

2019 Worker Shortage Survey Analysis

SUMMARY

The Associated General Contractors of America was the first commercial construction association to begin warning about the impacts of construction workforce shortages, releasing its first comprehensive Workforce Development Plan in 2013. Since then, the association has played a lead role in addressing construction workforce shortages.

As part of our workforce development efforts, the association has been pushing for federal measures to make it easier to set up construction recruiting and training programs. We have been educating the public about the many benefits of pursuing high-paying construction careers. The association has been making strategic investments in key workforce development programs.

AGC of America has also launched new efforts to diversify the construction industry by attracting new groups into the sector. And we have been providing our nationwide network of chapters and members with resources and tools to support their recruiting, training and retention programs.

Since we launched the association's workforce effort, we have made construction workforce issues a top national priority and helped secure a number of needed reforms and new investments

Yet even as this association and its member firms act to address construction workforce shortages, this year's survey results make it clear that more needs to be done. Workforce shortages are impacting the schedule, and cost, of too many construction projects. That is why the association is continuing to advocate for a series of new federal measures that will help alleviate construction workforce shortages.

Among the steps federal officials should take to address construction labor shortages are doubling federal investments in career and technical education over the next five years. Congress and the administration must also work together to enact comprehensive immigration reform that allows more people with construction skills to legally enter the country. And the Trump administration should explore ways to support the proliferation of rigorous, high-quality construction apprenticeship programs, particularly in predominantly open-shop markets, as well as other types of training programs.

Other steps federal officials should take include passing the Jobs Act, which would allow students enrolled in construction-focused community and technical college programs to qualify for federal Pell grants. Congress should pass bipartisan legislation to establish a temporary visa program for construction workers. And the federal government must do more to quell the opioid epidemic that appears to be disqualifying a significant number of candidates.

Construction workforce shortages pose a significant problem for the construction industry. That is why this association has made the issue its top priority and so many of our chapters and members are working to address the problem. But while the federal government has taken – at our urging –

Concrete workers, pipelayers, carpenters, cement masons and equipment operators are particularly hard to find. Respondents were asked if their firms are having a hard time filling any of 20 specific hourly craft positions or 10 salaried positions compared to a year ago. The five toughest craft positions to fill are concrete workers, pipelayers, carpenters, cement masons, and crane and heavy equipment operators. Notably, for all but one of the craft personnel positions, at least half of the firms that employ those crafts reported the positions were harder to fill compared to a year ago. Salaried positions were somewhat easier to fill than craft positions, although nearly half—48 percent—of firms reported that project manager/supervisor positions were harder to fill than a year ago.

Most contractors expect labor conditions will remain tight or get worse as they worry about the pipeline for preparing new workers. Nearly three-quarters (73 percent) of firms report that it will continue to be hard, or get even harder, to find hourly craft personnel over the coming 12 months. Meanwhile, 55 percent of firms report that it will continue to be hard, or get even harder, to find salaried field and office personnel during the coming year. One possible reason for their worries about the labor market is that many contractors are skeptical of the quality of the pipeline for recruiting and preparing new craft personnel. Specifically, 45 percent of firms say the local pipeline for prepared craft personnel who are well trained and skilled is poor. And 26 percent of contractors say the pipeline for finding workers who can pass a drug test

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Workforce shortages are impacting construction schedules and increasing the cost of many construction projects. Forty-four percent of firms report that workforce shortages are causing projects to take longer than originally anticipated, while 43 percent report that costs have been higher than anticipated. To cope with these challenges, 44 percent of firms report that workforce shortages have prompted them to put higher prices into their bids for new projects, and 29 percent report they have put longer completion times into their bids for new work.

All four regions of the country are

It is because workforce shortages pose a risk to the broader economy that Congress and the Trump administration should act now. Among the steps they should take are allowing more immigrants to legally enter the country to work in construction, allowing construction students to qualify for Pell grants, and boosting investments in modern versions of Career and Technical Education programs that were once far more common in most high schools.

This association, its chapters and its members are committed to resolving construction workforce shortages, and indeed having taken significant steps to address them. But construction workforce shortages affect more than the construction industry. That is why Washington officials must act now to address them. Together the construction industry and the federal government can do much to encourage even more people to consider pursuing high-paying careers in construction.

BACKGROUND

AGC conducted the survey of its members in July and August 2019. A total of 1,935 individuals from a broad range of firm types and sizes completed the survey. Among responding firms that identified their market segments, 68 percent are involved in building construction, 34 percent are involved in highway and transportation construction, 30 percent perform federal construction projects and 27 percent work on utility infrastructure projects. Thirty-one percent of responding firms perform \$10 million a year or less worth of work, 34 percent perform between \$10.1 million and \$50 million, 26 percent perform between \$50.1 million and \$500 million and 8 percent perform over \$500 million worth of work each year. Respondents were not paid or otherwise compensated for their responses.