

Marine Trades Summary Results

In 2009, a partnership formed between the Massachusetts Marine Trades Association (MMTA) and the North Shore Workforce Investment Board (NSWIB) to conduct a survey of Marine Trades based businesses in Northeastern Massachusetts. The survey used was originally developed, in 2005, by the MMTA, Urban Harbors Institute (UMASS-Boston), South Coastal WIB, and Massasoit Community College in order to review the Marine Trades industry in the South Coastal Region of Massachusetts. The MMTA and NSWIB have modified the survey for the Northeastern Region of Massachusetts.

The goals of the Marine Trades survey were to determine the current and future challenges facing the Marine Trades Industry and the workforce development needs of the industry.

The survey was conducted by both paper and electronic means. The survey distribution list was provided by the MMTA to the NSWIB using business addresses for the paper survey and email addresses for the electronic survey from MMTA member businesses based in Northeastern Massachusetts. The MMTA conducted the distribution of the paper survey and the NSWIB distributed the electronic survey. In addition, the NSWIB received and analyzed the survey results. The survey period was from January 2010 to April 2010. A total of 83 businesses received the survey, of which 17 responded which is a response rate of 20.5%.

The following provides a summary and findings of the Marine Trades Survey.

Profile of Responding Companies:

- There were two different types of companies that responded to the survey, the first being focused on a single aspect of the Marine Trades industry, such as being solely a Boatyard/Boat Repair or Marina. The second type of company had diverse products and services within the Marine Trades industry (for example, one company was a Boatyard/Marina/Brokerage.)
- The majorities of the companies (59%) did business as, or were involved with, Boatyards/Boat Repair.
- Fourteen of the companies that responded to the survey can be considered well-established having been in business over 20 years with the oldest company being over 100 years old. Even the younger companies tended to be established as these companies had been in business 16 to 19 years. The one exception being a company that recently gained new ownership within the last year.
- 83% of the companies were either located coastal waterfront or inland waterfront, these companies were involved with all aspects of the Marine Trades industry. The upland companies were all retailers or manufacturers of Marine Trades goods, though one company was also a Boatyard.
- Most of the companies (65%) surveyed were small companies with less than 5 full-time employees and with part-time employees they are still under 10 employees during the peak summer season.

Current and Future Employment:

- The companies indicated that they currently hire 148 year-round employees and 68 seasonal employees during the peak summer months. These employees fall into four main occupational groups. There are two high skilled occupation groups within the Marine Trades industry, the technology group (Technicians) and non-technology group (Varnisher, Fiberglass, Carpenter, and Welder). The other two groups are the business operations group (Business/Clerical Support and Sales), and the laborers (Riggers, Boat Yard Laborers, Boat Washers, Dock Master, and Dock Attendant).
 - The skilled technician positions (Master Technician, Diesel Technician, In Board Gas Engine Technician, Outboard Technician, Stern Drive Technician, and Electrical Technician) combine for 24% of the total year-round employment and 15% of the seasonal employment.
 - The skilled non-technology group (Varnisher, Fiberglass, Carpenter, and Welder) combine for 28% of the year-round employment and 7% of the seasonal employment. The importance of these positions within the Marine Trades industry is revealed when considering that 90% of the skilled non-technology group are employed year-round.
 - The business operations occupation group (Business/Clerical Support and Sales) makes up a significant portion of Marine Trades employment at 21% of the full-time employment and 16% of the seasonal employment.
 - The laborers (Riggers, Boat Yard Laborers, Boat Washers, Dock Master, and Dock Attendant) had a year-round employment percentage of 14% and a seasonal employment percentage of 44%. The significant difference between the year-round employment percentage and the seasonal employment percentage is a reflection of the employees primary work environment (outdoors) and the seasonal nature of the Marine Trades industry.
- Within the next five years, the companies are planning on hiring 48 new year-round employees and 19 seasonal employees. This would increase overall year-round employment by 32% and double the seasonal employment.
 - The technician group is expected to have 19 new year-round hires, which would be 40% of all new hires in the industry. All of the occupations in this group are all estimated to have 3-4 new year-round hires with the exception of Stern Drive Technician which is estimated to have only 1 new year-round hire. Seasonally, each occupation should gain 1 new hire, except Stern Drive Technician which no companies expect to hire.
 - The skilled non-technology group is expected to have 11 new year-round hires, which would be 23% of all new hires in the industry. Painter/Varnisher is the occupation expected to have the most new hires at 5. Companies do not plan to have many seasonal hires within this group.
 - The business operations group is expected to have 6 new year-round hire, which would be 12% of all new hires in the industry. Seasonally, the companies are planning to hire 2 more individuals from this group in the next five years.
 - The laborers are expected to have 10 new year-round hires, which would be 21% of all new hires in this industry. Seven of these hires would be for Boat Yard Laborers. 53% of all new seasonal hires are expected to come from this group, the most popular occupation being Dock/Gas Dock Attendants.

Employment Challenges & Workforce Development needs:

- 59% of companies believe that their ability to grow and expand is not inhibited by being able to find qualified employees.
- 53% of companies find it hard to replace skilled employees who retire with new skilled employees.
- The most difficult positions for the companies to fill are: Painter/Varnisher (29.5%), Electrical Technician (23.5%), Fiberglass Technician (23.5%), Master Technician (18%), and Stern Drive Technician (18%).
- The most popular sources of training for employees were Directly from Manufacturer/Dealer (41%), Vocational School (29%), and Non-Profit Organizations (29%).
- 71% of the companies provide formal on the job training.
- 53% of the companies do not send employees for further training at the company's expense.
- The most preferred qualifications for a potential employee to have are Master Technician (47%) and Electrical Technician (35%). Diesel Technician, In Board Gas Engine Technician, Outboard Technician, Stern Drive Technician, and Fiberglass Technician all had response rates of 29.4%.
- 76% of companies view the need for local education centers to provide Marine Trades training and/or certification.
- The three most popular methods of delivering training services for Marine Trades are Classroom/Workshops (53%), Customized on-site training (29%), and Customized off-site training (24%).
- The majority of the companies believe that winter provides the best time for employees to attend training.
- 71% of the companies subcontract work, with 58% of companies subcontracting due to lack of employee expertise.
- Half of the responding companies indicated that their customers use subcontractors.
- Seven companies had six or fewer contractors entering their facilities, while three companies had 10 to 14 contractors entering their facilities.
- All of the contracting work involved the maintenance and repair of boats. This work varied from the cleaning of boats, engine repairs, and carpentry.

Current & Future Challenges facing the Marine Trades Industry:

- The companies identified that the biggest challenge facing them today was the economy. However, the challenges presented by the economy manifest themselves in multiple ways.
 - Maintaining cash flow during the recession has been difficult as customers are spending less and are harder to sell to. In addition, finding new customers has proven difficult.
 - Government Regulations are having an effect on the Marine Trades.
 - The associated cost of hiring an individual full-time has increased due to Health Insurance, Liabilities, Taxes, and Workman's Compensation Insurance.
 - There is a perception that the Massachusetts sales tax is driving individuals to purchase boats and register them in New Hampshire or buy them on the internet, while using the boats in Massachusetts.

- Another challenge facing the companies is the availability to find and hire talented employees. This has caused the companies trouble in keeping up with their workloads and caused one company difficulty in expanding their business.
- The companies believe that the challenges they will face in five years are the same as they face now.
 - They are uncertain about the economy and having customers forgo services provided by company, even if they are routine maintenance, in the interest of saving cash.
 - Companies are wary about the government regulations and what “*hoops they will have to jump through.*”
 - They are concerned about manpower and whether or not there will be an experienced pool of technicians for them to hire.
- 71% of the companies perceive that changes in the industry are going to change the skill sets or training needed by their employees.
 - Changes in technology are going to require technicians to need more training from the manufacturer; this will mostly be electrical and mechanical.
 - As new boats become more maintenance free; the need for Painters/Varnishers will become less necessary.
 - New regulations will cause changes to the way Marine Trade Companies do business.
 - One company believes that concentration of Marine Trade Companies within 30 miles of the New Hampshire will decrease.
- Marine Trade Companies see future training needs in two main areas, Electronic Devices and Mechanical Skills, and to a lesser extent Fiberglass.
 - Electrical and Electronic Skills needed:
 - Electrical Assembly and Wiring
 - Communication & Navigation Equipment
 - Fly-by-wire
 - Electronic Systems Design
 - Mechanical Skills needed:
 - POD Drives
 - General Mechanical Skills
 - Mechanical Operation
 - Fiberglass Skills needed:
 - Hands-On-Training
 - Course on new composite materials used on new boats

Analysis of Survey Results:

There is a popular misconception in Massachusetts that the Marine Trades industry is unable to provide year-round employment due to the seasonal nature of the industry. However, this is only true for the laborers (Riggers, Boat Yard Laborers, Boat Washers, Dock Master, and Dock Attendant) whose employment doubles from late spring to early fall. The skilled Technician positions (Master Technician, Diesel Technician, In Board Gas Engine Technician, Outboard Technician, Stern Drive Technician, and Electrical Technician) had a year-round employment rate of 76% and the average wage for a Motorboat Mechanic (SOC code 49-3051) was \$44,010 and Electrical Technician (SOC code 17-3023) was \$51,940 in May 2008 for Massachusetts. Also the responding businesses indicated that 40% of their new year-around hires will be technicians. The skilled non-technology group (Varnisher, Fiberglass, Carpenter, and Welder) had a higher year-round employment than the skilled technology group at 90% and each

occupation had a median wage over \$30,000. The skilled workers within the marine trades industry are able to find gainful employment at a livable wage.

There is a need for a local education center for the Marine Trades industry. Currently, most of the training is conducted directly by manufacturers/dealers that may be located out of state. This hinders the smaller companies who would want to train employees but can ill afford to lose their productivity by having them off-site. Marine Trades businesses would like workshop training with potential for customized off-site training. This type of training could be facilitated by local vocational schools, community colleges or private vendors. The best time for this training would be in the winter when the workload would be at seasonal lows. Training should be tailored to the technician occupations which are the most desirable qualifications for potential employees. Another option for training would be to invite manufacturers/dealers to present and offer hands-on training courses on new products and technology for marine trade businesses at events hosted by the MMTA.

Many businesses have expressed concern over the economy and how it is affecting their bottom lines. Boats are big budget items and during the current recession, customers are either choosing to not purchase a boat or forgo routine services. This has disrupted marine trade companies from expanding their businesses and hiring new employees. Respondents are also concerned about government regulations.

Recommendations:

- ❖ Partner with local educational institutions (Voc Tech Schools/Community Colleges etc.) to develop technician training programs. Since all of the technician occupations have mechanical skills and these are transferable skills, training should focus on the different types of the engines used within the marine trades industry. Training should start with incumbent workers because of the economy and would put current technicians on the pathway towards becoming a master technician.
- ❖ Start a mentoring program that matches entry level technicians with master technicians.
- ❖ Develop a consortium of Marine Trade businesses, via the MMTA, to encourage Manufacturers/Dealers to provide seminars and hands-on training on new marine trade products closer to the location of marine trade businesses or on-site at a host business. This would be a win-win situation as manufacturers would be able to make sales pitches to marine business and marine businesses employees would be able learn/use/repair new products and technology.
- ❖ Develop a business support group to help marine trade companies with the business operations aspects of their operations, such as customer outreach and information on State and Federal regulations.
- ❖ Seek out funding that would support an industry led workforce development grant that could help address some of the issue presented in the survey results.