



## Optimism among area manufacturers continues in 2016



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**Vicki Ikeogu**, [vikeogu@stcloudtimes.com](mailto:vikeogu@stcloudtimes.com) 1:04 p.m. CDT June 14, 2016



(Photo: Times graphic)

Despite the tightening labor force and uncertainty about the future of the U.S. economy, manufacturers across the state, including Central Minnesota, remain optimistic about the remainder of 2016.

Results from the 2016 State of Manufacturing survey, completed on behalf of Enterprise Minnesota, show record-high optimism as more than 400 executives said they believe the future of their

firms looks bright.

The St. Cloud Area Quarterly Business Report estimates 13.7 percent of jobs in the St. Cloud area are in the manufacturing sector.

"We can see optimism is high," said Bob Kill, Enterprise Minnesota president and chief executive. "Overall a lot of firms are doing well."

According to the survey, 90 percent of manufacturing executives believe 2016 will bring good things financially. That confidence is echoed by companies within the Initiative Foundation's 14-county reach, which includes Central Minnesota.



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Many firms across the state believe they are capable of handling an economic expansion or a flat economy. The 2016 survey estimates almost all firms are prepared to handle either situation.

However, when it comes to a recession, confidence levels are closer to 75 percent. But most companies, including those in Central Minnesota, believe 2016 will see a relatively stable economy.

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Behind that optimism, Kill said there are some troubling signs, particularly when it comes to labor.

Even though the costs of health care coverage and government policies and regulations remain the number one and number two concerns respectively, attracting and retaining qualified workers continues to plague manufacturers.

Sixty-six percent of firms statewide have expressed difficulty in attracting qualified workers to fill vacancies. That is down five percentage points from last year's all-time high of 71 percent. Lack of qualified workers in the Initiative Foundation's 14-county region can be attributed to lack of interest (30 percent) and education (29 percent).

"Manufacturers are competing against other industries and are struggling to find workers," Kill said.

However, similar to last year, many firms within the Initiative Foundation's area are not collaborating with local technical colleges to provide training or access to a talent pool.

The 2016 State of Manufacturing Survey found 32 percent of firms within the 14-county Central Minnesota region had some sort of partnership with a local higher education institution.

Kill said Enterprise Minnesota's desire to learn more about the manufacturing workforce sparked three focus groups across the state.

"We wanted to know why people were choosing a career (in manufacturing) and what kind of support they were receiving for it," Kill said.

Kill said Enterprise Minnesota held focus group discussions with students at Alexandria Technical & Community College, Anoka Technical & Community College and Dunwoody College of Technology.

"It validated what we tend to hear," Kill said. "There is a great demand for students (in manufacturing)."

He hopes to continue with more focus groups next year.

One of the key findings for Kill about the State of Manufacturing survey is the hope area manufacturers have shared in wanting to work together to benefit the industrial sector.

"One thing we see changing is that firms used to be standoffish. But we are seeing them working together. And that's part of the optimism," Kill said.

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