AN AFIMAC PERSPECTIVE PAPER

A Snapshot of Logistics & Distribution Labor in America

Inside Information from our Survey of Industry Leaders





Executive Summary

Between intensifying global trade disputes, rapidly shifting tariff policies, and mounting uncertainty over industrial policy, U.S.-based manufacturers are being forced to reassess logistics and distribution in real time.

For the thousands of companies that already manufacture goods in the United States, these pressures are compounded by an increasingly acute labor shortage.

In this paper, AFIMAC shares findings from an exclusive survey of 128 manufacturing leaders across the U.S. The data reveals how manufacturers are adapting labor strategies to remain competitive amid policy volatility, infrastructure strain and workforce instability. As short-term staffing demands escalate, dynamic labor solutions are becoming not just tactical, but strategic.



Manufacturing Uncertainty Continues

In 2026, the trade landscape is still being dominated by tariffs and trade tension. Levies on imports from Asia and shifting tariffs on goods from North American allies have left many manufacturers in limbo. The stated goal of these actions is to incentivize U.S.-based production, but the unintended consequence has been a chilling of investment.

A recent Harvard Business Review article outlined how uncertainty, not clarity, is shaping executive decision-making, particularly around supply chain strategy. While some companies explore reshoring or nearshoring options, others are quietly holding back expansion until the policy environment stabilizes.

Importantly, many manufacturers don't need to bring manufacturing "back" to the U.S. They already operate here. For them, the challenge of 2026 isn't shifting strategy, it's navigating continued headwinds.

Domestic Manufacturing's Real Strain

Companies with existing domestic operations are being squeezed by both policy and competition. Global firms investing in U.S. manufacturing facilities are vying for the same resources: labor, land, materials and energy infrastructure.

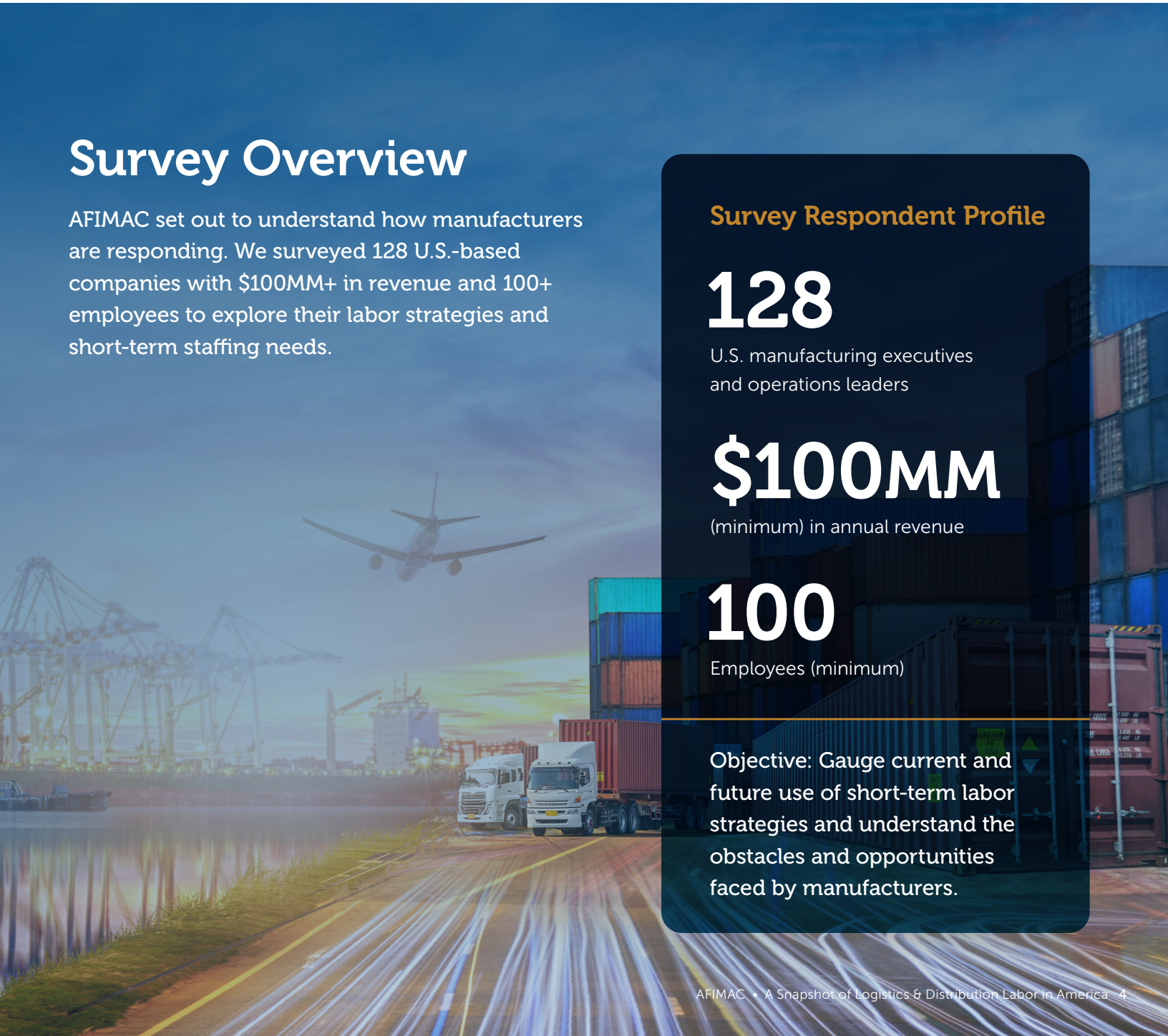
> Reports from Reuters and CBS News have detailed how automakers, electronics manufacturers, food and beverage processors and other global producers are fast-tracking U.S. expansion to hedge against tariff fallout. While these moves may bode well for long-term domestic output, they threaten to overwhelm existing capacity, especially labor.

Warehousing and logistics providers are also vulnerable. Their operations, typically built for flexibility and lean margins, face compounding pressures as upstream production shifts add strain.

The Labor Equation

Despite aggressive incentives for U.S.-based manufacturing, the labor supply remains a stubborn obstacle. Deloitte estimates a shortage of 1.9 million manufacturing workers, with projections ballooning to 3.8 million over the next decade if unaddressed. Legacy workforce contraction, declining interest in manufacturing careers and evolving skill requirements have all contributed.

Even as automation, AI and robotics gain ground, manufacturers know that people remain central to production. Machines need operators, complex processes need skilled technicians and flexibility demands human judgment.



Survey Overview

AFIMAC set out to understand how manufacturers are responding. We surveyed 128 U.S.-based companies with $100MM+ in revenue and 100+ employees to explore their labor strategies and short-term staffing needs.

Survey Respondent Profile

128

U.S. manufacturing executives and operations leaders

$100MM

(minimum) in annual revenue

100

Employees (minimum)

Objective: Gauge current and future use of short-term labor strategies and understand the obstacles and opportunities faced by manufacturers.

Current Labor Practices

Prevalence of Short-term Labor

Large corporations report using short-term labor as a strategic hedge against surge events or to address critical risks like underutilization. For mid-sized companies, in addition to the reasons given by large corporations, short-term labor is often used with the hope of identifying future permanent employees.

Types of Labor

SEMI-SKILLED LABOR

Some special skills, education, or training received, e.g., forklift operators, fabricators

SPECIALIZED LABOR

Specialized skills received from professional training, e.g., electricians, welders

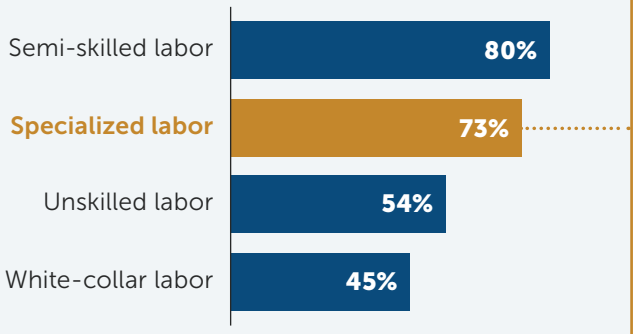
UNSKILLED LABOR

No special skills, education, or training required, e.g., packers

WHITE-COLLAR LABOR

College education, e.g., engineers

% of Companies Hiring Short-term Labor



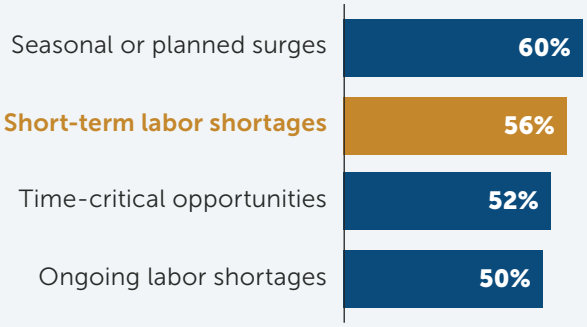
STRATEGIC IMPORTANCE

83%

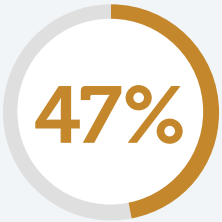
of companies hiring specialized labor deem it "extremely" or "very" important to strategy.

» The growing strategic value placed on specialized labor is compounded by shifts in the skills needed across manufacturing and the supply chain, which are becoming increasingly technical.

Primary Use Cases of Temporary Labor



The use of short-term labor in manufacturing, warehousing and logistics is prevalent.



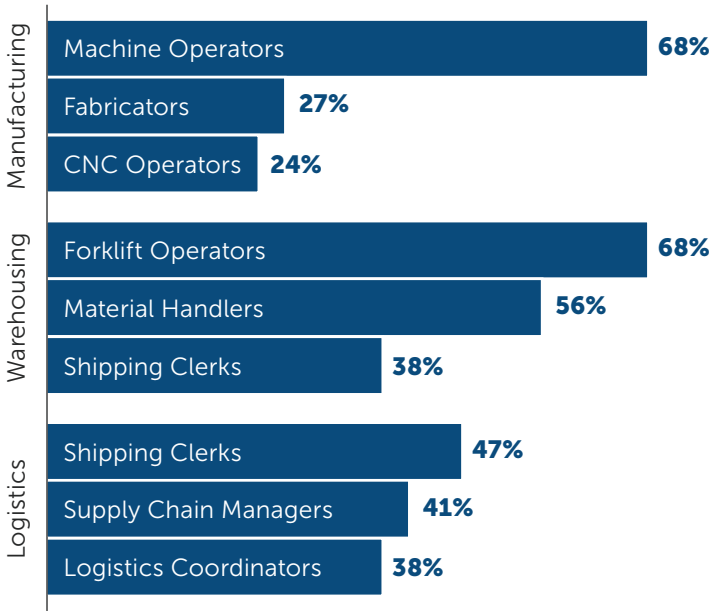
Nearly half (47%) of respondents reported bringing in additional labor four or more times in the past 2–3 years.

Perhaps the most striking finding is the widespread use of short-term workers to address ongoing labor shortages.

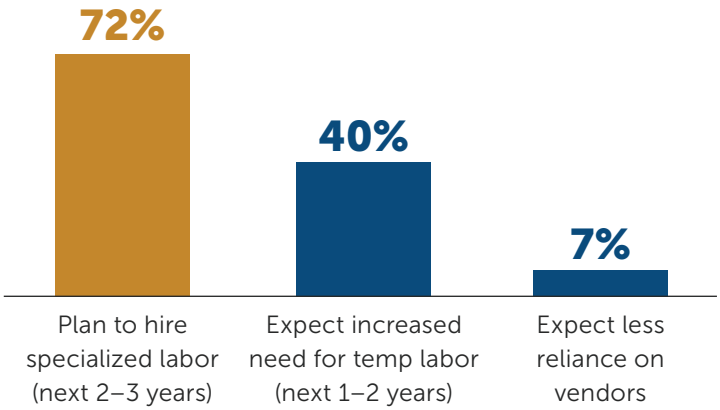
Looking Ahead

We asked respondents to estimate their need for short-term labor in the near future. The vast majority see an increase in reliance on short-term labor.

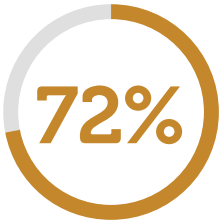
High-Demand Roles by Sector



Future Demand Expectations



Reliance on Vendors

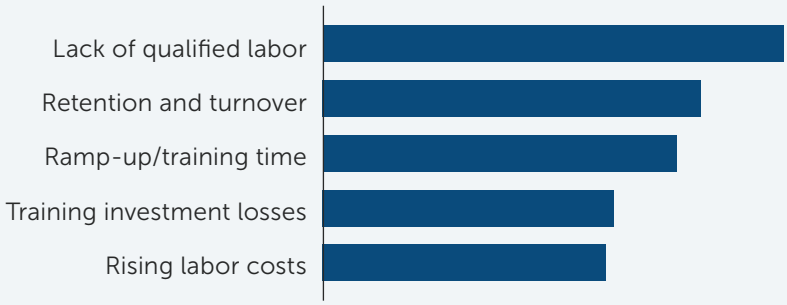


72% believe they will rely on a vendor to provide temporary specialized labor in the next 2-3 years.

Labor Sourcing Obstacles

These findings echo earlier AFIMAC research and public data. Manufacturing turnover averages 28.6% annually with more than 40% of new hires leaving in their first year.

Labor Sourcing Challenges



Strategy Implications

The old paradigm of hiring locally, training slowly and retaining indefinitely is breaking down. Manufacturers need dynamic labor strategies that prioritize speed, skill match and risk mitigation.

AFIMAC refers to this as Critical Situation Travel Labor (CSTL). While most companies will recruit full-time workers from a broad geography, they often choose to limit their reach into the short-term labor pool to only those workers in close proximity. Travel labor offers a broader and deeper pool of labor, increasing access to the needed skills and experience. Some key benefits of travel labor:

- Temporary augmentation during surges, crises or opportunity windows
- On-demand, geographically flexible teams
- Lower risk than long-term hiring in times of policy and demand volatility

Manufacturers already treat machinery, inputs and real estate as agile investments. Labor must follow suit.

Planning for the Future

The three factors with the highest impact on manufacturing labor in 2026 are:

1. Uncertainty in trade and policy
2. Competition for finite resources
3. An entrenched and worsening labor gap

Short-term labor solutions must be proactive, not reactive. They should complement long-term development programs, not replace them, and they must be designed for both crisis response and growth enablement.

2026 will test the operational resilience of U.S. manufacturers. For those already producing domestically, the challenge isn't whether to reshore, it's how to scale without breaking the system.

Short-term labor isn't just a stopgap. It's a core component of modern manufacturing strategy. As manufacturers adapt to this new reality, labor partners like AFIMAC will play a central role in ensuring continuity, competitiveness, and capacity.



About AFIMAC

AFIMAC is North America's leading provider of Critical Situation Travel Labor (CSTL)—a fully managed, rapid-response labor solution built for businesses facing urgent workforce disruptions. With over 40 years of experience and more than 12,000 screened and drug-tested laborers, AFIMAC delivers skilled, travel-ready teams to maintain business continuity across manufacturing, warehousing, and logistics operations.

When internal staffing channels fall short and time is critical, CSTL offers a turnkey workforce—covering everything from recruitment and travel to on-site management and logistics—deployable in as little as 2 to 7 days. AFIMAC mitigates high-stakes business risks including lost revenue, reputational damage, and credit default, empowering companies to remain operational during line start-ups, production shortfalls, relocations, natural disasters, or health emergencies.

CSTL is a no long-term commitment, no-hassle demobilization solution designed to meet today's volatile labor demands without burdening clients with permanent overhead. AFIMAC's 24/7 in-house logistics team, paired with boots-on-the-ground supervisors, ensures seamless execution and total accountability—making AFIMAC the trusted labor continuity partner for Fortune 500 firms and mid-market leaders alike.

When everything is on the line, we keep your line producing.



Appendix: Survey Data

(Available Upon Request)

CBS News

- **These companies say they're investing more in U.S. manufacturing** — profiles firms expanding operations domestically in response to tariff threats.
  https://www.cbsnews.com/news/us-manufacturing-domestic-tariffs/

Harvard Business Review

- **The Tariff Wars Just Upended Your Supply Chain. Here's How to Adapt** — discusses how unpredictable tariffs are disrupting supply chains.
  https://hbr.org/2025/04/the-tariff-wars-just-upended-your-supply-chain-heres-how-to-adapt
- **Tariffs, Technology, and the New Geography of Manufacturing** — explores how reshoring efforts are accelerating in response to trade policy shifts.
  https://hbr.org/2025/06/tariffs-technology-and-the-new-geography-of-manufacturing
- **HBR Roundtable: Adapting to the New Reality of Tariffs** — captures executive insights on managing supply chains amid geopolitical tensions.
  https://hbr.org/2025/04/hbr-roundtable-adapting-to-the-new-reality-of-tariffs
- **Understanding the Global Macroeconomic Impacts of Trump's Tariffs** — provides macro-level analysis of tariff consequences.
  https://hbr.org/2025/04/understanding-the-global-macroeconomic-impacts-of-trumps-tariffs

MarketWatch

- **U.S. manufacturing slump shows little sign of ending amid ongoing trade wars** — details industry contraction and policy uncertainty.
  https://www.marketwatch.com/story/u-s-manufacturing-slump-shows-little-sign-of-ending-ism-says-amidongoing-trade-wars-42cbfddc

Reuters

- **Companies eye U.S. expansion to lessen fallout from potential tariffs** — highlights multinationals investing in U.S. production to hedge against trade barriers.
  https://www.reuters.com/business/companies-eye-us-expansion-lessen-fallout-potential-tariffs-2025-01-29/
- **US manufacturing output falls in April on weak auto production** — reports recent declines in output amid tariff effects.
  https://www.reuters.com/business/autos-transportation/us-manufacturing-output-falls-april-weak-autoproduction-2025-05-15/
- **US manufacturing output barely rises in May** — suggests that manufacturing growth is stalling under pressure.
  https://www.reuters.com/world/us/us-manufacturing-output-barely-rises-may-2025-06-17/
- **US manufacturing mired in weakness as tariffs bite** — reflects growing evidence of contraction in the sector.
  https://www.reuters.com/business/us-manufacturing-mired-weakness-tariffs-bite-2025-07-01/

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