

JOB CREATION 2020 SENATE COMMITTEE

October 28, 2009

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JOB CREATION ~ Discussion Topics

- 1) What will the Missouri workforce look like in 2020?
- 2) What employee skills and knowledge will be needed to grow the state's economy?
- 3) What will our industries/businesses look like in 2020?
- 4) Where are our future opportunities for (job) growth?
- 5) What are the challenges?
- 6) What role should government play in job creation?
- 7) How can we maximize job creation through public-private partnership?
- 8) How do we balance public and private interests?
- 9) What "best practices" or models in other states can we learn from?

1) What will the Missouri workforce look like in 2020?

- ❖ First; let's survive 2010, 2011, 2012 ...
- ❖ With a majority of "baby-boomers" retiring by 2020, the workforce will be young and diversified.
- ❖ If manufacturers are wealth constrained; jobs will continue to move off-shore leaving only service related and low paying jobs, i.e., retail, etc.
- ❖ If manufacturers are wealth creators; the workforce will fill productive and higher paying manufacturing jobs, i.e., engineering, quality, design, technical, research & development, value-add production, etc.

There is no 2020, without 2010, 2011, 2012 ...

2) What employee skills and knowledge will be needed to grow the state's economy?

- ❖ With service related jobs, skill and knowledge requirements will be minimal, i.e., middle school basic math, language, etc.
- ❖ With manufacturing jobs, we will need skills to compete globally with low-cost and high-tech countries, i.e., engineering, quality, design, problem-solving, research & development, etc.

The choice ... Service OR value-added jobs?

3) What will our industries/businesses look like in 2020?

- ❖ If manufacturers are wealth constrained; Missouri and the US will be a service provider, living off credit from other nations, i.e., China.
- ❖ If manufacturers are wealth (and job) creators; Missouri and the US can regain it's financial superiority in the world economy.

The key ... ADD VALUE.

4) Where are our future opportunities for (job) growth?

- ❖ Jobs come from “wealth”. Wealth comes from;
 - a) The ground in the form of crops, or the use of resources such as oil, natural gas, coal, etc.
 - b) Manufacturing ~ Converting raw materials to end products for sale both inside and outside Missouri and the US.
- ❖ As wealth (real money) grows, so does demand, and in turn, JOBS. Money will flow to the US creating wealth for government and business.
- ❖ When we aren’t “producers”, our money is spent outside the US weakening our economy, forcing us to live off credit from other countries, i.e., China.

How can we create wealth (& jobs)?

5) What are the challenges?

- ❖ Surviving the recession.
- ❖ Convincing financial institutions (or SBA, or DED) to provide loans or lines-of-credit to small businesses.
- ❖ Assuring earnings remain with businesses for re-investment ~ minimize regulation and taxation.
- ❖ Competing and growing market-share in a low-cost, high-tech global environment.
- ❖ Localizing manufactured and consumed products.
- ❖ Innovation; in the form of new products, and creative improvements to existing products.
- ❖ Identifying strong leadership with a long-term strategy.

Survival.

6) What role should government play in job creation?

- ❖ “Stimulate” financial institutions (or SBA, or DED) to support local business with loans and credit lines.
- ❖ Support businesses that grow jobs by creating and maintaining a fair balance between regulations and freedom to compete globally, i.e., Taxes, Cap & Trade, etc.
- ❖ Provide immediate cash incentives for businesses to retain jobs; then, long-term rewards for creating jobs.
- ❖ Demand and protect a globally level playing-field.
- ❖ Expand “Enterprise Zones”.

Help businesses succeed.

6) What role should government play in job creation? *(continued)*

- ❖ When government provides financial assistance for companies with job growth capabilities, the return-on-investment is less than 24-months, and comes from:
 - a) State & local business income tax revenues
 - b) State & local individual income tax revenues
 - c) Real and property tax revenues
 - d) Reduced unemployment and welfare costs
 - e) Ripple effect through community ~ producing sales tax revenues, jobs, etc.
- ❖ Stop card-check; it will reduce the our ability to compete with low-cost countries and kill jobs.

Help businesses succeed.

7) How can we maximize job creation through public and private partnership?

- ❖ The Government is pouring a lot of money into the future ~ but TODAY is more important.
 - ◆ Stimulus funds have assisted small “start-up’s” and large distressed businesses. Nothing is available for existing small and mid-sized manufacturers.
- ❖ Provide training funds (cash, not credits), making our workforce globally competitive.

Provide solutions; not bureaucracy.

8) How do we balance public and private interests?

- ❖ Retain jobs, then grow jobs ~ it doesn't work in reverse.
- ❖ Eliminate or reduce costs which are not essential and/or do not add-value to manufacturing. Remember, wealth creates jobs.
- ❖ Provide training funds (cash, not credits), making our workforce globally competitive.
- ❖ Re-charter Technical High Schools ~ 25 years ago they provided excellent basic training for industry.

Survive ... then grow.

9) What “best practices” or models in other states can we learn from?

❖ A real-time example:

Our company (LMC Industries) recently hired 2 people from Minnesota. In exchange, Minnesota is sending us training funds; cash, not credits. Missouri’s requirements are too restrictive and/or just provide credits. Additionally, many jobs don’t qualify for Missouri assistance. If Missouri and the US would provide real-time assistance to retain jobs, job creation will follow.

Immediate incentives ... not future credits.