

Shifting Demographics Require Greater Attention to Diversity

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Shifting demographics threaten the ability of construction companies to staff projects. Many industry leaders identify worker shortages as a major problem and expect this issue to continue for the next several years. The share of employees in the industry aged 55 and older continues to increase. The next generation of workers, Generation Z, is significantly smaller than the generation of Baby Boomers that they will replace.

According to the Current Population Survey from the U.S. Bureau of Labor Statistics (BLS), the share of older workers (55+) in the construction industry rose nearly 30% from 2017 to nearly 22% in 2018. At the same time, only 9% of construction workers are between the ages of 16 and 24. The fact is that construction companies face a future where worker retirements will outpace their ability to hire replacements.

Traditional recruiting and retention methods will not meet demand. Construction companies must increase the numbers of minorities and women they hire and retain to meet ongoing needs. New thinking and programs will help companies gain a competitive advantage.

Some companies have already enhanced their recruiting of underrepresented groups, and there are signs that their efforts are paying off. For example, the number of women in construction has grown rapidly in the past few years, reaching the pre-Great Recession peak of 1.1 million.

To recruit more minorities and women, construction companies should consider the following steps:

Start Early. Before a company seeks to recruit minority and female workers, it should enhance its image as a company where such workers can succeed. This often begins by outreach to schools and other institutions where the company can demonstrate commitment to diverse workers.

Highlight Career Opportunities. New workforce entrants today are more likely than past generations to see their first job as a stepping stone, rather than a lifetime commitment. Employers should outline career paths, emphasizing training, mentorship, and sponsorship programs, apprenticeships, and leadership development opportunities.

Promote Corporate Social Responsibility. The “alphabet” generations (“X,” “Y,” and “Z”) expect employers to support the social issues they support. Promoting their own commitments to important social issues, such as the environment, can help companies establish themselves as an employer of choice.

Improve Use of Social Media. Social media has overtaken newspapers and other traditional media as the preferred source of information for younger workers. While some legal risks exist, social media has the additional benefit of allowing companies to target

recruiting efforts.

Target Recruiting Efforts. Companies can target recruiting efforts to increase the numbers of candidates from groups that are traditionally underrepresented in the construction industry. Contrary to much popular belief, there are few restrictions on the use of targeted recruiting that seeks to increase the diversity of recruitment pools.

Given the current shortage of workers in the construction industry and the expected wave of retirements, construction companies should be assessing and improving their recruitment, hiring, and retention of workers from groups that are traditionally underrepresented in the industry.

Please contact a Jackson Lewis attorney with any questions.

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