



Shaking off the rust: How Ohio's manufacturing base is on the rise



Colin McEwen
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The state's manufacturing sector is shaking off some of its rust — and its Rust Belt reputation. Want proof? The U.S. Congress Joint Economic Committee reports that more than 19,600 manufacturing jobs were added across the state during the last year.

That's welcome news to an economically battered state that has lost tens of thousands of jobs in the last couple of decades.

Aaron Grossman, president and CEO of Alliance Staffing Solutions, says the demand for manufacturing positions at his Cleveland-based

agency has skyrocketed by 89 percent in one year. He notes that staffing agencies like his are a known indicator of the job market. Grossman also says the departure from the region's rusty reputation isn't a fluke.

"We've really been catering to manufacturers," he says, adding that future hiring plans indicate a strong demand for manufacturing services. "That has been, by far and away, our largest growth sector. Manufacturing has really taken off."

A couple of the company's up-and-coming clients include

Olmsted Falls-based Vita-Mix, which produces high-performance blending equipment for home and commercial use, and Soft-Lite in Streetsboro, which ranked this summer as one of the top 100 manufacturers of 2009 by Window and Door magazine. Both are increasing production and both are adding jobs. But Grossman says he's seeing across-the-board growth with all of the company's clients.

At Alliance, total additions to its candidate pool (new job seekers) have increased 66 percent during the first five months of 2010, compared to the same period a year ago; active





job posts are up 51 percent; and Alliance revenue is up 57 percent. Those figures are far above the 2 to 3 percent monthly job openings and hires rate improvements reported so far this year by the U.S. Bureau of Labor Statistics.

To handle the growth, Alliance signed a lease to nearly double its office space and will move to new office space in Independence this fall.

It's not only the mom-and-pop manufacturers, like those Alliance serves, who are boosting production. Some of the largest companies in the state are also performing well — a refreshing indication that the worst of the current recession is over.

Ryan Augsburger, a spokesman for the Ohio Manufacturers' Association — a non-profit advocate



for a strong manufacturing base in Ohio — says manufacturing fixtures in Ohio are making a comeback. The state also still has its share of companies in the Fortune 500.

“A lot of people look at manufacturing in Ohio and say the sky is falling,” Ausberger says. “But there really is an uptick.”

He points to success stories like Lincoln Electric -- which has not laid off an employee in 70 years; custom mold manufacturer Park Ohio; motion control industry leader Parker Hannifin; Goodyear Tire, which employs about 1,200 in Akron; Whirlpool, which employs 10,000 at five locations in Ohio; and Scotts Miracle Gro, based in Marysville, which employs 8,000. And the steel industry in Ohio is still the second largest producer in the nation, behind Indiana.

Don't forget about Honda of America Mfg. The company continues to be a driving force in Ohio's manufacturing base,

employing nearly 14,000 people across the state -- and creating even more jobs indirectly.

“There's an entire supply chain across Ohio because of the Honda Auto Plant in Marysville,” Ausburger says. “Ohio is the holy grail in the assembly of lots of little auto parts. For every Honda job, there are seven other jobs created. We call that the ‘multiplier effect.’”

Honda of America recently rolled its 10 millionth car off the line at its plant in Marysville (an Accord Sedan). The company, which started its Ohio auto production in 1982 at the Marysville plant, produces a half-dozen models at its four plants spread out across the state.

“Certainly we've had strengthening and stable production here,” says Ron Lietzke, a spokesman for Honda of America. “We've had sustained production. The economy has struggled, but I think our company has responded. We've made sure that we remain strong in the





(recession) and that we can handle the volume as the economy recovers.”

Some of the plants that cut back during the recession are back to full capacity. Some are even back to working overtime. “And of course, that affects the supply chain,” Lietzke says.

Susan Helper, an economist at Case Western Reserve University, says there are a number of reasons for the last year’s economic shot in the arm, including stimulus money and fewer companies sending jobs overseas.

“There was an incredible downturn and now we’re seeing a little bit of a recovery,” she says. “When you look at the recessions of the past 20 years, Ohio has not recovered many manufacturing jobs. So this is good news. The bottom fell out for a lot of people at the beginning of 2009. Things are not as terrible as they were a year ago.”

Tempering her optimism, Helper says there is still a long way to go.

“I think things are still quite weak,” she says. “There is still a lot of debt. People are still hurting ... But there is a lot of very skilled manufacturing in Ohio. We can still compete. And we can’t assume that all of our jobs have gone to China.”

