

Texas Contractors Struggle with Workforce, As Industry Leaders and AGC Of America Call for Immigration Reform as Part of Comprehensive Plan

Seventy-eight percent of construction firms in Texas say they're having difficulty finding skilled workers, despite record employment in the industry, according to Ken Simonson, AGC of America Chief Economist who spoke in Houston, August 29, 2018, and delivered the latest results from a national Workforce Shortage Survey. Simonson, along with Brian Turmail, AGC of America led a press conference at Marek Brothers Systems, Inc., which featured Mike Holland, COO, Marek Brothers Systems, Inc.; Dan Gilbane, Sr. Vice President, Southwest Division, Gilbane Building Company; Chuck Gremillion, Executive Director, Construction Career Collaborative (pictured below).



One reason so many local firms are worried about finding qualified employees is that they have been working to keep up with growing demand for construction. Houston is among the highest construction markets in the nation and, according to the new analysis of metro area construction figures released, the Houston-Woodlands-Sugar Land metro area added 25,500 new construction jobs between July 2017 and July 2018, an 12 percent increase. Most firms in Texas – 69 percent – report they have increased base pay rates for craft workers because of the difficulty in filling positions. An equal percent of Texas firms report they are increasing their use of labor saving equipment and technology to be able to do more work using fewer workers.

Simonson also noted that “forty-four percent of Texas firms report that labor shortages are causing projects to take longer than originally scheduled and 26 percent report they have put longer completion times into their bids for new work.” More than 2,500 construction firms were surveyed this summer to evaluate the extent and impacts of workforce shortages in the industry. To address these issues, AGC of America has developed a plan that calls for federal funding for technical education and more immigrants with construction skills. This new plan identifies steps federal officials should take to support construction workforce development. These steps include doubling the amount of money it invests in career and technical education over the next five years.

Construction Career Collaborative Gremillion spoke about the building industry collaboration to resolve the workforce shortage: “C3 is working with owners of projects to advance the financial security, health and well-being of the construction craft workforce, actively implement and support the best construction safety practices. The most unique characteristic of C3 is that it is truly a collaborative effort. C3 is merit shops and union shops, general contractors and specialty contractors, architects and building owners, all working together to overcome an industry challenge that impacts them all.”

In Houston, the Greater Houston Partnership launched Regional Workforce Development Task Force (RWDTF) in the summer of 2013. The task force represents large employers, workforce and economic development, education, and social services. The initiative also launched UpSkillHouston.org, a comprehensive tool to help change perceptions and improve awareness about middle-skill careers across the region. The website provides information on numerous middle-skill jobs, training and educational requirements, salary ranges, and career pathways. Dan Gilbane currently served as Chair of UpSkill Houston’s Executive Committee and Holland is co-chair of UpSkill Houston’s Construction Sector Council.

Holland underscored the importance of attracting and growing a diverse workforce. “In our role as a member of the industry and communities we serve, Marek is an active advocate for workforce. We seek to work closely with game-changers and coalition-builders that bring different expertise to the table and are making a positive impact on the workforce landscape. We are involved with several outstanding initiatives including two, C3 and UpSkill Houston. Our diversity encompasses gender, with females now squarely in the focus for innovative programs and recruiting, race, with all nationalities represented in Houston.”

Construction Industry leaders such as Holland and Marek Brothers Systems, Inc. CEO, Stan Marek, have been touting the merits of identifying undocumented immigrants and requiring

them to work for employers that deduct and match taxes. The Houston area is home to 600,000 undocumented people, many of whom are already participating in the labor force. AGC of America's Workforce Development Plan calls on congress to double the funding for career and technical education over the next five years and pass legislation to allow more people with construction skills to legally enter the country. According to Simonson,

"For decades, AGC of America has supported immigration reform that strengthens national security but also addresses workforce needs," stated Simonson. "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," 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.

The bottom line Simonson stated is that solving chronic workforce shortages that are plaguing the construction industry will require the active support from all levels of government, trade associations and from construction firms.