



The Workforce Development Plan 2.0

AGC of America's New Plan to Address Growing Construction Workforce Shortages

2019

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 quo

training law known as the Workforce Innovation and Opportunities Act (WIOA). We have also seen a lot of progress at the state and local levels, including significant increases in investments in career and technical education programs. Indeed, many governors, mayors and other local leaders now appear to appreciate that the best way to serve students is to give them multiple paths to success, including high-paying careers in construction.

Yet while we have achieved a number of significant victories in our efforts to promote workforce development measures, it will take a lot more to offset the misconceptions that have prioritized college preparation instead of skills promotion. That is why the Associated General Contractors of America is crafting this new workforce development plan. This plan is designed to build on the successes we had with our initial series of recommendations. We do this by identifying additional measures that federal officials should adopt to address a skills gap that is holding back even more economic growth. We also identify steps the association, our chapters and member firms can and will take to encourage more young adults to pursue high-paying construction careers. And we outline examples of successful steps construction firms and AGC of America chapters are taking to recruit and prepare new workers. The intent is to offer ideas that other firms and local groups can adopt to help address workforce shortages.

How Severe are Construction Workforce Shortages?

AGC of America and its partner Autodesk surveyed construction firms during the summer of 2019 to evaluate the extent and impacts of workforce shortages in the industry. The survey found that an overwhelming majority of the nearly 2,000 construction firms that responded are having a hard time finding qualified workers particularly hourly craft workers to hire.

Specifically, 80 percent of firms responding to the survey report they are having a hard time filling craft positions and 57 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 Better Support Workforce Development

AGC of America has identified a range of federal public policy changes and initiatives that taken together will help address the workforce shortage today and ensure a skilled, safe workforce in the future. The changes involve both legislative and regulatory reforms and are aimed at bringing underemployed adults and young adults to the industry. Many of the changes entail greater federal funding, greater responsibility and flexibility to tailor and create local programs for

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.

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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.

◁ **Measure Student Outcomes to Ensure Quality**

A recurring theme in federal workforce and education programs is to give all prospective students greater information and data and publish the return on investment so candidates have a better grasp of their earning potential. While many states and federal agencies collect data on outcomes, including employment and future earnings, few make this data available in a usable form. The better data students have to compare college, technical training or even an industry certification, the better suited they will be to follow the most appropriate path.

◁ **Reform Immigration to Address Worker Shortage**

For decades AGC of America has supported immigration reform that strengthens national security but also addresses workforce needs. The broken immigration system is a prime area to look to address the worker shortage with an estimated 10 million unauthorized individuals in the United States without the ability to lawfully work for employers. The lack of a legal visa program for construction workers and a recent tightening of legal immigration will worsen worker shortages if not addressed comprehensively. True reform must include a mechanism for construction industry employers to hire the temporary foreign-born workers they need when American workers are unavailable and economic

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.

Recruiting the Next Generation of Construction Workers

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◀ **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

How Construction Firms and AGC Chapters are Addressing Workforce Shortages

Getting federal officials to act on our recommendations and taking additional steps to enhance construction industry recruiting will certainly help address workforce shortages. But the fact remains that the greatest opportunity to address workforce shortages lies at the local level, where many



toward construction careers. Topics addressed as part of this curriculum include:
Teamwork, giving and receiving criticism, sexual harassment and diversity training,
conflict resolution, and managing your career.

Since inception, more
than 530 students have graduated from the program many going on to work for Fluor
on projects in the Gulf Coast and southeastern United States.

◁ **Shapiro & Duncan**

Shapiro & Duncan is a third-generation family company based in Rockville, Maryland, that

The firm is also involved in the university complex at Shady Grove in Montgomery County, Maryland, that has programs from nine institutions around the state that offer

Many of the courses are offered on nights and weekends to accommodate students who have daytime jobs.

◁ **McCarthy Building Companies**

McCarthy Building Companies formalized its workforce development program in 2014 to expand efforts to recruit, train and engage its craft professionals and also to support the many industry efforts underway. The workforce development program has been quite successful. It has a full-time dedicated staff that focuses on three areas: recruiting, training and engaging its craft partners.

The firm also engages in a host of outreach programs, including meeting with students, faculty, parents, community leaders and military transition personnel to explain to them the value of a career as a craft professional. In the first half of 2018, the firm attended nearly 50 formal outreach events.

◁ **AGC of Colorado**

The AGC of Colorado, in close coordinate with the Colorado Contractors Association, has put in place a comprehensive program designed to recruit and prepare young adults for high-paying careers in construction. These efforts include establishing a Colorado Construction Connection program to create hands-on construction experiences for high school students. The program also provides information to high school counselors and teachers on ways students can enter the construction industry.

The chapter also created a Careers in Construction high school education program that is currently in place at 6 schools in state. And the chapter established its Construction



