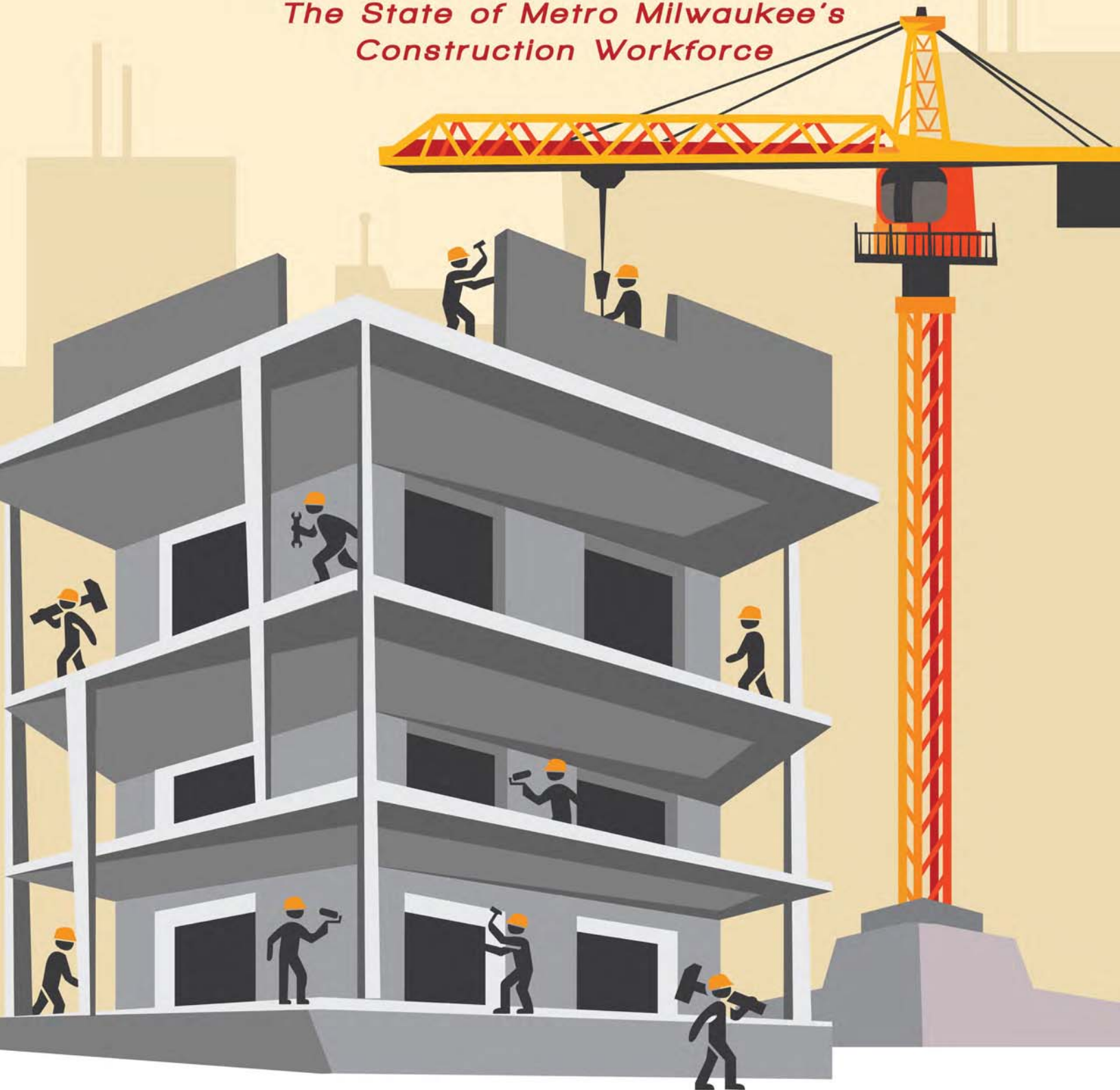


EXECUTIVE SUMMARY

BUILT TO LAST?

*The State of Metro Milwaukee's
Construction Workforce*



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EXECUTIVE SUMMARY

The strong pace of development activity in metro Milwaukee is producing jobs and boosting economic activity throughout the area, but questions have been raised as to whether the region has enough construction workers to meet current and upcoming demand.

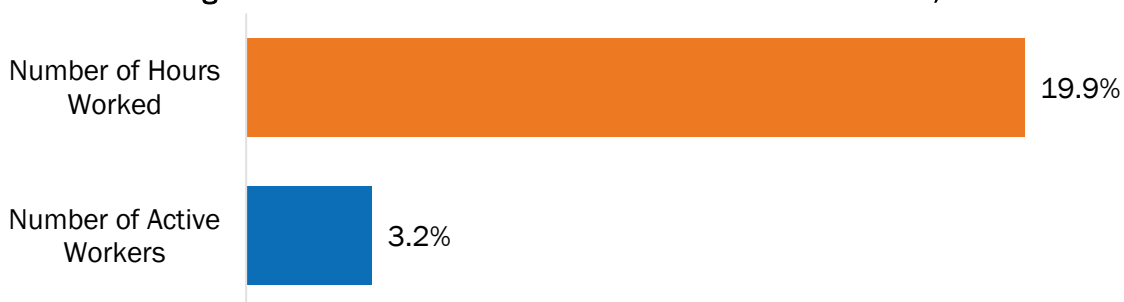
In this report, we examine the supply of and demand for construction workers in the four-county Milwaukee metro area and the strength of the pipeline of new workers entering the field. We also analyze the demographics (age, race, and gender) of the construction workforce and extent to which they are changing over time. Our analysis includes data from numerous federal, state, and local sources, which we complement with information gathered through a survey of local construction labor unions and a series of interviews with area construction contractors and industry leaders.

Our analysis reveals a mixed picture. Some of the data we collected and input we received from industry leaders suggest the workforce is stable and supported by a relatively robust pipeline of new workers, while other evidence highlights current worker shortages that may reflect longer-term challenges for at least some trades and types of workers. We summarize our key findings below.

Metro Milwaukee's construction labor market is as tight as it has been in at least 20 years.

Construction employment in the Milwaukee area remained stable and even ticked upward during the pandemic, while unemployment in construction is near a historic low, and job openings in the sector are at a more than 20-year high. Local pension fund data show that active union construction workers are being stretched to work considerably more hours on average than they were a decade ago. Meanwhile, half of the unions that responded to our survey reported having fewer available workers (i.e. those not already employed) than before the pandemic. Taken together, these data show that the regional construction sector is experiencing a particularly challenging labor market.

Change in Active Union Construction Workers and Hours Worked, 2012-2021

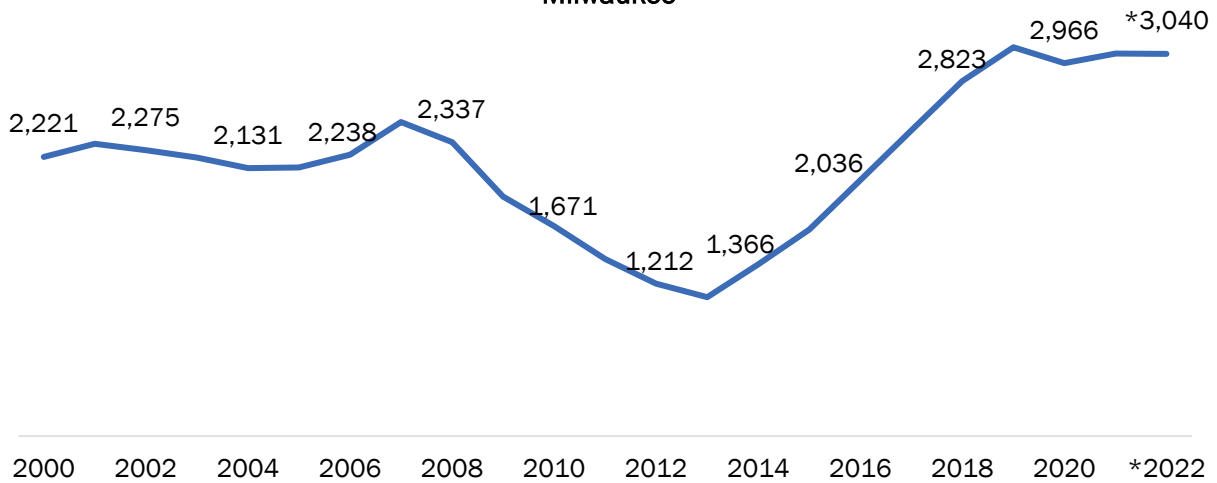


Source: WPF analysis of Building Trades United Pension Trust Fund data

The region's construction apprenticeship pipeline is strong overall, but more apprentices may be needed in at least some trades. The total number of active apprentices in the construction trades in metro Milwaukee plateaued during the pandemic after climbing for many years. The current pool of apprentices is as large as it has been since at least 2000, and most unions expect their apprenticeship classes to grow in the coming years.



Active apprentices in construction trades for committees serving metro Milwaukee



Source: Wisconsin Department of Workforce Development (*2022 figure is preliminary as reported in October 2022)

More apprentices may be needed in some trades, however, as five area unions (the glazers, tile setters, roofers, bricklayers, and iron workers) have seen their apprenticeship numbers decline by at least 17% over the last five years. In response to one of our survey questions, three unions (the roofers, painters, and heat and frost insulators) said they do not have enough workers ready to begin apprenticeships to make up for those they expect to retire in the next several years.

Certain trades have limited supplies of young workers and/or insufficient interest in leadership roles among experienced workers. Our union survey data suggest there is a relatively strong pipeline of young workers in construction overall, but three unions (the roofers, painters, and sheet metal workers) said less than 10% of their active members are under the age of 30. The roofers and sheet metal workers also were among four unions that said more than 10% of their workers are over 60. The carpenters and three other unions said at least 25% of their active members are in their 50s.

Share of active union members by age range (figures represent number of unions)

	Less than 5%	5-9%	10-24%	25-49%	50-74%	75% or more
Under age 30	1	2	12	2	0	0
Ages 30-39	0	1	11	5	0	0
Ages 40-49	0	0	4	12	1	0
Ages 50-59	0	0	13	4	0	0
Ages 60 and over	9	4	4	0	0	0

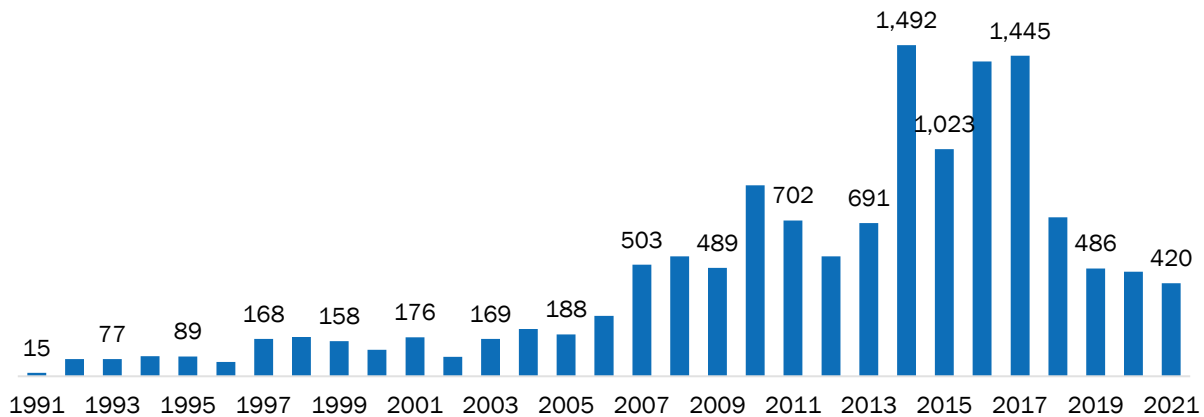
While a majority of area unions said they have enough journey workers ready to step into leadership roles that will open up in the next several years due to retirements, five (the roofers, painters, boilermakers, bricklayers, and Teamsters) said they do not. The contractors we interviewed also cited a lack of interest in leadership roles as a significant workforce challenge they are experiencing.



Additional improvements to the city of Milwaukee’s Residents Preference Program appear to be needed. The Residents Preference Program (RPP) is designed to ensure that a portion of the jobs produced by city-supported construction projects are filled by qualifying city residents. City leaders have expanded and refined the RPP several times since it was created over 30 years ago to boost inclusion in the construction workforce. Our analysis suggests that more changes may be needed, however, both to better understand the supply and demand for RPP-certified workers and to strengthen connections between area contractors and the workforce development system.

Over 8,700 workers have become RPP-certified since 2012 alone. Once certified, workers are eligible indefinitely with no need to recertify, which makes it impossible to estimate how many may still be pursuing work in the local construction industry at any given time. City leaders may wish to require workers to recertify periodically to give employers and industry leaders a clearer understanding of the size of the available workforce and how it aligns with demand. If they do so, however, they should consider how to ensure that the recertification process does not lead to the loss of available workers. Given a key goal of the RPP is to provide long-term employment opportunities for city residents, recertification would not need to include income limits.

Number of new workers certified for the Residents Preference Program by year



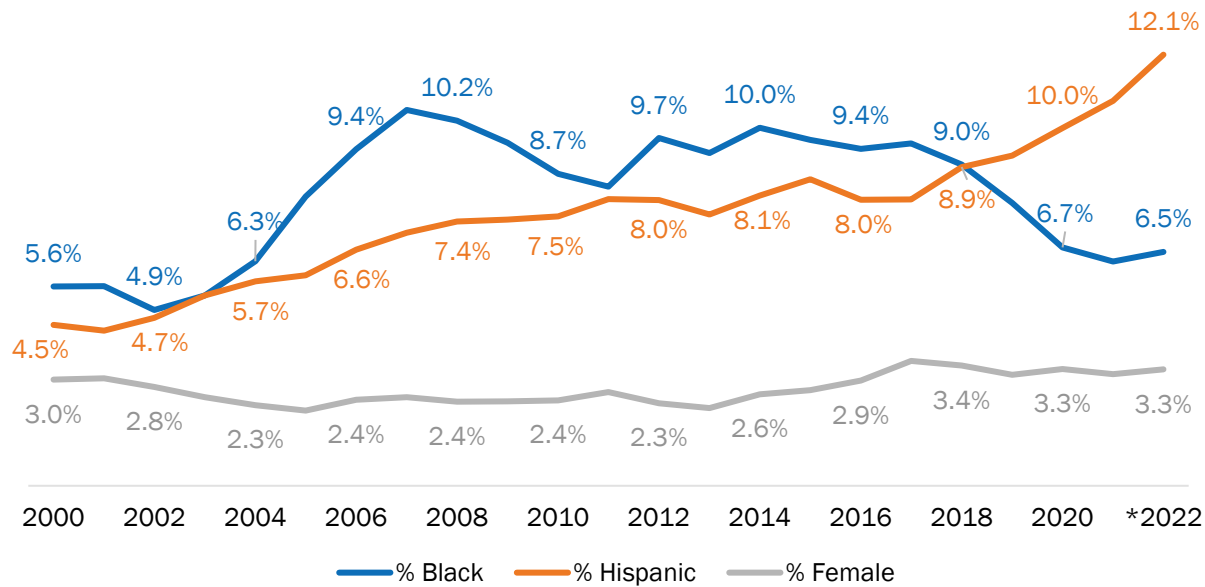
Source: WPF analysis of data from the city of Milwaukee’s Department of Public Works

Input from our interviews also suggests that workforce development agencies that train workers and prepare them for the RPP could be more effective in helping contractors meet workforce inclusion requirements if they are brought to the table earlier in the project development process.

Efforts to strengthen gender and racial diversity in the construction workforce may need to be modified or expanded. Despite the growing diversity of metro Milwaukee’s population, limited progress has been made in diversifying the construction workforce. Among apprentices, Hispanic representation has increased considerably, but Black and female workers remain highly underrepresented and more than half of Black workers cancel their apprenticeships before completion. These issues have long been acknowledged, and efforts have been made to address them, but industry and local leaders may want to undertake additional steps. This is particularly relevant given the high demand for workers in general and the considerable number of projects (e.g. the convention center expansion) with targeted hiring goals.



Black, Hispanic, and female workers as share of all active apprentices in metro Milwaukee



Source: WPF analysis of Wisconsin Department of Workforce Development data
 *2022 figures are preliminary as reported in October 2022

One potential strategy for strengthening retention that emerged from our interviews was to expand mentorship programs that pair apprentices of color and female apprentices with experienced workers of the same identities.

The longer-term level of demand for construction workers is difficult to predict, but demographic trends suggest the need for expanded recruitment efforts. From a labor perspective, metro Milwaukee’s construction sector is currently experiencing a challenging period that likely will continue for the next few years as projects already in the pipeline proceed. The longer-term picture is less clear, however, due to economic uncertainty, the tendency for development demand to ebb and flow, and other factors.

Nevertheless, demographic trends – including the ongoing retirement of baby boomers and declining birth rates – point to a need for expanded recruitment efforts. Industry leaders we interviewed said those should include increased technical education opportunities in schools that expose youth to the trades and new approaches to recruiting and retaining both youth and young adults.

As development and infrastructure projects continue to transform downtown Milwaukee and the broader city and metro area, we hope this analysis assists leaders across sectors who are working to cultivate and fortify the region’s current and future construction workforce.

