**Title:** Bridging the construction skills gap, brick by brick

**Meta:** Addressing the skills gap in construction requires a mix of short and long-term strategies, including training programs, apprenticeships, and government initiatives.

The lack of qualified workers in the skilled trades is perhaps one of the biggest issues facing the construction industry. It's estimated that the industry needs more than 250,000 workers by 2028 to meet its goals—this includes everything from building homes to maintaining infrastructure. A lack of labor doesn't just slow down projects, it has massive impacts on the economy, and tackling this issue requires a mix of short-term fixes and long-term strategies.

### Quick look

- The construction industry needs about 501,000 additional workers in 2024 to balance supply and demand.
- Many applicants lack the necessary skills, making it tough for companies to meet project deadlines.
- Fewer young people are entering the trades, preferring other career paths, which reduces the number of new entrants in construction.
- Over 20% of construction workers are 55 or older, leading to a significant loss of experienced workers as they retire.
- Investing in training programs, apprenticeship opportunities, and government initiatives can help bridge the skills gap and build a skilled workforce.

## What's the deal with labor shortages?

First, there's a significant shortage of applicants for the positions available. This shortage is causing major headaches for construction companies trying to keep up with project demands. For instance, the U.S. construction industry needs to attract about 501,000 additional workers in 2024 to balance supply and demand. This figure underscores the critical shortage of workers needed to keep projects on track.

Even when people do apply, many lack the skills needed for the job. This skills gap means companies struggle to find workers who can handle specific tasks, making it harder to meet project deadlines and maintain quality. This issue is compounded by the fact that 31% of construction employers find it challenging to find suitably skilled staff, particularly with aging workers closing in on retirement.

### Waning interest in trades

One big reason behind the industry shortage is that fewer young people are interested in construction careers. Many see these jobs as physically demanding and less appealing

compared to other career paths. This perception, along with a cultural shift towards more tech and office jobs, has led to a significant drop in new entrants to the trades.

The aging workforce is also a concern. More than 1 in 5 construction workers are 55 or older, meaning a large portion of experienced workers are nearing <u>retirement</u>. This trend is particularly worrying because it not only reduces the number of available workers but also leads to a loss of valuable experience and expertise.

## Fixing the skills gap

One effective way to fix the skills gap is by offering proper training and education to new hires. If we can take people who are interested but lack the necessary skills and give them the training they need, we can start to bridge the gap. This might involve more apprenticeship programs, online training courses, and partnerships with educational institutions.

Associated Builders and Contractors (<u>ABC</u>) also has a network of over 800 apprenticeships, craft, health, safety, and management education programs. These initiatives help bring in fresh talent and ensure they receive the training required to succeed in the industry.

The immediate impact of these efforts can be significant. By hiring individuals who are keen to work and providing them with opportunities to gain the skills they need, companies can build a more capable workforce. This approach helps to fill positions more quickly and ensures that workers are well-prepared for the demands of the job.

### The challenges of hiring during labor shortages

#### Resource constraints

One of the biggest challenges for construction companies, especially smaller ones, is the lack of in-house training resources. These companies often struggle to provide the necessary training for new hires who don't yet have the skills they need. Training programs can be expensive and require dedicated staff, which many smaller companies can't afford. This makes it hard to get new workers up to speed quickly.

### The difficulties of training new hires

Construction work requires precise skills to do the job safely and effectively. Without proper training, the risk of mistakes, injuries, and accidents increases exponentially—a high liability for companies.

Compound that with the fact that many experienced workers are nearing retirement. The average age of a construction worker is <u>42.5 years</u>, and most older workers aren't planning on working into their 70s. This means there's a big need to pass on their knowledge and skills to

younger workers, but without structured training programs, this transfer of knowledge can be hit-or-miss.

Smaller companies also face high turnover rates because they can't always offer the competitive wages and benefits that larger firms can. As such, they have to keep training new workers, which takes both time and money.

# Addressing the trades skills gaps

While the lack of in-house training resources and difficulties training unskilled new hires present significant challenges, strategic investments in external training programs and partnerships with trade schools and community colleges can help. Apprenticeship programs are also ideal because they offer structured training and a clear career path for new workers. These programs are also crucial for valuable hands-on experience.

Bridging the skills gap in the trades also requires a focus on education and training. The goal is to do more with the workforce we already have by providing them with the skills and knowledge they need to excel. Here are a few ways to do that.

#### Online training

Online training programs are a fantastic resource. They offer flexibility and accessibility, allowing workers to learn at their own pace and on their own schedule. This is especially helpful for those who can't attend traditional classes due to work or personal commitments.

The National Center for Construction Education and Research (NCCER) is just one online training portal that provides a range of online courses covering various construction skills. These courses are designed to be interactive and engaging, making it easier for workers to retain what they've learned. The "Build Your Future" campaign is another option, offering online resources and training modules to help kickstart your career in construction.

#### Apprenticeship programs

<u>Apprenticeship programs</u> are another invaluable tool for addressing the skills gap. They combine on-the-job training with classroom instruction, giving apprentices a comprehensive learning experience. These programs are crucial because they allow workers to earn while they learn, making them more accessible to a wider range of people.

**Pro tip** The Associated Builders and Contractors (<u>ABC</u>) is a great resource for finding apprenticeship programs across the United States, covering trades such as carpentry, electrical work, and plumbing.

#### Government-run programs

Government initiatives also play a significant role in addressing the skills gap. These programs often provide funding and resources to support training and education efforts.

A great example is the Provincial Building and Construction Trades Council of Ontario (PBCTCO), which runs a free training program aimed at increasing female participation in the construction industry. This program offers online training tools and exclusive employment opportunities to job seekers, making it easier for women to enter and thrive in the construction trades.

#### The bottom line

Addressing the construction skills gap is crucial for the industry's future. Without enough skilled workers, projects get delayed, costs go up, and the quality of work suffers. This impacts not only the companies involved but also the economy and the communities that rely on these construction projects.

It's time for companies, educators, and government bodies to collaborate on solutions. Companies can invest in training and development programs, educators can create more accessible and engaging training courses, and governments can provide the necessary funding and support for these initiatives.

Together, we can build a stronger, more skilled workforce ready to meet the growing industry demands.