

Skilled Labor Shortages in Construction: Causes and Potential Remedies

Harry J. Holzer

Georgetown University and Brookings

July 2022

Evidence of Skilled Labor Shortages

- High Job Vacancy Rate: About 5.5%
- Widening Wage Differentials Between Skilled and Unskilled Workers:
 - Median Nationwide: \$23/hr (?)
 - Unskilled: \$17-18/hr
 - Skilled: \$30-50/hr
- Variation – Residential v. Commercial; Regional

Causes of Skill Shortages

1) Supply: Demographic Changes

- a) Immigrants (Undocumented), Baby Boomer Retirements
- b) Rising Education Levels of the Native-Born – College v. HS Grads
- c) Gender (Wider Opportunities for Women)

2) Supply: Disappearance of Union Apprenticeship Programs

3) Demand: Housing/Infrastructure

Sources of Skill-Building

- Community College (and For-Profit) Programs
- Work-Based Learning: Apprenticeship and Others (Pre?)
- Pathways in High School and Beyond

Needed Policy Changes??? Funding, Accountability