



ARE MILLENNIALS CULTURALLY COMPATIBLE WITH CONSTRUCTION?

Shortfalls in construction workers will produce ever-rising costs, making it that much more difficult for communities to improve their respective build environments and for the nation to effectively address its burgeoning infrastructure deficits.

NOT CLEAR THAT THEY ARE

ANIRBAN BASU AND JOSEPH NATARELLI

Construction workers wake early. Construction work often begins before the sun makes its presence fully known, partially in an effort to disrupt other economic activities as little as possible. Roadwork is frequently conducted overnight, with daytime commuters often unaware of the contributions that have already been supplied on their behalf as they slept.

America is presently in the midst of an active period for construction activity. Distribution centers, apartments, homes, and commercial spaces are being erected in significant quantities, helping to bring the U.S. construction worker unemployment rate down to around 5 percent.¹ There was a time several years ago when it was relatively easy to secure able-bodied, suitably skilled construction talent. That period is over.

Signs of a shortfall in emerging construction skills were telegraphed many

years ago. Between 1985 and 2010, the average age of construction workers jumped from 36 years to nearly 42 years according to the Center for Construction Research and Training (the Center).² The share of workers ages 45 to 64 years surged from 25 percent to 39 percent during that period.³ Meanwhile, the proportion of construction workers between the ages of 25–34 fell by 26 percent, while those between the ages of 20–24 fell by 50 percent.⁴

As of this point, many baby boomers remain ensconced in the nation's construction workforce. However, the last of the baby boom generation will enter the 55 years or older category in 2020, which will increase that age group's share of America's labor force from less

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than 20 percent in 2010 to more than 25 percent.⁵

With the shift from defined benefit to defined contribution pension plans and ongoing increases in the age at which people can begin enjoying social security benefits, the most physically demanding construction occupations are assuredly positioned for large-scale retirement. Unlike stereotypical positions in finance or human resources, many construction occupations are associated with physically taxing effort. For this reason, construction is likely more susceptible to earlier retirement than many other industries, as welders, carpenters, heating and air conditioning professionals, glass installers, and electricians move on to the next stage of their lives in large numbers.

This means that the industry will become increasingly dependent on younger, more recent entrants into the construction workforce. For a time, many younger workers were entering the industry, but under somewhat unusual circumstances. During the housing boom of the mid-2000s, large numbers of young Hispanic workers entered the industry.⁶ But this pattern reversed itself during the housing downturn that began in 2006 and continued well after the recession ended in 2009. More than two million construction workers lost their jobs over a three-year period.⁷ Many of these workers have left the construction industry on a permanent or quasi-permanent basis, often moving into retail, energy-related fields, distribution, or other heavy industrial segments.⁸

At least theoretically, there are sufficient numbers of millennials to satisfy the human capital requirements of the American construction industry. A recent Pew Research Center report indicates that millennials have surpassed baby boomers as the nation's largest living generation.⁹ U.S. Census Bureau data indicate that as of 2015, the number of Americans ages 18–34 totaled 75.4 million, as compared to 74.9 million baby boomers.¹⁰

Moreover, the millennial generation continues to expand as young immigrants increase its numbers. According to Pew, the millennial population will peak in 2036

at 81.1 million.¹¹ At that point, the oldest millennial will be 56 years old, still likely physically able to work in even the most demanding construction occupations.

However, there are questions regarding to what extent these younger workers are associated with character traits that are consistent with careers in construction. Based on the early experiences with this generation, this is a group that places a premium on its time, preferring jobs that offer flexible work hours. While this may be consistent with design work (e.g., architectural or engineering services), it isn't consistent with the bulk of construction activity. People often work in teams or oversee them — people like construction superintendents. Deadlines are well-defined. Permits may allow construction to take place only during certain periods of the day or week. What's more, many construction workers are required to wake up during the early hours, with few options or positive outcomes available for those who want to hit their respective snooze buttons repeatedly.

The notion that millennials treasure their time is more than idle speculation. In a survey conducted by Bentley University regarding the emerging generation of workers, 71 percent of respondents indicate that flex time is consistent with their own capacity to be productive.¹² Many millennials also admit to suffering from a poor work ethic.¹³ This is deeply problematic since of the common devices that construction managers use to stimulate effort and meet deadlines is the use of overtime pay. However, many millennials are not as susceptible to the allure of extra pay in exchange for additional hours at work.

There are other hurdles to consider. In today's economy, technology is king. While there are construction occupations that allow for young men and women to surround themselves with computers, many jobs still require working with more traditional inputs. A building cannot be constructed solely through the use of cloud computing or on a tablet. Many younger workers also appear to

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have an aversion to working outdoors, which could be considered ironic given their tendency to embrace hiking, biking, and other outdoor recreational opportunities.

The challenge, then, is to find ways to make construction more consistent with emerging behavioral patterns. Technology, including robotics, will undoubtedly represent part of the solution. But the construction industry must also consider opportunities for people to have more time for their families, to work in more comfortable settings, and to work more frequently with emerging technologies. It is not just construction firms who have an interest in this. Structural shortfalls in the construction workforce will produce ever-rising costs, making it that much more difficult for communities to improve their respective build environments and for the nation to effectively address its burgeoning infrastructure deficits. ■

NOTES

¹ "Labor force statistics from the current population survey," Bureau of Labor Statistics (2016). Available at: http://data.bls.gov/timeseries/LNU04032231?data_tool=XGtable (accessed Oct 31, 2016).

² "The construction chart book: The U.S. construction industry and its workers," The Center for Research

and Training (2016). Available at: <http://www.cpwr.com/sites/default/files/publications/5th%20Edition%20Chart%20Book%20Final.pdf> (accessed Oct 31, 2016).

³ *Ibid.*

⁴ *Op. cit.* note 2.

⁵ *Ibid.*

⁶ "Construction jobs expand for Latinos despite slump in housing market," Pew Research Center's Hispanic Trends Project (March 7, 2007). Available at: <http://www.pewhispanic.org/2007/03/07/construction-jobs-expand-for-latinos-despite-slump-in-housing-market/> (accessed Oct 31, 2016).

⁷ Whitaker, B., 2 million construction jobs may be lost for good, *CBS News* (June 16, 2016). Available at: <http://www.cbsnews.com/news/2-million-construction-jobs-may-be-lost-for-good/> (accessed Oct 31, 2016).

⁸ Semuels, A., Where have all the construction workers gone? *The Atlantic* (Feb 13, 2015). Available at: <http://www.theatlantic.com/business/archive/2015/02/where-have-all-the-construction-workers-gone/385417/> (accessed Oct 31, 2016).

⁹ Fry, R., Millennials overtake baby boomers as America's largest generation, Pew Research Center (April 25, 2016). Available at: <http://www.pewresearch.org/fact-tank/2016/04/25/millennials-overtake-baby-boomers/> (accessed Oct 31, 2016).

¹⁰ "Millennials outnumber baby boomers and are far more diverse," The United States Census Bureau (2016). Available at: <http://www.census.gov/newsroom/press-releases/2015/cb15-113.html> (accessed Oct 31, 2016).

¹¹ *Ibid.*

¹² "PreparedU: The millennial mind goes to work," Bentley University (October 2014). Available at: <http://www.slideshare.net/BentleyU/preparedu-the-millennial-mind-goes-to-work-41415813> (accessed Oct 31, 2016).

¹³ *Ibid.*