and listening to the testimony provided by our outstanding panel.

When people think of manufacturers, too often they think of giant corporations with huge production facilities and steam whistles commanding shift changes. The truth is that the vast majority of American manufacturing is done by small businesses. In fact, 99 percent of all manufacturers are categorized as small. Though they might be considered “small” businesses, their effect on our economy is enormous.

Manufacturers in the United States employ over 12 million people and directly contribute over \$2 trillion to our economy each year. We can’t underestimate their indirect influence either. Every dollar spent on manufacturing in America adds one dollar and thirty-seven cents to the economy and a single manufacturing job can lead to the creation of three to five more jobs in other industries. Without a doubt, manufacturing plays a vital role in America’s economic well-being.

The economic force that is American manufacturing is now facing a significant challenge—preparing a workforce that can do the job. According to the National Association of Manufacturers, over the next decade, nearly 3.5 million manufacturing jobs will likely be needed, and 2 million are expected to go unfilled due to a skills gap.

There are two major contributing factors to this widening gap – baby boomer retirements and economic expansion. An estimated 2.7 million jobs are likely to be needed as a result of retirements of the existing workforce, while 700,000 jobs are likely to be created due to natural business expansion and growth. In addition to retirements and economic expansion, other factors contribute to the shortage of skilled workforce, such as a lack of science, technology, engineering and mathematics, or STEM, skills among workers, and a gradual decline of technical education programs in public high schools.

Frankly, another big problem plaguing American manufacturing is its perception – and as the old saying goes, perception is reality. The things we build, the way we build them, and the skills required to do so are significantly different than in generations past. This is not your grandfather’s or even your father’s industry anymore. It’s high-tech; it’s skills based; and it provides good jobs with good benefits that can provide for growing American families. We must do better job educating young people to improve the perception of what manufacturing really is and getting the word out that manufacturing is “clean and safe” and “high-tech” rather than “dirty and dangerous.”

I am looking forward to hearing your thoughts on the innovative ways that we can work together with academia and manufacturers to address the workforce development issues facing the next generation of American manufacturers. I now yield to Ms. Velázquez for her opening remarks.