



Rising Labor Costs & How Robotics Can Help

A Practical Guide for Manufacturers & Businesses

cobotworks
innovate. educate. collaborate.





Introduction

Labor costs are rising across the manufacturing industry, putting pressure on margins, capacity, and growth. In this eBook, we explore why costs are increasing, what it means for your business, and how collaborative robots (cobots) are helping manufacturers of all sizes reduce costs while boosting productivity.

Section 1: What's Causing Labor Costs to Rise?

- ✔ Wages are increasing as demand for skilled workers outpaces supply
- ✔ Turnover and absenteeism are adding hidden costs to operations
- ✔ Recruitment and training are taking longer and costing more
- ✔ Overtime reliance is creating burnout and inconsistency



Stat: 78% of manufacturers say labor shortages are one of their top challenges (NAM, 2023)

Section 2 : The True Cost of Labor

Labor is more than just hourly wages.

Total cost includes

- ➕ Healthcare and benefits
- ₹ Payroll taxes and insurance
- 🕒 Downtime due to injuries or absenteeism
- ⚠️ Errors, scrap, and rework



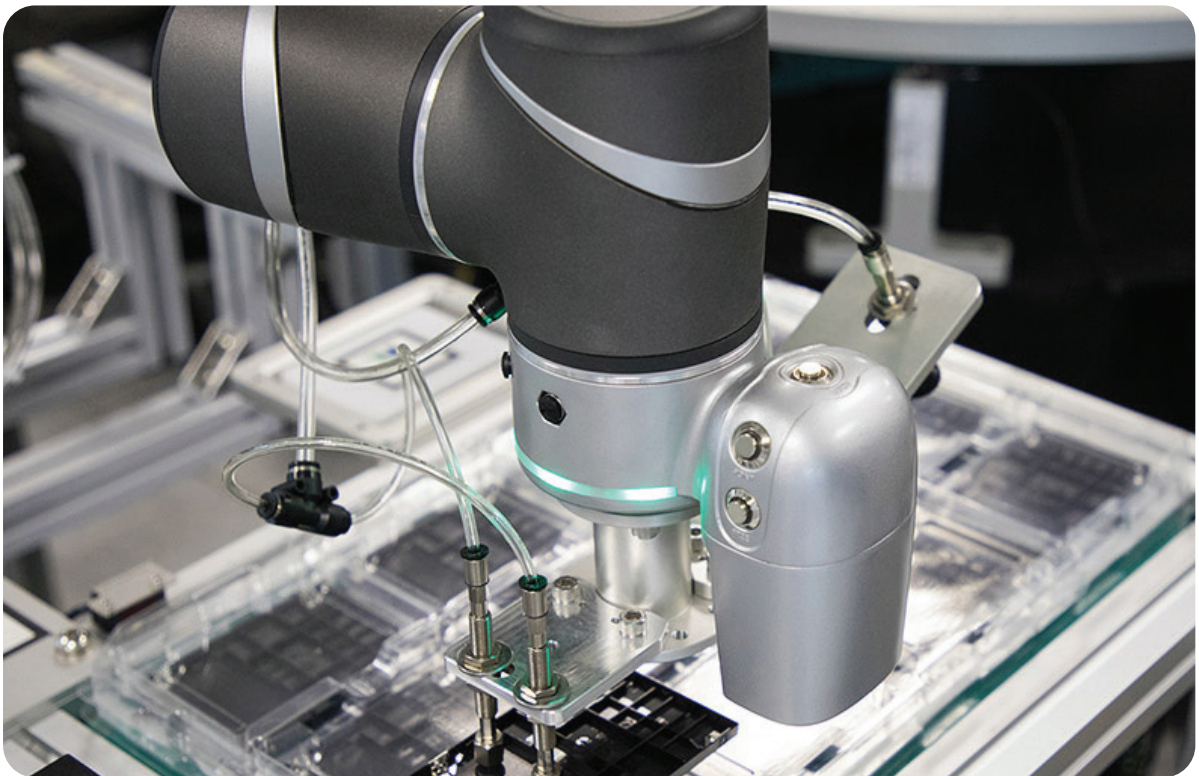
Example

A \$22/hour job
may cost an employer
\$35/hour in total



Section 3 : How Robotics Can Help

Collaborative robots (cobots) are designed to work safely alongside humans. They are ideal for repetitive, manual tasks and can help offset rising labor costs in several ways



- ✔ Operate 24/7 with no overtime or absenteeism
- ✔ Improve consistency and reduce scrap
- ✔ Eliminate the need to hire for undesirable jobs
- ✔ Pay for themselves in under a year

Bonus: Cobots don't replace workers—they enhance your team by taking on the dull, dirty, and dangerous tasks.

Section 4 : Real-World Results



A Midwest metal fab company used a cobot to eliminate second-shift hiring and boosted throughput

22%



A food packaging plant cut labor costs by \$135K/year after automating two packaging lines

\$135K/year

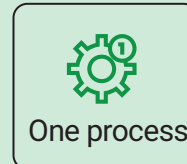
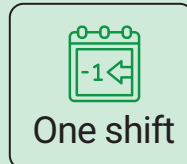
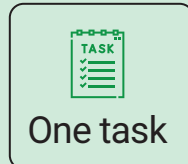


A Tier 1 supplier improved output reliability and reduced overtime by 40%

40%

Getting Started with Automation

You don't need to automate everything to see results. Start with:



A local cobot distributor can help you

- Identify the right application
- Calculate ROI
- Deploy and support the system



Conclusion: You can't control wage inflation, but you can control how your company adapts. Collaborative robots are the smart, flexible, scalable solution to stay competitive in a world of rising labor costs.

cobotworks
innovate. educate. collaborate.

www.cobotworks.org/resources