



PORTLAND METRO REGION CONSTRUCTION WORKFORCE MARKET STUDY: EXECUTIVE SUMMARY

As the ongoing economic recovery has led to business growth and infrastructure investments, the construction sector has boomed, making it a high-growth industry in the Portland Metro Area (see Box 1). However, the career opportunities generated by this growth are not equitably accessible to everyone in the community. Construction has historically been a male-dominated and racially homogenous industry, and this continues to be the case. At the same time, construction businesses report a severe shortage in skilled talent – a claim that is supported by labor market data.

As our region rapidly diversifies, both businesses and underrepresented communities will dramatically benefit from a concerted effort to connect these communities to the growing industry opportunities. Indeed, contractors and industry have recognized the need to attract more talent and build a workforce that better reflects the community¹. Success for the region can be achieved by: (1) having a strong pipeline of skilled workers to fill the anticipated shortages; (2) ensuring that jobs created through publicly funded projects are equitably attained by working people from all demographics; (3) having a regional construction workforce that better reflects the demographics of the community.

The study was jointly commissioned in January 2017 by Metro and the City of Portland.

BOX 1. CONSTRUCTION-RELATED OCCUPATIONS IN PORTLAND METRO REGION IN NEXT TEN YEARS (2016-2026)

51,000 total jobs
8,800 new jobs, +18.6%
17% of the workforce currently is at or near retirement age
Over one-third of the workforce is over 45 years old
\$26.16 is the average wage per hour

BOX 2. CREATING JOBS FOR PEOPLE OF COLOR AND WOMEN IN THE PORTLAND METRO AREA

If all public projects over \$15M planned for the next five years implemented and met workforce goals of employing 25% minorities and 14% women, there would be²:

- 3,400 FTE jobs for minority workers = \$185.0 million in earned wages
- 1,900 FTE jobs for women = \$103.4 million in earned wages

¹ Many public agencies are focused on diversity goals in contracting, such as increasing their utilization of minority, women and emerging small businesses (MWESBs). This study only focused on workforce equity, and does not include research or strategies on contracting equity.

² Utilization goal percentages are the share of total hours worked by each category.

Diversifying the construction workforce will not only help create a stronger supply of needed workers for the industry; it will also directly address issues of poverty and economic mobility within communities of color and working families in the region.

This in-depth construction workforce market study was commissioned to help Metro and partners more effectively invest resources toward promotion of equitable growth in the region’s economy through the enhancement of career opportunities for women and people of color in the construction trades. This report is the result of an extensive research study, which included collecting and analyzing existing available construction workforce supply data, forecasting the local five-year workforce demand, conducting extensive interviews with public agencies, contractors, apprenticeship programs, and pre-apprenticeship programs, and holding focus groups with diverse construction workers and foremen in the region. The research sought to uncover the major barriers to achieving equity and increasing diversity in the construction workforce for the Portland Metro Area. A set of recommendations for success are outlined and described in the report. For a complete and detailed set of all data, please visit: <https://www.oregonmetro.gov/construction-career-pathways-project>.

FINDINGS OVERVIEW: EXISTING WORKFORCE SUPPLY³

- Approximately 23,000 people work in nonresidential construction occupations in the greater Portland metropolitan area (2016).
- Four percent are women.
- Twenty percent are minorities.
- Minority employment is largely driven by Hispanics. Blacks and Asians are underrepresented in the trades.
- Women and minorities are more likely to work in lower paying trades.

BOX 3. SUPPLY OF WORKERS IN THE NONRESIDENTIAL CONSTRUCTION TRADES IN THE PORTLAND METRO AREA: 2016

Total number of workers: 23,000	<ul style="list-style-type: none">• Total minorities: 3,800• Total women: 940
Completion rate for all apprentices: 46%	<ul style="list-style-type: none">• Minority completion rate: 36%• Women completion rate: 38%• White male completion rate: 50%

FINDINGS OVERVIEW: PROJECTED DEMAND (3-5 YEARS, PUBLIC PROJECTS OVER \$15 MILLION)⁴

- From 2017 through 2021, the 81 known large public capital projects identified by this study will require nearly 14,000 construction workers.
- Some of these projects have stated apprentice and workforce diversity utilization goals, with average goals of 20 percent hours performed by apprentices, 25 percent hours performed by minorities, and 14 percent hours performed by women.
- These average goals, if applied across *all* 81 projects, puts the 5-year demand at 2,700 apprentices, 3,400 minorities, and 1,900 female construction workers.
- While the current 2016 construction workforce on a whole appears could largely ready to meet the demand for diversification across all 81 public projects, analysis of supply within each major trade group shows that only a small portion of trades have enough supply to meet goals.
- When diversification and workforce deficits are added together by trade, this analysis shows that the 2016 supply would fall short by 1,074 minorities, 1,416 females, and 445 apprentices to fill the needs for all trades in the region over the next 5 years⁵. These deficits more accurately show the deep need for additional outreach to and training of underrepresented groups for skilled trade career opportunities.

3 For all data collection and analysis, please visit Current Labor Pool section: <https://www.oregonmetro.gov/construction-career-pathways-project>
4 For all data collection and analysis, please visit Public Project Demand Section: <https://www.oregonmetro.gov/construction-career-pathways-project>
5 It is critical to keep in mind these gaps are only looking at the *current* 2016 workforce supply and assuming no new workers are trained or move to the area and enter the workforce in the next five years. Given that, the estimated gaps should be interpreted with the knowledge that the industry can and will be training more people over the coming years to address the workforce demand of the market.

BOX 4. DEMAND FOR WORKERS IN THE CONSTRUCTION TRADES ON PUBLIC PROJECTS OVER \$15M IN THE PORTLAND METRO AREA OVER THE NEXT 3-5 YEARS

Total number of projects: 81
Total dollar amount of projects: \$7.5 billion

Demand for diverse workers and apprentices for current workforce goals:	<ul style="list-style-type: none"> • Apprentices: 2,000 • Minorities: 1,300 • Women: 700
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Demand for diverse workers and apprentices, assuming all public projects have goals of 20% apprentice, 25% minority, 14% women:	<ul style="list-style-type: none"> • Apprentices 2,700 • Minorities: 3,400 • Women: 2,000
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TIARA MOXLEY

Electrician Apprentice



Tiara Moxley is the first one in her family to become an electrician. It was never something she imagined herself doing, and she loves it. “You’re doing it for other people,” she says. After 1.5 years into her apprenticeship, she’s worked on a large car manufacturing building, public train shelters, crosswalk streets, and a park.

FINDINGS OVERVIEW: BARRIERS TO DIVERSIFYING⁸

The struggle to recruit and retain women and people of color into Construction has *many* causes, including:

- Most connections into apprenticeship still occur through personal referrals, which women and people of color are less likely to experience, and outreach that is done by word of mouth is rarely targeted specifically toward marginalized communities.
- A lack of social networks for women and communities of color within construction minimizes exposure to the possibility of construction as a career option in the first place.
- State-certified pre-apprenticeship programs expose historically underrepresented populations to the trades, screen them for job readiness, and help to cultivate a pipeline of diverse jobseekers. However, these programs have limited capacity due to funding sustainability concerns and reporting fatigue for their numerous existing funders. Not having a more sustained and/or streamlined funding model for Pre-Apprenticeship programs is a barrier for better and increased recruitment of women and people of color into Construction.
- A history of overt racist and sexist policies within the trades has led to jobsite cultures that are not inclusive (which affects retention of underrepresented workers who begin careers).
- Retention of diverse workers is also adversely affected by the lower-quality training these workers often receive on the jobsite from supervising journeypersons, which means that these apprentices will be less skilled in the trades and will struggle to excel and advance.
- The lack of steady work in the construction industry particularly impacts female and minority workers. Studies in Oregon⁹ have shown that these workers work far fewer hours annually than their white male counterparts.

⁵ It is critical to keep in mind these gaps are only looking at the *current* 2016 workforce supply and assuming no new workers are trained or move to the area and enter the workforce in the next five years. Given that, the estimated gaps should be interpreted with the knowledge that the industry can and will be training more people over the coming years to address the workforce demand of the market.

⁶ This only includes demand for public projects over \$15M over the next five years, which represents a portion of the overall demand for construction workers in the region. It does not include private projects or any projects that were not disclosed during study interviews.

⁷ It is critical to keep in mind these gaps are only looking at the current 2016 workforce supply and assuming no new workers are trained or move to the area and enter the workforce in the next five years. Given that, the estimated gaps should be interpreted with the knowledge that the industry can and will be training more people over the coming years to address the workforce demand of the market.

⁸ For all data collection and analysis, please refer to Summaries of Interviews: <https://www.oregonmetro.gov/construction-career-pathways-project>

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- Women and people of color are less likely to have opportunities for advancement within the industry such as becoming foremen, superintendents, or company owners.
- Real-life financial hardships or other challenging situations often arise (i.e. family care needs, transportation issues, etc.), especially for early term apprentices who may have limited or no savings, which can be enough to prevent them from continuing with their careers.
- Lastly, the majority of public projects in the Portland metro area do not have workforce participation goals. Those that do have goals struggle with monitoring and enforcing them. Agencies reported that staff, time, and cost could be barriers to implementing and upholding goals.

RECOMMENDED REGIONAL ACTIONS FOR DIVERSIFYING THE CONSTRUCTION WORKFORCE¹⁰

Given all these conditions, successful solutions need to be multi-pronged. Additionally, and most importantly, all of these recommendations need to be considered at a regional level. Workers in the industry typically work at different jobsites, work alongside different trades, and can work for multiple contractors throughout their careers. This means that the barriers to create a more diverse workforce impact everyone working in the region across all trades, jobsites, and agencies. Having a regional approach can better address the issues as they occur and result in more substantial impact. Any adopted strategies need to be implemented in concert with each other, as they are interlinked and will not be as successful if implemented separately.

The following recommendations are discussed at length in the full report (**top priorities in bold**):

INCREASE RECRUITMENT OF DIVERSE WORKERS

- **Ensure steady funding stream to increase capacity of pre-apprenticeship programs**
- Increase direct entry from pre-apprenticeship into apprenticeship programs
- Promote recruitment of diverse workers through referrals
- Coordinate additional outreach efforts across the region through partnerships with trusted community organizations and community leaders.
- Establish stronger collaboration and alignment across regional and state systems such as K-12, WorkSource, etc.

INCREASE RETENTION OF DIVERSE WORKERS

- **Address construction job site culture through respectful workplace trainings with proven results**
- Increase monitoring of on the job training of apprentices by well-trained experts
- Formalize mentorship resources for diverse workers
- **Invest in ongoing supportive services for apprentices**

DEVELOP MORE ROBUST EQUITY POLICIES AND PRACTICES

- **Enforce contract goals, with consequences for non-compliance**
- **Improve oversight to achieve workforce goals on public projects**
- Create contractor incentives in bidding process for past equity performance and compliance
- Improve and ensure a transparent system for reporting and monitoring of workforce goals
- Create consistent opportunities for connections across sectors to collectively problem solve
- **Adopt shared policies and processes across agencies**
- **Sustain a regional investment in the construction workforce pipeline**

Advancing workforce diversity and equity in construction will take focus, investment, and concerted collaboration. No one party can do it alone. Everyone in the industry; public agencies, contractors, training providers, apprenticeship programs, and the workers on the jobsites, all have a role to play in the success of achieving workforce equity and diversity for the Portland metro region.

¹⁰ For all data collection and analysis, please refer to Summaries of Interviews: <https://www.oregonmetro.gov/construction-career-pathways-project>