



THE MANUFACTURING EXPERIENCE
**Attracting and Retaining
Manufacturing Talent
in a Rural vs.
Urban Setting**

August 2023

**Key Findings and Insights
from Manufacturers**
with Support from

FORV/S[®]



Center for Manufacturing
Research

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ATTRACTING AND RETAINING MANUFACTURING TALENT
IN A RURAL VS. URBAN SETTING**

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By Chad Moutray and Anjana Radhakrishnan¹

The Manufacturing Institute's Mission: We aim to build, diversify, and strengthen the manufacturing workforce for individual opportunity, community prosperity, and a competitive manufacturing industry for the future

The Manufacturing Institute helps build a manufacturing workforce resilient to the challenges and prepared for the opportunities of the 21st century. Through implementing groundbreaking programs, convening industry leaders and conducting innovative research, the MI furthers individual opportunity, community prosperity and a more competitive manufacturing industry. As the 501(c)3 nonprofit workforce development and education affiliate of the National Association of Manufacturers, the MI is a trusted adviser to manufacturers, equipping them with solutions to address the toughest workforce issues.

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► Executive Summary

While manufacturers across the country face difficulties in attracting and retaining talent in a historically tight labor market, rural manufacturers have experienced shrinking working-age populations at a higher rate than urban areas. With differences in living environments between rural and urban areas, ranging from cost of living, housing, childcare, transportation and work-life balance, manufacturers in these areas face unique workforce challenges. What issues in attracting and retaining talent do manufacturers in rural and urban environments face, and how are they addressing them?

To explore this topic, the Manufacturing Institute and FORVIS conducted a study on attracting and retaining manufacturing talent in a rural versus urban setting from March to May 2023. The study consisted of an online survey as well as in-depth interviews with manufacturing leaders. The purpose of this project was to identify key workforce challenges for manufacturers in rural and urban areas, creative solutions that companies have implemented to address these issues as well as paths forward.

► Topline Report Findings

- The working-age population fell 4.9% in nonmetropolitan counties between 2010 and 2020 but rose by 6.0% in urban areas.
- Manufacturers in rural areas ranked cost of living (74.0%) as well as available facilities and spacing needs (64.9%) as the most attractive features in deciding to locate there. Urban manufacturers ranked existing infrastructure (73.9%), the available workforce (62.3%) and the proximity to suppliers or customers (50.7%) were the most attractive features.
- For rural locations, the top labor force challenges were difficulty of attracting new employees to the area (65.3%) and lack of childcare or eldercare options (53.3%). For urban locations, cost of living (53.6%) and insufficient compensation (43.5%) ranked highest.
- When recruiting talent, there were distinct differences in what manufacturers highlighted to attract potential applicants. In rural areas, the top aspects were work/life balance (74.0%), a sense of community (68.8%), cost of living (66.2%) and career advancement (62.3%). For urban areas, access to quality healthcare (64.7%) and work/life balance (61.8%) ranked highest.
- Manufacturers used similar incentives to attract and retain talent in rural and urban locations. Competitive wages and salaries, referral bonuses and career advancement opportunities were among the top incentives for both locations. Rural locations were more likely to offer career advancement and professional development opportunities as well as sign-on bonuses and paid relocation expenses.
- When asked about diversity, equality and inclusion efforts, most survey respondents noted the limited number of racially diverse candidates in rural areas. However, DEI strategies can encompass many dimensions in addition to race and ethnicity. For example, rural companies need to widen talent pipelines to include more women, veterans, refugees, second chance and neurodiverse individuals. In fact, several companies we interviewed have successfully implemented such programs.



➤ Introduction

Despite challenging conditions and an uncertain outlook, there are signs that manufacturing activity remains poised for growth over the coming years, with firms investing heavily in new facilities, technologies and their people.² Indeed, core capital goods spending—a proxy for capital spending in the U.S. economy—remains at or near historic levels, and private manufacturing construction spending has soared to record heights. In addition, manufacturing employment is hovering near 13 million workers—a level not seen since 2008. With that as context, it is not hard to be optimistic about the future of manufacturing in the United States.

Yet the labor force remains tight even with recent signs of cooling, and manufacturers continue to report that workforce shortages are their top challenge.³ Worker shortages are a challenge in nearly every sector, limiting services and pushing up wages sharply. In the survey for this paper, 86.6% of survey respondents said that they had unfilled positions at their company for which they were struggling to find qualified applicants. Retaining employees can also be challenging. In addition, more than 59% of manufacturers in a recent National Association of Manufacturers Outlook Survey said that not having enough employees would impact their ability to make investments or expand.⁴ Demographics play into this conversation, particularly considering a rapidly aging population⁵ and baby boomer retirements. As a result, the inability to attract and retain employees is likely a structural problem that manufacturers will need to grapple with over the coming years.

Even with some recent slowing in the pace of job postings, openings in the manufacturing sector have averaged 702,000 over the past six months, continuing to remain well above pre-pandemic levels, and companies continue to cite churn as a significant challenge. Moreover, there are significantly more job openings in the U.S. economy than people who are actively seeking work. Indeed, there were 9.8 million job postings in April, with 6.1 million unemployed Americans. As such, for every 100 job openings, there are 56 unemployed workers willing to fill them. With such a wide gap, it is clear why so many companies—and not just in manufacturing—are looking for workers. Everyone is competing for the same workers—a structural issue that will go beyond the current business cycle, particularly given demographic trends.

2 [“This is Manufacturing’s Moment: The Industry’s Vision for 14 Million Jobs and \\$3 Trillion in Output by 2030.”](#) Chad Moutray. National Association of Manufacturers. July 2023.

3 [NAM Manufacturers’ Outlook Survey](#). National Association of Manufacturers. Second Quarter 2023, June 2023.

4 [NAM Manufacturers’ Outlook Survey](#). National Association of Manufacturers. First Quarter 2023, March 2023.

5 [The US Population Is Aging](#). The Urban Institute.

This study explores challenges that many manufacturers face in their pursuit of talent for their operations: attracting and retaining workers in a rural versus urban setting. In a recent MI paper supported by Colonial Life, companies spoke about the challenges that they faced amid a tight labor market where the number of competitors—both in manufacturing and from non-traditional players—was increasing and where wage rates were being bid up significantly to effectively compete for the workers that they had.⁶ While not the focus of that report, the issue of recruiting and retaining workers in rural locations consistently came up in interviews with manufacturing leaders, and it was the desire to further dig into those challenges that was the motivator for this research.

The percentage of Americans living in rural (or nonmetropolitan) communities has been declining over the last few decades, although there has been an inflow of more families and workers leaving densely populated areas post-pandemic as they seek a less hectic pace of life and a more affordable cost of living.⁷ There were 46.1 million people living in rural counties in July 2021, according to the U.S. Department of Agriculture, or roughly 14% of the total population. In terms of the geographic size, those rural counties accounted for 72% of the total land area in the country. While the population of metropolitan areas grew 8.8% between 2010 and 2020, it was near-zero for rural locations until more recently, with a slight bump-up between 2020 and 2021 due to pandemic-related inflows.

Overall, there were 23.6 million employees in rural areas in 2019, or 178 million in metropolitan areas. Manufacturing continues to be one of the larger employers in rural communities, with 2.6 million workers in 2019. Other large sectors in that year included government (3.7 million), retail (2.5 million) and health care and social assistance (2.4 million). It is important to note, as USDA does in its analysis, “Families on small- and mid-sized farms often depend on non-agricultural jobs in their local communities as off-farm sources of income.” As such, the livelihoods of rural towns depend on the success of all aspects of industrial growth. While employment in manufacturing fell in rural counties in the years leading up to the Great Recession, job growth in the sector has risen steadily since then.

According to USDA, the population in rural areas has become increasingly older, “accelerated by historical patterns of outmigration among young adults and in-migration of older adults to rural retirement destinations. In 2021, people 65 years and older made up over 20 percent of non-metro population for the first time in history, compared to 16 percent of the metro population.” This included notable declines in the percentages of working-age populations (i.e., ages 18 to 64) for rural communities. The working-age population fell 4.9% in nonmetropolitan counties between 2010 and 2020 but rose by 6.0% in urban areas.

More importantly, rural communities often worry about the loss of talent as many young people and professionals leave for urban opportunities. In a study done by the Joint Economic Committee in 2017 on the effects of “brain drain” across America, the Committee noted, “States that fail to retain the most-skilled of those born within their borders—or that fail to replace them by attracting the most-skilled born in other states—are at risk of economic stagnation.” Due to the outmigration from certain states, economic growth is becoming more centralized within metropolitan areas rather than evenly dispersed across the U.S. The JEC writes that “Communities that experience depopulation may see the erosion of the local economy.” Based on further data



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6 **“The Manufacturing Experience: Compensation and Labor Market Competitiveness.”** The Manufacturing Institute and Colonial Life. May 2022.

7 **Rural America at a Glance, 2022 Edition.** James C. Davis *et al.* Economic Research Service, U.S. Department of Agriculture. Economic Information Bulletin, Number 246. November 2022.

collected, more rural states are “losing many of their adults born in-state, those leavers are better educated than the stayers, and they are not attracting highly-educated adults born in other states.”

In rural areas, where manufacturing is a driving economic force, workforce shortages are coming in the form of both people and skills. Filling the labor gap created by highly educated outmigration and building workforce readiness are crucial to the manufacturing sector and the rural economy. This paper will present the challenges that manufacturers face in addressing the skills shortage in rural and urban settings, exploring the effects of location on attracting and retaining talent, while also highlighting efforts that some rural manufacturers have made to improve their workforce readiness.

➤ Sample Characteristics

To assess the unique challenges that manufacturers experience in rural and urban areas, the MI conducted an online survey from April 3 to 17, 2023, with 142 respondents. Survey respondents spanned a broad range of sectors including chemicals, electrical equipment and appliances, fabricated metal products, machinery, plastics and rubber products, primary metals, transportation equipment and other manufacturing, among others. More than 84% of the respondents worked in small and medium-sized companies. Of those completing the survey, 57.5% reported operations in a rural location. See Appendix A for the employee survey questions and the breakdown of responses. In addition, this analysis draws upon insights from interviews with nine manufacturing leaders, mostly from executive leadership and human resources functions.

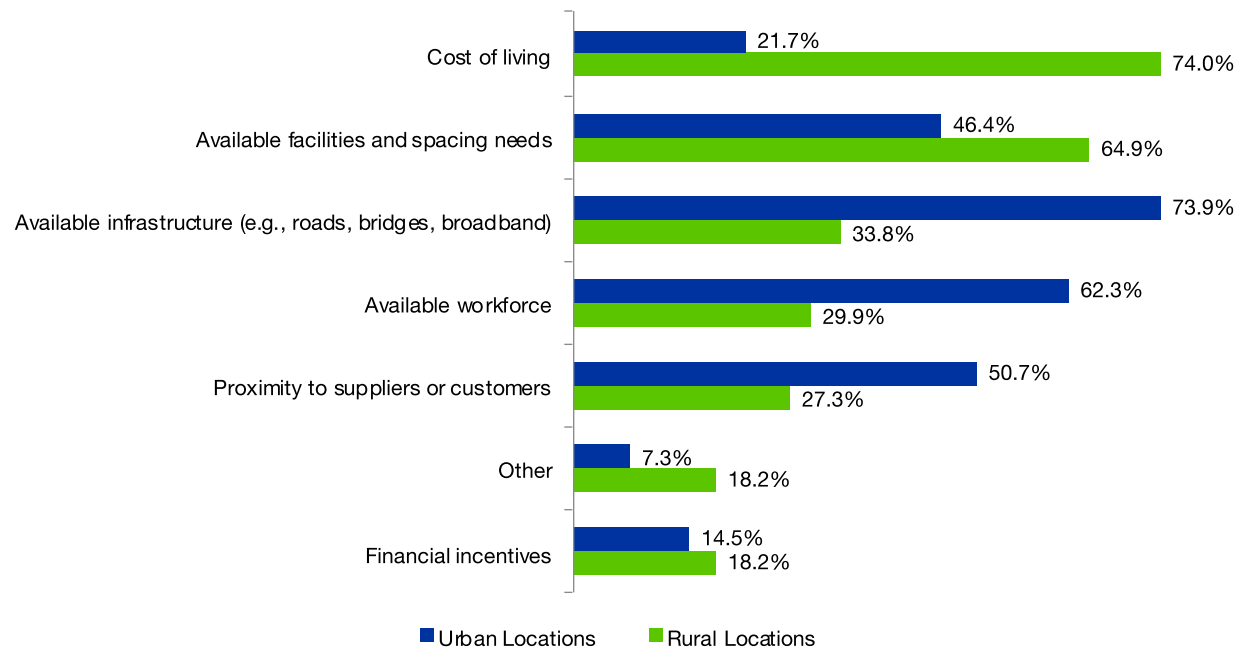
➤ Deciding Between Rural and Urban Locations

Manufacturers weigh various factors when deciding whether to locate a manufacturing facility in a rural versus an urban location (Figure 1). For those in rural locations, cost of living (74.0%) as well as available facilities and spacing needs (64.9%) ranked as the most attractive features. Those who selected “Other” included finding a strong work ethic among the labor supply, a sense of community support and a better business environment in rural locations. On the other hand, for urban locations, the existing infrastructure (73.9%), the available workforce (62.3%) and the proximity to suppliers or customers (50.7%) were the top reasons manufacturers decided to locate their facilities in these spaces. Those who selected “Other” added access to higher education campuses and more available housing as reasons to locate in urban areas.

In line with survey results, interviewees with facilities in rural areas most commonly cited the lower cost of living as a key factor in determining location, noting that the cost advantage was attractive for their employees. Jim Sheldon, CEO and owner of DT Engineering, said that the lower cost of operation was why his company decided to locate in a rural community. Ryan Clegg, vice president of Human Resources, Bradford White, shared that his company considered the cost of housing and its impact on workforce when deciding on facility locations, many of which are in rural communities.

While cost of living may be lower in rural communities, the trade-off is often a more limited labor pool. In comparison to 62.3% of manufacturers noting that available workforce is an attractive aspect of urban locations, only 29.9% of manufacturers said the same about rural locations. Despite post-pandemic inflows, the decline in working-age populations in rural areas is a structural challenge that calls for creative solutions. Outside of these demographic constraints, there are other labor force challenges that differ between rural and urban areas in interesting ways.

Figure 1: Aspects of Rural or Urban Locations That Are Attractive for Manufacturing Respondents (Sorted by Percentages for Rural Locations)



Note: Respondents were able to check more than one response; therefore, responses exceeded 100%.

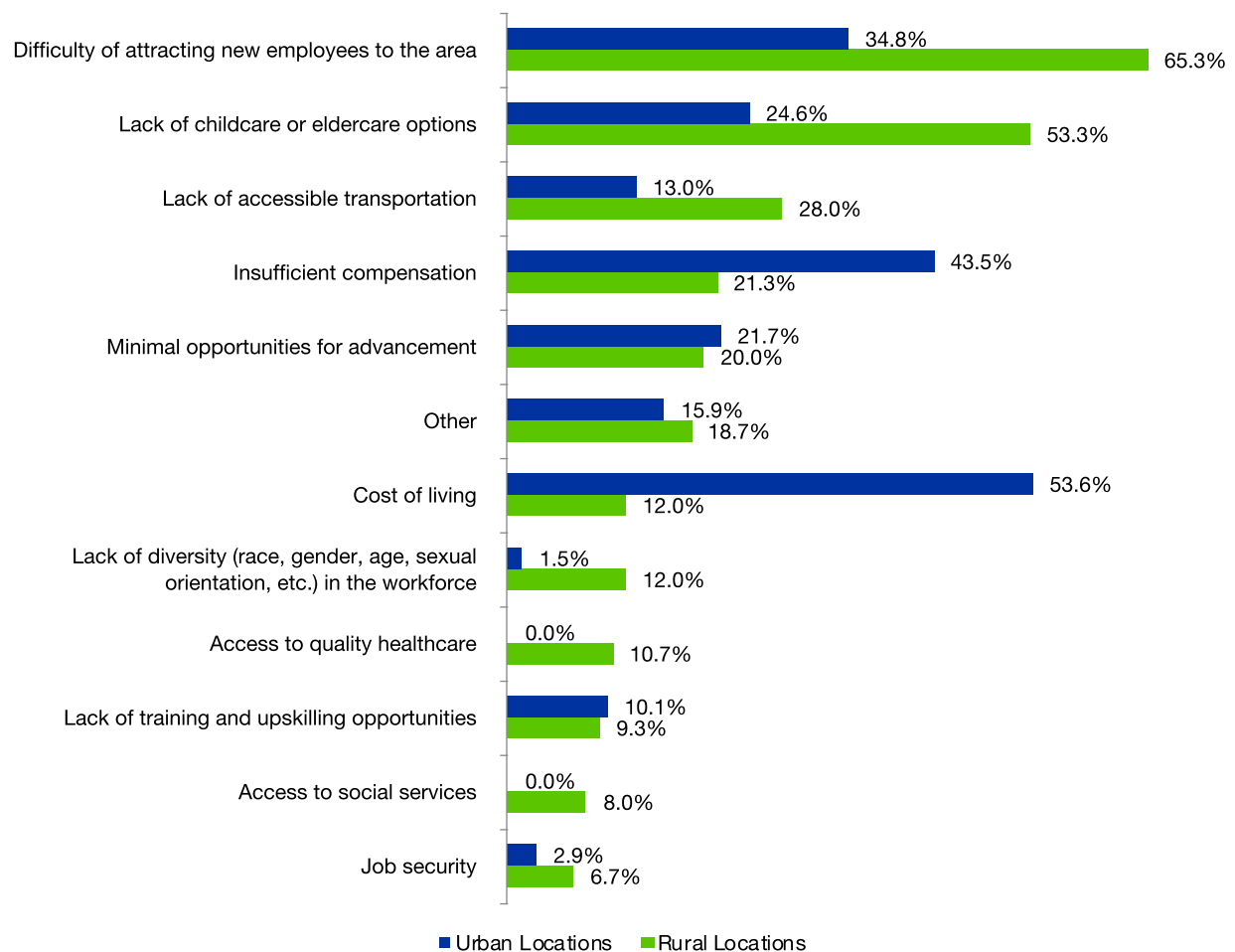
➤ Labor Force Challenges

Labor force challenges that were heard from manufacturing employees at rural versus urban locations further demonstrate the differences in workforce needs (Figure 2). For rural locations, the top two labor force challenges were difficulty of attracting new employees to the area (65.3%) and lack of childcare or eldercare options (53.3%). For urban locations, the top labor force challenges were cost of living (53.6%) and insufficient compensation (43.5%). The greatest contrast between rural and urban locations was cost of living with rural locations being five times less likely to identify it as a labor force challenge.

Compensation and the cost of living were the main workforce challenges observed in urban areas. For rural manufacturers, the concerns in rural areas are more heterogenous and reflect the insufficiency of interrelated systems such as childcare, accessible transportation and affordable housing, which vary in availability from one rural community to another. Interviewees noted other labor force challenges in rural locations including a lack of retail and restaurant options, poor connectivity (high-speed internet access, cell signal, etc.), quality hospitals as well as affordable housing.

The mismatch of housing came up frequently in the interviews. For some companies, it was that there were not enough homes being built in the area, limiting supply and dampening the enthusiasm of recruits to move into the community. That was so pervasive for one company that they took over an old dormitory to ensure that there would be enough housing for their employees, with an outside partner helping to run the facility. For others, the mismatch came from the range of housing that was available. Jim Sheldon from DTC Engineering, for instance, said that there was an insufficient quantity of high-end homes for sale in the rural community, with little new construction occurring, limiting the attractiveness for some new engineering candidates to want to work at his facility. Other interviewees made similar comments, either about the lack of more expensive real estate properties being available or sometimes the reverse.

Figure 2: Biggest Labor Force Challenges Heard from Manufacturing Employees at Rural or Urban Locations (Sorted by Percentages for Rural Locations)



Note: Respondents were able to check more than one response; therefore, responses exceeded 100%.

While some companies like Bradford White located their facilities in rural communities where there was inexpensive housing, other companies heard from their employees that there was a lack of affordable, quality options. Don Bockoven, CEO, Fiber Industries noted, “Housing is a problem. There aren’t many developers in this area.” The issue of housing was of such concern for Libman Company that they began working with a committee for economic development to get a second set of affordable housing apartments. For some rural locations, the quality of the education system was a challenge as well. Don Bockoven from Fiber Industries shared, “The local public school system is not great. We have had some success though working with some private schools as well as the Governor’s School in the area.”

Identifying labor force challenges that shape workers’ decisions is a key step to attracting and retaining talent. A few manufacturers we spoke to conducted employee surveys on workforce issues, finding it to be an effective way to identify concerns and provide companies an opportunity to address them. For example, companies can gauge the number of employees who have childcare and/or eldercare needs or who have difficulty with reliable transportation to work. Manufacturers can then strategize with community partners to meet their workers’ needs.

Whether rural or urban, addressing the labor force challenges identified by manufacturers can require significant time and effort as well as a strategic approach, but companies have immediate labor needs and production demands. According to a recent study conducted by the MI, a structural skills mismatch persists in the manufacturing sector⁸ with manufacturers in both rural and urban areas struggling to find skilled labor. How are rural manufacturers tackling the skills gap today?

➤ Addressing Skills Shortages

Manufacturers addressed skills shortages somewhat differently in rural versus urban locations (Figure 3). In rural locations, manufacturers were more likely to create or expand internal training programs (77.6%), collaborate with educational institutions on skills certification programs (67.1%) and encourage possible retirees to stay longer in their roles (52.6%). Manufacturers in urban locations prioritized utilizing temporary staffing services (73.5%), followed by creating or expanding internal training programs (66.2%) and collaborating with educational institutions on skills certifications (48.5%). Anecdotal evidence indicates that temporary staffing services may be more robust in urban areas,⁹ a difference that points to the overall larger workforce available to manufacturers that are located in these locations.

For some rural manufacturers, skilled and leadership positions were more difficult to fill than unskilled roles. For many rural companies, the bulk of their hiring is relatively local. Uriah Hansen, director of Human Resources, Stellar Industries, for instance, said that while some professional or leadership positions might be national searches, most workers are coming from within a one-hour radius. Companies are increasingly exploring candidates for more senior-level positions nationally, many of whom might not be as familiar with the company or the community. Hansen added, “Some recruits do not want to work in rural areas unless they have deep family roots there. That is especially true for young professional candidates.”

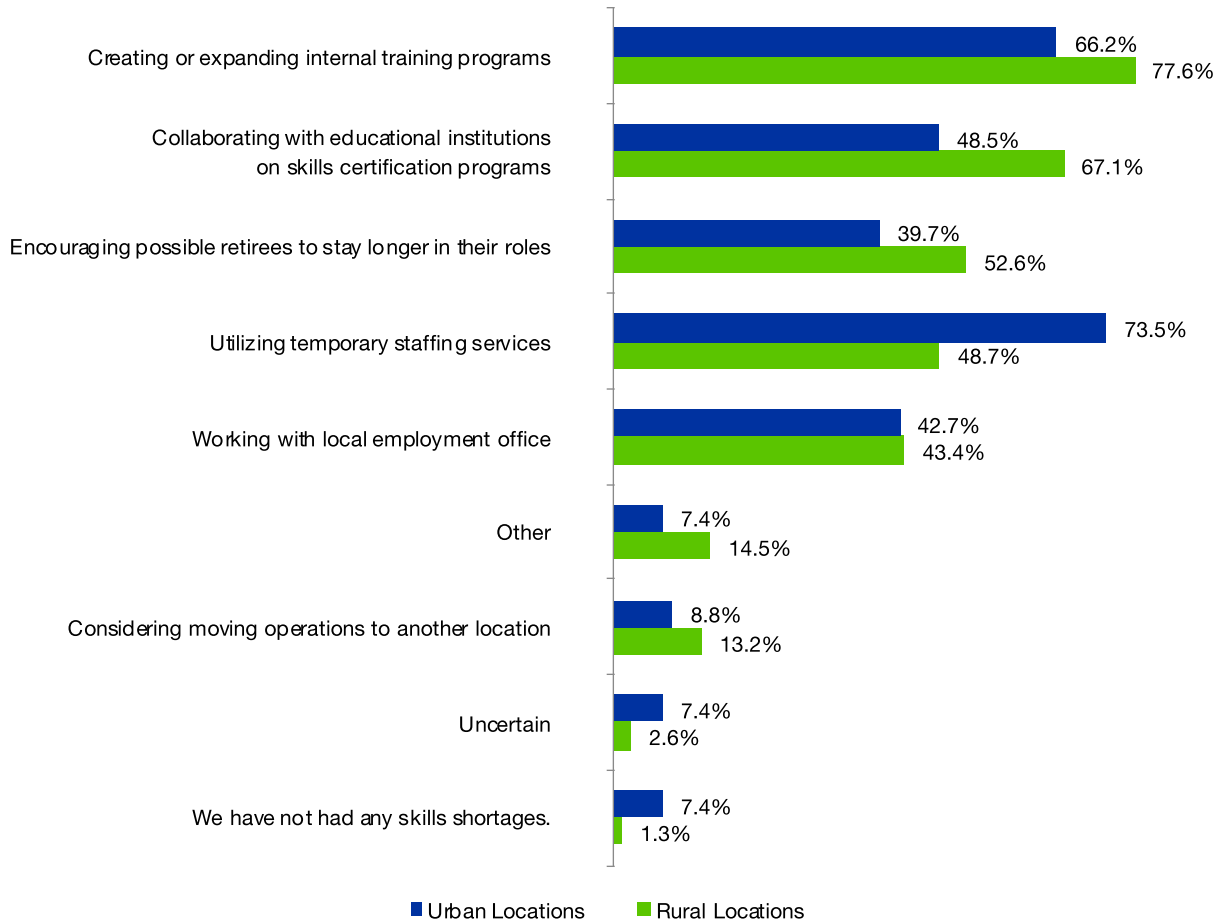
Steve Romanelli, president, Core Pipe Products observed, “It’s hard to find qualified people. We recently were able to hire several younger candidates through a local trade school, but overall see limited opportunities to find qualified applicants for those roles.” Romanelli noted that not as many young people are entering fields such as metalworking, which meant there was a lower supply of skilled workers. Don Bockoven from Fiber Industries shared similar challenges. “Filling technical and leadership roles can be tough. We really have to sell the attraction of living in a rural area, the outdoor recreation, the cost of living. We also have to be flexible.”

8 [2018 Deloitte and The Manufacturing Institute Skills Gap and Future of Work Study](#). The Manufacturing Institute. 2018.

9 See <https://www.businessinsider.com/rural-job-market-worker-shortage-staffing-agents-2021-12>.

Figure 3: How Manufacturers Have Largely Addressed Skills Shortages in Rural and Urban Locations

(Sorted by Percentages for Rural Locations)



Note: Respondents were able to check more than one response; therefore, responses exceeded 100%.

Marlin Steel Wire Products faced similar challenges in finding skilled workers. “Less skilled workers are not as hard to find, but finding maintenance operators and technicians in our area can be tough. Even if we find talent, it’s hard to make them stick. People quit, or they don’t show up,” Gabrielle Silgalis, special projects manager, shared. Marlin Steel conducts exit surveys and has found that attrition primarily has to do with issues related to reliable transportation, which leads to low attendance, as well as compensation.

To widen the recruitment pool and attract more skilled workers, some manufacturers have opened skilled positions to hybrid and remote. In a tight labor market, companies that do not offer flexibility can have difficulty in recruitment. A few companies we spoke to lost qualified applicants for positions they were filling for in-person to jobs that were hybrid or remote. Companies that have opened skilled positions to hybrid and remote have found it to be key to successful recruitment. One company that we spoke to had had difficulty in hiring an applications engineer for an in-person role. After months of recruiting, the company opened the position up to remote, allowing them to pull applicants from across the country. The company soon hired a qualified applicant in a different state.

Several companies in rural locations that we spoke to are actively involved with high schools and community colleges to build talent pipelines. Libman, for example, worked with high schools to increase awareness of job opportunities and support technical paths at community colleges. Through their work with their local educational institutions, Libman enrolled their first two female apprentices and supported them through a program to become maintenance technicians. In addition, Bockoven, Fiber Industries, said that they work closely with the local vocational technology program, even providing students with weekend hours when possible to help provide the flexibility needed for them to be able to work while they improve their skillsets.

Kate Pieplow, human resources coordinator and safety coordinator, Humtown Products, shared positive experiences of engaging with youth through MFG Day.¹⁰ “It was a really cool experience. We worked with teachers to collect designs from students to print that day, which made it very personal. We even printed raptor eggs with velociraptor babies in them. You could see that it really ignited kids’ imaginations.” While Humtown can only hire people over the age of 18, focusing on youth career engagement and career awareness has had additional success through hiring parents of children who attend MFG Day and other community events.

Cambridge Air Solutions, Fiber Industries and Stellar similarly found MFG Day a mutually beneficial way to partner and connect with high schools and middle schools in the area. “You have to get them before high school,” said Bockoven from Fiber Industries, “We work with eighth graders. On MFG Day and throughout the year, we have a pilot program of 60 students and split them up into groups of four to visit different manufacturing locations to engage and educate them on what is available in manufacturing careers. We have also been working with career counselors and seen impact with students changing the courses they’re taking and making counselors aware of the diversity of jobs available.” Fiber Industries also offers internships to high school students, building in the talent pipeline with youth in their community.

It is critical for manufacturers to engage with youth and build robust talent pipelines, partnering with local schools and community colleges. By demonstrating the value of a manufacturing career in terms of stability and opportunity through events like MFG Day, companies can significantly widen the recruitment pools of tomorrow. Many of the tactics that companies use to engage youth can be modified to attract working-age talent. The key to marketing manufacturing roles to this group is to understand what they are looking for in terms of career and living environment, then highlighting what the company and its location can offer. While clues to what can be used to attract talent can be found in the previous section on labor force challenges, we further explore the benefits and challenges that rural and urban environments can provide manufacturing employees.

➤ Attracting Talent

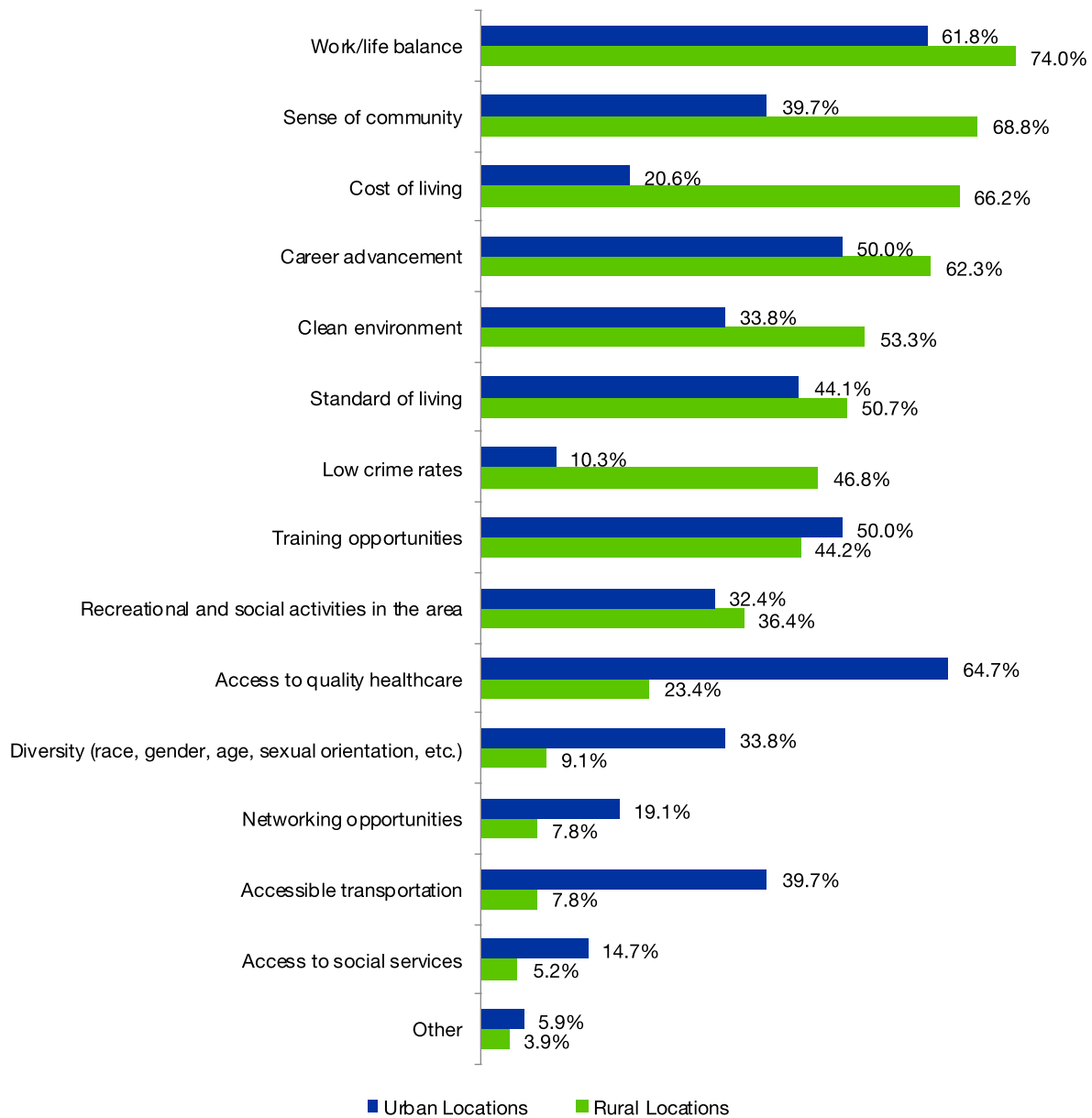
When recruiting talent, there were distinct differences in what manufacturers highlighted to attract potential applicants (Figure 4). In rural areas, the top aspects were work/life balance (74.0%), a sense of community (68.8%), the cost of living (66.2%) and career advancement (62.3%). For urban areas, manufacturers primarily highlighted access to quality healthcare (64.7%) and work/life balance (61.8%). On the topic of flexibility, Hansen at Stellar Industries said that they offer four-day, 10-hour shifts (4x10s) from Monday through Thursday, which can be attractive, with Fridays available for overtime if needed. Stellar is exploring the possibility of offering three-day, 12-hour shifts (3x12s) for some departments. In addition, they are also working on some part-time positions for near-retirement workers, which helps to “keep their knowledge in the building.”

There were aspects of rural life that many manufacturers cited as very attractive in the competition for talent, with the survey demonstrating significant contrasts between what rural and urban environments can offer workers. For

¹⁰ See <https://www.mfgday.com/>.

instance, manufacturers in rural areas were three times more likely to highlight cost of living than those in urban areas. Similarly, rural locations were nearly five times more likely to highlight low crime rates than urban locations. On the flip side, urban locations were three times more likely to highlight access to quality healthcare and diversity, while also five times more likely to highlight accessible transportation than rural ones. These comparisons underscore the differences in advantages and disadvantages between rural and urban locations. In addition, most interviewees located in rural areas noted that cost of living and low taxes were attractive features for job seekers.

Figure 4: Aspects of Rural or Urban Areas That Manufacturers Highlight to Attract Talent
(Sorted by Percentages for Rural Locations)



Note: Respondents were able to check more than one response; therefore, responses exceeded 100%.

The accessibility of transportation depended on the location of the facility. Some companies with plants located in rural areas considered themselves to be accessible to their labor supply. “Workers who live locally, they walk and bike to our plant. Some people even drive golf carts. And, even if you’re not local, we’re right off the interstate and a major rural road, so we’re still easy to access for our workers are coming in from Decatur,” said Megan Parsons, chief human resources officer, Libman. Humtown, a manufacturer that is situated in a more rural location though close to an urban center, similarly noted that the closeness of the plant to rural workers’ homes was a key factor to attracting talent.

At the same time, the distance of the plant from the urban center was often a detractor for urban talent, particularly as public transportation did not extend far outside the city. Clegg from Bradford White noted, “Our rural locations are tough and can be tough for workers to reach. There’s no public transportation. There’s no Uber or Lyft. You need to have a car and it can be difficult if you have issues with your mode of transportation like roads not getting plowed well after snowstorms.” In contrast, for plants in urban locations, accessibility to public transportation and major highways was a significant attractive feature when recruiting talent.

Along those lines, a few interviewees also noted how rural life moves at a different pace than in urban areas. Kurt Rippelmeyer, talent acquisition manager at Land O’Lakes, said that there was a “laid-back feeling” in rural America that many workers appreciate. In addition to the lower cost of living, he sells the “safety of small towns” in his recruiting efforts for new employees, offering that “you can walk your kid to school” and feel safe in town. Parsons from Libman was also quick to cite the quality of education in her local school system as a huge positive in her recruitment efforts. She and other leaders also spoke about the other amenities that the area has to offer, including parks and recreational activities, such as lakes, fishing or hiking. “Being out in a rural area is great for anyone who is big into the outdoors, whether that’s biking, hunting or fishing,” Clegg from Bradford White said.

For employees in rural areas, the proximity to family and friends was a key reason why they continued living not far from where they grew up. Hansen, Stellar Industries, echoed this sentiment. He noted that many employees want to be close to their families and the people that they grew up with. That sense of community was important, with workers wanting to help others. “There is a hometown atmosphere,” he said. Hansen added that their company has second- and now third-generation employees working for them, a testimonial to the dedication that these families have, both for the area and for the company itself.

Companies also reported that setting clear paths to advancement was effective in attracting talent. For example, in addition to raising wages to be competitive, Libman developed salary bands and job categories. When recruiting talent, Libman explains to potential hires how quickly they can move through salary bands if they are committed to the job. “Being able to show how much opportunity there is at our company has helped us quite a bit when we’re talking to applicants,” said Parsons.

For Humtown, stressing the opportunities to learn and advance within the company was a key component of the interview process. “We highlight our cutting-edge technology and that anyone can learn it if they are willing. We show them career progression, that you can start as finisher and move into operating, or cross-train to go from

“ We highlight our cutting-edge technology and that anyone can learn it if they are willing. We show them career progression, that you can start as finisher and move into operating, or cross-train to go from working in the traditional core shop to working in the additive manufacturing shop.”

— Gabrielle Silgalis
Special Projects Manager
Marlin Steel Wire Products



working in the traditional core shop to working in the additive manufacturing shop,” said Pieplow. In addition, Cambridge Air Solutions also highlighted growth opportunities. “If you’re humble, hungry and smart, we can work with that. We want to help you develop and grow,” said Meg Brown, vice president of Human Resources.

Similarly, for Marlin Steel, tuition reimbursement and training opportunities were key incentives to attracting and retaining talent. “We show our employees where they can go next in their careers and that helps them see our commitment to their success,” said Silgalis. Not only does communicating advancement and professional development opportunities during the recruitment process increase the attractiveness of a role, as a study recently conducted by the MI found, signaling a company’s investment in its employees contributes to a positive company culture.¹¹

Flexibility emerged as another key attractor for talent. For Libman, the six weeks of unpaid personal leave and informal flexibility that they offer have been effective recruitment tools. Humtown also highlighted flexibility when attracting talent, offering six-hour shifts and six-day workweeks and a variety of shifts. “For families who work in our facilities where we have both parents working, they have the option of choosing opposing shifts, which can mean not having to spend as much on daycare for their children. Working a shorter daily shift can also allow for the opportunity to make doctor’s appointments or to attend school events,” said Pieplow.

Marlin Steel similarly offers 10-hour compressed workweeks to their full-time employees and are flexible with workers making up time missed for appointments or family obligations over the weekend instead of using paid time off or sick leave. Fiber Industries takes a different approach to flexibility, offering flex weekend shifts to students at the local technical school as well as rotating four-day shifts to their full-time workers.

For manufacturers that are considering implementing flexibility options, there is no one-size-fits-all solution. Rather, there are a variety of ways that companies can offer flexibility to their workers, considering their employees’ needs and production demands. Particularly for rural manufacturers, facing constraints such as limited childcare and eldercare services as well as accessible transportation, flexibility can be a way to mitigate these systemic issues while more comprehensive solutions are implemented.

There are many benefits to manufacturing jobs, particularly those in rural locations where workers can live a less hectic lifestyle, enjoy the outdoors and often work close to where they live. In addition, rural manufacturers have begun setting clear paths to advancement and offering flexibility to attract talent in a tight labor market. However, to effectively recruit talent, companies need to communicate these positive aspects of manufacturing careers through directed outreach.

¹¹ “The Employee Experience: The Role of Culture and Employee Engagement in Workforce Attraction and Retention.” The Manufacturing Institute and Colonial Life. Forthcoming 2023.

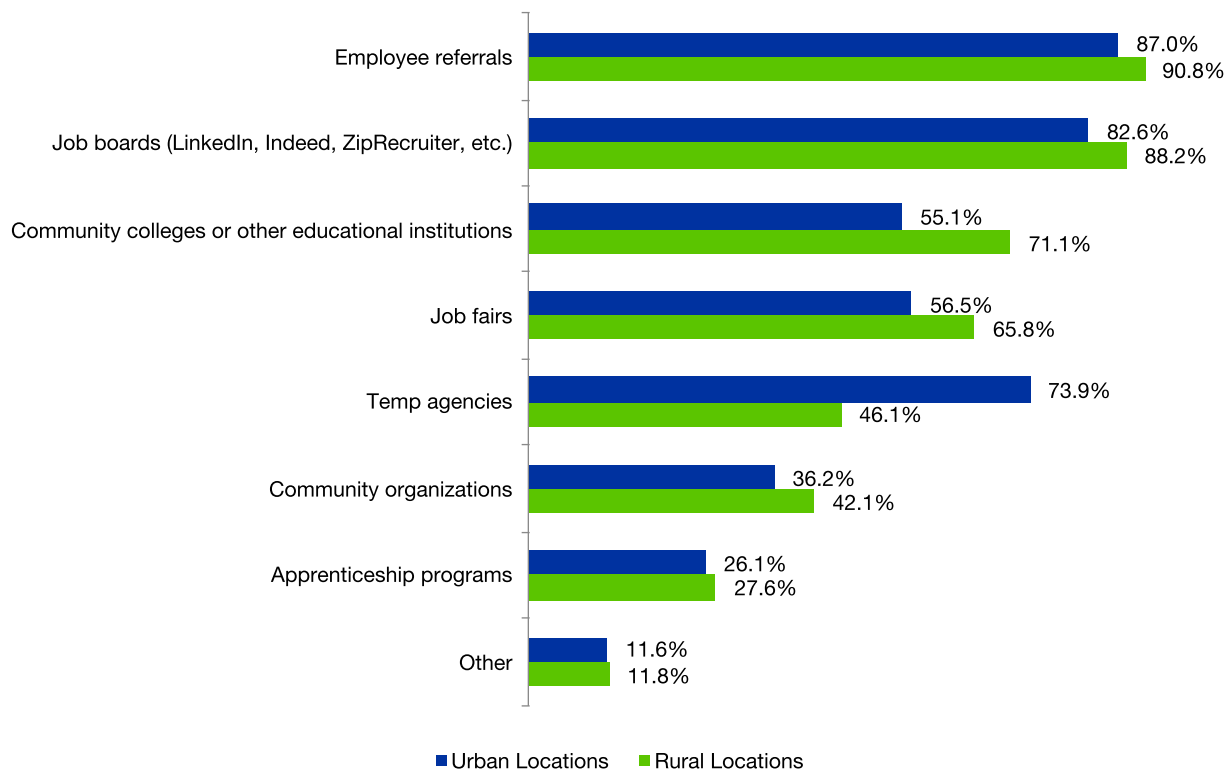
➤ Recruitment Methods

Despite the differences in labor pools between rural and urban locations, manufacturers tend to utilize the same recruitment methods (Figure 5). Employee referrals were the top method for both rural (90.8%) and urban (87.0%) locations. Job boards were also commonly used in rural (88.2%) and urban (82.6%) locations. Rural areas, however, were more likely to utilize community colleges or other educational institutions (71.1%) than urban areas, which preferred to use temp agencies (73.9%). For manufacturers in rural locations that selected "Other," additional recruitment methods include using radio and newspaper ads as well as engagement with high schools. For manufacturers in urban locations, additional recruitment methods include billboards, recruiting agencies, internships and H-2B programs.

Overall, when it comes to recruiting and retaining talent, there is evidence that existing employees and candidates appreciate a company's culture, and it helps with attraction and retention. In a forthcoming study with Colonial Life, nearly 87% of those completing the survey said that they communicate their company's culture in their interviews and, overall, leaders openly describe the work environment as being family-friendly, caring, welcoming, innovative and engaging. Employees want to work for a company that appreciates them and their families. They want to feel like they are being heard, and if a manufacturer invests in their professional growth, it goes a long way in helping improve employee morale and retention. In addition, personal relationships matter, both with other workers and with their supervisors. At the same time, there is a greater emphasis on flexibility today, particularly in the aftermath of the COVID-19 pandemic. Interviewees for this paper reiterated those points, highlighting once again how vital it is to keep employees engaged.

Figure 5: How Manufacturers Recruit Talent in Rural and Urban Locations

(Sorted by Percentages for Rural Locations)



Note: Respondents were able to check more than one response; therefore, responses exceeded 100%.

Such efforts can help with referrals, which several interviewees spoke about as being effective tools in the recruitment process. “Referral sources are still the number one way we recruit employees,” said Brown from Cambridge Air Solutions. To support recruitment, Cambridge Air Solutions also pivoted from focusing social media on their products to company culture, utilizing stories, highlights and videos to spotlight their positive working environment. In the interviews conducted, referral bonuses ranged from \$200 to \$1,600, often tied to new employees staying with the company for at least 90 days.



Hansen spoke about recruitment efforts at local bars or breweries, which they dubbed “Beers and Careers.” The company has held three events, yielding 20 prospective employees and seven hires. As such, it has been highly effective and cost-efficient (the total bar bill for the three events was \$600).

Stellar Industries had one of the more unique approaches to recruitment from the interviews conducted. Hansen spoke about recruitment efforts at local bars or breweries, which they dubbed “Beers and Careers.” The company has held three events, yielding 20 prospective employees and seven hires. As such, it has been highly effective and cost-efficient (the total bar bill for the three events was \$600). Stellar advertises these events heavily, including on radio and by word-of-mouth, puts their equipment on display in the parking lot and provides information on employee opportunities at a table. Essentially, it is like attending a career fair—just at a bar. Hansen touted this approach by saying, “It helps to get people into an environment where they feel comfortable.” By having employees working the crowd, they are also able to walk through “what a day in the life” of work at the company might be like. It helped that Stellar was not looking for existing skills. “We will train them and build their career with them,” Hansen noted.

Interviewees also expanded their talent pipelines by recruiting second chance populations, whether formally or informally. Libman and Cambridge Air Solutions, for example, stopped conducting background checks, physicals and drug screens. “The work hasn’t suffered since we’ve changed our policy,” Parsons from Libman said. “We don’t have the luxury of two weeks to run all our checks anymore.” In addition to this informal approach to second chance hiring, Libman also works with parole officers to place second chance individuals into positions on the shop floor.

Bradford White takes a multi-prong approach to recruiting talent, advertising through a range of media including radio, billboards, mailers, geofencing and gas pumps. “We also attend job fairs and conduct mock interviews at high schools,” noted Clegg. “It’s important for our company to be involved in the community, whether that’s the semi-professional ice arena and basketball arena or at the airport. We need to build that brand recognition.”

➤ Incentives for Attracting and Retaining Talent

Manufacturers use similar incentives to attract and retain talent in rural and urban locations (Figure 6). Competitive wages and salaries, referral bonuses and career advancement opportunities were among the top incentives for both locations. Rural locations were more likely to offer career advancement and professional development opportunities as well as sign-on bonuses and paid relocation expenses. Manufacturers in rural locations who selected “Other” included four-day work weeks, profit sharing and attendance bonuses as other kinds of incentives. Those in urban locations who selected “Other” included similar incentives as those in rural locations such as summer hours, profit sharing and attendance bonuses.

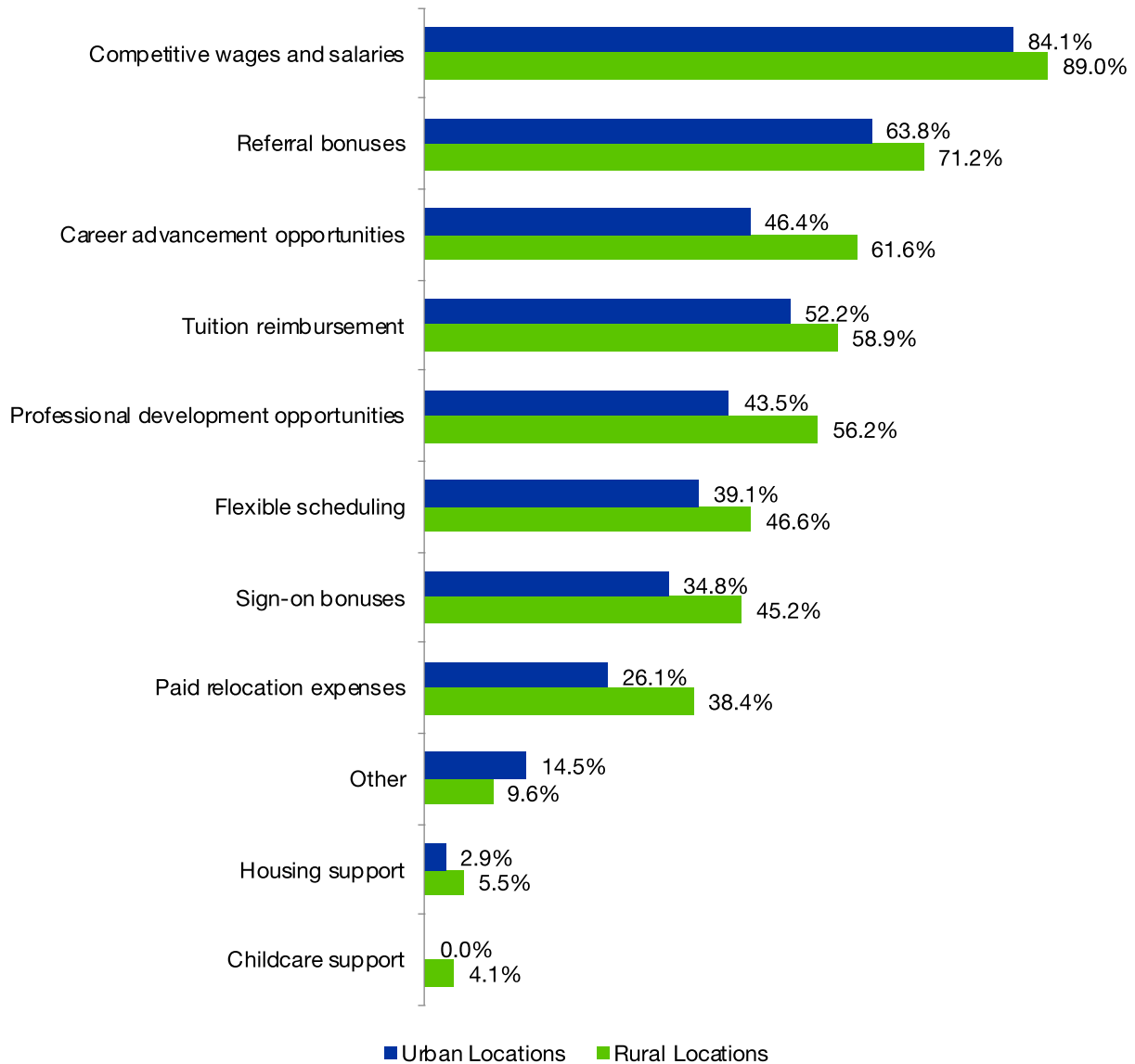
There appears to be mismatches in the labor force challenges that are heard from employees and the incentives used by manufacturers to attract and retain talent. For example, housing emerged as a key labor force challenge

in rural areas, yet only 5.5% of rural manufacturers provide housing support. Similarly, while 53.3% of rural manufacturers report childcare as a top labor force challenge (Figure 2), only 4.1% of them provide childcare as an incentive (Figure 6).

This mismatch may be a reflection of the lack of options available to manufacturers, rather than an unwillingness to provide this type of support. “It’s a childcare desert here,” said Parsons from Libman. “We are working with the economic development board to take over a daycare center with funding from an Illinois state grant. The school system will take over operations. We’re working with a consultant to make sure the center fits our company’s needs and the hours of our operations.” Bockoven from Fiber Industries voiced similar concerns. “The challenge is for our workers with children. Is there something that we should be doing? We have an elder care and childcare desert here.”

Figure 6: How Manufacturers Use Incentives to Attract and Retain Talent in Rural and Urban Locations

(Sorted by Percentages for Rural Locations)



Note: Respondents were able to check more than one response; therefore, responses exceeded 100%.

Some manufacturers in rural areas have partnered with other organizations to address this challenge. Behlen has supported the Columbus Public School Foundation in its efforts to renovate an old middle school, transforming it into a preschool and childcare center set to open in the fall of 2023. With Behlen committing \$50,000 annually for a period of 10 years to support the center, Behlen employees will be granted priority spots in the center’s enrollment process. Alongside Behlen’s support of this center, Behlen worked with the Columbus Chamber and other companies in the region to prevent the closure of a childcare center. Behlen, along with other companies, committed to \$2,000 per month to sustain the center. As a result, Behlen employees receive a \$0.50 per hour discount for infant care and a \$0.25 per hour discount for toddler care. Additionally, Behlen employees are given priority placement on the waiting list. “We never anticipated that Behlen would be involved in the childcare business. However, due to the severe workforce shortage and the limited resources available to maintain quality childcare, we find ourselves in this situation,” expressed Tony Raimondo Jr., chairman of the board, Behlen.

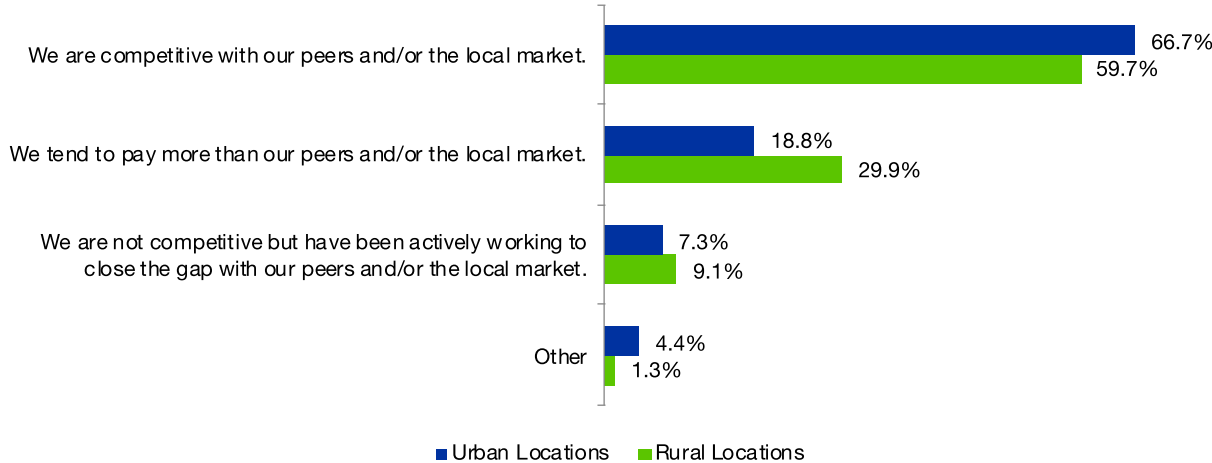
Compensation

Overlaying the labor force challenges is the question of compensation. For both rural and urban manufacturers, compensation is the top incentive companies use to retain talent and for good reason. Results from a recent study conducted by the MI indicates that compensation is the top factor motivating manufacturing employees to stay at their job.¹²

Similar rates of manufacturers in rural (92.1%) and urban (94.2%) settings reported increasing compensation—including wages, salaries and benefits—to remain competitive. For both rural and urban locations, the majority of manufacturers would characterize themselves as competitive with their peers and/or the local market (Figure 7). However, rural locations (29.9%) were more likely than urban locations (18.8%) to pay more than their competitors. This indicates that rural locations may feel more pressure to increase wages given the more limited labor supply.

Figure 7: How Manufacturers Would Characterize Labor Market Compensation at Their Company Relative to Their Peers in Rural and Urban Locations

(Sorted by Percentages for Rural Locations)



Note: Respondents were able to check more than one response; therefore, responses exceeded 100%.

12 “[The Manufacturing Experience: Compensation and Labor Market Competitiveness.](#)” The Manufacturing Institute and Colonial Life. May 2022.

Despite increases to compensation, many companies with competitors in the area reported ghosting, or applicants and newly hired employees failing to show up for interviews and work without any communication. “We think the problem is that when applicants interview, they may not understand the full scope of work. They come to the job with unrealistic job expectations. Unreliable transportation is also an issue,” Silgalis from Marlin Steel noted. During the MI’s Solution Series workshop on recruitment, other manufacturers voiced these same concerns.¹³

The rural manufacturers we interviewed have addressed these issues by implementing creative solutions to strengthen compensation as an incentive and increase retention rates. Several companies shared that they utilized safety and attendance bonuses to retain employees, ranging from \$40 to \$100 a week. Core Pipe Products additionally held a cash bonus drawing on a quarterly and annual basis while in a similar vein, Fiber Industries held an annual drawing for a weekend in nearby Charleston, South Carolina, for perfect attendance.

Other companies wanted to think even further outside the box in terms of compensation. One rural manufacturer we spoke to had considered buying a Harley-Davidson for skilled employees who were successful in their roles for the first 90 days. With concerns for safety and possible tension with current employees, this company decided to give new employees \$500 for tools instead. However, the idea of linking compensation with reliable transportation holds promise. In a few rural communities, nonprofits have begun offering motor scooters with no money down.¹⁴

A few manufacturers that we spoke to structure their compensation differently to maximize retention rates as well as production. Humtown, for example, developed a pay rate system that is incentive-based. As employees do better and faster work, the more they can earn. “With our pay structure,” Pieplow said, “our employees have the opportunity to earn more than competitors offer.”

Stellar Industries recently went to 100% employee ownership through an employee stock ownership plan. Stellar employees become a part of the ownership plan after 90 days and can see an amount anywhere from 15% to 25% of their annual earnings contributed to shares of company stock for their retirement account, fueling an ownership mentality and drive to succeed. In addition, Stellar also has monthly profit-sharing bonuses, assuming there are no attendance issues, that range from \$150 to \$500 per person.

The creative solutions shared by rural manufacturers demonstrate the possibilities available to companies who are looking for supplements and alternatives to raising wages. While manufacturers have and continue to increase compensation to remain competitive in a tight labor market, what are other ways companies can retain talent?

“ We never anticipated that Behlen would be involved in the childcare business. However, due to the severe workforce shortage and the limited resources available to maintain quality childcare, we find ourselves in this situation.”

*— Tony Raimondo Jr.
Chairman of the Board
Behlen*

13 See https://www.themanufacturinginstitute.org/how-manufacturers-can-recruit-effectively-17650/?stream=workforce-news&utm_source=link&utm_medium=social.

14 See <https://www.nytimes.com/2023/06/17/us/branson-missouri-motor-scooters.html?referringSource=articleShare>.



▶ Retaining Talent Through Company Culture

Research conducted by the MI has found that company culture can be a key differentiator in the competition for talent.¹⁵ Recognizing that increased pay is not the only incentive that job seekers prioritize, manufacturers have invested in developing a positive company culture and work environments where employees want to return. Considering the environmental and sociological differences between rural and urban environments, we were curious to see if there were corresponding differences in the types of company culture that manufacturers cultivated.

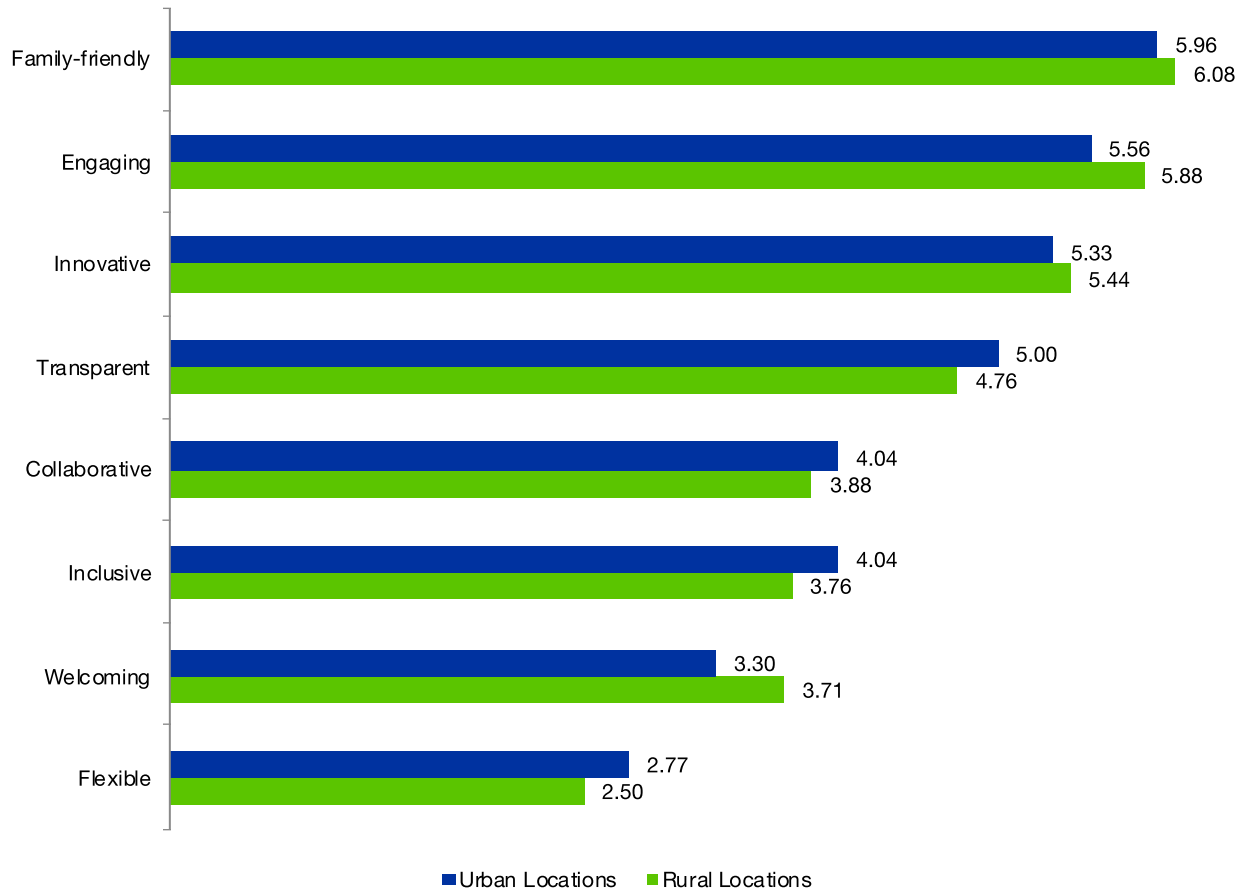
Interestingly, our survey data shows that manufacturers ranked company culture descriptors between rural and urban locations very similarly (Figure 8). “Family-friendly” was the top descriptor for both locations with “engaging” and “innovative” rounding out the top three. “Flexible” was ranked the least accurate descriptor for both locations. This indicates that despite differences in labor supply and workforce challenges, manufacturers in rural and urban locations place similar emphasis on the same values. While family-friendliness is a strength, flexibility presents an area of opportunity for manufacturers in both settings.

The companies we interviewed shared their approaches to developing company culture and how they leveraged it to attract and retain talent. Marlin Steel, which has manufacturing locations in both rural and urban areas, described the importance of family-oriented values regardless of environment. In both locations, Marlin Steel organizes events like chili cookoffs, baseball games and visits to breweries to build camaraderie among its workforce. Libman also emphasized the importance of family culture. “Family culture is our cornerstone. We’re in our fourth generation of family leadership. We have lots of families that work for us. They have their lunch and breaks together, spend time together. They want their kids and grandkids to work here,” said Parsons.

¹⁵ “The Employee Experience: The Role of Culture and Employee Engagement in Workforce Attraction and Retention.” The Manufacturing Institute and Colonial Life. Forthcoming 2023.

Figure 8: How Manufacturers Would Rank Company Culture Descriptors in Rural and Urban Locations

(Average Score, Where 1 Is the Least Accurate and 8 Is the Most Accurate; Sorted by Scores for Rural Locations)



Several manufacturers reported a boomerang effect with their employees. Workers would quit their jobs to work for another company that offered a slightly higher hourly wage, then return within a few weeks once they realized they preferred the culture of their original company. Bockoven, Fiber Industries, noted, “We can’t compete with some of our competitors’ wages alone, but people come back to us when they realize they have it better here. I like to say that people don’t quit their jobs. They quit their bosses.”

Other companies noted a direct correlation between their positive company culture and their ability to attract and retain talent. Cambridge Air Solutions valued high experimentation and personal interaction in their working environment, noting that they had less of a problem with retention because of their culture. “Culture trumps everything,” said Brown. In terms of job stability, Bradford White takes pride in not having laid off any employees in 30 years. “It’s a main selling point for us,” said Clegg. “None of the local competition can say that even within five years.”

Company culture plays a critical role in attracting and retaining talent, whether in rural or urban settings. The research bears this out: in addition to compensation, manufacturing employees cite their colleagues and their company's culture as top reasons for staying.¹⁶ For manufacturers that are looking to widen their talent pipelines, particularly those located in rural areas, developing a positive, inclusive company culture open and supportive of workers of all backgrounds can be an effective way to address workforce challenges.

▶ The Power of Diversity, Equity and Inclusion

Across the interviews we conducted, manufacturers spoke about the inclusivity of their working environments, an attribute that creates family-friendly company culture. Research conducted by the MI has found that incorporating DEI strategies can build upon what manufacturers are already doing so well while widening talent pipelines to meet labor needs.¹⁷ By utilizing these strategies, manufacturers can bring in people from diverse backgrounds who may not have otherwise considered a career in manufacturing. To gain a better understanding of the unique DEI-related challenges facing manufacturers in rural and urban areas, we asked survey participants to share the challenges that their company faced in meeting DEI goals related to workforce through open-ended responses.

The most common survey response noted the limited number of racially diverse candidates in rural areas. One respondent shared that their company's racial diversity matches their community, but not national demographics. Similarly, when asked about their approach to DEI, companies that we interviewed most often referred to the racial and ethnic make-up of their workforce. Rural manufacturers, in particular, felt that their ability to set and meet DEI goals was limited.



The most common survey response noted the limited number of racially diverse candidates in rural areas.

However, DEI strategies can encompass many dimensions in addition to race and ethnicity. Rural companies can focus on widening talent pipelines to include more women, veterans, refugees, second chance and neurodiverse individuals,¹⁸ creating employee resource groups to foster greater community and drive change that leads to more supportive working environments¹⁹ as well as developing a robust and diverse supplier base.²⁰ When looking at the broad spectrum of diversity, contrary to common misconceptions, rural plant locations can be more diverse than urban ones. At Marlin Steel's rural location, their employee breakdown was evenly split between women and men. At their urban location, they did not have any women working on the manufacturing floor. Bradford White had also seen more women join the workforce in recent years, leading to the development of a women's ERG.

A recent MI report notes that manufacturers can best tackle DEI efforts by developing a strategic plan or creating a designated senior leadership position to spearhead this work.²¹ Although most companies we interviewed did not have specific DEI goals or strategies in place, Cambridge Air Solutions developed DEI training for its leadership team as part of a three-year vision to reflect a more diverse population. "We've seen progress over the last three years, particularly with more women applying. We've found that women were willing to give manufacturing a shot because of referrals and the company culture which is supportive and has a team mindset," said Brown.

16 "The Employee Experience: The Role of Culture and Employee Engagement in Workforce Attraction and Retention." The Manufacturing Institute and Colonial Life. Forthcoming 2023.

17 "[Diversity, Equity & Inclusion Benchmarking in Manufacturing](#)." The Manufacturing Institute and Keybridge Research. June 2023.

18 See https://www.themanufacturinginstitute.org/wp-content/uploads/2021/12/DI-Case-Study_AAON.pdf.

19 See <https://www.themanufacturinginstitute.org/diversity-inclusion/case-study-employee-resource-groups-covestro/>.

20 See <https://www.themanufacturinginstitute.org/diversity-inclusion/case-study-supplier-diversity-toyota-motor-north-america/>.

21 "[Diversity, Equity & Inclusion Benchmarking in Manufacturing](#)." The Manufacturing Institute and Keybridge Research. June 2023.

Cambridge Air Solutions also partnered with a nonprofit to develop a neurodiversity hiring program that led to the hiring of seven employees. In an effort to expand their DEI efforts, Bradford White similarly partnered with an employment service to recruit talent from refugee populations and developed employment resource groups to support their women and military workers. These efforts have had positive impacts. “We’ve seen dramatic increases in the diversity of our workforce with more women and more individuals from different backgrounds joining our workforce. We’ve even had to translate our employee handbook into three additional languages,” said Clegg. “Inclusion is the focus here.”

Focusing on DEI offers manufacturers the opportunity to boost the creative solutions they are already implementing to address the workforce challenges they are facing, whether in rural or urban areas. The rural manufacturers we interviewed demonstrate the rich potential and impact that focused DEI strategies can have on building a more resilient workforce.

➤ Conclusion

Manufacturers, whether in rural or urban areas, continue to cite challenges in identifying and keeping sufficient employees to meet their needs as their top concern. This issue reflects the broader economy as the labor market remains tight, even with signs of cooling in recent months. Demographic trends suggest that the workforce shortage is a structural issue that will perplex firms over the coming years. It is not a cyclical quirk.

For companies with rural operations, the skills gap can be more confounding. While there are clear advantages for locating in nonmetropolitan communities—including a lower cost of living, reduced operating costs, sense of community, work-life balance and proximity to family and recreational activities—there are also notable difficulties. With outmigration, rural areas have aged, and access to childcare, transportation and housing needs can be limited. Despite post-pandemic flows from urban centers, recruiters suggest that it can often be difficult to attract candidates to rural communities from metropolitan areas, particularly for those who are unfamiliar with the area.

To address the worker shortfall, manufacturers in rural locations are more likely to create or expand internal training programs, offer career advancement opportunities, collaborate with educational institutions and encourage possible retirees to stay longer in their roles. In short, recognizing the smaller labor pool they can pull from, rural manufacturers tend to invest in their talent to maximize their potential. Still, these companies recognize the need to build sustainable talent pipelines. Several rural manufacturers we interviewed were actively involved in their high schools and community colleges to change perceptions about careers in the field and develop talent pools through a number of ways, including participating in MFG Day. Continuing to build on these efforts can be an effective approach to addressing workforce challenges.

For the most difficult positions to fill, especially skilled and leadership roles, more rural manufacturers are exploring national searches, bucking the more traditional route of hiring locally. In addition, companies are shifting to increased flexibility options, with some firms embracing hybrid or remote workers in specific roles. These adaptations can open up talent pools and attract workers in a highly competitive labor market.

The importance of culture and employee engagement spans both rural and urban locations. For manufacturers, a company’s culture and vision can be an important differentiator in the job market, helping to attract and retain workers and improving employee morale and performance. With that in mind, it should not be a surprise that employee referrals were listed as the top method for recruiting talent, edging out job boards for their effectiveness in identifying workers. While referral bonuses likely boost this approach, it is also true that personal relationships impact the decision-making process of where people want to work. Referrals from friends and

family can be influential. In the case of a few companies we interviewed, women who liked their working environment were likely to refer other women, indicating that investment in expanding talent pools in targeted ways can have a multiplier effect.

While racial and ethnic diversity can be a challenge in some nonmetropolitan communities as a result of population demographics, manufacturers can approach DEI more expansively. From our interviews, we learned that there are many innovative ways that rural manufacturers expanded talent pipelines including focusing on women, refugees and neurodiverse individuals. Companies can build on these programs by setting a strategic plan and designating leadership to support these workforce initiatives. Other populations that manufacturers can tap into include military workers and second chance individuals.

While rural manufacturers face unique workforce challenges, there are also many aspects of working in these environments that are appealing to workers including cost of living, access to outdoor recreation, sense of community and work-life balance. While the labor pool in nonmetropolitan areas can be smaller than those in metropolitan locations, there are opportunities for rural manufacturers to expand talent pipelines to include populations such as women, military workers, refugees, second chance and neurodiverse individuals. Additionally, companies can take steps to address the workforce challenges that are important to their employees, such as childcare, transportation and housing, by working with community partners.

Whether located in a rural or urban location, manufacturing offers rewarding careers with opportunities to develop and advance. However, with a tight labor market that is unlikely to change significantly in the coming years, manufacturers in both rural and urban locations need to look for creative workforce solutions to meet their labor needs. By expanding talent pipelines and addressing workforce challenges in partnership with community organizations, companies can build the workforce readiness they are looking for while strengthening their resiliency for today and tomorrow.

“ We’ve seen progress over the last three years, particularly with more women applying. We’ve found that women were willing to give manufacturing a shot because of referrals and the company culture which is supportive and has a team mindset.”

— *Meg Brown*
Vice President of Human Resources
Humtown Products

► Appendix A: Survey Responses

1. Do you have unfilled positions within your company for which you are struggling to find qualified applicants?

- a. Yes – 86.62%
- b. No – 11.27%
- c. Uncertain – 2.11%

2. Which of the following best describes your role within your company?

- a. Production – 4.26%
- b. Operations – 3.55%
- c. Human resources – 14.89%
- d. Leadership – 70.92%
- e. Other – 6.38%

3. Where is your role primarily located?

- a. At a plant – 38.73%
- b. At a branch office – 2.11%
- c. At company headquarters – 52.82%
- d. Other – 6.34%

Rural

4. Does your company operate in rural areas?

- a. Yes – 57.45%
- b. No – 41.84%
- c. Unknown – 0.71%

[SHOW ONLY IF Q4=a]

5. What aspects of rural locations are attractive for your company?

- a. Cost of living – 74.03%
- b. Available facilities and spacing needs – 64.94%
- c. Available infrastructure (e.g., roads, bridges, broadband) – 33.77%
- d. Available workforce – 29.87%
- e. Financial incentives – 18.18%
- f. Proximity to suppliers or customers – 27.27%
- g. Other – 18.18%

6. How has your company largely addressed the skills shortage in rural areas? (Select all that apply.)

- a. Creating or expanding internal training programs – 77.63%
- b. Encouraging possible retirees to stay longer in their roles – 52.63%
- c. Collaborating with educational institutions on skills certification programs – 67.11%
- d. Utilizing temporary staffing services – 48.48%
- e. Working with local employment office – 43.42%
- f. Considering moving operations to another location – 13.16%
- g. Other – 14.47%
- h. Uncertain – 2.63%
- i. We have not had any skills shortages – 1.32%

7. How do you recruit talent in rural areas? (Select all that apply.)

- a. Job boards (LinkedIn, Indeed, ZipRecruiter, etc.) – 88.16%
- b. Community organizations – 42.11%
- c. Community colleges or other educational institutions – 71.05%
- d. Job fairs – 65.79%
- e. Temp agencies – 46.05%
- f. Employee referrals – 90.79%
- g. Apprenticeship programs – 27.63%
- h. Other – 11.84%

8. What aspects of living and working in rural areas do you highlight to attract talent? (Select all that apply.)

- a. Cost of living – 66.23%
- b. Standard of living – 50.65%
- c. Clean environment – 53.25%
- d. Work/life balance – 74.03%
- e. Low crime rates – 46.75%
- f. Diversity (race, gender, age, sexual orientation, etc.) – 9.09%
- g. Accessible transportation – 7.79%
- h. Access to quality healthcare – 23.38%
- i. Access to social services – 5.19%
- j. Networking opportunities – 7.79%
- k. Training opportunities – 44.16%
- l. Career advancement – 62.34%
- m. Sense of community – 68.83%
- n. Recreational and social activities in the area – 36.36%
- o. Other – 3.90%

9. What are the biggest labor force challenges that you have observed or that you hear from employees in your rural locations? (Select all that apply.)

- a. Lack of accessible transportation – 28.00%
- b. Insufficient compensation – 21.33%
- c. Minimal opportunities for advancement – 20.00%
- d. Lack of diversity (race, gender, age, sexual orientation, etc.) in the workforce – 12.00%
- e. Access to quality healthcare – 10.67%
- f. Lack of childcare or eldercare options – 53.33%
- g. Access to social services – 8.00%
- h. Lack of training and upskilling opportunities – 9.33%
- i. Job security – 6.67%
- j. Cost of living – 12.00%
- k. Difficulty of attracting new employees to the area – 65.33%
- l. Other – 18.67%

10. How would you characterize labor market compensation—including wages, salaries and benefits—at your company relative to your peers and/or the local market for talent in rural areas?

- a. We tend to pay more than our peers and/or the local market – 29.87%
- b. We are competitive with our peers and/or the local market – 59.74%
- c. We are not competitive but have been actively working to close the gap with our peers and/or the local market – 9.09%
- d. We are not competitive with our peers and/or the local market, but this will likely be a priority in the future – 0.00%
- e. Other – 1.30%
- f. None of the above – 0.00%

11. Has your company had to increase compensation—including wages, salaries and benefits—to remain competitive in the labor market in rural areas?

- a. Yes – 92.11%
- b. No – 6.58%
- c. Uncertain – 1.32%

12. Has your company had to increase workforce flexibility (e.g., flexible scheduling, remote work, compressed workweeks) to remain competitive in the labor market in rural areas?

- a. Yes – 66.23%
- b. No – 27.27%
- c. Uncertain – 6.49%

13. Our company uses the following incentives to attract and retain workforce in rural areas: (Select all that apply.)

- a. Sign-on bonuses – 45.21%
- b. Referral bonuses – 71.23%
- c. Flexible scheduling – 46.58%
- d. Childcare support – 4.11%
- e. Competitive wages and salaries – 89.04%
- f. Paid relocation expenses – 38.36%
- g. Housing support – 5.48%
- h. Career advancement opportunities – 61.64%
- i. Professional development opportunities – 56.16%
- j. Tuition reimbursement – 58.90%
- k. Other – 9.59%

Urban

14. Does your company operate in urban areas?

- a. Yes – 60.90%
- b. No – 39.10%
- c. Unknown – 0.00%

[SHOW ONLY IF Q14=a]

15. What aspects of urban locations are attractive for your company?

- a. Cost of living – 21.74%
- b. Available facilities and spacing needs – 46.38%
- c. Available infrastructure (e.g., roads, bridges, broadband) – 73.91%
- d. Available workforce – 62.32%
- e. Financial incentives – 14.49%
- f. Proximity to suppliers or customers – 50.72%
- g. Other – 7.25%

16. How has your company largely addressed the skills shortage in urban areas? (Select all that apply.)

- a. Creating or expanding internal training programs – 66.18%
- b. Encouraging possible retirees to stay longer in their roles – 39.71%
- c. Collaborating with educational institutions on skills certification programs – 48.53%
- d. Utilizing temporary staffing services – 73.53%
- e. Working with local employment office – 42.65%
- f. Considering moving operations to another location – 8.82%
- g. Other – 7.35%
- h. Uncertain – 7.35%
- i. We have not had any skills shortages – 7.35%

17. How do you recruit talent in urban areas? (Select all that apply.)

- a. Job boards (LinkedIn, Indeed, ZipRecruiter, etc.) – 82.61%
- b. Community organizations – 36.23%
- c. Community colleges or other educational institutions – 55.07%
- d. Job fairs – 56.52%
- e. Temp agencies – 73.91%
- f. Employee referrals – 86.96%
- g. Apprenticeship programs – 26.09%
- h. Other – 11.59%

18. What aspects of living and working in urban areas do you highlight to attract talent? (Select all that apply.)

- a. Cost of living – 20.59%
- b. Standard of living – 44.12%
- c. Clean environment – 33.82%
- d. Work/life balance – 61.76%
- e. Low crime rates – 10.29%
- f. Diversity (race, gender, age, sexual orientation, etc.) – 33.82%
- g. Accessible transportation – 39.71%
- h. Access to quality healthcare – 64.71%
- i. Access to social services – 14.71%
- j. Networking opportunities – 19.12%
- k. Training opportunities – 50.00%
- l. Career advancement – 50.00%
- m. Sense of community – 39.71%
- n. Recreational and social activities in the area – 32.25%
- o. Other – 5.88%

19. What are the biggest labor force challenges that you have observed or that you hear from employees in your urban locations? (Select all that apply.)

- a. Lack of accessible transportation – 13.04%
- b. Insufficient compensation – 43.48%
- c. Minimal opportunities for advancement – 21.74%
- d. Lack of diversity (race, gender, age, sexual orientation, etc.) in the workforce – 1.45%
- e. Access to quality healthcare – 0.00%
- f. Lack of childcare or eldercare options – 24.64%
- g. Access to social services – 0.00%
- h. Lack of training and upskilling opportunities – 10.14%
- i. Job security – 2.90%
- j. Cost of living – 53.62%
- k. Difficulty of attracting new employees to the area – 34.78%
- l. Other – 15.94%

20. How would you characterize labor market compensation—including wages, salaries and benefits—at your company relative to your peers and/or the local market for talent in urban areas?

- a. We tend to pay more than our peers and/or the local market – 18.84%
- b. We are competitive with our peers and/or the local market – 66.67%
- c. We are not competitive but have been actively working to close the gap with our peers and/or the local market – 7.25%
- d. We are not competitive with our peers and/or the local market, but this will likely be a priority in the future – 1.45%
- e. Other – 4.35%
- f. None of the above – 1.45%

21. Has your company had to increase compensation—including wages, salaries and benefits—to remain competitive in the labor market in urban areas?

- a. Yes – 94.20%
- b. No – 4.35%
- c. Uncertain – 1.45%

22. Has your company had to increase workforce flexibility (e.g., flexible scheduling, remote work, compressed workweeks) to remain competitive in the labor market in urban areas?

- a. Yes – 68.66%
- b. No – 26.87%
- c. Uncertain – 4.48%

23. Our company uses the following incentives to attract and retain workforce in urban areas: (Select all that apply.)

- a. Sign-on bonuses – 34.78%
- b. Referral bonuses – 63.77%
- c. Flexible scheduling – 39.13%
- d. Childcare support – 0.00%
- e. Competitive wages and salaries – 84.06%
- f. Paid relocation expenses – 26.09%
- g. Housing support – 2.90%
- h. Career advancement opportunities – 46.38%
- i. Professional development opportunities – 43.48%
- j. Tuition reimbursement – 52.17%
- k. Other – 14.49%

Both

24. Does your company operate in both rural and urban areas?

- a. Yes – 28.33%
- b. No – 70.00%
- c. Unknown – 1.67%

[SHOW ONLY IF Q24=a]

25. Where are you having the most difficulty with attracting and retaining workers?

- a. Urban locations – 19.44%
- b. Rural locations – 30.56%
- c. Both urban and rural locations – 44.44%
- d. I am not having difficulties in finding sufficient workers – 2.78%
- e. Unknown – 2.78%

26. Consider the compensation changes that your company has made in the past year. Have those compensation increases been larger in urban or rural areas?

- a. Urban locations – 16.67%
- b. Rural locations – 16.67%
- c. Similar in both urban and rural locations – 58.33%
- d. Unknown – 5.56%
- e. My company has not made any compensation increases – 2.78%

27. Consider the flexibility changes that your company has made. Have those flexibility changes been more significant in urban or rural areas?

- a. Urban locations – 27.78%
- b. Rural locations – 13.89%
- c. Similar in both urban and rural locations – 50.00%
- d. Unknown – 5.56%
- e. My company has not made any flexibility changes – 2.78%

All

28. In general, would you say that increased compensation—including wages, salaries and benefits—has helped keep your company competitive in its ability to recruit and retain employees at your company?

- a. Yes – 77.39%
- b. No – 13.04%
- c. Not applicable—we have not increased compensation – 2.61%
- d. Uncertain – 6.96%

29. In general, would you say that increased workplace flexibility has helped keep your company competitive in its ability to recruit and retain employees at your company?

- a. Yes – 57.39%
- b. No – 9.57%
- c. Not applicable—we have not increased workplace flexibility – 23.48%
- d. Uncertain – 9.57%

30. Please rank the following terms as to how you would describe your company's culture (1 is the least accurate, 8 is most accurate).

- a. Family-friendly – 6.46
- b. Innovative – 5.12
- c. Engaging – 5.06
- d. Transparent – 4.13
- e. Inclusive – 3.29
- f. Collaborative – 3.61
- g. Welcoming – 5.31
- h. Flexible – 3.03

31. Please select the following statement that best describes your company. (Select all that apply.)

- a. My company has faced challenges in meeting diversity and inclusion goals related to workforce development at our **rural** location(s) – 15.18%
- b. My company has faced challenges in meeting diversity and inclusion goals related to workforce development at our **urban** location(s) – 9.82%
- c. My company has not faced challenges in meeting diversity and inclusion goals related to workforce development at either rural or urban locations – 75.00%

32. Please describe the challenges that your company has faced in meeting diversity and inclusion goals related to workforce. If your company has not faced any challenges, please enter NA.
[OPEN-ENDED RESPONSE]

33. Are there other aspects at your company (e.g., company culture, other perks, career potential, family-like atmosphere) that you feel are critical selling points or challenges in attracting and retaining workers in rural vs. urban areas, and if so, what are those? *[OPEN-ENDED RESPONSE]*

34. What is your company's primary industrial classification?

- a. Chemicals – 4.35%
- b. Computer and electronic products – 0.87%
- c. Electrical equipment and appliances – 5.22%
- d. Fabricated metal products – 32.17%
- e. Food manufacturing – 2.61%
- f. Furniture and related products – 3.48%
- g. Machinery – 8.70%
- h. Nonmetallic mineral products – 2.61%
- i. Paper and paper products – 3.48%
- j. Petroleum and coal products – 0.00%
- k. Plastics and rubber products – 8.70%
- l. Primary metals – 4.35%
- m. Transportation equipment – 6.09%
- n. Wood products – 3.48%
- o. Other – 13.91%

35. What is your firm size (e.g., the parent company, not your establishment)?

- a. Fewer than 50 employees – 17.54%
- b. 50 to 499 employees – 66.67%
- c. 500 or more employees – 15.79%

36. While this survey is anonymous, we plan to interview a handful of companies to discuss their experiences with recruiting and retaining employees in rural and urban areas, especially as it relates to challenges and best practices. Would you be interested in discussing this topic more fully in such an interview?

- a. Yes – 30.70%
- b. No – 69.30%

37. Please provide your name and contact information.

- a. Name _____
- b. Company _____
- c. Title _____
- d. Phone number _____
- e. Email _____

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