



Introduction

The Associated General Contractors (AGC) of America first released a construction industry workforce development plan in the fall of 2013. Back then the industry was only a few months out of one of the worst construction downturns the industry has experienced. Nearly one-third of all construction jobs had disappeared nationally, while the sector was in the shadow of itself in once-fast growing cities like Phoenix, Las Vegas and Miami. Yet less than two years after surviving near-Armageddon, many construction firms began reporting to the association they were having a hard time finding qualified construction workers to hire.

Instead of relying exclusively on anecdotal reports, AGC of America in the summer of 2013 conducted the first in an annual series of Construction Workforce Shortage Surveys. The results were very surprising. That year 74 percent of construction firms reported they were having a hard time finding workers. One of the main problems member firms reported was that relatively few young people were pursuing careers in construction at a time when the remaining industry workforce was aging, and retiring, at a rapid pace. In response, the association crafted a series of recommendations that federal, state and local officials could act on to reinvigorate the pipeline for recruiting and preparing qualified construction workers.

AGC of America has spent the past five years vigorously promoting the measures outlined

responding to the survey report they are having a hard time filling craft positions and 56 percent report are having a hard time filling salaried positions. These shortages are prompting many firms to raise wages, improve benefits and expand bonuses and other incentives. Labor shortages are also leading many firms to change the way they operate to become more efficient and less reliant on labor.

Labor shortages are also apparent in the monthly Job Openings and Labor Turnover Survey reported by the Bureau of Labor Statistics. BLS reports that construction industry job openings in recent months have been at the highest levels since the series began in December 2000. Meanwhile, the number of unemployed workers with recent construction experience has fallen to record lows. Together, these data show that contractors are having a hard time filling positions and are increasing having to hire workers without construction or perhaps any work history.

The other impact of construction workforce shortages, according to the survey, is that it takes longer and costs more to build many types of projects. Workforce shortages that make construction projects more costly and slower to build run the risk of undermining broader economic growth by making private- and public-sector development projects including infrastructure more expensive and time-consuming.

Ways the Federal Government Can Address Construction Workforce Shortages

in-demand skills in local markets. There is no one size fits all solution and that is why AGC of America encourages policy makers to consider many of the reforms to ensure all markets and sectors are serviced.

◁ **Ensure Adequate Federal Funding**

The workforce shortage is too severe and important to not adequately fund programs to address the problem. Since the early 2000s, funding for underemployed adults, initially via the Workforce Investment Act and later the WIOA, has been cut or under attack. Meanwhile, funding for students in secondary and post-secondary career and technical education programs funded through federal career and technical education programs kept pace with the needs.

- *Career and Technical Education:* CTE programs are among the most valuable education programs for exposing students to construction skills and even to a lifelong career in the industry. However, CTE programs are expensive to administer and fund, with cost-intensive classrooms and equipment, and quality CTE instructors are in short supply. Especially in construction there is a shortage of quality instructors, as they are often recruited to work in the private sector at higher salary levels than a school district can provide. The modest funding increase in the recently enacted Strengthening Career and Technical Education for the 21st Century Act is a good start, but there are still needs not being met because of the funding limitations of the program. **Funding for the program should be doubled over the next five years.**
- *Workforce Innovation Opportunity Act:* WIOA targets adults who lack the needed

Given the shortage of construction workers, more

emphasis should be placed on the federal job training programs under WIOA. This approach would provide otherwise underemployed adults with a more secure career and reduce their reliance on other social safety net programs that would otherwise place greater burdens on the federal budget. **WIOA funding should be increased in order**

employers to engage, collaborate with educators and others to provide career training.

- *Inequities of Workforce and Education Funding:* The federal government overwhelmingly supports and encourages higher education to the tune of \$120.1 billion a year in Pell grants and loans that help offset the cost of higher education for four-year degree programs. In comparison, the federal government only provides \$2.7 billion for WIOA, of which a conservative 15% is for training, and \$1.1 billion for all types of CTE.

provide greater flexibility for Pell grants for short-term competency-based programs, and improve transparency about employment outcomes for prospective students would provide more work-ready individuals. Giving students information on education quality and outcomes will help expose more students to the many benefits of career-oriented programs, compared with traditional academic instruction.

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demand merits. Additional programs needing changes to increase a potential construction workforce include:

- Earned path toward legal permanent status for Deferred Action for Childhood Arrivals and Temporary Protected Status recipients.
- Opportunity for earned legal status for otherwise law-abiding undocumented workers.
- New temporary, market-based, visa program to legally alleviate current and future worker shortages and secure the border.
- Expansion of the H-2B seasonal visa program to meet the distinct needs of the construction industry.

◁ **Increase Apprenticeship Opportunities and Usability**

The administration has undertaken several recent initiatives to expand earn-and-learn career education and grow industry-recognized programs beyond the current, traditional system, to be overseen and accredited by third-party industry groups. AGC of America supports a national framework of third-party credentialing bodies authorized and overseen by the U.S. Department of Labor, as long as they offer greater flexibility without regulatory burdens and mandates. A future system should support the registered and industry recognized approaches equally in all respects, including funding. Apprenticeship programs should be rated on their outcomes regarding trainees getting jobs and wages. That information should be shared with students so they can make educated decisions on what programs best fit their needs.

Even as the association pursues a series of federal policy changes to address chronic workforce shortages, we also appreciate the need to support and expand efforts to recruit the next generation of professionals into the construction industry. Getting the federal government to take steps to improve construction training opportunities will do little to help with workforce shortages if few people are willing to enter training programs. That is why the association will continue to support a range of workforce recruiting campaigns across the nation. In addition, we are also launching a series of new measures designed to recruit even more young adults into the industry. These recruiting efforts are essential because the economics alone do not appear to be enticing many young adults to pursue careers in construction. Indeed, average hourly earnings in construction exceed the average for all nonfarm private employees by more than 10 percent, according to the Bureau of Labor Statistics. Unlike many other jobs, most construction careers do not require four-year college degrees. This means many new construction workers not only earn more, but they owe less in student debt than their peers in so-

that, relatively few young adults currently choose careers in construction.

As part of its efforts to encourage more young adults to pursue construction careers, the association is launching several new nationwide construction-recruiting efforts. These new measures include:

◀ **Launching a New Targeted Digital Recruiting Campaign**

The association is working with the Construction Personnel Executives Group and the National Center for Construction Education and Research (NCCER) to craft a new targeted digital advertising campaign to encourage young adults to pursue construction careers. The campaign will target a series of different demographic categories who are



nationwide and offers the association a unique opportunity to talk to a broad audience about construction workforce opportunities.

◁ **Continue to Invest in the Future Construction Workforce**

AGC of America, through its Education & Research Foundation, will continue to award scholarships to students pursuing careers in construction in four-year, community and career colleges. In addition, the Foundation will continue funding faculty externships that place construction-focused professors with member firms so they can learn about, and later teach, the latest construction practices.

◁ **Supporting and Recruiting Veterans**

The association will continue to invest in supporting veterans and recruiting them into the charitable arm, AGC Charities Inc. is undertaking its most ambitious Autodesk Operation Opening Doors charity project yet: renovating an historic barn to serve as the new National Healing Quarters for the Warrior Canine Connection. This group works with veterans with invisible wounds like PTSD or traumatic brain injuries to train service dogs that then go to other veterans with physical or mental wounds. Training the service dogs have proven tremendously effective at helping veterans with invisible wounds recover and heal.

[Hiring our Heroes](#) program. This program connects prospective employers with firms looking to hire via a jobs board and a series of regional hiring fairs.

◁ **I Build America Campaign**

AGC of America will also continue to support the [I Build America](#) campaign, which was created by HCSS to improve the image of the construction industry. We will continue to

distribute information about their efforts and provide information to member firms about how to participate in various industry support activities organized by I Build America.

◁ **Support Statewide Go Build Campaigns**

Several AGC of America chapters, including the AGC of Tennessee and the Alabama AGC, have helped establish statewide [Go Build](#) campaigns that are designed to improve the image of the construction industry and encourage more high school students and other young adults to pursue high-paying construction careers. AGC of America will continue to encourage its chapters to pursue these types of campaigns and highlight the local accomplishments.

◁ **Offer Template Workforce Recruitment Websites and Materials**

The association has developed a template workforce recruitment website that it makes available to chapters to support their workforce recruitment efforts. So far, we have helped establish these Build (Your State) recruitment sites in dozens of states during the past several years. We will continue to work with other AGC chapters that may be interested in e-10(e)498 412.51 Tm0 (w)- nBTsth school students and other



In 2015, long-time Carolinas AGC member United Infrastructure Group (UIG) made the decision to transition from a temporary-to-permanent hiring strategy to a direct-hire strategy.

The firm implemented an online applicant tracking and onboarding software, which is the latest in human resources technology for recruiting and onboarding, especially millennials and younger employees. This has achieved several things: a broader outreach of its job postings; 24-hour access to UIG job descriptions and applications via computer, tablet, or smartphone; a dramatic increase in the number of applications received; and significantly faster hiring and onboarding time frames, all of which are critical in this competitive job market.

The firm also sponsored a Teen Career Exploration Opportunity at Winthrop University, participated in multiple job and career fairs throughout the Carolinas, sponsored a youth apprentice in its maintenance shop, hosted college interns each summer, and advised and supported a construction training program called correctional facility to prepare incarcerated veterans for a skilled trade.

The firm also established a Recruitment and Retention Task Force made up of a cross-section of staff from a board member to operations and administration managers to conduct market-based wage analyses, performance review process, and develop a variety of policies and procedures that impact our workforce.

◁ **Wisconsin Operating Engineers**

In early 2015, the Wisconsin Operating Engineers identified workforce development as a critical issue they needed to help contractors address. The primary initiative the

Wisconsin Operating Engineers launched was with Destinations Career Academy, an online pre-apprenticeship program available to high school students interested in the operating engineers career path. This innovative public charter school allows students to remain full-time in their school district, while taking up to four online courses that earn high school continuing education credits, technical college credit and complete the curriculum required of first-year apprentices.

To drive interest in a career as an operating engineer, the Wisconsin Operating Engineers hosts an externship for students, educators and parents twice a year, where guests have the opportunity to tour the training center, test their skill on equipment simulators, gain hands-on experience with mini-excavators and learn about apprenticeship opportunities. The pre-apprenticeship program enrolled its first eight students from two districts in the fall of 2016. By the spring of 2018, 51 students from 16 districts were enrolled.

◀ **Fluor Corporation**

Fluor Corporation established its U.S. Gulf Coast Craft Training Center in Pasadena, Texas, in 2015. The Center offers tuition-free, pre-employment training in the welding, electrical, instrumentation, millwright and pipefitting disciplines.

The 12-week courses -leading curriculum and are taught by experienced professionals utilizing a combination of both classroom and hands-on delivery.

students per year, greatly strengthening the pipeline of skilled construction talent to meet current industry demands, as well as future needs.

In addition to hands-on, technical training, Fluor also provides more than 40 hours of instructor-led training in employability skills development to help foster healthy attitudes

