



United States Senate Committee on Commerce, Science and Transportation

Testimony

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March 29, 2017

Introduction

Thank you for the opportunity to testify this morning about closing the skills gap in the construction industry to boost U.S. competitiveness.

I am Rory DeJohn and I represent Turner Construction Company. Turner will celebrate its 115th anniversary this year and is recognized as the largest building contractor in the United States. This year alone, we will complete approximately \$11 billion of construction on 1,500 projects located in 35 states and 400 cities across the country.

Today, I would like to provide some insight into the very real issue the construction industry is experiencing surrounding the availability of skilled labor to complete the work we have.

As the construction industry is called upon to deliver the civil and urban infrastructure needs of our communities and our country, I would also like to give you some insight into how the skill gap is being addressed and how we need to think differently, and more strategically, about developing a workforce prepared to take on these needs.

Construction Industry Impact on Employment and the Economy

First let me provide some perspective. Construction employment is now at its highest level since 2008. Today, 6.8 million people show up to work on a construction project every day – in every state and every city across the country. Together, they will complete in excess of \$1 trillion of construction this year. While

impressive, there are approximately 100,000 fewer people working in our industry today than in 2007 when we completed approximately the same amount of work.

Certainly we are employing technology and improved processes to help drive efficiency. Yet, across the country we are already seeing a real need for more skilled labor in the industry. The population trends in our country, a growing economy, and the changing needs within a wide range of industries and communities will result in continued demand for construction and construction jobs. With these needs as a backdrop, we are also seeing a shortage of education and training opportunities for the people our industry needs most. The stress caused by a shortage of workers will continue to increase as demand for construction by both private and public sector clients continues to climb.

Professional Skill Gap

I will start with the professional side of our industry. In 2011, there were 58,000 students pursuing civil engineering degrees. That number remains unchanged today even as construction activity has grown by nearly 50 percent since 2011. And, as technology occupies a growing role in our lives, nearly every business in every industry benefits from the skills taught in fields of science, technology, engineering and math (STEM).

Science, technology, engineering and mathematics professionals help create better things and better places to work and live. Therefore, it is important that we encourage students to pursue careers in STEM as they are the future leaders in important industries and disciplines.

In construction, we see firsthand the role that new technology and process innovations play in the planning, development, and construction of a building. And because construction is an industry that touches so many other industries, we also have a unique vantage point from which to understand how these technological advancements and process innovations are also driving positive changes for our clients as they plan, build, teach, heal, research and manufacture.

As the United States is a world leader and economic power, it's imperative that we work to improve upon our education in STEM. I believe the future of our students, as well as our collective future, is extremely bright, but only with our continued and increased support of their education beginning in elementary school and continuing through high school and into college.

We need to advance a strong message regarding the opportunities available to develop innovative solutions to significant global issues through education and careers in STEM. Many are drawn to the construction industry because of its enormous impact on so many different aspects of modern life. They read about the need to improve the infrastructure of a city, hear of the need for a healthcare facility in a rural area, or see an empty space a community center might fill. These are the kinds of challenges that can serve to inspire the next generation of engineers.

As we look to strengthen the talent pipeline and produce more engineers, we also look to build a more diverse and inclusive pipeline – one that better reflects the world we live in and the people we serve. Although the number of women and minorities involved in STEM has increased over the years, they are still well behind the averages of other industries. The fact is that 80 percent of the students pursuing engineering degrees today are male and 60 percent are white.

There are people, organizations, and companies making great efforts to increase the diversity of the talent pipeline. They serve as mentors, providing internships and scholarships and partnering with other institutions to support a larger and more diverse pool of people prepared to enter our industry. The Future City Competition, the ACE Mentor Program and Turner's own YouthForce 2020 program are just three programs that are addressing this. Their mission is the same: engage, excite and enlighten a diverse population of middle and high school students, to inspire them to pursue education and then careers in architecture, engineering, and construction through mentoring and hands-on experiences.

There are also organizations like the Society of American Military Engineers, which provides opportunities for training, education and professional development to veterans and helps them transition from the military to careers as project managers and leaders in the construction industry.

Labor Skill Gap

Now let me turn to the skilled labor side of our industry. The Bureau of Labor and Statistics reports that the median annual wage for all construction and extraction occupations was \$42,280 in 2015, which was higher than the median annual wage of \$36,200 for all occupations. Plumbers, ironworkers and electricians had a median wage of \$50,000 in 2015. Over the past few years, we have seen wages in the construction industry increase at a higher rate than the overall economy.

Yet, the facts are clear: our labor force is aging. Fewer young people are entering the building trades as more people in the building trades are approaching retirement age. We have seen the average age of construction workers soar from 36 to 41.5 years old between 1985 and 2010. The average age is continuing to increase and now stands at 43.

The construction industry is being pinched on both sides of the labor pool, resulting in a depleting workforce in the industry. This means it may become increasingly more difficult to find the skilled labor our industry and our country needs.

One thing we can do to address this is to make the work environment more attractive to current and prospective tradespeople. With technology tools to facilitate prefabrication and modularization, we are continuously improving the safety and work environment for our labor force. Technology and a focus on improved methods enables us and our industry partners to work in a more favorable and comfortable way. This can both help extend careers of people in the industry and make it a more interesting industry for young people to join.

Another thing we can do is provide increased support to industry trade groups, and encourage them to develop teaching practices and a curriculum better suited to the millennial generation. High school educators and counselors should introduce more students to the wide range of occupations available to them in our industry, and then offer them pathways to receive the training they need. As technical high schools expand, our country will enjoy the benefit of a more engaged high school population that will graduate with skills to be successful.

In addition, we should also continue to support and encourage the transition of military veterans from the armed forces to the construction trades. Our industry has a range of employment opportunities for veterans, and companies place high value on military experience.

Conclusion

We know that the construction industry provides multiple pathways for people to find fulfillment, make a difference, and achieve success. We also know that the ability of the construction industry to serve the needs of private and public sector clients directly affects the strength and competitiveness of our country.

The industry has the need and the capacity to absorb more people into our workforce and engage them in meaningful work with a good wage. What we need is the collective commitment of educators, trade organizations and industry to work together to further strengthen the measures the industry and our partners have been taking. We must also work together and act strategically to prepare more people to enter the construction industry, and to extend the careers of the people working in our industry.

Thank you again for the opportunity to be with you today.

I would be happy to answer any questions you may have.