

**Testimony of Carolyn Lee, Executive Director, The Manufacturing Institute**  
**before the U.S. House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity**  
**Military Transition During the COVID-19 Pandemic**

**May 12, 2021, 10:00 a.m. EDT**

Good morning, Chairman Takano, Ranking Member Bost and distinguished members of the committee. Thank you for the opportunity to appear before you and for holding this hearing today on veterans and their role in manufacturing in the U.S.

**A. Introduction**

My name is Carolyn Lee. I am the executive director of The Manufacturing Institute, the 501(c)(3) nonprofit workforce development and education partner of the National Association of Manufacturers. At the MI, we work to grow and support the industry's skilled workers for the advancement of modern manufacturing. The MI's diverse initiatives support American workers, including women, veterans and students, through skills training programs, community building and the advancement of careers in manufacturing.

The COVID-19 pandemic has been devastating to many businesses, causing unemployment to rise dramatically from 4.4% in March 2020 to 14.8% the following April. However, the overwhelming majority of manufacturing jobs were deemed essential, and demand for new workers remained high in the majority of the industry sectors.

In February 2021, there were 538,000 manufacturing job openings. Over the past six months, postings in the sector have averaged more than 505,000 each month, including October's reading, which hit a record high at 545,000.

According to a study we conducted with Deloitte, released just last week, the manufacturing industry will need to fill 4 million jobs by 2030, and as many as 2.1 million of those could go unfilled because we do not have enough people pursuing modern manufacturing careers<sup>1</sup>. This skills gap could cost the U.S. economy as much as \$1 trillion in 2030 alone. This updated study also underscores the industry's ongoing work to ensure that our sector is both diverse and inclusive. Diversity and inclusion have been a key focus for the MI, and our work with manufacturers to share best practices and improve on existing efforts is only growing in importance.

In the past 11 of 13 quarters, manufacturers have cited finding and retaining talent as their number-one challenge. In the NAM's most recent Manufacturers' Outlook Survey for Q1 2021, nearly 88% of manufacturers reported a positive outlook for their companies, compared with just 33% who felt that

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<sup>1</sup> *Deloitte and the Manufacturing Institute, Creating Pathways for Tomorrow's Workforce Today—Beyond Reskilling in Manufacturing, available at* <https://www2.deloitte.com/us/en/insights/industry/manufacturing/manufacturing-industry-diversity.html>

way during Q2 2020<sup>2</sup>. In that same survey, two-thirds of manufacturers said that the inability to attract and retain talent was a top concern.

These data have stayed consistent for several years for three main reasons: an aging workforce, an outdated perception of the industry and shifting skillset needs. The MI is focused on addressing these issues through our efforts to attract and upskill the manufacturing workforce of today and grow the workforce of tomorrow.

## **B. Heroes MAKE America**

The MI is developing and deploying proven workforce initiatives focused on the greater military community to close this skills gap and assist in the transition and retention of this talent into civilian life. Heroes MAKE America is the MI's initiative to build connections between the military community and manufacturing industry.

Veterans are well positioned to succeed in a manufacturing career, with skills, talents and training that are highly valued in the industry. Our signature program, a Department of Defense–approved SkillBridge, provides integrated certification and career-readiness training in partnership with local community and technical colleges to prepare transitioning service members, veterans, National Guard, reservists and military spouses for rewarding careers in manufacturing. Since its inception in January 2018, Heroes MAKE America has graduated just shy of 500 participants, with a placement rate of 92% at more than 250 companies in 39 states and salaries averaging \$67,095 per year.

Currently, more than 47% of our participants are people of color. Approximately 16% are women, and 44% of our participants have more than 10 years in service. Our alumni represent more than 126 separate military occupations. Of our participants, 55% have no post-secondary education, indicating a strong need for support to position them for success in a career after their time in uniform. We know that understanding how their skills and experience translate to the private sector, combined with the network and access to this critical sector of the economy, can help them succeed in their next career.

The manufacturing industry highly values the military community, and we applaud the efforts of the subcommittee to continue to improve transition support.

## **C. COVID-19's Impact on the Military Veteran Community**

Every year, approximately 200,000 men and women transition out of the military, and many need assistance finding a new career that utilizes their talents and supports their growth. However, due to the COVID-19 pandemic, there was a higher number of reenlistments in 2020 than in 2019. According to a February 2021 article in The Wall Street Journal, “the U.S. Army saw about 92% of its eligible personnel

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<sup>2</sup> *The National Association of Manufacturers*, 2021 1st Quarter Manufacturers' Outlook Survey (Retrieved May 6, 2021), available at <https://www.nam.org/2021-1st-quarter-manufacturers-outlook-survey/>

reenlist for the year ended in September. The prior year's tally was 83%.<sup>3</sup> Economic uncertainty and an uncertain job market are likely top contributing factors.

A large number of service members who transitioned to the private sector also required the support offered through the Transition Assistance Program. Transition is a challenge under normal circumstances, as service members change all aspects of their everyday life, in addition to the difficulties of aligning their skills and experience with civilian careers. Isolation and lack of access to resources just compounded the struggle. As the committee notes in the purpose of this hearing, the pandemic intensified the challenges faced by the transitioning population, making access to resources and necessary support incredibly difficult.

Conversations at the grassroots level have uncovered numerous challenges. The Military Services are known for their ability to "improvise, adapt and overcome," as the Marines might put it, but that proved almost insurmountable when it came to transition support during the pandemic. TAP had no contingency for virtual support for the transitioning service member at many installations. Because TAP is required for transition, the lack of accessibility was an issue. These challenges were exacerbated due to a lack of consistency across the installations, with most being unprepared for the crisis. This directly impacted service and created a huge backlog, adding an unnecessary burden on those attempting to move to civilian careers. The required transition classes were moved online or delayed, resulting in many service members being ineligible for SkillBridge because they did not have sufficient awareness about the program conditions to participate before their Expiration Term of Service date. In addition, many traditional SkillBridge programs were unable to operate, including in-person training, fellowships and internships.

#### **D. Adapt and Overcome**

The Heroes MAKE America SkillBridge training collaborated with our education partners to pivot most of our program delivery to virtual platforms or socially distanced environments within a matter of weeks after the onset of the pandemic. COVID-19 also accelerated the deployment of fully remote learning for Heroes participants, proving that we can deliver some certifications online.

Despite our ability to keep offering training virtually, we were unable to access the transitioning population other than through word of mouth to let them know our doors were still open, because the TAP briefings were paused and many installations did not have the infrastructure in place to share program information through remote channels. Indeed, we were forced to shut down one location due to a lack of access to the transitioning population. All other sites remained open, but class sizes were limited to meet social distancing requirements.

The COVID-19 pandemic has not changed the demand for skilled workers in manufacturing. However, it has changed how they hire and connect with talent, which is why we launched Heroes Connect—a completely virtual offering that allows prospective talent from the military community to connect with hiring managers from manufacturing companies. Before COVID-19, a cornerstone of our Heroes program was providing weekly tours of manufacturing facilities looking to hire our graduates. These tours were very beneficial for connecting our participants with companies and allowing them to speak face-to-face with manufacturers, to learn more about the sector and the manufacturing environment

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<sup>3</sup> Jeong, A. (February 16, 2021), The Wall Street Journal, Retrieved 2021, <https://www.wsj.com/articles/covid-19-dims-job-prospects-so-young-people-sign-up-for-the-military-11613476912>

overall. We did not want to lose those special connections, which is why we transitioned to a virtual option. With Heroes Connect, we can connect more veterans, service members and their families to more manufacturers without geographical constraints. A Heroes candidate in Texas at Fort Hood could connect with potential employers across the country. This is allowing us not only to support a larger segment of this population, but also to have a greater impact in changing the perception of manufacturing and alerting more potential manufacturing employees about the careers available to them in this dynamic sector.

## **E. Our Recommendations**

We appreciate and applaud the subcommittee's efforts to continue to assess and enhance support for transitioning service members through TAP. Transition support has come a long way, but there is great opportunity for improvement, and we stand ready to support as needed in this conversation.

There are inconsistencies in the offering of TAP curriculum across the services, as well as across each installation. Requirements are the same regardless of location, but TAP and SkillBridge operations are managed and delivered at the local level under the guidance of the leadership at each installation. We recommend that TAP clearly define expectations and identify and implement best practices across the board, rather than rely on word of mouth at the local level. Collaboration and communication with partners and service providers, as we have seen at Fort Riley, Kansas, can make a difference in the experience for the service member. At Fort Riley, the Military Service Organizations and Veteran Service Organizations work closely with the installation, area businesses and the local and state government to support the greater military community in the area. This results in a holistic, well-supported transition experience.

Leadership is crucial to the success of these programs. When leaders don't show that they value TAP, the system breaks down, resulting in a lack of support for the service member and hurting them and their families. These disparities are a disservice to those who have sacrificed so much.

Approximately 10% of transitioning service members take advantage of the DoD SkillBridge program during their last 180 days of service. Based on feedback from our program participants, one of the reasons that more service members do not take advantage of this program is because they lack awareness and understanding of the benefits. This is at all levels of the military, including the command level—which plays a critical role in approving a service member's participation. There must be a concerted effort by policymakers and the administration, as well as military leadership, to bring more awareness to the opportunity that SkillBridge offers service members to gain civilian job experience and be connected to career opportunities during their transition. TAP does more than just support those transitioning out of service; it can be a phenomenal recruitment tool, assuring those considering a career in the military they will have backup when it is time for them to hang up their uniform.

High quality, industry-recognized credentials and certifications are a valuable option for veterans who are interested in pursuing a shorter-term training option that leads directly to a career pathway. Data suggest that there are positive wage and retention outcomes associated with manufacturing credentialing programs. Veterans can utilize these programs to quickly reskill or upskill to enter an in-demand career. Heroes MAKE America is a willing partner in helping increase the educational attainment of service members, growing the number of those who earn an industry-recognized credential.

Initiatives like Heroes MAKE America utilize state and local grants to cover tuition costs for our certification trainings. Federal Pell grants are essential financial aid that are awarded to students who display exceptional financial need. Currently, an individual is only eligible for a Pell grant for a program that consists of 600 hours of training. There are many manufacturing credentials that lead to a good job that involve significantly less than 600 hours of training. Federal programs should be updated to recognize this reality, enabling the programs to better support the upskilling of our workforce across the economy. We recommend Congress change eligibility requirements for Pell grants to allow students to pursue high-quality programs as short as eight weeks, and we have recommended this to the committees of jurisdiction and hope each of you will support this change, as it could benefit the greater military and veteran community.

In addition, Workforce Innovation and Opportunity Act funds are allocated to the states and distributed at their discretion. This often leads to limitations around the types of placement, regional high-demand lists and geographic employment goals. The military and veteran community can be disadvantaged by this process, as transitioning service members and military spouses often receive training virtually or in a different location than where they choose to relocate after the military, which may have different in-demand careers than where they are accessing WIOA funds. We recommend a separate allocation of WIOA dollars that focuses on the military community and opportunities for training for careers that are in-demand nationally, regardless of training location.

As referenced earlier, there are more than 500,000 open jobs in manufacturing with thousands of employers hungry to recruit this talent into their workforce. We currently partner with other providers and members of the military and veteran community to determine how to raise visibility of the depth and breadth of support available, but this should be amplified throughout the government.

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Thank you for inviting me to testify today. Veterans are well positioned to succeed in a manufacturing career with skills, talents and training that are highly valued in the industry. The MI is committed to helping today's American heroes become tomorrow's manufacturing leaders, but we need your support to ensure that opportunities in programs like ours reach the ears of those who have worn the cloth of our country. This will not only serve to strengthen their futures but our nation as well. I look forward to continued engagement with members of this committee as we work to strengthen veterans' place in our workforce.