Workforce Shortage
Should Owners Care?

Spencer Moore, MD Anderson Cancer Center

Michael Kenig, Holder Construction

#COAA14Fall
Why am I here today?

- **Why owners should care** about construction workforce issues?
- How is industry addressing the problem?
- **What can owners do** about the problem?
ask yourself...

How are you listening to this?

As:

1) a Member of your community?
2) an Employee (or owner) of an organization?
3) an Industry Participant?

... All three?!
Current Challenges

- Average Age of Craft Worker: 47
- Craft Training at an all time low
- 20% of workforce is expected to retire in 3 years
Workforce Shortage: Reasons why...

- Downturn – workers left, not returning
- Aging demographics
- Immigration restrictions
- Perception / Image

We can stipulate these...

![Construction Workers Median Age Chart](chart.png)
The Bottom Line

While the construction workforce is aging and less productive due to lack of training, the demand on our industry increases and becomes more technical every year.

We must do more to recruit, train and retain craft workers to meet the demands of our industry.
Why Some Owners Care
Studies show that investing in training significantly enhances performance and project execution.
How It Impacts Your Projects

**Cost**
- Higher demand = Higher price
- Overtime premiums + Higher OCIP

**Schedule**
- Fewer workers = Less production

**Quality**
- Untrained staff + less supervision = More rework, expectations not met

**Safety**
- Less supervision + less training = higher safety risk
How is industry addressing the Problem
A Framework for Addressing Workforce Development

Awareness (ours!)

Connections

Solutions: Repeatable?
Addressing the Problem

Spencer Moore,
MD Anderson Cancer Center
Some Background on the History of the Construction Career Collaborative (C3)
C3 Mission

Create an alliance where Owners, Contractors and Specialty Contractors, can positively affect the growth of a sustainable workforce of the commercial construction industry.
C3 Strategy

Establish a voluntary alliance of Owners, Contractors and Specialty Contractors to accomplish the mission by adopting the necessary principles for success, requirements for participation and procedures for enforcing requirements.
Principles/Approach

1. Financial Security, Health, and Well Being of Craft Workers
   - Paying a fair wage by the hour
   - Provide worker security by paying unemployment taxes, providing workers’ compensation insurance and contributing to social security for the workforce.

2. Safety Training
   - Construction industry safety training standards for the workforce as follows:
     - All craft workers have OSHA 10 hour card
     - All on-site supervisors have OSHA 30 hour card
     - All craft workers have 5 hours of C3 safety curriculum

3. Craft Training
   - Participate in and support industry craft training leading to portable training credentials for the craft worker

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C3 Benefits

- Creation of a sustainable construction workforce
- Ability to attract retain verifiably qualified workforce
- Recognition for leadership in a healthy and safer commercial construction industry
- Increased efficiency = better built projects in less time
- Contribution to better insured and trained workers

↑ Productivity  ↑ Safety  ↓ Cost

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Benefits to Owners

- Easier dispute resolution

**INTANGIBLE**

- Social Responsibility
- Industry Support
- Lead by Example
- Influence Education Sector
Case Study: UT MD Anderson

Zayed Building for Personalized Cancer Care

- 12-stories, 615,000 SF
- 2 laboratory wings & 2 office wings surround a central core
- 32 months of construction
- 2,500 workers
Implementation at Zayed

• Verify Paycheck Stubs
• On-site OSHA Training
# Case Study: MD Anderson CABIR

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<tr>
<th>Project</th>
<th>Avg. # of Bids per Package</th>
<th>Man Hours</th>
<th>Recordable Incidents</th>
<th>Lost Time Incidents</th>
<th>Claims Cost per Manhour</th>
<th>Cost in Incidents Claims</th>
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Addressing the Problem

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A Plan for Workforce Development

Awareness (ours!)

Connections

Solutions: Repeatable?
Example of Awareness: Local Schools Offering Construction Education

Georgia Schools with Construction, Engineering Drawing & Design Training Programs

- High School with Construction-related training (i.e. carpentry, electrical, masonry, plumbing, sheet metal, welding, heating and air)
- High School with Architectural Drawing and Design Programs
- Technical College with Construction-related training (i.e. carpentry, electrical, masonry, plumbing, sheet metal, welding, heating and air)
Example of Awareness: CTE (Career & Technical Education)

ACTE is committed to enhancing the job performance and satisfaction of its members; to increasing public awareness and appreciation for career and technical programs; and to assuring growth in local, state and federal funding for these programs by communicating and working with legislators and government leaders.

Learn more ...
A Plan for Workforce Development

Awareness (ours!)

Connections

Solutions: Repeatable?
Example of Connection:
AGC GA
Regional Alliances

Industry-Educator Partnerships

- High School with Construction-related training (i.e. carpentry, masonry, plumbing, sheet metal, welding, heating and air)
- High School with Architectural Drawing and Design Program
- Technical College with Construction-related training (i.e. carpentry, electrical, masonry, plumbing, sheet metal, welding, heating and air)
A Plan for Workforce Development

Awareness (ours!)

Connections

Solutions: Repeatable?
Example of Solution: Recruiting Websites - GoBuild GA

http://gobuildgeorgia.com/

High School Teams
“Four Person” Teams (4th is industry!)

HIGH SCHOOL TEAMS

Our mission to recruit and train Georgia’s next generation of construction professionals starts in our high schools. In order to encourage hard-working young men and women to consider a skilled trade as a profession, we’ve set up High School Teams that will connect students and parents to counselors, businesspersons and representatives who can get them started.

BUSINESS LEADERS

Go Build Georgia High School Teams depend on community interaction with local business and industry leaders to achieve their goals. Business and industry leaders can provide invaluable recruitment experiences like speaking forums, career days, job shadowing, tours, and work-based opportunities. Hands-on learning is crucial for the training and development of our young workforce, and business and industry leaders can provide a
Example of Solution: Dual Enrollment

- Dual/Concurrent Enrollment – HIGH SCHOOL Credit
- High Schools / Technical and Community Colleges

Video: New Financial Aid Opportunities: Technical College System of GA

GREAT NEW FINANCIAL AID OPPORTUNITIES FOR 2014-2015!

- The HOPE Grant
- Zell Miller Grant
- Georgia Strategic Industries Workforce Development Grant
- S.A.L.T. Loan
Example of a Solution: Regional Alliances

- Career Fairs, Jobsite Tours, Guest Speakers, etc.
- Industry-Instructors...attending each other’s events!
Example of a Solution: Industry/Educator Partnerships

Providing Resources

Photo: On behalf of Scott Clark, President, RW Allen, Bill Chambless of AGC GA presents check to Principal Stacy Arnold and Jim Borum, Teacher.
Lesson: Connecting Pathways!

Education to Career Pathways

AGC of Wisconsin - BuildWisconsin Website http://www.buildwisconsin.com/careers
Aware and Connected?
Now what...

➢ Leadership!
➢ Coordination

Awareness

Connections

Solutions: Repeatable?
Call to Action to ALL OWNERS!
What **can** owners do about the problem?
We need a significant core of LEADERS to INFLUENCE the market.

✓ Leaders have a long range view of the industry.

✓ Leaders have the courage to lead by example when it may be unpopular to do so.
Owners Demand:

✓ Owner participation and support is imperative.

✓ Owners are the driving force of construction industry.

✓ Owners are critical to workforce development.

✓ Owners make workforce standards mandatory!

✓ Owners specify C3 criteria in General Conditions of contracts.
C3 Board of Directors

**Jim Stevenson, Chairman**
McCarthy Building Companies

**Mike Holland, Vice Chairman**
Marek Brothers Systems

**Spencer Moore, Treasurer**
MD Anderson Cancer Center

**Pete Dawson, Secretary**
Texas Children's Hospital

**Bo Bartlett**
W.W. Bartlett

**Kevin Camarata**
Camarata Masonry Systems

**Darlene East**
Holes, Inc.

**Russell Hamley**
ABC Greater Houston

**Jerry Nevlud**
AGC Houston

**Steve Mechler**
Balfour Beatty Construction

**Brandon Meyers**
Spaw Glass

**Glenn Rex**
Mechanical Contractors Association

**John Roberts**
Jones Lang LaSalle Americas Inc.

**Tom Vaughn**
Vaughn Construction

**Bud Walters**
Pieper-Houston Electric
Discussion
Lesson: Perspective
Owners vs. Contractors
SO...

**How **DID you listen to this?**

Did you listen as:

1) a Member of your **community**?
2) an Employee (or owner) of an **organization**?
3) an **Industry** Participant?

... All three?!
Y(our) awareness!
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“Schools that made it through the first two steps became eligible to be judged nationally on the final step—college-readiness performance—using Advanced Placement or International Baccalaureate test data as the benchmarks for success, depending on which program was largest at the school.”