

PROMOTE ADVANCED MANUFACTURING, OREGON'S KEY OPPORTUNITY FOR SUSTAINED, EQUITABLE PROSPERITY

The Opportunity and Why It's Important

Maintaining Oregon's leadership in manufacturing is essential for a vibrant, equitable state economy. Our manufacturers directly account for roughly 13 percent of the state economy and 8 percent of jobs. Most importantly, manufacturing jobs are important escalators of opportunity. The typical manufacturing worker earns \$55,000 a year, \$8,000 more than counterparts in a non-manufacturing industry. It's one of the few sectors that provides employment opportunities for both rural and urban Oregonians. And job seekers often don't need a four-year college degree to secure these increasingly technical openings, meaning that manufacturing jobs are often excellent paths to economic mobility.

Current Status

Oregon holds national and sometimes global leadership positions in the design and production of semiconductors, electronic components, outdoor gear and apparel, transportation equipment, food and beverage products, wood products, dental equipment, advanced metals, and machinery.

While we enjoy a solid base of companies, our firms face many headwinds. Challenges include:

- **Retirements and a growing skills gap** that require focused recruiting and training
- **An increasingly challenging tax and regulatory environment** that adds costs and makes competing from Oregon ever more challenging
- **Lack of industrial land** that impedes business expansion
- **The digital transformation of manufacturing**, which creates opportunities but requires retooling of manufacturing processes and retraining of staff.

Recommendations

We recommend that the next Governor and Legislature pursue a multi-pronged agenda to advance manufacturing in Oregon.

1. **Remove bottlenecks to growth and improve the business environment.**
 - Make available more shovel-ready industrial land responsive to industry need.
 - Reduce tax and regulatory uncertainty, including the maintenance of key incentive programs for businesses expansion.
2. **Build and expand the workforce pipeline.**
 - Invest in workforce system transformation, including expansion of apprenticeships.
 - Build employer-consortia to define needs, and work with local workforce partners to meet them.
 - Invest in marketing programs to attract people to the industry, particularly black, indigenous and people of color.
3. **Foster Innovation.**
 - Invest in centers for industry R&D and workforce development.
 - Accelerate Industry 4.0 adoption among small manufacturers.