



Bernard L. Schwartz  
**REDISCOVERING  
GOVERNMENT**  
Initiative

## A Federal Agenda for Revitalizing America's Manufacturing Communities

For the past year, the Century Foundation's High Wage America project has worked with stakeholders from the industrial midwest, developing a comprehensive agenda to revitalize manufacturing communities. In addition to expert research, HWA organized a tour through Midwest cities (Pittsburgh, Cleveland, and Chicago), in partnership with the Industrial Union Council of the AFL-CIO, Heartland Capital Strategies and numerous allied organizations. We engaged with hundreds of labor, business and community leaders. This \$2 billion, twelve point action plan is focused on giving communities the critical resources they need to make their economies competitive and providers of good paying jobs for the communities in greatest need. These recommendations are expanded upon in a report, authored by Andrew Stettner and Joel S. Yukden to be released on September 13, 2018 at a summit with Vice President Biden and Senator Kirsten Gillibrand, available at

<https://tcf.org/topics/economy-jobs/rediscovering-government/high-wage-america/>

### Priority 1: Communities and Employers Must Increase the Pipeline of Qualified Workers

- **Recommendation 1: Provide federal grants for career-based K–12 programs targeting manufacturing.** A \$100 million grant program could fund thirty communities across the nation to develop innovative efforts to introduce young people into manufacturing. Eligible programs would include work-based learning, robust engagement of employers, attainment of industry-recognized credentials, and grants that fund school districts that market the benefits of manufacturing careers within their communities.
- **Recommendation 2: Double manufacturing apprenticeships in five years and build the infrastructure for sector based education and training.** Federal funding should expand apprenticeship training programs and double the number of registered manufacturing apprenticeships from 17,000 to 35,000 in the next five years, using tax credits or grants of \$2,000 per apprenticeship to catalyze expanded enrollment. Federal funding should be given to states, industrial partners, and educational institutions to establish pre-apprenticeship and pipeline programs.
- **Recommendation 3: Use wraparound services to strengthen manufacturing employment programs in communities of color.** Communities need to [implement complementary wraparound services](#) such as transportation, child care, and emergency funds, as well as career counseling, case management, and mentoring. Several key policy proposals move in this direction, including the [Gateways to Career Act](#) and the [PARTNERS Act](#).

## Priority 2: Prevent and Mitigate the Displacement of Manufacturing

- **Recommendation 4: Expand trade adjustment assistance into trade, technology, and policy adjustment assistance.** Congress should update the Trade Adjustment Assistance (TAA) program by moving from the current standard of factory-by-factory certification to industry- and occupation-wide certification, shortening the time frame for certifications, and expanding the eligibility rules to cover involuntary job losses to automation. TAA should provide a promise of extended income support.
- **Recommendation 5: Improve the implementation of WIOA layoff aversion.** A new aspect of WIOA law requires states to use a portion of rapid response dollars to [prevent layoffs](#), but guidance about this requirement came too late to influence state plans for WIOA dollars. The Department of Labor needs to give stronger guidance to provide effective business turnaround services to manufacturers at risk of closure, including a directive to immediately amend their state plans with more specific layoff aversion plans that conform to the guidance.

## Priority 3: Foster High-Tech Manufacturing

- **Recommendation 6: Institute a new race to the top for advanced manufacturing.** The federal government should commit \$400 million over four years to encourage states to develop their advanced manufacturing sectors. The race would be modeled after the Department of Education's \$1 billion [Race to the Top for Early Learning Challenge](#) and the \$4.35 billion [Race to the Top Fund](#) and would seek to catalyze state-level investments for new partnerships between public universities and manufacturers, apprenticeships in skilled manufacturing trades, or for manufacturing extension agencies to further support technology integration among small businesses.
- **Recommendation 7: Extend and expand Manufacturing USA and its institutes.** Congress should make federal core institutional funding for [Manufacturing USA](#) institutes permanent, with prescribed levels of fund matching from private sector partners and/or state governments. The number of Manufacturing USA institutes should be expanded beyond the current fourteen to the [originally planned forty-five institutes](#).

## Priority 4: Enhance Manufacturing Partnerships

- **Recommendation 8: Reinstitute and expand the 2012–16 Investing in Manufacturing Communities Partnership.** Congress should appropriate \$30 million for the Defense Manufacturing Communities Program—a partial successor for the IMCP program—which was authorized by the FY 2019 National Defense Authorization Act in August. The Departments of Defense and Commerce should consult with IMCP communities and take lessons from the pilot in order to re-establish the designation even before specific funds are authorized.
- **Recommendation 9: Strengthen and expand the Manufacturing Extension Partnership.** Funding for MEP should be maintained at its historical norm of close to \$200 million annually. Congress should institutionalize the partnership and bridges now being pilot-tested between small and medium manufacturers and the Manufacturing USA institutes.

#### Priority 5: Unlock New Sources of Capital to Keep the Recovery of Distressed Communities Going

- **Recommendation 10: Create an industrial bank to facilitate the reshoring of manufacturing jobs.** A federal industrial bank can provide low-cost loans and loan guarantees to manufacturers. Like [proposals for an infrastructure bank and the recent successful experiment with Build America Bonds](#), industrial bank funds would require that private lenders provide part of the funding for any supported project. Congress could fund the bank with revenue from tariffs targeting dumping, threats to national security, and unfair competition.
- **Recommendation 11: Establish a national economically targeted/impact Investment clearinghouse.** An investment clearinghouse for sustainable, responsible, impact investing would foster co-investments with the private sector and the industrial bank to mobilize and amalgamate pension and impact investments. The clearinghouse would work with various stakeholders to encourage investment management firms to develop new, innovative investment products to fill capital gaps.
- **Recommendation 12: Establish a revolving technology loan for small businesses.** The U.S. Small Business Administration should create a revolving loan fund that particularly targets small manufacturers, enabling them to upgrade their production equipment, cybersecurity, and networks, and install smart manufacturing technologies.