

CONSTRUCTION DIVERSITY & INCLUSION, DEMAND STUDY OBSERVATIONS AND KEY FINDINGS

Complexity

- The market demand for skilled labor in the building trades' labor, including current workforce capacity and project demand is a complex intersection of several variables.
- This report reinforced both the need and the commitment of the Memorandum of Understanding (MOU) signors to work together towards increasing opportunities in construction for a diverse and more local population for both workers and subcontractors engaged on major construction projects. {Note: The Executive Committee includes the institutional /organizational leaders that signed the MOU in February 2013 formalizing the public-private effort to use community benefits agreements as a guideline for major building projects.}
- The report offers both "as is" and trend data in various areas that the group considers critical toward the goal of ensuring that we have workforce that is strategically developed to meet the demands of the construction marketplace.
- The key findings are being used to inform the continued implementation of Community Benefit Agreements as a development policy in Northeast Ohio.

Jobs (Demand)

- Capital spending for major projects over the current and next year is projected at \$6.2 billion for the Northeast Ohio five-county area: Cuyahoga, Lake, Lorain, Medina and Summit.
- These projects have an estimated construction value of \$1 million or more.
- It is anticipated that many of these projects will pay prevailing wages (organized labor standard for wages).
- There is significant demand under \$1M in project size – estimates range from \$1.2 billion to \$1.7 billion for the region. This area needs further study to understand the types of projects and the workers in current supply as well as those needed for the future.

Jobs (Supply)

- The skilled labor supply—in the short term—will meet the needs of these projects. Yet, meeting local requirements for workers will be a challenge given that most skilled trades' people reside outside the City of Cleveland boundaries.
- Given the Memorandum of Understanding that produced a community benefits agreement, there is a desire by the public-private collaboration to increase local workers' participation, and there is an opportunity to increase training for City of Cleveland residents where representation in the ranks of the skilled trades is low.
- Skilled labor for major projects is aging and younger workers are needed to replace them at the rate they will retire. With the 3- 5 year training process (from pre-apprenticeship to journeyman), continued action is needed to ensure that the training pipeline for replacement workers is functioning effectively.
- Although ethnic minorities and women currently participate in apprenticeship programs, there is an opportunity through training to expand diversity of the workforce over the next decade as more skilled workers retire.
- There is a large nonunion/noncertified supply of labor that needs further study and segmentation.
- Educational attainment in the overall construction industry remains low.