Competitive advantage:
Recruit and retain the next generation
2019 employment outlook

Source: AGC 2019 Workforce Survey Results
Workforce challenges

<table>
<thead>
<tr>
<th>Region</th>
<th>Labor shortage/surplus in 2020</th>
<th>Labor shortage/surplus in 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EUROPE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>6%</td>
<td>-1%</td>
</tr>
<tr>
<td>Germany</td>
<td>-4%</td>
<td>-23%</td>
</tr>
<tr>
<td>Italy</td>
<td>8%</td>
<td>-4%</td>
</tr>
<tr>
<td>Spain</td>
<td>17%</td>
<td>-3%</td>
</tr>
<tr>
<td>UK</td>
<td>6%</td>
<td>-1%</td>
</tr>
<tr>
<td>Russia</td>
<td>-5%</td>
<td>-24%</td>
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<tr>
<td><strong>AMERICAS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>-7%</td>
<td>-33%</td>
</tr>
<tr>
<td>Canada</td>
<td>3%</td>
<td>-11%</td>
</tr>
<tr>
<td>Mexico</td>
<td>6%</td>
<td>-8%</td>
</tr>
<tr>
<td>USA</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>ASIA-PACIFIC</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>7%</td>
<td>-3%</td>
</tr>
<tr>
<td>India</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Japan</td>
<td>3%</td>
<td>-2%</td>
</tr>
<tr>
<td>South Korea</td>
<td>-6%</td>
<td>-26%</td>
</tr>
</tbody>
</table>

Source: The Boston Consulting Group
Those without a strategy for hiring, developing and retaining top talent are going to find it difficult to meet the increasing demand of their organizations.
Proactive workforce strategy

- Forecast supply and demand
- Attract great people
- Educate and upskill people
- Retain great people
Objectives

- Economic & workforce realities
- Attracting and engaging a new workforce
- Retention strategies
- Solutions for contractors
2019 performance

Source: spending—AGC and U.S. Census Bureau; employment—Bureau of Labor Statistics
Construction employment

Source: AGC of America & Bureau of Labor Statistics
Unemployment rate

Unemployment Rate Since 1/1/2011

- **US**: 3.9% (December 2018)
- **Wisconsin (WI)**: 3.0%
- **Minnesota (MN)**: 2.8%
- **Great Lakes**: 4.1%

*Source: Bureau of Labor Statistics*
U.S. population

Population change by state, July 2017 – July 2018 (U.S.: 0.62 percent)
Projected population 2035

Source: WI Dept. of Administration Demographic Services Center and U.W.–Madison Applied Population Lab
Wisconsin’s 65+ population

... in 2015?

... in 2035?

Source: WI Dept. of Administration Demographic Services Center and U.W.–Madison Applied Population Lab
Demographic changes

**Millennials became the largest generation in the labor force in 2016**

*US Labor force, in millions*

Note: Labor force includes those ages 16 and older who are working or looking for work. Annual averages shown.
PEW RESEARCH CENTER | April, 2018
The global workforce crisis
The ripple effect

**Labor forecast:**
- 81 percent predict worker shortages will remain tight, or get worse
- 93 percent of contractors plan to increase headcount

**Contractor concerns:**
- 41 percent worker shortages
- 56 percent impact of shortage on health and safety
- 39 percent increased competition

Source: Autodesk/AGC Survey, 2018
Attracting and engaging a new workforce
Attracting and engaging a new workforce

World population by generation

Worldwide and in the U.S., Millennials are the largest generation yet – some 2-3 billion strong (U.S. Census Bureau)
Attracting and engaging

Generation Z
- Ages 9 to 22
- Technically savvy
- Texting and social media
- Racially and ethnically diverse
- Self directed and confident
- Hopeful but realistic
- Want to make an impact
Gen Z priorities

- Money and job security
- Impatient and FOMO
- Mentored with daily feedback
- Competitive and want the tools to win
- Personal achievement and advancement
The attraction of construction: Gen Z

- Growing industry
- Earning potential
- Continuing education & advancement
- Work is meaningful and impacts many
- Technology advances
- Entrepreneurship
Career ‘opportunity’ is #1

- Start early
- Focus on career growth & financial security
- Engage with brand and message
  - Company involvement
  - Employee profiles
Gender diversity

Women at Work
Percentage of Women’s Representation in Selected Occupations

- Speech-Language Pathologists: 98%
- Dental Assistants: 93%
- Social Workers: 82%
- Physical Therapists: 69%
- Pharmacists: 60%
- Lawyers: 36%
- Civil Engineers: 11%
- HVAC and Refrigeration Mechanics and Installers: 1%

Source: CII Annual Conference 2018 RT 335
Female workforce participation

**Top five**
- Preschool and kindergarten teacher
- Childcare worker
- Dental assistant
- Medical records
- Hair dresser

**Bottom five**
- Carpenter
- Auto service technician and mechanic
- Electrician
- Laborer
- Maintenance and repair workers
Retention strategies

- Culture
- Benefits
- Employee development
Culture

Culture is alignment of your external message of
The way we say we get things done.
with
The way we really get things done.
Engaged employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

Non-engaged employees are essentially ‘checked out’. They’re sleepwalking through their workday, putting time— but not energy or passion— into their work.
“Employers need to greatly increase non-monetary benefits such as flexible work schedules, telecommuting and employee/career development in the next three to five years to meet workforce demands”

~ 2018 Future of Work and Rewards report by WorldatWork
Benefits beyond salary

- Provide debt relief through student loan repayment plans, signing bonuses and stipends
- Offer flexible scheduling
- Brand yourself
- Use technology to target candidates
- Apply the personal touch
- Creating training partnerships
- Sponsor apprenticeships
- Redefine job responsibilities
- Provide opportunities for career development
Employee development

- Transparency in career opportunity
- Fluid organization for advancement
- Shadowing and mentoring
  - Top down support
  - Accountability
  - Formal training
Dimensions of talent

**PERFORMANCE**
Current role
- Effectiveness against challenges of current role

**POTENTIAL**
Future role
- Capacity to develop into an effective performer in higher level roles

**READINESS**
Next role
- Effectiveness against challenges of specific future role

**FIT**
Specific role
- Degree of match to specific business challenges and organizational culture
Korn Ferry dimensions of leadership & talent

**Competencies**
Skills and behaviors required for success that can be observed.

**FOR EXAMPLE**
Decision quality, strategic mindset, global perspective and business insight.

**Experiences**
Assignments or roles that prepare a person for future opportunities.

**FOR EXAMPLE**
Functional experiences, international assignments, turnarounds and fix-its.

**Traits**
Inclinations, aptitudes and natural tendencies a person leans toward, including personality traits and intellectual capacity.

**FOR EXAMPLE**
Assertiveness, risk taking, confidence and aptitude for logic and reasoning.

**Drivers**
Values and interests that influence a person's career path, motivation and engagement.

**FOR EXAMPLE**
Power, status, autonomy and challenge.

Source: Korn Ferry
Solutions for contractors

1. Partner with educators
2. Influence policy
3. Leverage state and federal funding
How can we give more high school students exposure to the construction career path and prepare them for accelerated entry into our industry?
NEW APPROACH NEEDED:

Education *through* Occupations

instead of

*education for occupations*
Youth apprenticeship

- Connects school-based and work-based learning
- 180 hours of technical related instruction
- 450 hours of mentored, on-the-job paid training
Partner with educators

WisConnect

Create an employer profile, post internships, search for Wisconsin college students and find resources to build or expand internship programs.

https://internshipwisconsin.com/
Partner with educators

**Company Benefits**

- Inform the future workforce about your company’s and/or industry’s needs and the types of careers you offer
- Positively affect the career-readiness of local students through experiential learning activities and online career-coaching
- Proactively engage with the education community to address current and future workforce needs
- Help develop your company’s future workforce talent-pool in the Madison Region

Inspiré

Educators & Students

Companies & Career Coaches

Southeast Wisconsin

M7talentpartnership.org
Wisconsin Operating Engineers

Pre-apprenticeship program for high school students

- Online public Charter School Career and Technical Education (CTE) Focused
- Open to all Wisconsin students
- Recognition of apprenticeship credit through FVTC
- Approved for Act 59 reimbursement
- DWD certified pre-apprenticeship
Industry based curriculum

<table>
<thead>
<tr>
<th>Course</th>
<th>Apprenticeship</th>
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</thead>
<tbody>
<tr>
<td>Operating Engineer Career Exploration</td>
<td>Credit for prior learning</td>
</tr>
<tr>
<td>Intro to Basic Equipment*</td>
<td>Apprenticeship credit</td>
</tr>
<tr>
<td>Basic Grade* &amp; Math for the Trades</td>
<td>Apprenticeship credit/ Transcripted credit</td>
</tr>
<tr>
<td>Intro to Basic Equipment Maintenance*</td>
<td>Apprenticeship credit</td>
</tr>
<tr>
<td>CDL Prep</td>
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</table>

*Fox Valley Technical College recognition of apprenticeship credit
Interactive engagement

Career continuity

**Bridged**
- Curriculum is directly aligned with Operating Engineer Registered Apprenticeship

**AB 375: Senior year**
- 6 month accelerated entry into apprenticeship
- Meeting employer needs for spring work
Leveraging state and federal funding
Influence policy: Workforce investment boards

State WIB, appointed by the governor, makes state workforce policy and ensures local compliance with federal mandates.

Local WIB makes workforce policy for its region and oversees local one-stop centers that provide training and employment services.

Board members represent employers, unions, community-based service providers, educational institutions, government economic development agencies.

Local WIB decisions include who should get priority for service, how much money is available for training and what schools or other entities are qualified to receive funds for training.
Hire workers and get reimbursed for training
Leverage state and federal funds

Identify and hire workers and get reimbursed for work-based training or apprenticeship program

- Youth
- Re-entry
- Veterans
- Unemployed/underemployed
2019 DOL and DOE workforce funds

- Workforce Innovation and Opportunity Act (WIOA) = $2.8B
- Apprenticeship State Expansion = $75MM
- Closing the Skills Gap = $100MM
- Youth Build = $85MM
- Workforce Opportunity for Rural Communities = $29MM
- Veterans Accelerated Learning for Licensed Occupations = $2.5MM
- Ex-offender Rentry = $82.5MM
- Perkins Career & Technical Education (CTE) State Grants = $1.3B
- NEW: Women in Apprenticeship and Nontraditional Occupations (WANTO) = $1.5M
Presidential Order to Expand Apprenticeship

**Reasons:**
- Need to prepare workers to fill existing and newly created jobs
- Higher education is unaffordable
- Students are graduating without skills necessary to secure jobs
- Federally funded education & workforce development programs have not been effective
- Expanding apprenticeship provides paid, relevant workplace experience and opportunities to develop skills that employers value
- Apprenticeship provides affordable path to good jobs and careers

**Apprenticeship for:**
- Expand Access to High school students
- Job Corps participants
- Currently or previously incarcerated
- HS and post-secondary drop-outs
- Veterans
Workforce Innovation & Opportunity Act (WIOA)

- Promotes apprenticeship and industry credentials (e.g. NCCER)
- More reimbursement for employer-driven, work-based training
  - On-the-job training
  - Customized training
  - Incumbent training
- Training for existing, real-world jobs
- Better aligned with economic planning – state, local and regional
- Apprenticeship programs automatically qualify as eligible training providers and can receive ITA vouchers to train workers
- 20 percent of youth training funds are reserved for programs that provide work experience, including pre-apprenticeship
- Apprenticeship completion certificates are recognized as postsecondary credentials
Pre-apprenticeship

- Designed to prepare individuals to enter and succeed in Registered Apprenticeship (RA) programs
- A documented partnership
- Expanding the participant's career pathway opportunities with industry-based training coupled with classroom instruction
Wisconsin employer funding

- Fast Forward Training Grants – $5,000-$400,000
  - Funds training programs that provide workers with job skills needed to succeed in a 21st century workforce
- Division of Vocation Rehabilitation – 50 percent of salary and expense for 90 days
- Wisconsin Apprenticeship Credit Program – credit up to $2,500 on an employer’s Worker’s Compensation premium for employing an apprentice
Workforce Opportunity Tax Credit (WOTC)

Federal tax credit for employers designed to help people gain on-the-job experience and achieve better employment outcomes.

Up to $2,400 per new hire
- High school students
- Job corps participants
- Currently or previously incarcerated
- High school and post-secondary dropouts
- Veterans
Action plan

Recruitment
- Partner with educators to reach youth
- Influence policy through workforce development boards
- Leverage state and federal funding to support recruitment and training

Retention
- Understand your culture & employee engagement
- Define and implement benefits that meet employee needs
- Develop a transparent employee development program
Laura works with construction-related firms of all sizes to evaluate business practices and assist with management challenges. Having worked in the construction industry for almost 25 years, Laura offers a depth of experience working with contractors to improve profitability and succeed in the changing marketplace. She excels at working with dynamic and demanding environments that require relationship building, versatility and challenge.