



## **FOCUS ON AND INVEST IN RESIDENTIAL CONSTRUCTION WORKFORCE**

With 11 million Americans out of work and the possibility that rapidly rising coronavirus cases could cause more Americans to lose their jobs, a renewed policy focus on the residential construction workforce could offer a productive outlet to provide well-paying jobs in an industry in urgent need of workers. In October, long-term unemployment, or those who have been out of work for at least 27 weeks, soared nearly 50 percent from September to a level of 3.6 million. This is by far the highest long-term unemployment rate in the COVID-19 pandemic-induced recession.

The construction industry had been experiencing a severe skilled labor shortage long before the federal government and states issued their respective guidelines for reducing the spread of COVID-19. No industry has been immune to the economic and labor force disruptions of the pandemic, but housing is well-positioned to lead our nation's recovery and act as an engine of job growth when America most needs it.

Housing demand remains strong and supply is tight. Sales of new single-family homes are up almost 17% on a year-to-date basis, with a growing number of sales contracts attributable to homes not yet under construction. Moreover, the housing sector entered this recession underbuilt. With the nation facing a shortfall of about 1 million homes, there is a pent-up demand for home building. To meet this rising demand, the industry needs to have an available, trained workforce of skilled construction professionals.

Individuals who have lost their jobs during the COVID-19 crisis will need new opportunities for employment, and residential construction businesses and related trades are hiring. But our workforce requires specialized skills training to safely and effectively carry out responsibilities on the job site.

Government investment in workforce development and career education have long lagged behind traditional education, contributing to a widening skills gap and a shortage of workers across all skilled trades.

Now is the time for all levels of government to make meaningful investments in our nation's education system to prepare students for careers in the construction industry, better fund workforce development programs that serve our most vulnerable job seekers, and explore opportunities to provide new funding and incentives for workforce education.

The National Association of Home Builders (NAHB) is doing its part to support domestic workforce development through its affiliate, the Home Builders Institute (HBI), and student chapters that encourage young people to pursue careers in residential construction. A national leader in career training, HBI offers educational programs in 47 states and the District of Columbia, reaching more than 7,000 students each year.

Recent success stories have occurred in Illinois and Maryland. Nearly 170 graduates who have left the Sheridan Correctional Center in LaSalle County, Ill., over the past three years have

obtained employment in the residential construction sector. And 100 percent of those enrolled in a new HBI apprenticeship program launched this summer in partnership with the Maryland Department of Juvenile Services and Baltimore City Public Schools successfully completed the course.

Though HBI is ramping up its efforts to train diverse populations and place them in jobs to meet increasing housing demand, this effort is not enough to meet current housing needs. Before this pandemic hit, 85 percent of builders said their top challenge in 2020 would be a shortage of skilled workers, down slightly from the 87 percent who listed this issue as a top concern in 2019. The latest government data still shows there are 229,000 unfilled construction jobs.

This is particularly unfortunate given the lack of skilled workers in the construction industry and the fact that those in the building trades earn good salaries and express high job satisfaction. Indeed, according to the 2019 Bureau of Labor Statistics Occupational Employment Statistics Survey data and analysis by NAHB, half of payroll workers in construction earn more than \$49,030. In comparison, the U.S. median wage is \$39,810.

Attitudes must change if we are to meet the housing needs of a growing population. Policymakers at all levels of government can help in this endeavor by supporting funding for building and construction trades education and providing more placement services to job seekers. Now, more than ever, providing opportunities for students to learn a craft that will produce life-long career opportunities must be a top priority.