

# Construction Industry Survey Report



## Summary

The Southwest Washington Workforce Development Council (SWWDC) surveyed construction-related employers during March and April of 2015. The survey was designed to collect information broadly, instigated by prompts from industry indicating that as the construction industry grows and large numbers of the workforce retire, the industry has a significant need for a skilled and trained workforce. Employers received direct contact through the SWWDC or through community-based organizations including the local chambers of commerce, business associations, economic development councils, contractors' associations, labor councils and training providers.

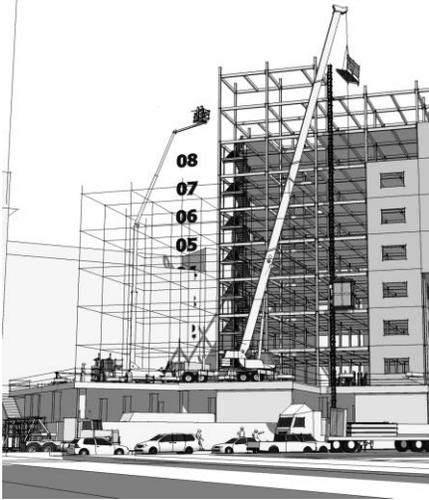
Fifty individuals responded, representing 6,593 full-time, part-time and contracted employees and 4,500 apprentices through the Portland Metro region. Sixty-eight percent of respondents served Washington counties (primarily Clark, Cowlitz and Wahkiakum), 22 percent of respondents served Oregon counties (primarily Multnomah and Washington) and 10 percent of respondents served both Southwest Washington and Northwest Oregon.

The survey results indicate the industry may benefit from:

- Expanded general industry recruitment strategies, especially for women and minorities
- Development of more training opportunities and enhancing training providers' interaction with employers
- Opportunity for incumbent worker training to advance current employees to management level positions

## Contents

Summary	1
Background	2
Expanded general recruitment strategies...	5
Development of more training	6
Opportunity for incumbent worker training to advance...	7
Conclusions	8

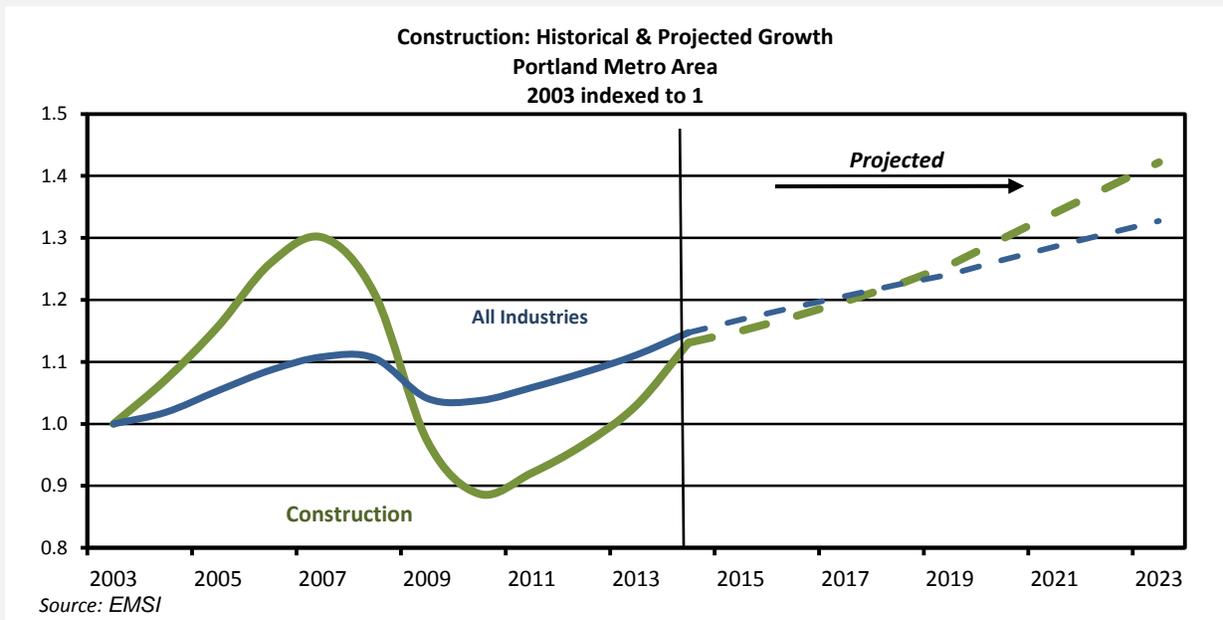
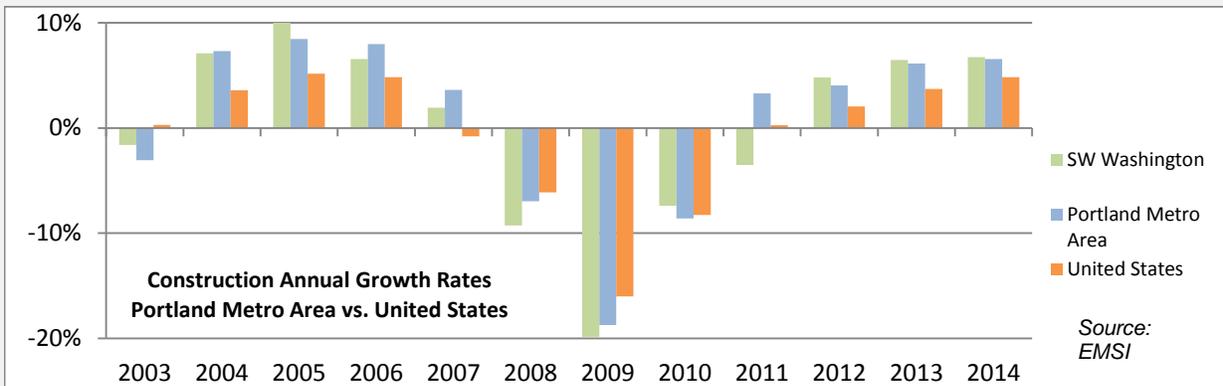


## Background

Population growth usually leads to more home building and remodeling, as well as increased population infrastructure support such as schools and hospitals. The uptick in economic growth creates a higher need for commercial, public and civil projects, including building and maintenance of roads, bridges and buildings. The survey confirmed that across residential, commercial, heavy civil and specialty construction, companies

are holding steady or growing. Specialty trades comprise 70 percent of construction employment in Southwest Washington and are essential in all areas of the industry for activities that include cement pouring, plumbing, electrical, painting and other integral components of building infrastructure. Growth is still below pre-recession levels, but the industry is experiencing an upward growth trend.

*Eighty-four percent of employers surveyed report it takes them a month or longer to find qualified workers when they're hiring for positions.*



Construction companies generally operate as small businesses, employing one to four full time employees and hiring contractors for projects. Fifty percent of construction workers in the current workforce have received post-secondary training and about 35 percent are working with a high school degree or equivalent. The construction industry offers competitive annual and hourly wages. Cyclical work is common, but anecdotally, workers are encouraged to plan for time off and wages are such that despite fluctuating work, construction employers generally make a family wage annual income.

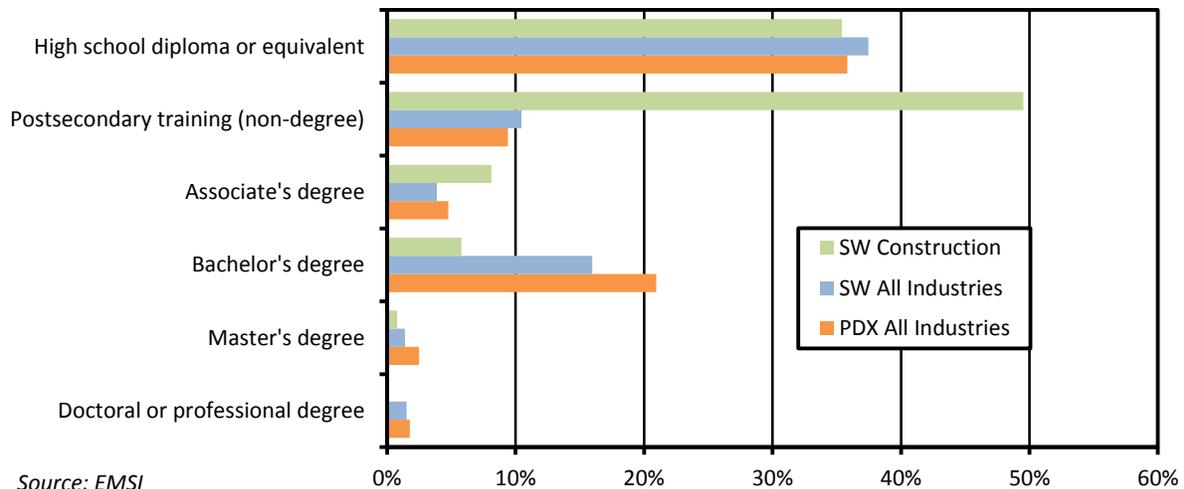


**Firms by Size Class: Construction  
SW Washington**



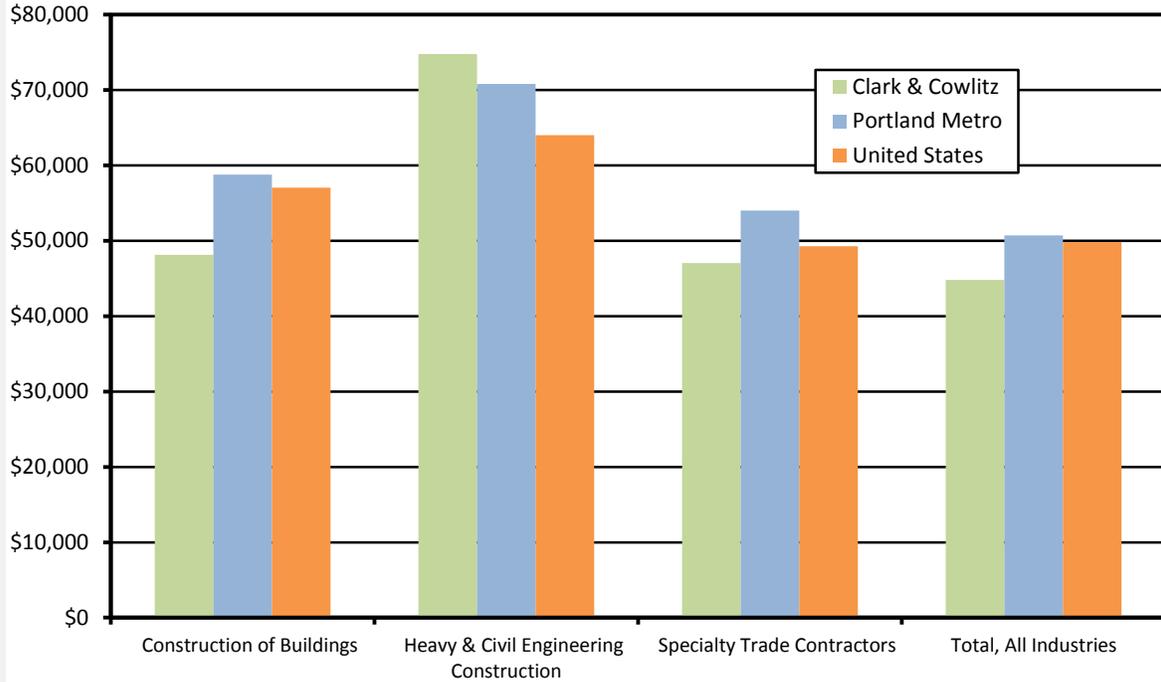
Source: Washington Employment Security Department/LMPA

**Construction: Employment by Education Level  
Portland Metro Area, 2013**



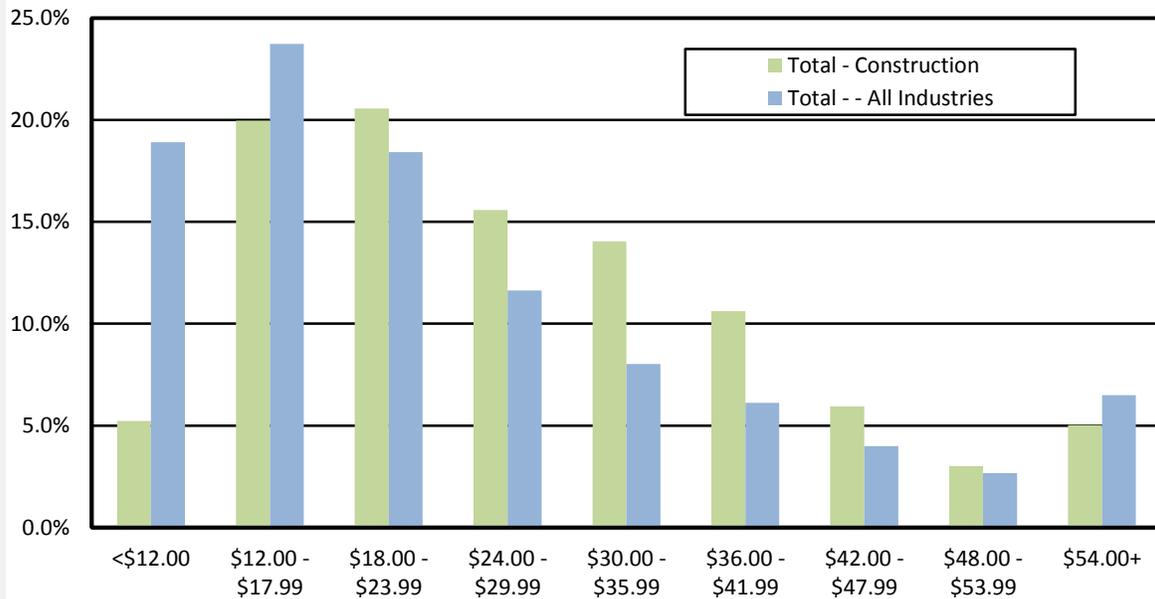
Source: EMSI

Annual Average Wages for Components of Construction: SW, Portland Metro and U.S., 2013



Source: Oregon Employment Department, Washington Employment Security Department

Construction Share of FTE Employment by Hourly Wage SW Washington, 2013



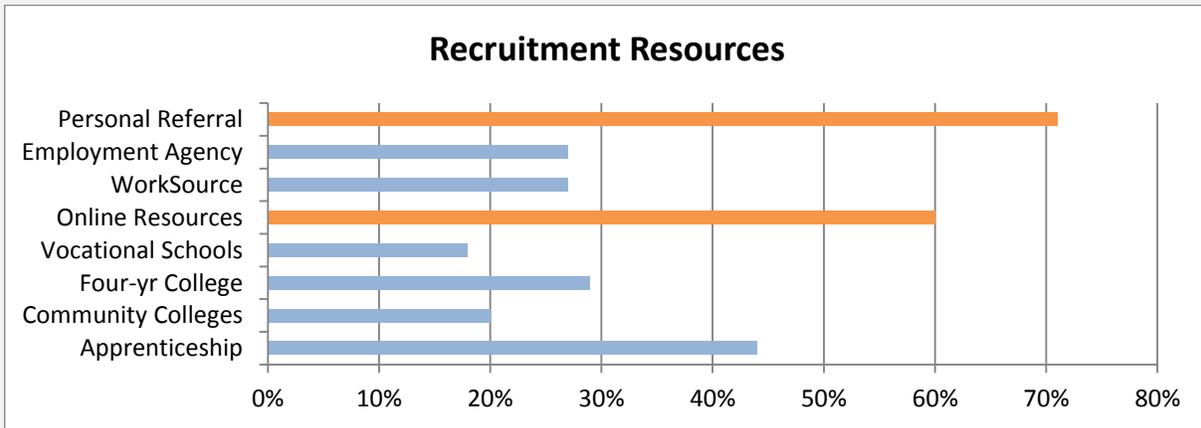
Source: Washington Employment Security Department/LMPA



### Expanded general recruitment strategies, especially for women and minorities

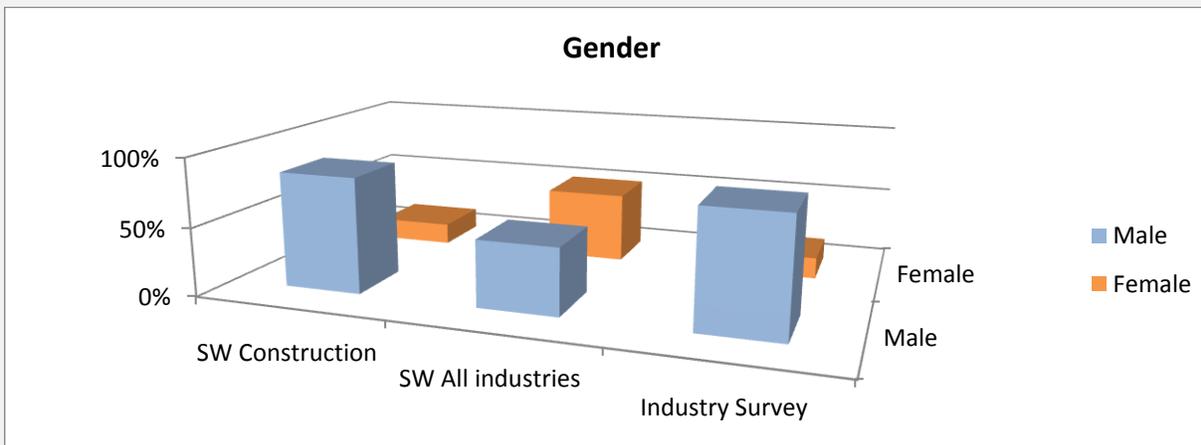
#### Recruitment Resources

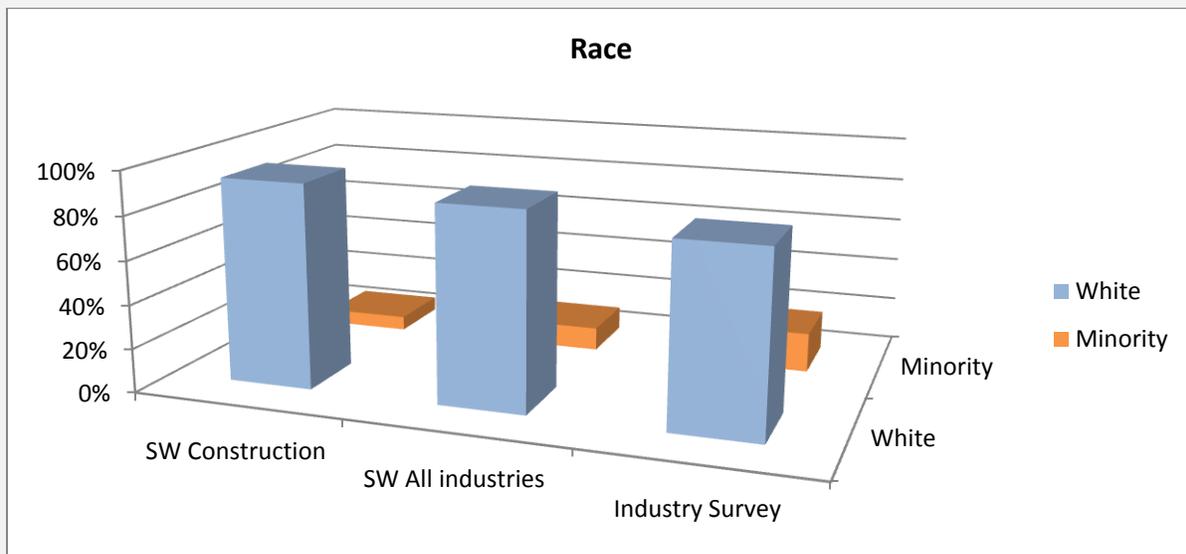
During the recession, many workers left the industry due to lack of work, for retirement or entered into other careers. Employers report utilizing a variety of methods for outreach, but the most common method of obtaining workers is via personal referral or word of mouth, followed by online resources like Craigslist and the company website.



#### Targeted Populations

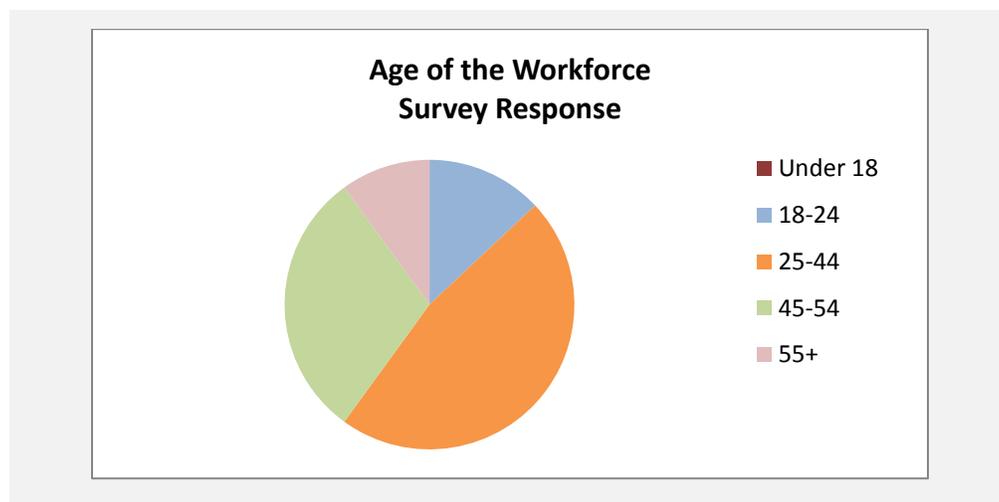
Surveyed employers indicate 13.6 percent of their workforce is female and about 18 percent are minorities. These responses differ with the average employment percentage of women and minorities reported by the U.S. Census Bureau and Longitudinal Employer-Household Dynamics, which indicates the Southwest Washington construction industry consists of 15.6 percent women and 6.5 percent minority. Neither the survey nor the other aggregating entities separate out administrative duties within their companies in the gender and race reporting. Over 55 percent of respondents indicate they do not have a specific recruitment strategy for recruiting women and minorities. Many of the respondents indicating that they have a recruitment strategy represent employers affiliated with organized labor and are beneficiaries of labor's requirements for female and minority recruitment.





### Age

As the industry grows, the workforce is simultaneously aging and there is a concern that retirements will compound the worker shortage. Survey respondents indicate that 40 percent of their workforce is over 45 years of age. Only 13 percent of employees are reported being under 25 years of age. This is a strong indication that opportunity exists to enhance recruitment strategies to attract younger workers, women and minorities to both mitigate the impact of a growing industry and the impact of retiring workers.



### Development of more training opportunities and enhancing training providers' interaction with employers

Nearly all survey respondents report that newly hired employees are in need of additional training. The trades require hands-on training, and quite often, project-specific training. On-the-job training necessities and opportunities occur often. Safety training was commonly mentioned as an on-the-job training component.

Fifty-six percent of survey respondents report being unaffiliated with organized labor. Of those employers unaffiliated with organized labor, 65 percent report they do not have partnerships with any schools or training facilities to help them fill their labor gaps. The remaining 35 percent of open shop employers commonly cite the Clark County Skills Center and the Northwest College of Construction as training partners.



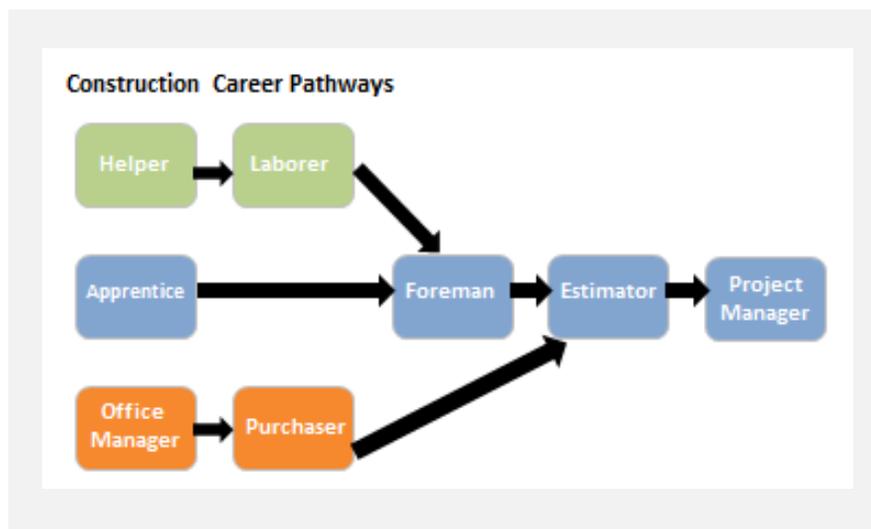
Union apprenticeships responding to the survey do not report recruitment problems, but both union and open shop employers comment there is a real shortage of workers and the problem remains on-going. There is concern that even though on-the-job training is expected, employees can take months to be productive members of a construction project team.

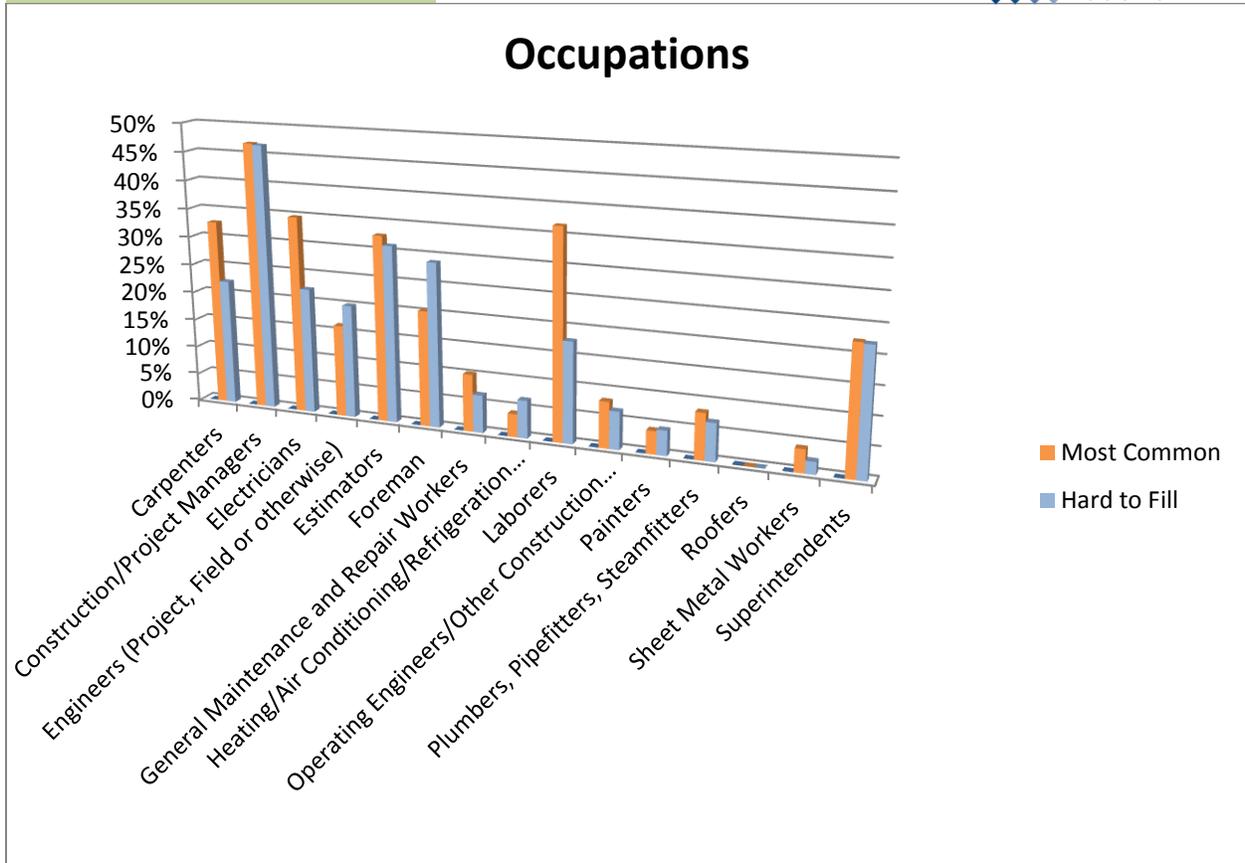
Noting the lack of training partnerships, especially related to open shop employers, and the difficulty recruiting, suggests there is a potential for exploration of pre-apprenticeship opportunities for both union-related and non-affiliated employers, as well as the opportunity to connect employers with existing opportunities.

**Opportunity for incumbent worker training to advance current employees to management level positions**

Most survey respondents report that there is considerable opportunity for advancement within their companies. Common paths noted indicate there are options to reach the level of project manager or estimator. In open shops, an employee can begin as a helper, laborer or tradesperson, advancing to a foreman to an estimator or superintendent. Apprentices can often begin at the level of foreman. There are also pathways to begin in office management, moving to purchasing, to estimating and then to project management.

There is a demonstrated need for more workers to enter the trades. There is evidence that training providers are either not reaching potential workers or that there are not enough training providers in our Southwest Washington region. Eighty-four percent of employers surveyed report it takes them a month or longer to find qualified workers when they're hiring for positions. The graph below demonstrates that construction managers, superintendents, estimators and foreman are simultaneously very common positions, but very difficult to fill, suggesting that there is opportunity for incumbent worker training to advance existing employees and backfilling more entry-level positions with new workers.





### Conclusions

It is recommended that further discussions take place with industry, training providers and employment agencies to bolster recruitment strategies, inventory existing training and develop training opportunities and capacity for both youth and adults and validate the need for incumbent worker training.