

Construction Industry Needs More Hands

By Peter Eisenhauer

After a long cold winter the season has turned. Redbuds have blossomed and the Astros and Rangers have taken the field. The economic weather is slowly warming up, too. As Associated Builders and Contractors Chief Economist Anirban Basu puts it, “The conventional wisdom is that this year’s winter weather has suppressed spending and that will make the spring recovery even stronger than it would have been, as pent up supply is released.”

With encouraging signs of an upward trend in construction and at the tail end of a brutal winter it may look like the construction industry can look forward to sunshine, blue skies and breaking ground on many new projects. But there’s a cloud on the horizon.

Surprisingly for some, coming after years of recession and painful downsizing, now that business looks like picking up, contractors may be hard pressed to find qualified workers to put on the job.

In a major report, the National Center for Construction Education and Research (NCCER) notes “the industry will need to add 1.5 million workers to successfully install the volume of work that is expected in 2014. In addition, the Construction Labor Research Council (CLRC) predicts that 185,000 new workers will be needed annually for the next decade.” A 2012 survey by the American Institute of Architects found that almost 70 percent of architect, engineer and contractor professionals expect a shortage of skilled workers over the next three years. No one knows where those workers will come from.



Demographics play a large role in this. By 2020, 25 million Baby Boomers, who make up more than 40 percent of the U.S. labor force, will be exiting the workforce in large numbers and leaving many jobs to be filled. The Pew Research Center reported that, between 2011 and 2030, an average of 10,000 Baby Boomers will reach age 65 each day. This is reflected already in statistics for the construction industry: The average age of construction workers rose from 36 in 1985 to 41.5 in 2010. According to NCCER: “Prior to 2008, it was estimated that 20



percent of the current workforce would retire in three years. While the downturn has slowed this departure, it has not stopped it. Although the prediction in 2008 was distressing, the reality may be even worse since those same retirements will now likely occur during a recovering, highly competitive construction market.”

The fallout of the recession is another factor. According to the NCCER report “the recession also took a substantial toll on available talent. As the number of construction projects plummeted and unemployment figures skyrocketed toward 30 percent, workers fled the industry in droves seeking viable employment in other industries. Those who succeeded are unlikely to return to construction any time soon, if at all.”

There is also a disconnect between the job expectations and education young people are getting and the actual needs of employers. One workplace study estimates that in coming years, only 32 percent of the U.S. population will have the necessary training that 65 percent of the jobs will require. The construction industry will be competing with other sectors that are facing shortages of skilled workers.

Getting the Younger Generation

So how to get the word out to young people that there are great opportunities in the construction industry? Right now, they don’t believe that construction offers many skilled and high-paying jobs. They don’t know that construction is a field that offers them a realistic opportunity for many to start their own business once they have some experience.

Humberto Martinez worked for many years in Fort Worth, Texas, as the Assistant Director of Professional Development for the Federal Highway Administration. In 1999 he was part of a small circle of construction industry leaders who were discussing the problems of workforce recruitment, retention and development. They took action by reaching out to area schools and initiating the first Career Construction Day. The event showcased all construction-related careers in a hands on way, Martinez said, “So the students could see, do and feel

the rudiments of the diversity of major careers in construction and talk to people who are in those careers jobs now.”

There were hands-on activities, including the opportunity to use CAD software, and to handle machinery. They took 1300 students through the process in that first four day event. Word spread like wildfire among educators and the group was soon receiving calls from around the state and the nation requesting the program. By 2012 the program was in 46 states and had reached 500,000 students.

One key to the program’s success, Martinez said, is the involvement of the construction workers. Although they may be more comfortable operating a crane than talking to teenagers, they found that “The kids want to hear their stories, and they find it rewarding to talk about their work. “By telling their story they realize the importance of the work that they do each day,” said Martinez. The professionalism and pride of members of the construction industry can be a powerful influence.

Drawing From Untapped Pools

Workforce statistics can be a guide to new opportunities. Women make up 47 percent of employees in the total workforce, but only 9 percent in construction. That could be a confirmation of the stereotype that construction excludes women. But flip that thinking and it is clear that women provide a vast potential pool of construction professionals if the industry makes an effort to be more inviting for women. The statistics can be useful in this effort. It may be surprising, but the Bureau of Labor Statistics reports that construction is closer to providing equal pay for women than many other industries. “Women’s-to-men’s earnings ratios were higher among women employed in construction (92 percent) ... than among women employed in other services (72 percent) and financial activities (71 percent).”

How to get and keep these workers? Flexibility is important. Jean Dimeo, Editor of Builder magazine, has written, “Many more women are graduating college than men, and women now outnumber men in the workforce. It’s expensive

to hire new employees and train them; it’s much easier to keep well-trained, productive women by offering equal pay for equal work, flexible schedules, and promotions.”

Retaining

The aging workforce isn’t all bad news, and can represent another opportunity. Studies have shown that older workers are more committed to their jobs and their organizations. According to researchers, older workers are more engaged, more motivated to do excellent work. They tend to be more productive, stick with the job and create stronger customer relationships. The traditional view of retirement is changing to include employment opportunities with variability as the foundation of the employment choices due to older adults’ desire and need to work. How to hang on to the valuable resource? Again, flexibility is the key. One best practice is to redesign work and schedules so they can train new colleagues and pass along the benefits of their experience as they transition to retirement.

Development

A traditional form of craft training is apprenticeship or on the job training programs, regulated by state or federal guidelines. Under a formal contract between the apprentice and the sponsor, over a given number of years the program covers the full range of skills to proceed to a fully trained craft professional. State and federal government construction contracts sometimes require participation in apprenticeship programs. An additional incentive for contractors is that under the Davis-Bacon Act and other ‘prevailing wage’ laws, registered apprentices can receive less than the full skilled worker rate. So the contractor who trains apprentices can be at an advantage in bidding this work.

An additional mode to training has been developed over the last 20 years by NCCER. Created especially to address the workforce shortage facing the industry, NCCER now has a network of nearly 700 accredited training sponsors, with over 350 assessment centers and 4,500 units to train and certify craft professionals in line with industry standards. There are close to 50,000 accredited Craft Instructors within the NCCER network.

There is an undeniable challenge for the construction industry in finding a way forward to a sustainable model of workforce recruitment, retention and development. Will the industry bring forth the commitment, hard work, and ingenuity it takes to get this job done? ❖