

# How Can We Rebuild the Construction Labor Pool?

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## Where Have the Construction Workers Gone?

The number of construction projects is rising, yet only some people are eager to fill the tens of thousands of new roles these economic opportunities created.

You'd think the law of supply and demand would solve this predicament, but it hasn't. The hourly earnings of construction employees [rose by nearly 72%](#) in the past 20 years — from \$21.85 per hour in March 2006 to \$37.55 per hour in January 2024. This wage growth outpaced inflation, which was a win for workers. Higher pay should make an old profession attractive.

**Four explanations can cast light on the present construction labor scarcity.**

### 1. Recessions

The industry has been severely vulnerable to economic downturns. The Great Recession and COVID-19 pandemic caused massive job losses in construction.

After peaking at [about 11.9 million people](#) in 2007, total employment bottomed out at 8.9 million in 2012 after the

2008 financial crisis. The industry gradually recovered in the following seven years. By 2019, the labor pool was 11.3 million-strong. Then, COVID happened. A year later, more than 580,000 construction jobs disappeared.

## 2. Replacement Rate

Ideally, there are the same number of older and younger workers, so the talent pool doesn't shrink when employees retire. In reality, the oldsters severely outnumber the youngsters. Construction's workforce will naturally diminish if the next generation is smaller than the one it's succeeding.

High employee turnover and inefficient recruitment are behind the industry's aging workforce. Construction laborers and helpers are subject to layoffs during turbulent economic times. The federal government's unemployment benefits incentivize some to not return to work. Other employees can't handle the grind and change careers. The industry also has [one of the highest suicide rates](#) — something researchers must investigate further.

Only a few unemployed individuals are keen on applying for construction roles for various reasons. Despite the sustained upward trend of hourly wages, the public perceives them as inadequate. The cyclical nature of construction employment turns off some job seekers. Employers offering no medical benefits contribute to the industry's negative image.

## 3. Cultural Bias for White-Collar Jobs

Blue-collar construction roles generally only require a high school diploma or an equivalent. Laborers and helpers learn as they go.

Being uncertified doesn't necessarily deter employers from considering these jobs. Companies train construction workers after hiring them and may help them complete required

University of Utah believe the federal government's [crackdown on 400,000 undocumented immigrants](#) is one of the main reasons the industry lost a large chunk of its workforce.

Opening borders is a viable solution to address the scarcity of construction talent. Developed countries can entice desirable foreign nationals seeking better living standards. New Zealand [has already turned to immigrants](#) to fill its vacant construction roles.

In the U.S., employers can file Form I-140, Immigrant Petition for Alien Workers, to source skilled and unskilled workers and professionals from abroad under the Employment Third Preference category. These legal immigrants account for [28.6% of the employment-based visas](#) Uncle Sam approves yearly.

## 2. Promoting Diversity

Construction is a male-dominated industry. Despite making up nearly half of the American workforce, women only [represented less than 11%](#) of what the sector employed in 2020. On the bright side, their numbers have grown since 2003, when they only comprised over 9% of the construction labor pool.

Tapping existing domestic talent is less cumbersome and costly than importing workers, so it makes sense for construction companies to headhunt female prospects actively. The industry can't close the gender gap overnight, but it's getting help from the federal government to speed things up.

In late 2023, the Biden administration's [top economists had a dialogue](#) with North America's Building Trades Unions representatives and union tradeswomen. The meeting aimed to highlight the opportunities for women in the construction industry and their challenges.

The authorities emphasize apprenticeship programs, mentorship, anti-discrimination and harassment initiatives, and support services, like flexible child care, to help women enter and succeed in construction.

## 3. Investing in Fresh Skills & Technology

Fresh investment in worker training is a shot in the arm of the industry. Thankfully, numerous states have stepped up to the plate.

Ohio intends [to spend \\$200 million](#) to expand the training facilities of 35 high schools to produce more carpenters,

electricians, welders, and other skilled tradespeople. New York [earmarks \\$12 million to train green labor](#) in various fields, including construction, renewable energy, and software engineering. Maryland [requires officials managing public works projects](#) worth over \$5 million to consider procuring contractors working with educational partners to participate in

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## About the Author

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Rose Morrison is a freelance writer with a passion for sustainable building and innovative construction technologies. She has interviewed numerous industry professionals to gain insight into the current challenges facing the built industry and developing strategies for overcoming them.

Rose has over five years' experience writing in the industry and is the current managing editor of [Renovated.com](https://www.renovated.com). She also regularly contributes to other publications, such as NCCER, The Safety Mag, and Geospatial World. Follow Rose on [Twitter](#).

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