



**Proactive Technologies News**

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**More Education Won't Fix Flat or Declining Wages, But Appropriate Compensation and Stable Job Markets Can Make College Worth It**

*by Dean Prigelmeier, President of Proactive Technologies, Inc.*



Having several degrees myself, I can say that I am a strong believer in higher education. I sometimes take issue with the quality and relevancy of courses or degree programs, but I would always encourage an individual to consider the value of acquired knowledge to their life plans and the additional doors it may open.

I say this even though many of us who have achieved a higher degree silently questioned how much of their degree really mattered, or how much was forgotten for lack of application when an opportunity to apply it came along too late.

All said, two major trends influence my need to add a caveat to my encouragement to pursue higher education. First, be aware of the endless increases to the cost of higher education and, second, be cognizant of the instability of target job classifications and careers that not only renders a two or four-year degree irrelevant but, today, may leave the graduate empty handed and swamped with student loan debt. Even if the graduate is able to find a job in their expected field, the shock of unexpectedly low and flat wages may harness them to an unfulfilling job for life and sliding backward with all-consuming debt.

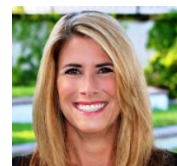
[According to the Huffington Post](#), the cost of a college degree in the United States has increased "12 fold" over the past 30 years, far outpacing the price inflation of consumer goods, medical expenses and food. Referencing a Bloomberg study, college tuition and fees have increased 1,120 percent since records began in 1978. Using a chart to explain its findings, Bloomberg reports that **the rate of increase in college costs has been four times faster than the increase in the consumer price index.** It also notes that **medical expenses have climbed 601 percent, while the price of food has increased 244 percent over the same period.** Additionally, [according to the National Center for Education Statistics](#), since 2013 the tuition costs continued on its upward path.

**While education costs have skyrocketed and with student loan debt reaching \$1.5 trillion, [wages for graduates have continued to stay flat or decline](#)**

. While it is still true that advanced degrees have a tendency of leading to higher starting wages and higher wage caps for the field, the number of fields this still holds true for are dwindling as these jobs are redefined, relocated or staffed with foreign workers invited to work for less. This makes working out of student loan debt slow, laborious in itself and often impossible. [Read More](#)

**Your "Resident Expert" May Not Be an Expert Trainer, But Easily Could Be**

*by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.*



Just because a worker is informally recognized as a "star performer," it doesn't necessarily follow that they can be an effective trainer. Employers like to think it is as easy as that, but seldom does it turn

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## Proactive Technologies' Publications Archive

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**Helping employers to unlock worker value since 1986!**



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If interested in attending one of the presentations below, click on the title, then select a date/time and press "Send." An online presentation invitation and link will be sent to you. On the date and time of the event, just click on link in email invitation and it will connect you to the presentation. **No special equipment**

out to be the case. However, with a little structure, and a little guidance these resident experts can, and often do, become expert trainers.

If one thinks about how an expert is measured and recognized, it is usually by subjective, mostly anecdotal measures. The worker performs job-related tasks quickly, consistently and completely. This implies few mistakes, performance that is mostly within specifications and standards of performance, and no one can remember anything rejected or returned as scrap or rework.

Thinking it through a little further, one might struggle to explain how the expert performer developed these traits. Someone showed them how to perform a task, and repetitive performance developed new, retained skills. They are now operating as a "robot" while performing a task, seldom thinking about the subtleties and nuances of each task (filed in memory long ago), which makes them fast, consistent workers - something the employer can notice and appreciate.

But if we ask "who trained this expert," "how was he or she trained," or "what specifications and standards were emphasized," we come up empty. **By just playing the role of a trainee, and allowing one of these experts to train you on a task, will reveal a lot as to what the new-hire or cross-trainee can expect.** If we compare this expert's task performance to other peer experts, we probably will notice slight differences in performance between them, which means workers that each trained may be trained differently on the same task. Sometimes these differences can be subtle and of no consequence, sometimes they become a point of contention, lead to confusion and/or unsafe and incorrect task performance.

Every work environment is less than ideal for learning. Production pressures, personality clashes, learning style and teaching style differences, and departmental boundary incursions do not make it easy for a trainer to train or a trainee to learn without structure and guidance. If any of our experts train the next wave of new-hires or cross-trainees without structure, tools and standards - the building blocks of "best practice" performance - some of the expertise might not transfer and the differences between them become more obvious with each wave. [Read More](#)

### Put Yourself in a Trainee's Shoes

*by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.*

It is fun to watch a popular TV show on CBS called "Undercover Boss," reruns and all. Watching a CEO or executive of a major corporation slip into disguise and enter the world of their workers is interesting and entertaining. Sometimes they find the organization needs a little "tweaking," and sometimes it needs major rethinking.

The entertainment value, I suppose, comes from watching these individuals being tossed into a job classification - alien to most of them - and, while cameras are rolling, receiving a crash course in performing various job tasks. Some are performed close to the customer. Not only do leaders get a rare look at what it is like at the lower rungs of the organization, in some cases they get a look at the sub-par performance most of their customers experience and how tenuous the corporation's existence is - sustained only by the initiative a few loyal, but mostly self-interested, employees who try to make up for the corporation's shortcomings as if their job and future depend on it...which they do. If the company fails, they lose their job, plain and simple. Some put up with the company's shortcomings in pursuit of the next opportunity.

It is interesting to see CEO's marvel at how difficult it is to learn the job tasks they previously thought were inconsequential and not worthy of attention. Previously known only as a word on a report, the fact that how the tasks are performed by these neglected employees are the reason the corporation exists goes unnoticed and unappreciated. Some look like episodes of the popular television shows of the 50's and 60's, "I Love Lucy."

A typical Undercover Boss episode might display: [Read More](#)

### Worker Capacity; Malperformance Cause-Effect

*by Dean Prigelmeier, President of Proactive Technologies, Inc.*

How often do we stop and ask ourselves why a worker is malperforming, under-performing or over-achieving? My guess is far too infrequently.

required.

[Click here](#) for descriptions of all of the available presentations. Click on a specific title for that specific description and schedule or to schedule a date and time that works for you.

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[PTI1001 - A Preview of an Upcoming Presentation](#)  
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**FOR ANY EMPLOYER:**  
[PTI1002 - Building an Effective Worker Training/Apprenticeship System - Registered or Not](#)  
(45 minutes)

[PTI1004 - If You Can't Find Skilled Workers, Develop Your Own](#)  
(45 minutes)

[PTI1007 - Structured On-the-Job Training Supports ISO/AS/TS Process Training Requirement Compliance](#)  
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[PTI1008 - Preparing your Workers for Growth: Using Lulls Before Growth to Increase Your Worker's Capacity](#)  
(45 minutes)

**FOR EDUCATION, WORKFORCE AND ECONOMIC DEVELOPMENT ORGANIZATIONS**  
[PTI1003 - Adding Employer-Specific Structured OJT to Your Training Support Strategy](#)(45 minutes)

[PTI1005 - Adding Structured On-the-Job Training to Your Apprenticeships](#)  
(45 minutes)

[PTI1006 - Building a Regional Workforce Development Infrastructure: Employer-Specific for Maximum Effectiveness and Lowest Investment](#)  
(45 minutes)

If you would like more information or would like to discuss these presentations or anything else, click [here](#) and fill in the "Contact Us" with your request including information specifying an alternative date/time you prefer and how many will be attending. An invitation and link will be sent to you.

## UPCOMING EVENTS

Perhaps this is because the world we live in, with little time to study things deeper or explore an event closer. Perhaps because some of us feel helpless to do anything to correct it or exploit it (in the case of the over-performer) so we leave it alone. Perhaps the internal experts we rely on for answers lack the proper training themselves (in training program development, implementation, performance measurement) to be helpful. However, so much of what separates a high performing company from a mediocre or failing company depends on the collective effectiveness of the workforce. And the underlying desire to correct bad task performance, and proactively develop and maintain good task performance to replicate star performers, seems common, logical and ubiquitous.

Generally speaking, when we troubleshoot an error in performance, we would like to get to the cause, such as "operator error," "equipment malfunction," or "flawed material." But this is more like isolating the area in which the error happened. We can troubleshoot a machine or send material to the lab for testing, but often the analytical "tools" to dive deeper into the human factor are lacking or inadequate, and the will of management to devote the time soft. The notion of worker "capacity" is a very useful tool that can help a company be proactive in preventing most of the common employee-related errors.

According to the Business Dictionary, "[capacity](#)" (in a manufacturing sense) is defined as, "Highest sustainable output rate (maximum number of units per month, quarter, or year) that can be achieved with current resources, maintenance strategies, product specifications, etc." This is fairly easy to relate to a piece of machinery, a department, or a company. But when applied to a single worker, some loose variables that apply broadly need to be tightened to be useful.

There are several ways a worker can learn to perform. [Read More](#)

## Take Advantage of Proactive Technologies' Spring "Turn-Key Project" Discount Offer

March 1st - April 30th, 2019!

[Learn more](#) and get ready to maximize worker performance while minimizing your investment to do so!

**What keeps you up at night?** Is one of them what will happen to worker and organizational capacity if staffing levels change (increase or decrease)? Or if changes in market conditions, technology, processes, organizational structure and product lines change the work to be performed? **Do you feel prepared?**

### THE SOLUTION IS REALLY PRETTY SIMPLE

1. Capture current expert worker expertise and manage it for change;
2. Use it to accelerate the transfer of expertise to next worker;
3. Measure and improve processes and worker performance;
4. Monitor progress and report.

You probably have all the pieces of a strong worker training program in place. **What you may be lacking is a proven method and support to set your system up and provide implementation technical support so you can focus on business.**

Why not take a few minutes to find out more about Proactive Technologies' **PROTECH™ system of managed human resource development** for the **accelerated transfer of expertise™**?

**Low investment - high return!** Increased worker capacity, work quality/quantity, and compliance... all while decreasing your internal costs of training!

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## Industry News

**DOMESTIC ECONOMIC DATA**  
Gross Domestic Product, 4th quarter and annual 2018 (third estimate); Corporate Profits, 4th





Onsite and group presentations are being scheduled for the following states, **and a representative will be in your area**, in the month of:

### **April, 2019**

Colorado (Eastern Slope)

Indiana

Kansas (Kansas City, Topeka and I70 Corridor)

Kentucky (North and Eastern)

Missouri (Kansas City, St. Louis)

North Carolina (Asheville and Western Area, Charlotte, I77 Corridor)

Nevada (Reno, Las Vegas)

New Mexico (Albuquerque, Santa Fe)

Ohio

Pennsylvania (Pittsburgh and Western Area)

South Carolina (UpState, Columbia and Charleston Area)

Tennessee (Eastern)

West Virginia (North-Central, South Central)

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**Classes alone will not close the "skills gap," but structured on-the-job training can...every time!**

Under-capacity of workers is an enormous source of untapped value and unrealized return on worker investment. In addition, standardizing expert task performance - between workers and shifts - can add to worker ROI through lower scrap and rework.

Experience the power of the **PROTECH™** system of **managed** human resource development!

### **Quarterly and Annual 2018**

*US Department of Commerce - Bureau of Economic Analysis*

Real gross domestic product (GDP) increased 2.2 percent in the fourth quarter of 2018, according to the "third" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.4 percent.

[Read Report](#)

### **Personal Income, February 2019;**

### **Personal Outlays, January 2019**

*US Department of Commerce - Bureau of Economic Analysis*

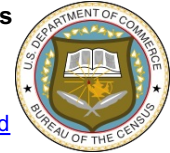
Personal income decreased \$22.9 billion (-0.1 percent) in January according to estimates released today by the Bureau of Economic Analysis. Disposable personal income decreased \$34.9 billion (-0.2 percent), and personal consumption expenditures increased \$8.6 billion (0.1 percent). [Read Report](#)



### **Manufacturers' Shipments, Inventories, and Orders**

*US Census Bureau*

New orders for manufactured goods in January increased \$0.3 billion or 0.1 percent to \$500.5 billion. January 2019: +0.1% change; December 2018 (r): +0.1% change. [Read Report](#)



### **Job Openings and Labor Turnover**

*US Bureau of Labor Statistics*

The number of job openings was little changed at 7.6 million on the last business day of January, the U.S. Bureau of Labor Statistics reported today. Over the month, hires and separations were little changed at 5.8 million and 5.6 million, respectively. Within separations, the quits rate was unchanged at 2.3 percent and the layoffs and discharges rate was little changed at 1.1 percent. This release includes estimates of the number and rate of job openings, hires, and separations for the nonfarm sector by industry and by four geographic regions. The release also includes 2018 annual estimates for hires and separations. The annual number of hires at 68.9 million and the annual number of quits at 40.1 million increased in 2018. The annual number of layoffs and discharges at 21.9 million edged up in 2018. [Read Report](#)



### **Dollar Tree Says It Will Shutter, and Change Name of Hundreds of Family Dollar Stores**

*USA Today - Zlati Meyer and Charisse Jones*

Dollar Tree is shaking things up.



The discount retailer says that it will shutter as many as 390 Family Dollar stores this year, change the name of roughly 200 more, and will start testing charging more than a dollar in some of its namesake stores.

The string of announcements came as Dollar Tree reported its fourth-quarter earnings.

The Chesapeake, Virginia-based Dollar Tree bought its rival Family Dollar for \$9.2 billion in 2015. but the brand has been ailing. The final number of Family Dollar stores that will close depends on its parent company's ability to get rent concessions from landlords, Dollar Tree said. It already closed 84 underperforming Family Dollar stores in the fourth quarter, which was 37 more than it had planned to shutter last year. [Read Article](#)

### **New \$12B Lufthansa Order for Airbus A350s**

*American Machinist*

Airbus S.A. has a new order estimated at \$12 billion to supply 20 more A350-900 widebody aircraft to Lufthansa Group, the OEM's largest customer. The new contract would bring the carrier's total number of A350 XWB jets to 45, with 12 already in service and 13 on order. The A350 XWB is a widebody aircraft, available in configurations for 300 to over 400 passengers, and available for long-distance service on routes up to 9,700 nm (17,960 km.)



According to reports, the order is in line with an effort by Lufthansa to conserve operating costs by replacing its remaining four-engine aircraft. The new Airbus widebodies will be delivered between 2022 and 2027.

[Read Article](#)

### **DoD Renews LIFT Lightweight Manufacturing R&D Program**

*Forging Magazine - Staff*





- **Accelerated Transfer of Expertise™**;
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- Decreased internal costs of training;
- **Higher return on worker investment!**

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The Lightw eight Innovations for Tomorrow (LIFT) initiative has drawn a renewed contract from the U.S. Dept. of Defense to continue work on critical defense programs, and announced that it is negotiating a new long-term partnership agreement with DoD. "The first five years of our institute have been a tremendous success, moving from an idea on paper to creating a world-class facility in Detroit and building an ecosystem of experts across the country," stated Nigel Francis, LIFT CEO and executive director.

"The value we have shown the Department of Defense, together with our industry and academic partners, enabled this extension and we are now working towards a new long-term agreement to be in place in the near future," he continued.

LIFT, is public-private partnership focused on developing and deploying of advanced lightw eight metal manufacturing technologies, and implementing education and training initiatives. [Read Article](#)

### Detroit Three Gird for Labor Clash as UAW Hikes Strike Pay

*IndustryWeek - Bloomberg*

The United Auto Workers is increasing strike pay for members, a move that could give workers more incentive to stay on picket lines if there's a walkout during potentially contentious negotiations with Detroit Three carmakers this year.



At the union's bargaining convention starting Monday in Detroit, UAW President Gary Jones said strike pay will increase to \$250 a week through the end of this year, from \$200 a week previously. The union will start paying out to \$275 a week starting in January.

The compensation would cushion the financial blow to UAW members if they decide to walk off the job, and serves as a warning shot to automakers that union workers are prepared for tough negotiations. [Read Article](#)

### Faulty Air Bag Parts Prompt Honda to Re-Recall 1 Million Cars

*IndustryWeek - Bloomberg*

Honda Motor Co. will recall more than a million vehicles in the U.S. to replace a batch of faulty air bag parts that were installed as part of the largest auto safety recall in history.



A driver in Maryland was injured in a January crash when a 2004 Honda Odyssey driver-side air bag inflator, made by the now-defunct Takata Corp., ruptured, Honda said in a statement.

The inflator that failed was a replacement installed in 2015 under the terms of a prior recall. The vehicle was included in one of Honda's earliest campaigns to replace Takata air bag inflators that contained a propellant that can become unstable and explode in a crash, a defect linked to more than a dozen deaths and at least 220 injuries worldwide. [Read Article](#)

### Using UN Principles Helps Companies Hit Sustainability Goals

*Material Handling & Logistics - Staff*

One company, the Carlsberg Group, attributed its strong 2018 results in part to sustainability efforts.



Companies who adopted the UN Global Compact Principles are stepping up to the challenge - mitigating corporate social responsibility (CSR) risks within their operations and moving the needle to a more sustainable future, according to a new study by EcoVadis.

The study assessed 20,000 companies on their sustainability performance, looking at key themes of environment, labor and human rights, business ethics and sustainable procurement. [Read Article](#)

### US Companies File Record-High Patent Applications in Europe

*IndustryWeek - Bloomberg*

U.S. companies submitted a record number of patent applications to the European Patent Office in 2018, retaining the country's status as the most prolific filer.



The 43,612 patent applications U.S. companies filed was 25% of the total, the agency said Tuesday, and far more than the 26,734 filed by Germany, the closest competitor. It was up 2.7% from 2017.

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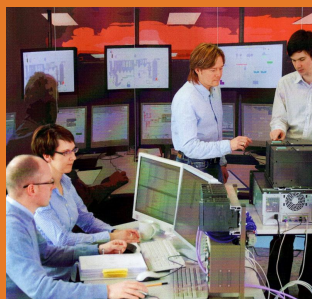
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## SAR Automation and Training



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Siemens AG, based in Munich, filed 2,493 patent applications with the EPO, more than any other company. United Technologies Corp. was the top U.S. filer, but its 1,983 applications trailed those from China's Huawei Technologies Co. (No. 2, with 2,485) and South Korea's Samsung Electronics Co. (No. 3, with 2,449) and LG Electronics Inc. (No. 4, at 2,376). [Read Article](#)

### Lockheed Picks Partner for First F-16 MRO Center

*American Machinist - Staff*

The world's first F-16 'Falcon Depot' will be set up at Kjeller, Norway, for the Royal Norwegian Air Force and other regional F-16 customers.



Airfield in Norway will provide maintenance / repair / overhaul to RNoAF and other regional air forces operating the supersonic fighter jets.

Lockheed Martin Corp. signed an agreement with AIM Norway, an Oslo-based MRO services provider, to jointly establish the world's first Lockheed Martin-licensed F-16 'Falcon Depot' center for the Royal Norwegian Air Force (RNoAF) and other regional F-16 customers. The service center will be located at an existing aircraft maintenance, repair, and overhaul (MRO) center in Kjeller, Norway, and in use by the RNoAF. [Read Article](#)

### The US Needs an Industrial Policy for Growth

*IndustryWeek - Michael Collins*

China has a plan. Why don't we?



Free market economists have been very successful at convincing the public that free trade is good and protectionism is bad. The truth is that multinational corporations and their shareholders have done very well under the banner of free trade, but manufacturing, workers, communities and the middle class have not.

Free-market ideologies allow a hybrid capitalistic system like that in China to operate under its own rules--to cheat, manipulate their currencies, subsidize industries and steal technologies--while the U.S. plays by the market rules. According to a 2017 report from the federal Commission on the Theft of American Intellectual Property, the annual loss to the U.S. economy from Chinese IP theft was between \$225 billion and \$600 billion. [Read Article](#)

### The CEO of a Fuel Cell Company Doesn't Believe in Fuel Cell Cars

*IndustryWeek - Bloomberg*

"I believe fuel cells will still play a very important role with cars, but they will be the gas station."



Fuel cells have no more passionate an advocate than Bloom Energy Corp. Chief Executive Officer K.R. Sridhar, whose company makes power generators with them and tirelessly touts their ability to produce clean energy.

He just doesn't like them in cars.

"It's not the right use for them," he said Wednesday in an interview in San Francisco. "I'm not a believer in it." [Read Article](#)

### Ford Plans \$900 Million Bet on Made-in-Michigan Electric Autos

*IndustryWeek - Bloomberg*

Ford Motor Co. plans to spend about \$900 million and hire about 900 workers to build electric and self-driving vehicles in Michigan while moving production of a small commercial van to Mexico from Europe.



The moves, announced the same day Donald Trump visits an Ohio tank plant, follows the president's sharp criticism of General Motors Co. for idling a car factory in Lordstown, Ohio. Ford is reiterating some previous financial and employment commitments while changing gears for the third time on building electric vehicles at an underutilized factory south of Detroit. [Read Article](#)

### Highest-Ranked UAW Official Yet Charged in US Fiat Scandal

*IndustryWeek - Bloomberg*

The former head of the United Auto Workers' unit representing workers at Fiat Chrysler Automobiles NV department was charged by federal prosecutors in Detroit with conspiracy to violate the Labor Management Relations Act, becoming the highest-ranked union official yet caught up in





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## MEMORABLE QUOTES

*"It's not enough to do your best; you must know what to do & then do your best."*

[W. Edwards Deming](#)

American engineer, statistician, professor, author, lecturer, and management consultant  
1900-1993

*"I am not afraid of storms for I am learning how to sail my ship."*

[Louisa May Alcott](#)

American novelist and poet  
1832-1888

*"Many of life's failures are people who did not realize how close they were to success when they gave up."*

[Thomas A. Edison](#)

American inventor and businessman, who has been described as America's greatest inventor  
1847-1893

## Recent Proactive Technologies News Article Quicklinks

### March

[Eight Scenarios That Would Make You Wish You Had a Structured OJT System](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

[Employers Say They Struggle With a "Skills Shortage," Yet They Cut the](#)

the investigation.

Norwood Jewell is the latest former UAW or company official charged by the U.S. over allegations that starting in 2009 or earlier, millions of dollars were funneled from the Fiat Chrysler Automobiles training center to union leaders to buy labor peace. Three former FCA executives and three former UAW officials have pleaded guilty, as has the widow of the prior head of the union's FCA unit. [Read Article](#)

## OEMs' Approaches to Risk Have Changed, But at What Cost?

*IndustryWeek - Paul Erickson*

Production of the Boeing 737 Max 8 airplane is on hold until the cause of the recent crashes is defined and addressed. At first blush, it appears that the failure lies with autopilot programming and/or electronic sensor failure.



Depending on what a formal investigation reveals, the Boeing crashes may be a cautionary tale for Original Equipment Manufacturers. Many OEMs have increased product performance risk through changes in the way they manage their employees and suppliers-by trading risk, rather than mitigating risk.

What do I mean by trading vs. mitigating risk? Trading risk involves reducing product cost, maximizing product performance or adding product features at the risk of reducing product reliability and safety. Mitigating risk implies focusing on reliability and safety first, before considering cost, performance and features. [Read Article](#)

## FTC Unveils Antitrust Task Force Targeting Tech

*CFO.com - Matthew Heller*

"The FTC needs to get past its laser-focus on consumer prices, and figure out what competitive harm means in today's tech markets."



The Federal Trade Commission is beefing up its scrutiny of the technology industry through a new task force tasked with a broad mission to investigate anticompetitive behavior. The FTC said the Technology Task Force, consisting of about 17 staff attorneys, will enhance its focus on technology-related sectors of the economy, including markets in which online platforms compete.

The group will not only conduct law enforcement investigations but also review prospective mergers in the tech sector and consummated mergers. "Technology markets, which are rapidly evolving and touch so many other sectors of the economy, raise distinct challenges for antitrust enforcement," Bruce Hoffman, director of the FTC's Bureau of Competition, said in a news release. [Read Article](#)

## From \$22 an Hour to \$11: GM Job Cuts in Ohio Show a Hot Economy is Still Leaving Parts of America Behind

*MSN News - Heather Long*

LORDSTOWN, Ohio - Scott Mezzapeso had to do something last month he never imagined: call his ex-wife and warn her that he might not be able to pay child support on time. Mezzapeso has a tattoo of his daughter on his left arm and rarely misses her high school softball games, but money has become extremely tight. General Motors is shuttering its plant here, and Mezzapeso is one of roughly 5,400 casualties.



Mezzapeso earned \$22 an hour with good benefits at Magna, a GM supplier that made seats for the Chevy Cruze, but he was laid off last summer as the auto giant scaled back Cruze production and suppliers did the same. Now he makes \$11 an hour working part time at Bruno Bros. Pizza, the only job he has found after months of sending out his résumé. [Read Article](#)

## Financial News

### Amazon Purges Suppliers in Push to Boost E-Commerce Profits

*Material Handling & Logistics - Bloomberg*

Amazon.com Inc. abruptly stopped buying products over the past two weeks from many of its wholesale vendors, encouraging them to instead sell their products directly to consumers on Amazon's marketplace.



It's the company's latest move to boost profits at the core e-commerce business, even if that means disrupting relationships with longtime suppliers and potentially limiting customer choice. Thousands of vendors are

### [Training Budget. What Gives?](#)

by Stacey Lett, Regional Manager - Eastern U.S., Proactive Technologies, Inc.

### [Some Community Colleges Moving Back Toward 70's Approach to Vocational Programs: Why Did it Take So Long?](#)

by Dr. Dave Just, formally Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting

### [Can't Find The Right Workers? Why Not Train Workers To Your Own To Specification?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

## **February**

### [Is it Possible to Close the "Skills Gap" if Focused on the Symptom, Not The Cause?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc

### [Internships of Value - For Employer and Intern](#)

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

### [Workforce Development Partnerships That Last: My Experience](#)

By Randy Toscano, Jr., MSHRM, CEO of Legacy Partners 2

### [Do U.S. Productivity Measures Measure Productivity?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

## **January**

### [Yet Another Reason Structured On-The-Job Training Should Be Part of Any Company's Business Model - New ISO 30414 Standards for Human Capital Metrics](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### [A "Pay-for-Value" Worker Development Program - Fair to Management and Workers, and Effective Too!](#)

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

### [Proactive Technologies Discount Program Ends, But..."Low-Risk" Pilot Approach Option Remains in Effect](#)

by Proactive Technologies, Inc. Staff

### [Grow Your Own Multi-Craft Maintenance Technicians - Using a Systems Approach to Training](#)

by Dr. Dave Just, former Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting

### [Replicating Your Best Performers](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

affected, according to estimates from consultants who help clients sell on Amazon.

Pushing suppliers onto the marketplace -- rather than selling products itself -- lets Amazon offload the risk and cost of purchasing, storing and shipping the merchandise. Instead, the company can charge suppliers for these services and take a commission on each transaction, which is much more profitable. The strategy is part of a larger effort to reduce overhead by getting more suppliers to use an automated self-service system that requires no input from Amazon managers. [Read Article](#)

### **IRS Releases Final Rules on Corporate Tax Break**

CFO.com - Matthew Heller

The so-called FDII deduction applies to the intangible income of companies that produce goods and services in the U.S. and sell abroad.

The Internal Revenue Service has proposed final regulations governing a new tax break aimed at encouraging U.S. multinationals to locate more of their assets and operations used in serving overseas markets back to the U.S.

The FDII (Foreign-Derived Intangible Income) deduction is part of the Trump administration's tax reform package. The final regulations, which will be published in the Federal Register on Wednesday, provide guidance on how to determine the amount of the deduction.

"Congress created FDII to encourage companies to put intellectual property in the U.S., and the break could nudge corporations toward serving foreign markets from the U.S.," The Wall Street Journal said.

Under FDII, companies that produce goods and services in the U.S. and sell abroad can claim a 37.5% deduction, resulting in a 13.125% effective tax rate, as compared with a 21% corporate rate, for tax years beginning after Dec. 31, 2017 and before Jan. 1, 2026, after which the deduction is reduced to 21.875%, resulting in an effective tax rate of 16.406%. [Read Article](#)

### **DOL Proposes Expanding Overtime**

CFO.com - William Sprouse

The Labor Department has proposed raising the threshold under which workers are entitled to mandatory overtime pay, whenever their workweek exceeds 40 hours, to \$35,308.

Under current rules, the threshold is \$23,660 a year. The change would extend overtime eligibility to 1.1 million additional workers, the Labor Department said.

The \$23,660 threshold was set in 2004.

"At my confirmation hearings, I committed to an update of the 2004 overtime threshold," Labor Secretary Alexander Acosta said in a written statement, "and today's proposal would bring common sense, consistency, and higher wages to working Americans." [Read Article](#)

### **Wage Stagnation in Nine Charts**

Economic Policy Institute - Lawrence Mishel, Elise Gould, and Josh Bivens \* January 6, 2015

Our country has suffered from rising income inequality and chronically slow growth in the living standards of low- and moderate-income Americans. This disappointing living-standards growth which was in fact caused by rising income inequality preceded the Great Recession and continues to this day. Fortunately, income inequality and middle-class living standards are now squarely on the political agenda. But despite their increasing salience, these issues are too often discussed in abstract terms. Ignored is the easy-to-understand root of rising income inequality, slow living-standards growth, and a host of other key economic challenges: the near stagnation of hourly wage growth for the vast majority of American workers over the past generation. Countering that by generating broad-based wage growth is our core economic policy challenge.

With a group of simple charts, this paper brings the challenge we face into sharp focus, and lends clarity to the steps we must take to meet it. [Read Article and Download Report](#)

### **Ford Health-Care Costs Said to Top \$1 Billion**

IndustryWeek - Bloomberg

Ford Motor Co. expects the cost of health insurance for its 56,000 hourly workers in the U.S. to top \$1 billion for the



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## December

### [Is It Possible To Improve Worker Performance Without Documented Task Mastery?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### ["Realistic Job Previews" Can Be a Useful Tool for Measuring a Prospective Employee's Transferable Task-based Skills](#)

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

### [Proactive Technologies Discount Program Ends, But... "Low-Risk" Pilot Approach Option Remains in Effect](#)

by Proactive Technologies, Inc. Staff

### [Confusion Over What Constitutes "Training" is Stumbling Block to Effective Worker Development Strategies](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

## November

### [A Training Approach That Should Make the Bean Counters Happy](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### [Increasing Worker Capacity - An Alternative to Cutting Workers for Short-term Cost Savings](#)

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

### [10 Reasons Structured On-The-Job Training is a Vital and Necessary System for Any Organization](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### [A Simple, Low-investment Solution to Closing Skill Gaps: New-Hires and Incumbents](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

## October

### [When Wages Rise for Skilled Labor, Can Your Firm Maximize Worker Value and Minimize Investment?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### [Retiring Workers and the Tragic Loss of Intellectual Property and Value](#)

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

### [Apprenticeships: Be Careful Not To Minimize Integrity While Spiking The Numbers](#)

Dr. Dave Just, formally Dean of Corporate and Continuing Education at Community Colleges in MA, OH, PA, SC. Currently President of K&D Consulting

### [When is Illustrating Technical Materials Useful to the Trainee?](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

first time next year, according to a person familiar with the situation, highlighting a growing expense for automakers even as car sales slow.

Those mounting health-care costs represent a potential sticking point in this year's contract talks between the United Auto Workers and the three U.S. automakers that tried and failed four years ago to address an expanding outlay that threatens profits and jobs. At Ford, General Motors Co. and Fiat Chrysler Automobiles NV, the tab for health insurance topped \$2 billion in 2015 and has only grown since. [Read Article](#)

### [Ford CEO's Pay Rises to \\$17.75 Million](#)

IndustryWeek - Bloomberg

Ford Motor Co. Chief Executive Officer Jim Hackett's compensation rose about 6% in 2018, a year the CEO characterized as "mediocre by any standard" for the U.S. automaker.



Hackett received \$17.75 million in total compensation, up from about \$16.7 million in 2017. He received \$1.8 million in salary, \$12.7 million in stock awards, a \$2.59 million bonus and \$617,710 in perks and benefits, according to a regulatory filing Friday.

Hackett, 63, is leading an \$11 billion restructuring of Ford that involves slashing jobs, closing plants, updating an aging lineup, exiting the North American sedan market and pouring billions into electric and self-driving cars. [Read Article](#)

### [Is Tax Reform Spurring Companies to Use Robots?](#)

CFO.com - David McCann

Two provisions of the Tax Cuts and Jobs Act may have more companies deciding to replace real workers with mechanical ones.



More companies are finding more uses for robots, a broad trend that certainly will further expand. Many factors explain it - including a perhaps surprising one: the Tax Cuts and Jobs Act.

A key provision of the tax reform law allows companies to deduct 100% of the cost of equipment in the year of its purchase, rather than depreciate the cost over a period of up to seven years.

The immediate tax benefit may be a deciding factor for a company that could purchase robots to perform work traditionally handled by humans, notes Marvin Kirsner, an attorney with law firm Greenberg Traurig.

The benefit applies to mechanical robots, and not to the software bots that companies are increasingly using to automate back-office and other repetitive processes that workers perform with computers. [Read Article](#)

### [The Simple Secret Behind Why Acquisitions Fail](#)

CFO.com - Vitaliy Katsenelson

Acquisitions are a zero-sum game: both buyer and seller need to feel they are getting a good deal. Unfortunately, buyers usually pay too much.

Corporate acquisitions often fail for a simple reason: the buyer pays too much. An old Wall Street adage comes to mind: "Price is what you pay; value is what you get."



When our investment firm purchases shares of a stock, we pay a price that is within pennies of the last trade. But when a company is acquired, the purchase price is negotiated during long dinners at fine restaurants and usually goes higher than the latest stock quotation.

How much above? Acquisitions have the elements of a zero-sum game. Both buyer and seller need to feel they are getting a good deal. The seller has to convince both directors and shareholders that they are selling at a high (i.e., unfairly good) price. The buyer, meanwhile, must convince its own directors and shareholders that they are getting a bargain. Remember, both are talking about the same asset. [Read Article](#)

### [A Busy Day for Bankruptcies](#)

CFO.com - Vincent Ryan

Are highly stressed companies starting to run out of financial runway? The U.S. Bankruptcy Court in Wilmington, Delaware, saw three prominent Chapter 11 bankruptcy protection filings on Monday, all three from organizations operating in very distressed industries.



## September

### [The US Workforce Competitive Advantage Has Declined For Decades - Not for Lack of Resources, Effort or Base Talent, But For Strategy](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### [The Skills Gap Solution; Employers Still Reluctant to Commit to Role Only They Can Fill](#)

by Staff

### [Assessing Employees With Past Drug Addictions for Work Tricky](#)

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

### [Estimating the Costs Associated With Skipping Employer-Based Structured On-The-Job Training](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

## August

### [Labor Costs Expected to Increase, So Will Challenges to Developing Workers](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

### [More Employers Finding Ways To Strategically Ensure Fair Pay](#)

by Stacey Lett, Regional Manager - Eastern U.S. - Proactive Technologies, Inc.

### [Pre-Employment Physical Ability Tests Can be a Legal Liability If Not Done Right](#)

by Jim Poole, President of Lifetime Learning, LLC

### [Keeping Employers Engaged in Regional Workforce Development Projects](#)

by Dean Prigelmeier, President of Proactive Technologies, Inc.

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PROACTIVE TECHNOLOGIES, INC.  
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We Partner With Educational Institutions, Workforce/Economic Development Groups, Government Agencies.

Structured on-the-job training attracts and engages employers in workforce development partnerships...some projects sustainable for more than 18 years!

CTI Foods, Z Gallerie, and publisher F+W had a couple of other things in common: all three had been fighting to stay alive for a while, and management had made some strategic missteps in trying to turn things around.

Are CTI, Z Gallerie, and F+W the first trickle in a soon-to-be flood of filings? According to S&P, the default rate of corporate junk bond issuers will remain at about 2.3% (trailing 12 months) in March. There have been 19 defaults in 2019. The retail and restaurants sector leads with four of those. [Read Article](#)

### **Banks Warned on Crypto-Asset Exposures**

CFO.com - Vincent Ryan

The Basel Committee on Banking Supervision (BCBS) on Wednesday provided some clarity to financial institutions about the dangers it thinks crypto-assets pose to the global financial system. It also gave some details of the steps banks need to take to manage any exposures to them.



The BCBS, the international standard setter for banking, cautioned institutions about acquiring exposures to crypto-assets or providing related services, saying "the continued growth of crypto-asset trading platforms and new financial products related to crypto-assets" could raise concerns about financial system stability.

Given crypto-assets' high degree of price volatility and lack of standardization, the BCBS said, banks holding such assets need to adopt governance and risk management practices around them as well as publicly disclose any direct or indirect exposures. [Read Article](#)

### **Warren Pledges Breakup of Big Tech Companies**

CFO.com - Matthew Heller

"Big, structural changes" to the tech sector are needed to "restore the balance of power in our democracy [and] promote competition," the senator says.



Taking a page out of the book of Progressive Era reformers, Sen. Elizabeth Warren (D-Mass.) is going after what she sees as the 21st century version of "trusts" - tech giants such as Amazon, Google, and Facebook.

The Democratic presidential candidate pledged in a Medium post that a Warren administration would make "big, structural changes" to the big tech companies, claiming they have "too much power over our economy, our society, and our democracy."

"To restore the balance of power in our democracy, to promote competition, and to ensure that the next generation of technology innovation is as vibrant as the last, it's time to break up our biggest tech companies," she said. [Read Article](#)

### **Tax Breaks Get Mixed Reviews**

IndustryWeek - Paul Ericksen

Equipment depreciation, new IRS regulations show lukewarm results.



This week, we saw three news items that supported the idea of government involvement in industry.

Don't Mess with the Tax Write-Off for New Equipment argues that job creation during non-recessionary periods is a function of two factors: changes in the labor force and Federal Reserve policy. Wages largely are not set on the basis of an individual firm's or even industry's productivity (translate-increase in profitability (P.D.E.), and just because one firm raises productivity does not mean that they can or should raise wages.

The article posits that the governmental program accelerating depreciation on new equipment is a good thing-but that people should not anticipate increased jobs or wage growth as a result of the program. [Read Article](#)

### **Health Plans For State Employees Use Medicare's Hammer On Hospital Bills**

NPR - Kaiser Health News - Julie Appleby

The new strategy of some health plans for state employees is to pay hospitals a certain percentage above the basic Medicare reimbursement rate. It allows hospitals a small profit, the states say, while reducing costs to states and patients.



States. They're just as perplexed as the rest of us over the ever-rising cost

This creates a steady need for your related technical instruction, services and a pathway for employment.

These partnerships:

- enhance your institution's opportunity to market your products and services to incumbent workers;
- allow your organization to include structured on-the-job training as a capstone to pre-employment preparation;
- document a trainee-to worker's increasing value to the employer - the key to retention - rather than leaving it to chance;
- properly aligns workforce development resources and maximizes the impact and results;
- allows you to engage an employer's facility, equipment and staff in the training process;
- provides the best infrastructure for apprenticeships and internships that last!
- is a win for the trainee, win for the worker, win for the employer, win for the institution and win for the community!

This approach has continued to prove itself since 1988, and does not compete with your products and services; it adds to your efforts the clear, tangible, measurable advantage that employers seek.

**Proactive Technologies has continued to partner** with community colleges, universities, workforce development agencies and training providers with its "[hybrid approach](#)" to worker training.

Introduce the power of the [PROTECH™ system of managed human resource development to your clients!](#)



**There's nothing to lose by**

of health care premiums.

Now some states -including Montana, North Carolina and Oregon - are moving to control costs of state employee health plans. Their strategy: Use Medicare reimbursement rates to recalibrate how they pay hospitals. If the gamble pays off, more private-sector employers could start doing the same thing.

"Government workers will get it first, then everyone else will see the savings and demand it," says Glenn Melnick, a hospital finance expert and professor at the University of Southern California. "This is the camel's nose. It will just grow and grow." [Read Article](#)

### **Too Much Foreign Capital is Hurting America's Economy**

*Coalition for a Prosperous America - Op-ed by Michael Stumo, originally appeared in The Columbus Dispatch*  
Starting in 2018, the Trump administration imposed tariffs on \$250 billion worth of imports from China. It was President Donald Trump's stern response to Beijing's continual export of billions of dollars in goods to the United States while purchasing little in return. The president has frequently described this as a "bad deal" for America. Considering that the U.S. trade deficit with China exceeded \$400 billion in 2018, he has a point.



There's also another way in which America is being duped in the global marketplace. Not only is the U.S. continually importing a massive amount of goods from overseas, but America's financial markets also are serving as a dumping ground for global capital. Countries like China, Japan, Germany and South Korea - nations that earn large profits on exports to the United States - are continually spending their excess capital on U.S. stocks, bonds and other assets.

That may sound like a good thing, particularly for Wall Street. But in fact, this excess capital is wreaking havoc on U.S. manufacturers and agricultural producers. [Read Article](#)

### **Numbers Don't Lie, Until They Do**

*CFO.com - Therese Tucker*

For many years, the U.S. Securities and Exchange Commission has required the CFO of a public company to certify the accuracy of the organization's financial statement, providing confidence to investors in the report's quality.



This much-valued guarantee of corporate responsibility testifies to the robustness of the company's internal control structure and systems.

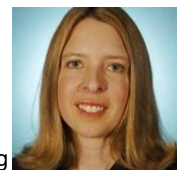
However, recent research by BlackLine revealed a surprising lack of confidence within finance departments in the numbers being reported. According to a survey we commissioned of more than 1,100 C-level executives and finance professionals, 71% of C-level executives completely trust the accuracy of their financial data. However, only 38% of finance professionals - the people preparing the statements and reports - share that opinion.

The findings are evidence of a disconnect about the accuracy of the data. That's dangerous at a time when many companies are transforming around data to make more informed business decisions. If the numbers are inaccurate to begin with, those decisions will suffer. [Read Article](#)

### **Trump Treasury Backtracks On Lump-Sum Pension Rules Meant To Protect Retirees**

*Forbes - Ashlea Ebeling, Forbes Staff*

The Treasury Department told off employers back in 2015: Lump-sum pension buyouts for retirees already in payout status are a no-no. In practice, employers stopped offering them, per Notice 2015-49, despite the fact that proposed and temporary rules never came out. Now, in a Trump-era twist, the Treasury Department has backtracked with Notice 2019-18, a retraction of the intent to propose regulations on the topic: "Offering a Lump-Sum Payment Option to Retirees Currently Receiving Annuity Payments under a Defined Benefit Plan."



It's a backtrack in a big way, and it may reopen the door to the problematic lump-sum offers. "After all our efforts until 2017 to encourage lifetime income and help restore pensions to the private pension system, here is another step backward by the Trump Treasury," says J. Mark Iwry, who was in charge of retirement policy at Treasury when the 2015 Notice came out.

The 2015 notice made clear that the government's position was that offering lump sums to retirees in pay status was not intended to be



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permitted. "We were trying to protect older people from company efforts to get them to sell back their no-cost defined benefit pensions for the company's financial reasons," Iwry says. [Read Article](#)

## The Gig Economy Is a Big Nothingburger

Mother Jones - Kevin Drum

As you know if you're a faithful reader of this blog, the "gig economy" is largely a myth. So how did two prominent researchers, Alan Krueger of Princeton University and Lawrence Katz of Harvard, manage to screw up so badly, predicting in 2015 that gig employment was rising rapidly and was poised to change the American economy permanently? To their credit, they have now published a working paper that digs into where they went wrong:



First, the gig economy appeared swollen largely because the labor market earlier this decade was so weak for so long in the aftermath of the recession. [Read Article](#)

## INTERESTING BOOK REVIEWS

### 'Bad With Money' Author On Personal Finance And Why Millennials Are Fake

Forbes - Alexandra Talty, Senior Contributor, Personal Finance

With witty prose and a gripping plot, Gaby Dunn's latest book is a far cry from most personal finance tomes.



And that's exactly why you should buy Bad with Money: The Imperfect Art of Getting Your Financial Sh\*t

Together for every millennial and gen-Zer you know. New York Times bestselling author Gaby Dunn talks personal finance, why the millennial label is fake, 401 (k) and student loans in her latest book, "Bad with Money."

From bat mitzvahs to 401 (k)s, the book chronologically follows Dunn's life, alternating between offering life lessons and explaining complex financial concepts.

Delving into topics as various as student loans, side hustles and success, each chapter ends with concrete advice, ranging from how to find a job in high school to tips on managing spending with a mental illness. The text shines when the 30-year old author highlights the personal, drawing lessons from her own life. [Read Interview and Description](#)

## International News

### Mexico, Latin America, South America and the Caribbean

#### US to Withdraw All Remaining Embassy Personnel From Venezuela

DeutscheWelle

US Secretary of State Mike Pompeo said the US would withdraw all remaining embassy personnel from Venezuela. Meanwhile, opposition leader Guaidó called for more protests.



US Secretary of State Mike Pompeo said late Monday that the United States will withdraw all remaining diplomatic personnel from its embassy in Caracas as the crisis in Venezuela deepens. He said the staff would leave by the end of the week.

The move worsens already frayed relations between the two nations. President Donald Trump has said that he doesn't rule out any options including military intervention to oust Venezuelan President Nicolás Maduro. The US has already imposed sanctions designed to choke off Venezuelan oil sales, which are the lifeblood of the leftist government in Caracas.

Much of Venezuela has been without electricity going on five days now due to a power outage that the government blames on what it calls sabotage encouraged by the US. [Read Article](#)

### Ex-Brazilian President Arrested In Sweeping Anti-Corruption Probe

NPR - Vanessa Romo

Former Brazilian President Michel Temer, pictured in 2018, was arrested Thursday on corruption charges. He faced similar charges of bribery in 2017, during his brief stint in office. The 78-year-old denies any wrongdoing. [He] was arrested in Sao Paulo on



## EMPLOYERS!

**If your organization sees training as a cost, not as an investment, maybe you should consider another approach!**

### The **PROTECH™** system of **managed human resource development:**

- \* Captures worker expertise and legacy knowledge for the [accelerated transfer of expertise™](#);
- \* Cuts the employer's internal costs of training;
- \* Lowers the costs associated with turnover;
- \* Drives new-hires and incumbent workers to "full job mastery;"
- \* Increases worker capacity, work quality, productivity and compliance (ISO/AS/TS training and records requirement, engineering specifications and safety mandates);
- \* Creates framework for cross-training, retraining and worker certification;
- \* Establishes the framework for employer specific/job-specific apprenticeships and internships - registered or not;
- \* Builds career development tracks and succession plans for hourly (and salary) workers;
- \* Ensures the increased and maintained "Return on Worker investment" through any type of change...

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**This structured on-the-job training is performed where, and while, the work takes place!**

**You need no additional staff, and this will not disrupt your work schedule or burden your existing staff!**

If your firm is partnered with local career and technical educational institutions, use of shared employer's equipment, facilities and paid wages of trainer(s) and trainee(s) are attractive match for potential grant assistance.

Thursday part of a sweeping anti-corruption investigation years in the making.

Temer, who left office less than three months ago, faces 10 counts of corruption, according to The Washington Post. Prosecutors allege the 78-year-old was the leader of a "criminal organization" who misappropriated more than \$470 million in funds "as part of a scheme related to the construction of a nuclear plant complex," Reuters reported.

He is the second former president to be arrested in the ongoing "Operation Car Wash," a sprawling corruption probe that has ensnared dozens of Brazil's most powerful politicians and businessmen accused of paying or accepting millions of dollars in kickbacks since 2014. [Read Article](#)

### **Why This Disaster Relief Bill is Stuck on a Debate Over Puerto Rico Food**

*PBS.org*

A debate over food assistance funding for Puerto Rico has stalled a massive disaster relief bill in the Senate, as Democrats demand President Donald Trump agree to spend more to help the island recover from two hurricanes in 2017.



Caught in the middle are more than 1 million Puerto Ricans who rely on a federal food subsidy program that's slated to run out of money at the end of the month unless Congress intervenes.

The disaster relief bill the Senate advanced on Tuesday included an additional \$600 million in funding for Puerto Rico's Nutritional Assistance Program, or NAP, the island's version of the federal Supplemental Nutrition Assistance Program - known as food stamps - that provides food assistance for low-income Americans on the mainland. But in a meeting Tuesday with Senate Republicans, Trump reportedly complained about Puerto Rico receiving too much aid and said he opposes additional funding for the island - remarks that angered Democrats, and made the fate of the final bill uncertain. [Read Article and Hear Podcast](#)

### **Canada, Europe and Great Britain World Happiness Report 2019**

*World Happiness Report*

The World Happiness Report is a landmark survey of the state of global happiness that ranks 156 countries by how happy their citizens perceive themselves to be. This year's World Happiness Report focuses on happiness and the community: how happiness has evolved over the past dozen years, with a focus on the technologies, social norms, conflicts and government policies that have driven those changes.

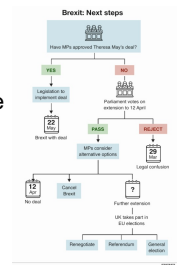
The U.S ranked 49th, while the Nordic countries remain on top. [Read Report](#)

### **Brexit: What happens now?**

*BBC News - Peter Barnes Senior elections and political analyst*

The UK and EU have agreed a variable extension to Article 50 to delay Brexit. It was due to happen on 29 March.

Theresa May has twice failed to get her deal through Parliament but MPs are expected to be given another chance to approve it. If they do, Brexit will happen with a deal on 22 May.



If they don't, there will only be a very short delay - until 12 April - for Parliament to consider alternative options. If the UK then wants a longer delay it would need to take part in the European elections in May.

It's expected that MPs will vote on a "statutory instrument" to change the date of Brexit - set in UK law in the Withdrawal Act - so it is no longer 29 March. That could happen before MPs vote again on Theresa May's deal, or after. [Read Article](#)

### **Asia, India and Australia**

#### **German Foreign Minister in Pakistan: 'Decisive' in Reducing South Asia Tensions**

*DeutscheWelle*

After visiting troops in Afghanistan, German Foreign Minister Heiko Maas has arrived in the Pakistan capital for talks. Violence in Kashmir and a tense security situation in neighboring Afghanistan are on the agenda.



[Contact a Proactive Technologies representative](#) for more information.

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**Having trouble finding, selecting, training and keeping the skilled workers you need? Are your employee turnover costs a concern?**

Let's start with what we already know:

- Classes alone will not train workers to perform your tasks...
- Quality Control policies and Process Documents are not a substitute for task training...
- Putting 2 people together and hoping for the best is not a training strategy...
- Wishing and hoping won't develop the skilled workers you need...

The cost of one worker malperformance or one worker's under-capacity or under-performance - due to lack of proper training - **can more than justify the investment to train all your workers properly!**

AND, unstructured, uncontrolled, undocumented task training is going on all day, every day. **But if you cannot explain the process, you surely cannot measure and improve it.**

Proactive Technologies's approach to structured on-the-job training takes place where, and while, the work is performed. **You need no additional staff** and structured on-the-job training **does not interrupt your work schedule** like unstructured, haphazard and ad hoc training does.

You probably have most of the pieces already in place; they just need structure around them to make the training experience work for everyone through the [accelerated transfer of expertise™](#).

As part of every project, **Proactive Technologies provides the support to set-up, implement, manage, document and revise the worker development system so you can stay focused on business.**

German Foreign Minister Heiko Maas arrived in the Pakistani capital, Islamabad, Tuesday amid ongoing violence in Kashmir and a tense security situation in Afghanistan.

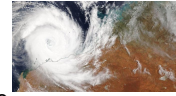
Regional security is high on the agenda in his meetings with high-ranking Pakistani officials, including Prime Minister Imran Khan.

Maas' visit comes as the Pakistani army reported that two people were killed Tuesday in the disputed Kashmir region in an exchange of gunfire between Pakistani and Indian border forces. [Read Article](#)

### **Cyclone Veronica: Destructive Winds and Rain Lash Australia**

*BBC News*

A second cyclone within 48 hours has brought destructive winds and torrential rains to coastal regions of Australia.



Cyclone Veronica lingered about 95km (60 miles) off the nation's north-west coast on Monday, officials said.

Despite no longer being expected to make landfall, the category two system is moving slowly and has prompted warnings for locals to remain indoors. Cyclone Trevor, a category four, hit the Northern Territory on Saturday. [Read Article](#)

### **China and Southeast Asia**

#### **Tesla Nabs Up to \$521 Million in China**

*IndustryWeek - Bloomberg*

After years of negotiations with Chinese authorities to become the first foreign automaker to wholly own a manufacturing facility in the country, Tesla broke ground on the outskirts of Shanghai on Jan. 7. Musk has said Tesla plans to start battery and Model 3 production at the factory by the end of the year.



Tesla Inc. secured as much as \$521 million in loans from Chinese banks to build a vehicle and battery factory in the country, putting the carmaker a step closer to producing Model 3 sedans at its first overseas plant.

The loans from China Construction Bank Corp., Agricultural Bank of China Ltd., Industrial & Commercial Bank of China Ltd. and Shanghai Pudong Development Bank Co. mature in March 2020, according to a regulatory filing. Tesla also amended a separate asset-backed credit agreement, increasing how much it can borrow by as much as \$700 million.

CEO Elon Musk estimated in January that Tesla will need roughly \$500 million to get the plant built and production ramped up to 3,000 Model 3s a week. The total cost will be higher, and the company had said it planned to tap local banks for a majority of the funding. [Read Article](#)

#### **China's Slowing Economy Casts Shadow Over National People's Congress**

*DeutscheWelle*

Despite the annual legislative session being a largely ceremonial gathering, many will watch for cues on how Chinese policymakers intend to boost the nation's flagging growth and overcome the trade row with the US.



Thousands of delegates from across China have descended on Beijing to attend the annual gathering of the National People's Congress (NPC), which kicks off on Tuesday and ends next Friday (March 5-15).

The NPC is often viewed as a flaccid legislature whose role is largely ceremonial. Its delegates are expected to give their stamp of approval to decisions that have already been agreed upon by senior leaders of the Communist Party of China (CPC). The NPC, which has been meeting since 1954, has never rejected a proposed law. [Read Article](#)

### **Africa, Middle East, Eastern Europe and Russia**

#### **Are Ratings Agencies Hurting Africa's Economies?**

*DeutscheWelle*

When international ratings agencies like Moody's or Fitch downgrade countries, the economies of these nations suffer. African governments have had enough and are retaliating against what they call 'subjective' ratings.





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Namibian Finance Minister Calle Schlettwein lost his temper over numbers and letters that were meant to evaluate his country's credit risks. The rating was "confusing" and "puzzling," he said in the summer of 2017 after he learned Namibia had been downgraded from "Baa3" to "Ba1" by US ratings agency Moody's - turning Namibian state bonds into "speculative" risks with "substantial credit risk."

Still, Namibia has it better than most African countries: Fourteen out of 21 rated African states have been given even lower ratings such as "high credit risk" or "very high credit risk" by Moody's.

These ratings have irked many African governments. Three US ratings agencies dominate the global market: Moody's, Standard & Poor's and Fitch. [Read Article](#)

### Illegal Sand Mining Threatens Environment

*DeutscheWelle*

Rapid urbanization has encouraged illegal sand mining on a large scale and sparked a global wave of gang violence. In Kenya, the practice has taken a serious environmental toll, impacting the local communities which have been battling with droughts. [See Video Report](#)



### Iran's President Visits Iraq to Strengthen Ties Amid US Pressure

*DeutscheWelle*

Iran's president is on a high-profile visit to Iraq, focused on trade. The visit sends a signal that Iran has regional options against the United States' "maximum pressure" campaign against Tehran.



Iranian President Hassan Rouhani arrived in neighboring Iraq on Monday to kick off a three-day visit as the Islamic Republic is under mounting US pressure over its regional influence.

Rouhani's first official visit to Iraq - dubbed by his foreign minister as a "historic" new start in relations - is primarily focused on trade and investment at a time when Tehran is battling against economic isolation following the Trump administration's withdrawal from the 2015 nuclear deal and reimposition of unilateral sanctions.

The visit sends a strong signal to the United States that its policy of "maximum pressure" is not working, as Iran seeks to expand regional economic ties and display its political and military influence in Iraq.

Unlike US President Donald Trump, who paid a brief four-hour visit to US troops at an air base in Iraq over Christmas and did not meet the country's main political actors, Rouhani is leading a large political and trade delegation. [Read Article](#)

### Plight Of Survivors After Cyclone Idai: No Power, No Homes, No Roads

*NPR - Tim McDonnell*

When Cyclone Idai, a devastating tropical storm, swept across southeastern Africa on Thursday, it killed at least 150 people, displaced hundreds of thousands and left Beira, a coastal city of a half-million people in central Mozambique, almost totally destroyed.



In the aftermath, with some of their neighbors still trapped on rooftops or in trees, some local residents began the long process of recovery with a small but notable rebuttal to nature, by beginning to move the beach back to its rightful place.

The storm, which made landfall on Thursday, pushed tons of sand from the city's beach onto downtown streets, complicating emergency response efforts that were already hampered by a total lack of electricity, telecommunications networks or running water, says Jamie LeSueur, emergency operations manager for the International Federation of Red Cross and Red Crescent Societies, who is helping to lead emergency response efforts in Beira and was one of the first aid workers to reach the scene. [Read Article and Hear Podcast](#)

## International Trade News

### INTERNATIONAL TRADE DATA

#### Monthly Wholesale Trade

*US Census Bureau*

January 2019 sales of merchant wholesalers were \$499.8 billion, up 0.5 percent (+/- 0.7 percent)\* from last month. End-of-month inventories were \$669.9 billion, up 1.2 percent (+/-



0.4 percent) from last month.  
January 2019: +1.2 % change in Inventories; December 2018 (r): +1.1 % change in Inventories. [Read Report](#)

### **Manufacturing and Trade Inventories and Sales**

*US Census Bureau*

U.S. total business end-of-month inventories for December 2018 were \$1,994.5 billion, up 0.6 percent (+/- 0.1 percent) from last month. U.S. total business sales were \$1,445.0 billion, down 1.0 percent (+/- 0.2 percent) from last month.  
December 2018: +0.6 % change in Inventories; November 2018 (r): 0.0\* % change in Inventories. [Read Report](#)



### **U.S. International Trade in Goods and Services**

*US Department of Commerce - Bureau of Economic Analysis*



The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced today that the goods and services deficit was \$51.1 billion in January, down \$8.8 billion from \$59.9 billion in December, revised. January exports were \$207.3 billion, \$1.9 billion more than December exports. January imports were \$258.5 billion, \$6.8 billion less than December imports. [Read Report](#)

### **U.S. International Transactions, 4th quarter and Year 2018**

*US Department of Commerce - Bureau of Economic Analysis*



The U.S. current-account deficit increased to \$134.4 billion (preliminary) in the fourth quarter of 2018 from \$126.6 billion (revised) in the third quarter of 2018. As a percentage of U.S. GDP, the deficit increased to 2.6 percent from 2.5 percent. The previously published current-account deficit for the third quarter was \$124.8 billion. [Read Report](#)

### **China Trade War Cost Tops \$40 Billion in Lost U.S. Exports**

*IndustryWeek - Bloomberg*



That number is almost a third of the record \$130 billion the U.S. exported to China in 2017.

Chinese retaliation against President Donald Trump's tariffs is hitting U.S. exporters harder than their Chinese counterparts and costing the U.S. the equivalent of about \$40 billion a year in lost exports, according to a new study that highlights the mounting costs to the U.S. economy of the trade war against China.

U.S. tariffs imposed last year on some \$250 billion in imports from China slowed shipments of the targeted products to U.S. shores, according to findings from the Institute of International Finance (IIF) published earlier this year. Now, a new IIF study of China's retaliation has found that counter-tariffs had a far more severe impact on U.S. exports, leading to a collapse in many of the roughly 900 categories of targeted American products. [Read Article](#)

### **Made-In-America Tax Break Not Enough to Spur Reshoring, Experts Say**

*IndustryWeek - Bloomberg, Laura Davison and Isabel Gottlieb*



Tax advisors say President Trump's foreign-derived intangible income deduction on homegrown exports have not been enough to lure companies back to America, and the WTO could challenge the tax break's legality. The U.S. is giving American exporters a sizable tax break on the goods and services they sell overseas. But the benefit might not be enough to convince Corporate America to expand its U.S. operations beyond what it was already planning.

Instead, the deduction may be going to companies that were already going to export with or without the tax incentive, such as airlines that fly internationally, including United Continental Holdings Inc., and defense contractors like Boeing Co. and Lockheed Martin Corp. [Read Article](#)

### **How to Navigate the U.S. or Foreign Markets**

*AreaDevelopment - Morgan Crapps, Consultant, Parker Poe Consulting*  
Area Development discussed strategies for navigating foreign direct investment and exports with Morgan Crapps, a consultant with Parker Poe Consulting, following her "Ways to Win at Foreign Direct Investment...Without a Big, Shiny, New Project" presentation at our Women in Economic Development Forum. Interview conducted by Margy Sweeney, Founder and CEO, Akrete, Inc. and Area Development Editorial Board

member.

For companies based abroad, the U.S. market represents both opportunity and risk. The U.S. may be ripe with sales potential, but it can be daunting to establish a foothold here. Conversely, U.S. companies may see opportunities abroad - but the path to success is not obvious. For either situation, working with the right team of consultants and economic development organizations (EDO) can help smooth the way.

### **Making the Leap to the United States**

When considering a footprint in the United States, international companies are often unsure about how to get started. Common concerns include project finance, tariffs or supply chain considerations, U.S. regulations, political or economic uncertainty, and general uncertainty about whether the U.S. is the best place for their business.

In response, different strategies have emerged. Some companies prefer to start small with a "landing pad" - a sales office or a small warehouse - rather than jumping in with a full-scale operation right away. [Read Article](#)

### **France Will Force Ford to Revitalize Site of Plant Closure: Macron**



*IndustryWeek - Agence France-Presse*

"We will make them pay for the laid-off employees, for the clean-up of the site, and for new industrialization efforts for the region."

French President Emmanuel Macron on March 1 pledged to force automaker Ford to pay to help create new jobs on an industrial site the firm plans to close in southwestern France.

The French government has denounced Ford's decision to shut its plant making gearboxes after the company rejected a takeover bid that could have saved some of the 800 jobs at the site in France's southwest.

"We shall force the firm to revitalize" the industrial site at Blanquefort, near Bordeaux, "to invest for its industrial make-over", Macron told local lawmakers.

"The law allows us to force a firm to pay" for this, he added. [Read Article](#)

### **Companies Get Leniency in Made-in-America Export Tax Break**



*IndustryWeek - Bloomberg*

Tax break is meant to encourage companies to produce in U.S.

New IRS regulations issued Monday make it easier for companies to claim a tax break for exporting their made-in-America goods and services.

The release of the regulations gives corporations a first look at what they need to do to claim a new deduction in the 2017 tax overhaul, which could lower their export income tax to about 13% from 21%.

From airlines to defense companies, the Internal Revenue Service clarified that those industries can claim a sizable deduction for the income they earn from selling goods and services made in the United States overseas. [Read Article](#)

### **US Trade Gap Surged to \$621 Billion in 2018, Highest in Decade**



*IndustryWeek - Bloomberg*

The U.S. trade deficit widened in 2018 to a 10-year high of \$621 billion, bucking President Donald Trump's pledges to reduce it, as tax cuts boosted domestic demand for imports while the strong dollar and retaliatory tariffs weighed on exports.

The annual deficit in goods and services increased by \$68.8 billion, or 12.5%, Commerce Department data showed Wednesday. The December gap jumped from the prior month to \$59.8 billion, also a 10-year high and wider than the median estimate of economists. The merchandise-trade deficit with China -- the principal target of Trump's trade war -- hit a record \$419.2 billion in 2018.

While Trump frequently cites the deficit as evidence of the failure of his predecessors' trade policies -- even though most economists don't dwell on the indicator -- the gap has increased by \$119 billion during his two years as president. Even if he completes an accord to end the tariff war with China, substantially shrinking the deficit may prove tough as cooling global growth weighs on exports while domestic demand keeps driving shipments from abroad. [Read Article](#)



## Note to Trump: China and the EU Are Two Different Beasts

*IndustryWeek - Paul Ericksen*

Paul Ericksen, IndustryWeek's supply chain advisor, shares his thoughts on recent news and recommends supply-chain-related reads.

Trump Extends China Trade Truce, Citing Substantial Progress.



"President Donald Trump said he'll extend a deadline to raise tariffs on Chinese goods beyond this week, citing 'substantial progress' in the latest round of talks that wrapped up Sunday in Washington."

**Paul's Take:** No previous administration has taken on the issue of China trade, so Trump should receive kudos for reining in China's unfair and illicit practices. [Read Article](#)

## Cambodia: EU Launches Procedure to Temporarily Suspend Trade Preferences

*European Commission*

The EU has today started the process that could lead to the temporary suspension of Cambodia's preferential access to the EU market under the Everything But Arms (EBA) trade scheme. EBA preferences can be removed if beneficiary countries fail to respect core human rights and labour rights.



Launching the temporary withdrawal procedure does not entail an immediate removal of tariff preferences, which would be the option of last resort. Instead, it kicks off a period of intensive monitoring and engagement. The aim of the Commission's action remains to improve the situation for the people on the ground. [Read Release](#)

## Agreement with Singapore Set to Give a Boost to EU-Asia Trade

*European Commission*

The trade and investment agreements between the EU and Singapore have today received the approval of the European Parliament. The Parliament has also given its green light to the Partnership and Cooperation Agreement.



This marks an important step towards their entry into force, boosting the EU economic relations and cooperation with Singapore and leading to an increased presence in the fast-growing Southeast Asian region.

President of the European Commission Jean-Claude Juncker said: "The European Parliament's approval of the EU-Singapore trade and investment agreements marks a historical moment. This is the European Union's first bilateral trade agreement with a Southeast Asian country, a building block towards a closer relationship between Europe and one of the most dynamic regions in the world. We are forging closer economic and political ties with friends and partners who, like us, believe in open, reciprocal and rules-based trade. This is yet another win-win trade agreement negotiated by the European Union, an agreement that will create new opportunities for European producers, workers, farmers and consumers, while at the same time promoting cooperation and multilateralism." [Read Release](#)

## AU Summit 32: Beyond the Hype of Africa's Free Trade Deal

*Institute for Security Studies - Peter Fabricius*

The African Union must guard against perceptions that AfCFTA is a political project with little concrete value for investors.

32nd AU summit in focus - an ISS PSC Report six-part series:

- \*AU summit 32: Maghreb's changing politics of migration
- \*AU summit 32: Renewed focus on refugees
- \*AU summit 32: Big powers back on the Peace and Security Council?
- \*AU summit 32: Egypt takes the wheel at the AU
- \*AU summit 32: Beyond the hype of Africa's free trade deal
- \*South Africa can bring the AU closer to the people

The African Continental Free Trade Area (AfCFTA) is a remarkable achievement, the United Nations Conference on Trade and Development (UNCTAD) enthuses. 'At a time when trade is questioned in some parts of the world,' African leaders have taken a 'bold step in favour of trade and of the economic integration of the continent', it notes. UNCTAD believes this free trade area could boost intra-African trade by 33%. [Read Report](#)

## President Trump Says Tariffs Will Stay Until China Complies with Deal

*IndustryWeek - Bloomberg*

President Donald Trump said he'll keep tariffs on China until he's sure Beijing is complying with any trade deal, refuting expectations that the two nations



will agree to roll back duties as part of a lasting truce to their trade war.

"We're not talking about removing them, we're talking about leaving them for a substantial period of time, because we have to make sure that if we do the deal with China that China lives by the deal," Trump told reporters at the White House Wednesday before leaving for Ohio. "They've had a lot of problems living by certain deals." [Read Article](#)

### **A Year On, Trump's Metals Tariffs Have More Losers Than Winners**

*IndustryWeek - Bloomberg*



U.S. steelmakers Nucor and United States Steel saw significant profit gains in 2018, but manufacturers that buy the metal -- led by Caterpillar -- say the tariffs have hurt.

So far, trade wars don't seem to be as "good, and easy to win" as U.S. President Donald Trump promised a year ago when he imposed tariffs on steel and aluminum imports.

The scorecard shows a split decision. U.S. steelmakers Nucor Corp. and United States Steel Corp. saw significant profit gains in 2018. But manufacturers that buy the metal -- led by Caterpillar Inc., a top three U.S. exporter -- say the tariffs have hurt profits, spurred layoffs and forced some companies to rework supply chains in ways that undercut use of American workers.

U.S. manufacturing PMI, an indicator of economic health for the sector, has dropped steadily since August, and in February sat at its lowest level since Trump won the election. [Read Article](#)

## **Education and Workforce Development News**

### **Risk-sharing, Apprenticeships in the President's Budget**

*Community College Daily News - Matthew Dembicki*



While The Trump administration's 2020 budget proposal calls for deep cuts to discretionary spending overall, for postsecondary education it would continue to focus on efforts to improve career preparation, especially on the career and technical education (CTE) side.

But what particularly pops out from the proposal is its call on higher education institutions to share more of the financial risks of federal student loans.

"Some postsecondary programs fail to deliver a quality education that enables students to repay federal student loans - leaving borrowers and taxpayers holding the bill," according to a summary of the budget from the administration. "A better system would require postsecondary institutions accepting taxpayer funds to share a portion of the financial responsibility associated with student loans."

It did not include further details, but noted that the administration plans to work with Congress on these issues. [Read Article](#)

### **White House Priorities for HEA Reform**

*Community College Daily News - Matthew Dembicki*



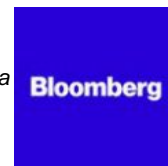
The White House on Monday issued an overview of what it would like to see in the reauthorization of the Higher Education Act (HEA), which didn't include any major surprises. But it did include a few new details that could raise some eyebrows.

For instance, the Trump administration has sought to allow more for-profits to participate in higher education, claiming that competition would drive innovation to provide the skills that students need to secure available jobs more quickly and efficiently. No surprise there.

But the administration added in its proposals released Monday that it would like Congress to create a pilot program to "increase access to market-driven workforce development programs." [Read Article](#)

### **Celebrity Parents and Coaches Charged in Vast College-Entrance Bribery Scheme**

*Bloomberg - Erik Larson, Janelle Lawrence, and Patricia Hurtado*



Bribes of as much as \$6.5 million paid by parents, U.S. says Yale, Stanford, Texas, USC implicated in admissions scandal.

Wealthy parents, university coaches and a college-admissions counselor

were among dozens charged Tuesday in a sweeping conspiracy that sought to help applicants win admission to elite schools including Yale, Stanford, UCLA and Georgetown.

The parents are alleged to have paid bribes to get their kids into school, giving cash to test-takers to help students cheat on entrance exams and paying coaches to designate applicants as athletic recruits. Parents paid from \$100,000 to \$6.5 million in bribes, with most payments around \$200,000, according to prosecutors.

"The case is about the widening corruption of elite college admissions through the steady application of wealth combined with fraud," Andrew Lelling, the U.S. Attorney in Boston, said at a press conference. "The parents are a catalog of wealth and privilege." [Read Article](#)

### Hacking the Gap

*Community College Daily News - Douglas J. Guthmarch*  
Cybersecurity workers protect crucial information across the industry spectrum, from health records to bank accounts to sensitive military communications. A massive shortage of skilled technical employees in the U.S. has put the nation's digital privacy and infrastructure at risk, observers say, leading more community colleges to include cyber-related programming as an important facet of their workforce development training.



However, the always-changing cybersecurity landscape is challenging two-year institutions to keep their curriculum current and relevant, an issue exacerbated by a limited faculty pool that requires extra incentive to join the community college ranks when lucrative university positions await.

"It's difficult across the board to find this kind of talent," says Corrinne Sande, who develops programming for the Cybersecurity Center at Whatcom Community College in Washington. "There has to be a driving force to come here aside from money. It's like asking a doctor to teach an introduction to nursing class." [Read Article](#)

### One or Two Federally Funded Apprenticeship Models?

*Community College Daily News*  
House lawmakers on Wednesday debated whether another federally funded apprenticeship model - like the one supported by the Trump administration that would allow industry to develop their own programs - is needed, or if the current federal registered apprenticeship program just needs to be updated.



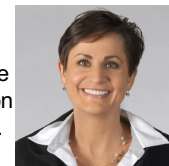
During a hearing on apprenticeships held by the House Higher Education and Workforce Investment Subcommittee, Rep. Susan Davis (D-California) emphasized that the "key ingredient" that has made registered apprenticeships successful is the consistent quality found across the programs.

"Quality standards in registered apprenticeship programs not only ensure that apprentices are building valuable skills while earning a salary and benefits, they also ensure apprentices receive a credential that is valued in the labor market and recognized by employers across the country," the subcommittee chair said in her opening statement. [Read Article](#)

## Training and Organizational Development News

### Avoiding Lulls in Business Transformation

*CFO.com - Christy Johnson, Achievelt*  
One of the biggest problems CFOs and other leaders in the C-suite are challenged with during business transformation is keeping the momentum going through an implementation.



When a new project starts, there is usually excitement during the strategy and innovation phases. You get your implementation plan down, get commitments from relevant departments, and have a seemingly successful launch. Then, at some point, the enthusiasm diminishes and the plan loses its luster.

Why? Perhaps the expected results are too slow to appear or new and more exciting projects become prioritized over the next step in the implementation plan. Whatever the cause, it is a normal part of any transformation process. [Read Article](#)



## Getting Feedback Right

*IndustryWeek - Chris Morgan*

Feedback is a good thing. How it is delivered needs improvement.



One morning this past January, the Head of Operations for a bank I've worked with for a few years called me in to her office. "Chris, I have some feedback I need to share with you. You said something that bothered one of the people you interviewed. So much so that they brought it to my attention..."

While I tried to maintain my composure, my mouth went dry and I felt the blood drain from my face. It took a huge mental effort for me to listen, digest and offer my perspective in a non-defensive and constructive way. That was my deeply emotional response to such a situation, and I make my living from promoting, gathering and delivering feedback. It's no wonder feedback in an organizational context is so fraught with mixed emotions. [Read Article](#)

## Quality News

### China's New-Energy Vehicles Are Being Crippled By Quality Issues

*CarScoops.com - Brad Anderson*

China is leading the worldwide race in the production and sales of electrified vehicles, but quality issues are hurting the local industry, Bloomberg reports.



The Asian superpower began ramping up production of new-energy vehicles (NEVs) in 2015 with the introduction of the 'Made in China 2025' industrial strategy. Exorbitant amounts of money have been provided to car manufacturers and battery producers through generous subsidies, and the government has even issued mandates for electric vehicle production regardless of demand. New tariffs have also been applied on imported cars to encourage locals to buy vehicles built in China. [Read Article](#)

### U.S. Attorney Investigating Quality Issues at St. Louis EpiPen Plant, Pfizer Says

*St. Louis Business Journal - Jacob Kirn - Economic Development Editor*

Pfizer Inc. said Thursday it received a request for documents as part of a U.S. investigation into quality issues involving the manufacture of auto-injectors at its Meridian Medical Technologies site, in St. Louis.



The demand was from the U.S. Attorney's office for the Southern District of New York, Pfizer said, according to Reuters.

The news agency reports that Pfizer unit Meridian, which makes the EpiPen injectors used to deliver an emergency allergy antidote, has been hit with manufacturing problems. Those have included that the devices failed to activate. [Read Article](#)

### The Grounded 737 Max Is Turning Into a Major Debacle for Boeing

*Time.com - Bloomberg*

Boeing tumbled early Monday on heightened scrutiny by regulators and prosecutors over whether the approval process for the company's 737 Max jetliner was flawed.



A person familiar with the matter on Sunday said that the U.S. Transportation Department's Inspector General was examining the plane's design certification before the second of two deadly crashes of the almost brand-new aircraft.

Separately, the Wall Street Journal reported that a grand jury in Washington, D.C., on March 11 issued a subpoena to at least one person involved in the development process of the Max. And a Seattle Times investigation found that U.S. regulators delegated much of the plane's safety assessment to Boeing and that the company in turn delivered an analysis with crucial flaws. [Read Article](#)

## Cyber Security and IT News

### How Should AI Be Regulated?

*IndustryWeek - Keith B. Belton*

Manufacturers need to pay very close attention.

New technologies often bring calls for new regulation. A current example is artificial intelligence (AI)-the creation of machines that think and act in ways that resemble human intelligence.



There are plenty of AI optimists and AI pessimists. Both camps see the need for government intervention. Microsoft founder Bill Gates, who believes AI will "allow us to produce a lot more goods and services with less labor," foresees labor force dislocations and has suggested a robot tax. Tesla's Elon Musk, who believes AI presents a "fundamental risk to the existence of human civilization," calls for proactive regulation "before it is too late." [Read Article](#)

### **Aluminum Producer Hydro Says Cyber Attack Hit Operations**



*New Equipment Digest - Bloomberg*

Aluminum supplier switching to manual production processes  
Norsk Hydro ASA, one of the world's biggest aluminum producers, is suffering production outages after a cyber attack affected operations across Europe and the U.S.

Some operations, such as primary production potlines, have moved to a manual mode where possible, according to spokesman Halvor Molland. Other operations such as extrusion plants have been temporarily stopped. The company is doing everything possible to fix the problem, but isn't ready to give any forecasts yet, he said by phone. Aluminum futures were little changed on the London Metal Exchange.

Hydro is the largest supplier of extruded aluminum products in North American and European markets, providing highly-specialized parts to customers in sectors including aerospace and auto-making. [Read Article](#)

### **Breach of Rust: How Hackers Break in through Old Tech**



*New Equipment Digest - Corey Nachreiner*

In 2010, the infosecurity community identified an extremely sophisticated computer worm capable of propagating at an unprecedented rate and exploiting several previously unknown Windows zero-day vulnerabilities. Stuxnet, as the worm was famously dubbed, proved that a malicious actor could directly infect the programmable logic controllers (PLCs) of actual equipment used in manufacturing (in this case, a centrifuge used to manufacture weaponizable grade uranium). Without some precautions, this same type of attack could be adapted to target any PLC and software-controlled device on a manufacturers' factory floor.

Today, the number of cyberthreats specifically targeting manufacturers continues to climb. [Read Article](#)

### **Facebook Stored Millions Of User Passwords In Plain, Readable Text**



*NPR - Sasha Ingber*

Facebook said it found millions of user passwords stored in plain, readable text in its internal data storage systems.

Unknown to hundreds of millions of Facebook users, their passwords were sitting in plain text inside the company's data storage, leaving them vulnerable to potential employee misuse and cyberattack for years. "To be clear, these passwords were never visible to anyone outside of Facebook and we have found no evidence to date that anyone internally abused or improperly accessed them," Facebook's Vice President for Engineering, Security and Privacy Pedro Canahuati said in a statement Thursday.

Staff made the discovery in January during a routine security check, he said. [Read Article](#)

### **Users Seek Tips After Scam Targets Payment Apps Like Venmo and Cash App**



*ABC12 - Michael Nafso*

FLINT (WJRT) - With apps like Venmo, PayPal, and Cash App, it's never been easier to send and receive money. For hackers, it's also never been easier to deplete your funds and leave you with nothing.

#### **The scam seems innocent.**

A stranger asks for your phone claiming their battery died or they left theirs at home. They'll say the person didn't answer, and they need to send a text. It might look like texting, but police departments across the nation warn that they might be actually transferring your money into their own account. We all want to be good neighbors and help one another, but if someone you don't know asks to borrow your phone, the response is simple.

"No is a full sentence. Sorry. It's low on battery. Whatever. However you

want to do it," Doug Witten said. Witten is a Cyber Defense Program Director at Baker College Flint. [Read Article](#)

## Controversy Remains Over Shoplifting Prevention Technology

*ThomasNet - Anna Wells*

According to NBC News, a Japanese startup called Vaak is using artificial intelligence software to help retailers ferret out shoplifters before they leave the store ... and perhaps even before they grab the goods.



The "Vaakeye" technology is designed to work with a standard surveillance system to help identify behaviors that may constitute "suspicious activity." Vaak CEO Ryo Tanaka told NBC that this could include facial expressions, gestures, and movements - even clothing choices. If someone sets off an internal alert, the idea is for the store to dispatch personnel for a quick check-in.

And while Vaak says its tech reduced shoplifting incidents by 77% in tests, the idea of using technology to solve the problem is not without controversy. Sven Dietrich, a professor at John Jay College of Criminal Justice, told NBC that these kinds of deep learning algorithms are only as good as the data used to train them and "might be extracting a certain bias."

[Read Article](#)

## Human Resource Management News

### Why Manufacturing's Not Cool

*IndustryWeek - Claire Kapitan*

A high school student explains why you're failing to reach teens and millennials.



At IndustryWeek, we often hear from manufacturers about their impressions of high school students; less often do we hear high school students' impressions of manufacturers. Claire Kapitan is a high school student doing a job-shadowing project at IndustryWeek. For the project, we asked Claire to share her view on manufacturing so we and our readers could get some much-needed perspective. Thanks for sharing, Claire!

As a high school junior, my understanding of manufacturing is limited. Concepts such as lean methodology are alien. But this isn't because of my education.

I attend a private, all-girls Catholic high school where technology is strongly incorporated into my school curriculum. 3D printers, glass and wood laser cutters, and robotics materials are readily available for us to use and experiment with. However, engineering is an elective class, and if you do not have prior knowledge or interest in engineering coming into high school, you are unlikely to pursue this as a career interest. [Read Article](#)

### Being Ethical Has Its Perks: World's Most Ethical Companies

*EHS Today - Staff*

Companies listed on the "World's Most Ethical Companies" ranking outperform large-cap sector over five years by 14.4% and over three years by 10.5%.



What is the criteria for being an ethical company? And why is it important?

Ethisphere, which on Feb. 26 released the 2019 World's Most Ethical Companies, chooses companies that have met rigorous criteria across five categories covering the quality of their ethics and compliance program, organizational culture, corporate citizenship and responsibility, governance, and leadership and reputation.

Making this list translates to improved financial performance. The group tracks how the stock prices of publicly traded honorees compare to the Large Cap Index and found that companies listed World's Most Ethical Companies outperform large-cap sector over five years by 14.4% and over three years by 10.5%. [Read Article](#)

### Court Creates Confusion for Employers Over EEO-1 Form

*Material Handling & Logistics - David Sparkman*

Decision requires employers' use of the complicated form developed by the Obama-era EEOC.



Just as employers thought their long, confusing, years-long struggle to



comply with changes in the Equal Employment Opportunity Commission's EEO-1 form was finally coming to an end, a federal court judge has tossed a live grenade into the mix, creating massive uncertainty and confusion.

On March 4, Judge Tanya S. Chutkan of the U.S. District Court for the District of Columbia, an Obama appointee, vacated a 2017 order by the White House Office of Management Budget that had stayed the rule while its cost burdens were reevaluated and new requirements developed. As a result of the judge's action, the formerly defunct, highly complex EEO-1 form developed by the Obama-era EEOC is now in force. [Read Article](#)

**Don't Take EEOC Proposed Rules for Granted**  
*Material Handling & Logistics - Commentary & Analysis*  
Commission's mild blandishments mask changes that turn out to be anything but a formality.



Remember the old joke that the three biggest lies are: "It's on the truck," "The check is in the mail" and "I'm from Washington and I'm here to help you"? Now you can add another one, according to Robin Shea, a partner with the law firm of Constangy Brooks Smith & Prophete: "These proposed regulations are just a formality."

On Feb. 21 the U.S. Equal Employment Opportunity Commission issued proposed regulations dealing with digital transmission of legal documents which it said is intended to "to clarify the filing deadline for charges filed in locations where a state or local fair employment practices agency exists but does not have jurisdiction over the statutory basis for a charge."

In addition, the rules proposal would clarify that when the agency issues a "no cause" determination, that doesn't mean the employer "w on," which it says is already the case. It says the new rules would only make cosmetic changes to the wording on its Dismissal and Notice of Rights form which the agency explains should make this point more clear. [Read Article](#)

**Overtime Exempt Salary Level of \$35,508 Proposed**

*IndustryWeek - David Sparkman*

Labor Department seeks to avoid legal issues that sidelined Obama-era proposal.



Following years of development, new federal overtime rules were proposed last week by the U.S. Department of Labor (DOL) and are anticipated to go into effect in early 2020.

The new rules would update the salary thresholds used to determine which workers are entitled to overtime compensation after working 40 hours in a week. Under the proposal, the salary level will increase from \$455 per week (which amounts to \$23,660 annually) to \$679 per week (\$35,308 annually). [Read Article](#)

**March Madness: When a Friendly Bracket Becomes an HR Problem**

*IndustryWeek - Philippe Weiss*

Several worrisome workplace trends are emerging, as states relax sports gambling laws.



Next week marks the start of the first March Madness season since a landmark 2018 Supreme Court ruling gave states leeway to allow and regulate sports gambling. Many state legislatures are already jumping at what they consider an untapped revenue opportunity. For their part, manufacturers and other businesses owners are not all exactly jumping for joy-as they see a newly increased risk of overzealous participants and gamblers disrupting the workplace during March Madness.

Several potentially worrisome trends are already emerging and our group is already seeing an unusual increase in pre-tourney client calls from manufacturers and messaging assistance in three areas: [Read Article](#)

## Environmental, Health & Safety News

**ANSI/ISEA 121-2018: A Landmark in At-Heights Safety**

*EHSToday - Greg Schrab*

Though dropped object prevention is now recognized as a best practice, workers still need to be educated on how to eliminate risks.

On many worksites, tool tethering still means duct tape and twine-if anything at all. But when ANSI/ISEA 121-2018 (American National Standard



for Dropped Object Prevention Solutions) launched in the summer of 2018, it not only identified dropped object prevention as a best practice, it also defined exactly what it meant (spoiler alert: duct tape and twine didn't make the cut).

What Is ANSI/ISEA 121-2018? [Read Article](#)

### **OSHA Cites Bruce Foods Corp. with 24 Safety Violations**

*EHSToday - Staff*

Mexican food manufacturer Bruce Foods Corp. is facing \$194,350 in fines after a worker suffered an amputation.

The El Paso, Texas-based company was cited for 24 serious safety violations.



"Moving machine parts can cause severe injuries when they are not properly guarded and safety procedures are not in place," said OSHA El Paso Area Director Diego Alvarado Jr. "This injury could have been prevented with employee training and proper machine guarding." [Read Article](#)

### **Campbell Institute: Train Workers on Visual Literacy to Spot Hazards**

*EHSToday - Staff*

New findings show that workers are able to spot workplace hazards more accurately when they are trained on the concepts of visual literacy.



The Campbell Institute at the National Safety Council completed a study which examined how employees at companies such as Cummins Inc. have been able to identify otherwise unnoticed hazards after training.

"About 90% of the information people consume is visual," said John Dony, Campbell Institute director, in a statement. "Taking in that much visual data can lead us to have inattentive blindness - only seeing what we deem important to see but being blind to many other details, like potential hazards. That's why training workers to better see where those hazards might exist is crucial to workplace health and safety." [Read Article](#)

### **Fewer Than 20% of Employers are Prepared for Opioid Abuse**

*EHSToday - Staff*

Death from opioid overdose is more common than death from a motor vehicle crash.



Even though 75% of companies have experienced the effects of the opioid epidemic, only 17% say they are "extremely well prepared" to handle it, according to a new survey from the National Safety Council (NSC).

The results of the survey were released in recognition of Poison Prevention Week.

"The opioid crisis is truly encompassing nearly every aspect of American lives. Today's survey confirms that the No. 1 cause of preventable death is not just taking its toll on our home lives, but companies across the country are also grappling with the impact of this epidemic," said Nick Smith, interim president and CEO of NSC. [Read Article](#)

### **Why Reporting All Incidents Matters**

*EHSToday - Juhlian Pimping*

The concept of incident reporting has been around for quite some time now. Though it was designed to improve safety in the workplace, there are still a number of reasons employees refuse to comply with this. Management and frontline workers need to understand why reporting an incident makes a big difference in the safety, efficiency and overall well-being of the organization and its members.



### **Awareness of threats**

Reporting incidents is essential since it raises the organization's awareness about the things that can go wrong so that corrective and preventative actions can be taken promptly. [Read Article](#)

**If you find you cannot identify, explain or document your firm's worker development process, then you probably noticed it is difficult to accommodate change or measure**

## and improve worker performance

Spend a few minutes to learn more about a worker training approach:

- designed for manufacturing;
- proven for any industry;
- customized to your job classifications, your tasks and specifications, and your business operation's needs...

Does your organization struggle with high turnover rates leading to lower organizational capacity, work quality and quantity and compliance? Is your organization faced with these increasing costs while seeing a decreasing training budget?



Wouldn't it be worth a few minutes of your time to find out how you can drive every worker - incumbent and new-hires - through structured on-the-job training to full job mastery. with a small investment and huge return?

**Check the "Upcoming Events" section of this newsletter for when a Proactive Technologies Representative will be in your area next and schedule an onsite briefing!**

Proactive Technologies, Inc. [always offers a low-to-no risk pilot program approach](#). We work with the client to design a project to fit their budget and meet their business needs.

**Plan to attend** one of our **scheduled *live* online presentations** (see schedule on left) **OR tell us a date and time that fits your schedule**, which we can follow-up with an onsite presentation. Or skip the online presentation and schedule an onsite briefing.



**The PROTECH™ approach:**

- Is designed to your job classification, your operation and incorporates your firm's specifications, process, standards and policies;
- Ends your worries and costs over finding qualified candidates and closing the "skills gap;"
- Drives every worker to full job mastery while they simply learn their job;
- Cuts your employee turnover costs;
- Captures worker expertise before it leaves and use it to quickly and thoroughly train replacements;
- Provides metrics and reports for process monitoring and improvement.

European-style apprenticeships without the exorbitant cost... whether registered or not.

We research available training grant funds for each project and help the client apply. Grants may offset most or all of the investment to set-up and implement the structured training system!!

**Low investment, no risk, high returns - everything to gain!**

**Isn't an hour of your time worth it to see if this approach to worker training is the one you always wished you had?**

[Contact a Proactive Technologies, Inc. representative](#) today!





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