

Construction Findings from the 2007 Denver Regional Workforce Gap Analysis

By Development Research Partners*

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Full Report available at: www.milehigh.com

City and County of Denver Occupation by Age, 2000 (p.5)

SOC Code	Occupation	16-39 years	40-49 years	50-59 years	60 years and over	Total Over 40	Total Over 50
47	Construction and Extraction	63.5%	22.4%	10.8%	3.3%	36.5%	14.1%

Nine-County Occupation by Age, 2000 (p. 5)

SOC Code	Occupation	16-39 years	40-49 years	50-59 years	60 years and over	Total Over 40	Total Over 50
47	Construction and Extraction	61.9%	23.8%	11.1%	3.2%	38.1%	14.2%

Construction and Extraction is the 4th largest Occupational Group for Denver and the Region (2006) (p.7)

City and County of Denver – 7.4% of total workforce

9-County Region – 6.5% of total workforce

Occupational Growth Rate: 2004 – 2014 (p.8)

Construction & Extraction – 19.7%

Construction & Extraction grew at the 5th fastest pace in the region, and is expected to be one of the occupations with the highest growth in the Nine-county region.

Construction Median Hourly Wage 2006 (p.12)

Construction & Extraction \$17.03

* Prepared by FRESC

Gap Analysis Summary Nine-County Region, 2007 & 2011 (p.16)

- “Workforce Gap” Predicted for Construction & Extraction
- Construction is expected to see significant declines in the supply of available workers by 2011.

Occupation	2007 Ratio	2011 Ratio	2007 Share	2011 Share	2011 Annual Average Percent Change in Absolute Gap
Construction and Extraction	Undersupply	Undersupply	0.1% (Over)	-0.1% (Under)	-5.9% (Under)

Employment by Industry, 2006 (p.C-1)

Industry	Denver Total Employees	Denver Share of Total Employment	Regional Total Employees	Regional Share of Total Employment	Regional Average Annual Growth Rate 2006-2011
Construction	19,697	4.6%	109,448	7.1%	2.1%

Employment by Occupation, 2006 (p.D-1)

Occupation	Denver Total Employees	Denver Share of Total Employment	Denver Average Annual Growth Rate 2006-2011	Regional Total Employees	Regional Share of Total Employment	Regional Average Annual Growth Rate 2006 - 2011
Construction & Extraction	25,281	5.8%	2.2%	89,177	5.8%	2.9%

Construction Industry Analysis

(Based largely on an industry focus group, pages 26-28)

Construction and extraction occupations in the nine-county region are decreasing in supply and increasing in demand. As FasTracks construction begins, the demand for construction workers will continue to grow. With the retirement of the baby boomer population, skilled employees will be leaving, creating a bigger need for construction workers.

Skills

◆ Construction faces a constant challenge to find enough employees. There is the perception that anyone can work in Construction, but there are many specific skills needed for a qualified applicant.

Skills Needed

◆ Math skills are important for all levels of construction. Everything from basic arithmetic to algebra to trigonometry is needed. Other basic level skills, such as reading and writing, are important in Construction and lacking in the current nine-county region workforce.

◆ The construction industry is composed of a multi-ethnic workforce and language skills are in high demand. Multi-lingual applicants, especially ones who are fluent in English and

Spanish, are needed in construction. Businesses often struggle because applicants may list that they are fluent in a language, but are not in practical application.

◆ Project management skills are some of the most challenging to find in the industry. Workers with degrees in project management do not have the real world experience or the industry knowledge needed to succeed in the positions. Laborers who have been in the field and have the experience, do not have the management, business, and organizational skills needed to succeed.

◆ Business skills are important for the administrative side of Construction. Workers with skills in finance, accounting, and marketing are in high demand, especially when they have an understanding of the industry as well.

◆ Technology skills, mainly computer application skills, are increasingly important within the industry.

◆ Construction businesses often struggle to find professional applicants. Employees who show up late for work or do not show up at all are detrimental to an organization. Construction and Extraction occupations require a good sense of

teamwork, respect, and work ethic.

◆ Though the Construction industry continues to become a more specialized industry, it is important that workers have a solid understanding of a broad range of industry skills.

Workforce Characteristics

◆ Diversity is important to the Construction industry. Women in Construction are in growing demand. Focus group participants want to promote the industry to racial minority and women groups.

Hiring

Hiring Issues

◆ Construction and Extraction occupations are divided into trades and office occupations. The vast majority of occupations are within the trades area.

Hiring Geography

◆ Lower-level positions are generally filled within the nine-county region. Most companies promote from within and thus many higher positions are also filled locally. Applicants for more specialized positions may come from outside of the nine-county region if the needed

skills are unavailable locally. Generally, local sources are exhausted before companies look elsewhere. Larger companies relocate staff from another company location to fill local skill gaps.

Hiring Sources

◆ Word-of-mouth is the best source for finding applicants. Often the foreperson or other managers will bring in friends or relatives to the company. This works because the manager will hire people they know work well.

◆ Some companies hire out of colleges, offering internships over the summer between junior and senior years to determine if a candidate is a right fit for the company. College is not necessarily the most direct route to a job in the industry, as everyone starts out at the same level in a company and advancement is based more on experience than education.

Workforce Centers

◆ Focus group participants had the perception that workforce centers do not sufficiently screen applicants to meet the business' needs. Focus group participants perceived little uniformity in the applicant screening process, too much paperwork required, and the workforce centers referring many unqualified applicants to

businesses. Businesses would use workforce centers more if screening processes more closely met their needs.

Industry Image

- ◆ Focus group participants believe that people today are uninterested in Construction and Extraction occupations. High schools are decreasing trades programs, such as shop, and not exposing youth to the industry.
- ◆ Though the industry promotes its higher-level positions, the majority of occupations in construction involve difficult, physical work.
- ◆ Misconceptions that there are no high-paying jobs, there is little advancement within the industry, and positions have little prestige make it challenging for businesses to recruit people into Construction.
- ◆ Businesses need to connect with individuals from a young age to expose them to Construction and Extraction occupations and resolve any misconceptions. By high school, most youth are already too disinterested in Construction and Extraction occupations.

Retiring Workforce

- ◆ Construction is already experiencing the impact

of retiring baby boomers. This issue will only continue as time goes on.

- ◆ Some companies are trying to hire (or promote from within) project managers to mentor younger workers for upper-level positions. There is an increasing need for experienced, well-trained, and hard working employees to transition into management positions.
- ◆ Many younger workers have a poor work ethic and do not understand that they need experience to be able to move into upper-level positions. Businesses work to match younger employees with mentors and to teach them the skills they need to move up the career ladder, such as trade and project management skills.

Education/Training

Education Curriculum

- ◆ There are strong relationships with community colleges for continuing education, but no pipeline to connect the community college graduates with positions in Construction.
- ◆ Primary education should bring back trades courses so industry leaders and educators can identify students that work well with their hands and find a real passion in construction work.

Training Programs

- ◆ Teaching English as a second language to the workforce would increase productivity and safety. Many accidents occur on jobsites due to language barriers.

- ◆ Focus group participants estimated that over 30% of all employees speak Spanish, and up to 90% of trades people are estimated to be Spanish speakers. Workers need to speak English to move up within most organizations because the tests required to get to those positions are in English.

- ◆ Managers and office staff also are in need of Spanish language training to communicate with many of the workers.

Most Important Needs

- ◆ Construction workers just starting out need assistance with job equipment and registration fees for apprenticeship programs.

- ◆ Field training for new employees is needed to help prepare them for the reality of Construction and Extraction occupations. Helping subsidize the cost of field training and apprenticeships is needed.

- ◆ Focus group participants wanted a short overview training of Construction and Extraction occupations for the incoming

workforce (a construction boot camp) that would orient workers to the reality of the industry.

- ◆ The Construction industry is unaware of many current resources available to it. A directory of workforce programs to help with hiring and training would be beneficial.

- ◆ Streamline and clarify resources available to the construction industry. Many businesses do not utilize workforce programs because they are confusing, cumbersome, and time-consuming.

- ◆ Help construction businesses partner with educational institutions to promote the industry to youth, make them aware of the reality of Construction and Extraction occupations, and train the incoming workforce with the skills required by the industry.