

PAY GETS A BO

Salaries continue their upward trajectory as pay increases were the norm rather than the exception. What manufacturers really want, though, is challenging work.

By Jill Jusko

Let's cut right to the chase. For most manufacturing management, the news is good on the pay front, according to the 2014 INDUSTRYWEEK Salary Survey. Salaries for U.S. manufacturing management are up over the previous year, and, more often than not, pay raises are part of compensation packages.

In short, the upward trajectory of salaries demonstrated in the 2013 IW Salary Survey continues in the current inquiry.

The pay increases are riding what has been good economic news for many. The manufacturing industry as a whole grew in 11 of the 12 months of 2013 and expanded again in January 2014, according to the Institute for Supply Management. Moreover, the overall economy grew for the 56th consecutive month, the ISM said.

Even more, the profile of U.S. manufacturing has been raised by the buzz of reshoring and such news as the recent announcement by President Obama about the

creation of two Midwestern manufacturing hubs.

The positive news, however, is tempered by exactly the opposite. Sharp Manufacturing, for example, confirmed to the Knoxville News Sentinel in late January that it would lay off more than 300 workers as it ends solar panel production in Memphis. One salary survey respondent, a plant/facilities manager in the plastics and rubber industry, shared this: "Our facility is currently slated to close at the end of 2014. We were bought by an equity group that decided we had too much capacity within the corporation."

And as for reshoring, "I haven't seen much of it," writes a manufacturing/production manager in the paper/printing/publishing industry and living in the Middle Atlantic region.

The Tale of the Data

U.S. manufacturing managers earned an average salary of \$111,480, according to the 2014 IW Salary Survey. That's up from \$103,613 in the previous year's survey and the second consecutive year in which the average has breached the \$100,000 level.

Many managers received raises. Fully 71% of respondents reported a boost in their base salary compared with the previous year, while less than 3% said their salary had declined. Among the latter group is an R&D/product development manager in the transportation equipment and vehicles industry who reports, "I never got back salary reductions from five years ago."

Some 62% of survey respondents reported receiving a bonus. The average bonus among the 600 or so managers who provided a flat figure rather than a percentage was \$29,991. That compares with \$25,000 in last year's report. And like last year, bonuses varied wildly, from less than \$1,000 to several hundred thousand.

Of course, salaries varied wildly as well. While the average salary among all respondents is \$111,480, the story is much different once you begin digging into the data by demographics. For example, manufacturing management in the chemicals industry topped earners across all industry verticals, making an average base wage of \$131,154. Managers in the consumer goods/durables industry, by contrast, earn

2014 IW Salary Survey Goes Digital

Go online to www.industryweek.com/resources/salary-survey for additional 2014 Salary Survey tables detailing average salaries by a range of factors, including gender and seniority. And check out the IW salary calculator, which allows you to dive deeper into the data. Further, read more of the good and the bad from the manufacturing professionals who participated in this survey.

POST

a more modest base wage at \$95,012.

Expectedly, age and experience are major factors in pay as well. At the low end, managers between the ages of 21 and 29—which comprised just 2% of the survey population—earn an average salary of \$69,026; while management at the other end of the spectrum—age 60 or greater—earn \$121,206. Similarly, nearly \$50,000 separates the average salaries of manufacturing management with just one to two years in manufacturing from those with 26 years or more.

The Challenge and Satisfaction of Manufacturing

Brian is a 26-year-old lean leader with a degree in industrial engineering and about five years in manufacturing. He works in the fluid controls industry and says he is among the few people he graduated with “who ended up in a field they wanted with decent pay.” Moreover, he can envision manufacturing as his long-term career.

“The work we do is important,” he says of manufacturing. “I think the U.S. as a nation needs to produce tangible things.”

NO BIG SURPRISES

Average Salary by Job Responsibility

Position (% of response)	Salary
Corporate/Executive Management (CEO, COO, CFO, President, GM, etc.) (14%)	\$172,156
VP, Operations (3%)	\$149,611
VP, Manufacturing/Production (3%)	\$145,911
Director, Manufacturing/Production (5%)	\$129,825
Consulting/Education (2%)	\$128,379
VP, Director, Purchasing/Procurement/Sourcing (2%)	\$123,485
Financial Management/Controller (2%)	\$117,039
R&D/Product Development Management (3%)	\$107,633
Engineering Management (15%)	\$103,467
Supply Chain/Logistics Management (5%)	\$101,268
Human Resources Management (1%)	\$101,081
Plant/Facilities Management (5%)	\$100,571
Lean/Continuous Improvement Management (5%)	\$94,875
Sales/Marketing Management (6%)	\$94,805
Manufacturing/Production Management (8%)	\$92,857
Operations Management (4%)	\$88,176
Environmental, Health or Safety Management (3%)	\$87,473
Quality Management (8%)	\$87,364
Purchasing/Procurement/Sourcing Management (6%)	\$81,940
Administration (1%)	\$43,244

Percentages may not equal 100% due to rounding

Around the Water Cooler

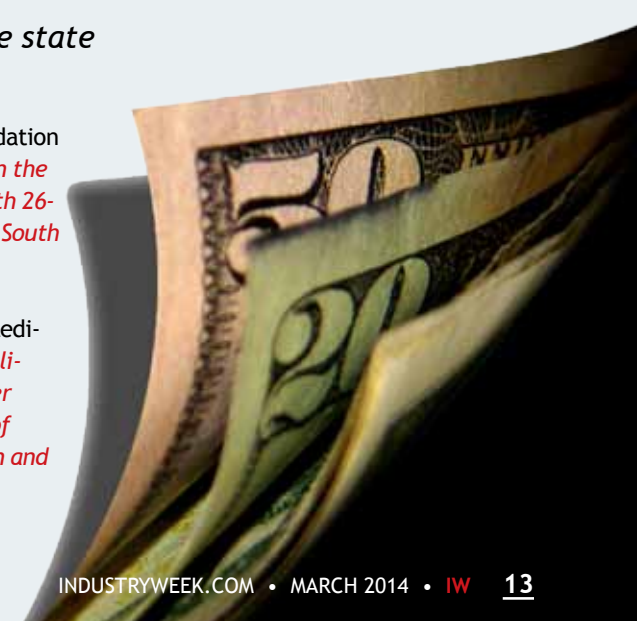
Survey respondents had plenty to say about their salaries, the state of manufacturing and the talent crisis. Here is a small taste:

My salary is acceptable for the area that I am living and the type of industry that I am in. I believe that there should be more incentives to bring industry back to the states. Our plant was 550 strong seven years ago, and now we are only at 100 employees because of product going to Mexico. Most of the higher-education platforms are pushing white-collar education/training, and the hands-on trades such as tool & die maker are no longer being taught. If the United States is going to be an industrial giant

again, then we need to build the foundation starting now. —*Engineering manager in the consumer goods/durables industry with 26-plus years of experience, living in the South Central region and earning \$95,000*

Good job, good company, fair wage. Medical insurance is declining. —*Plant/facilities manager in the plastics and rubber products industry with 26-plus years of experience, living in the Pacific region and earning \$74,000*

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CHEMICAL INDUSTRY PAYS

Average Salary by Industry

Industry sector (% of response)	Salary
Chemicals (6%)	\$131,154
Pharmaceuticals/Health Care (2%)	\$129,539
Electronics/High-Tech/Telecom Equipment (6%)	\$125,724
Aerospace & Defense (9%)	\$124,392
Consulting/Education (3%)	\$123,371
Petroleum & Coal (2%)	\$120,219
Paper/Printing/Publishing (5%)	\$113,990
Automotive/Transportation Vehicles & Equipment (11%)	\$110,766
Stone, Clay & Glass (1%)	\$110,665
Plastics & Rubber Products (5%)	\$109,384
Industrial Machinery (16%)	\$108,121
Wood Products/Furniture (3%)	\$107,560
Construction/Building Equipment (5%)	\$106,879
Metals (12%)	\$105,741
Medical Devices/Lab Equipment (5%)	\$103,715
Food & Beverage (4%)	\$96,298
Apparel/Textiles (1%)	\$95,733
Consumer Goods/Durables (4%)	\$95,012
Computer Equipment/Peripherals/Software (<1%)	\$69,434

EXPERIENCE MATTERS

Average Salary by Experience

Years in manufacturing (% of response)	Salary
1-2 (1%)	\$71,125
3-5 (1%)	\$50,396
6-10 (5%)	\$85,919
11-15 (6%)	\$96,889
16-20 (11%)	\$99,152
21-25 (16%)	\$115,265
26+ (60%)	\$118,479

WHAT MATTERS MOST TO YOU ABOUT YOUR JOB?

	(% of response)
Job Stability	20%
Base Salary	15%
Recognition of Your Importance to Company	10%
Career Advancement Opportunities	10%
Company's Recognition of the Importance of Manufacturing Operations	6%
Benefits	5%
Flexible Schedule	5%
Relationships with Co-Workers	4%
Challenging/Interesting Work	20%
Other	4%

It's not a new story but perhaps it is the manufacturing story least well told: Manufacturing professionals like their careers, and the challenge manufacturing presents is a big reason why. Indeed, fully 87% of survey respondents said they were satisfied with manufacturing as a career path, with 42% identifying themselves as "very satisfied."

A smaller but still significant percentage—76%—added that they were satisfied in their current job, with slightly more than a quarter identifying themselves as "very satisfied."

Manufacturers express these satisfaction levels despite sharing a laundry list of concerns about their industry that includes too many government regulations, a shortage of incoming talent and offshoring.

"Manufacturing is one of the best jobs to experience the thrill of challenges every day. It covers every aspect of new products, engineering, processes, customers, vendors, and most of all, the human element," writes an operations manager in the industrial machinery industry with 26-plus years of experience, living in the Middle Atlantic region and earning \$100,000.

"I like what I do, and I make good money doing it," says Bob Osborne, owner of Certified Color Corp., which produces paint

Water Cooler – from pg. 23

I work for a private company. Pay raises are very few and far between. —*Supply chain/logistics manager in the automotive/transportation vehicles & equipment industry with 21 to 25 years of experience, living in the South Atlantic region and earning \$70,000*

I feel I am well compensated for my job. Career growth and opportunities to be part of shaping the direction of the company are most important to me. Our company has the capacity to do so much more work, but the sales opportunities for capital equipment just aren't there this year. 2013 has

been a tough year. —*Human resources manager in the industrial machinery industry with 11 to 15 years of experience, living in the North Central region and earning \$115,000*

Started here 13 years ago. Have never had a raise that kept up with the cost of living. Took an 8% pay cut 10 years ago. Eight years ago got salary back. No raise since then. —*R&D product development manager in the aerospace and defense industry with 26-plus years of experience, living in the Middle Atlantic region and earning \$82,000*

The quality of my work situation (the manager I work for, the team I work with) is really important to me. I could make more somewhere else, but I really enjoy the work I do and the team I'm on. —*Lean/continuous improvement manager in the metals industry with 21 to 25 years of experience, living in the Pacific region and earning \$101,000*

I would gladly accept more schedule flexibility, personal time or vacation time, rather than a salary increase. —*Plant/facilities manager in the apparel/textiles industry, living in the North Central region and earning \$65,000*

for schools and the movie industry. He is located in southern California and has been in manufacturing for more than 45 years.

Osborne purchased the company in 2005 and did so at an age when many people would be looking toward retirement. Work ethic explains some of that, he says, but he also simply enjoys running daily operations and the people interaction. His company also is about to introduce a new innovation, he says.

Which brings us back to career satisfaction. Why are so many manufacturing professionals satisfied with their career choice? The response to another survey question may help answer this question. Fully 20% of survey respondents told INDUSTRYWEEK that having challenging and interesting work to do is what matters most to them in their job. That percentage ties “challenging work” with “job stability” as the top-rated factors that matter most to respondents in their jobs—and beats out base salary, which came in third at 15%.

“The challenges of work are what make it exciting to come to work every day. Seeing the results of good teamwork, commitment and a well-crafted plan make it rewarding,” says a supply-chain/logistics manager in the aerospace and defense industry with more than 20 years of experience and earning \$104,000.

A director of manufacturing and production in the wood products/furniture industry with 26-plus years in manufacturing shares similar sentiments: “I am an individual that is driven by accomplishment, not financial reward.”

Nevertheless, U.S. manufacturing remains a disappearing ca-

MORE SCHOOLING, BETTER PAY

Highest Education Level Attained

Highest Education Level Attained (% of response)	Salary
High School (4%)	\$80,890
Some College (12%)	\$83,412
Two-Year Degree (7%)	\$89,084
Four-Year Bachelor's Degree (32%)	\$105,037
Some Graduate Study (15%)	\$122,119
Master's Degree (27%)	\$133,257
Doctorate (2%)	\$147,196

MAJORITY SEE SALARY GROWTH

Change in Base Salary From One Year Ago (% of response)	2014 Survey	2013 Survey	2012 Survey
Decreased more than 5%	1%	3%	1%
Decreased 3%-5%	<1%	1%	1%
Decreased 1%-3%	1%	1%	1%
No change	27%	28%	31%
Increased 1%-3%	39%	35%	34%
Increased 3%-5%	22%	21%	22%
Increased more than 5%	10%	11%	10%

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MANUFACTURING: A SATISFYING CAREER

How satisfied are you with manufacturing as a career path? (% of response)	2014	2013	2012
Very satisfied	42%	40%	35%
Satisfied	45%	45%	49%
Neither satisfied nor unsatisfied	10%	11%	12%
Unsatisfied	2%	3%	3%
Very unsatisfied	<1%	1%	1%

JOB PROVIDES SATISFACTION

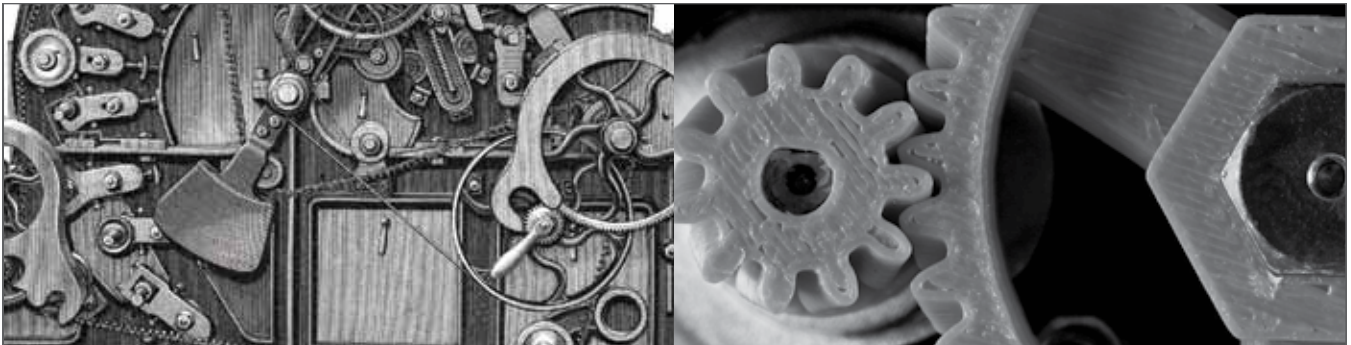
How satisfied are you with your current job? (% of response)	2014	2013	2012
Very satisfied	27%	27%	28%
Satisfied	49%	47%	46%
Neither satisfied nor unsatisfied	14%	16%	17%
Unsatisfied	8%	8%	7%
Very unsatisfied	2%	2%	2%

reer path in the minds of many. Listen to Brian, the young industrial engineer who works in the North Central region at a manufacturing company that employs a large numbers of workers.

When Brian shared with others the news that he had obtained a position in manufacturing, “they were shocked that there is still manufacturing [in the region] and [by] the numbers that are employed in manufacturing,” he says. ■

Methodology

The INDUSTRYWEEK 2014 Salary Survey was conducted online via emailed invitations to subscribers. The survey took place from November 2013 to January 2014. A total of 1,230 surveys were returned. After the data were cleaned (removing largely incomplete surveys and a handful of non-U.S. subscribers, primarily) 1,096 people turned in responses from the 2014 survey. Respondents were not compensated but were offered the chance to provide candid comments regarding their salaries, occupations and employers. The candid comments may have been lightly edited, primarily for spelling. All responses were anonymous.



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