Associated Builders and Contractors of Michigan

Testimony of:

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Associated Builders and Contractors of Michigan

Michigan House of Representatives
Committee on Workforce and Talent Development

February 5, 2015

Chairman Johnson and members of the committee, thank you for the opportunity to be here today. My name is Chris Fisher and I am with Associated Builders and Contractors of Michigan.

ABC is a national, state and local trade association representing 22,000 members from more than 19,000 construction and industry-related firms specializing in the industrial, governmental and commercial construction sectors. In Michigan we represent 1000 firms employing 25,000 highly skilled men and women.

I am here today to discuss our industry's commitment to talent and workforce development. Generally our focus falls into the three areas of ***Engaging, Educating and Employing.*** Within each of these we believe there are both challenges and opportunities and we are happy to share a few of these with you this morning, primarily on the topic of education.

In addition our role as trade association, ABC also maintains separate 501c(3) and c(4) training facilities around the United States. Last year our total national student enrollment reached more than 72,000 post-high school students, which even surpassed the total student enrollment of other entities like *ITT Tech.* Overall our nationally accredited training exceeded 3 million training hours, not including on-the-job training hours and not including training completed by individual member firms. Here in Michigan ABC has the state's two largest licensed state proprietary schools providing nationally accredited training programs in more than eleven trades approved by the US Department of Labor's Bureau of Apprentice and Training. This training leads to rewarding craft professional careers and livelihoods for workers across Michigan.

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Yet, despite the many opportunities for training that exist, and despite the many benefits of a rewarding career as a skilled trades professional, our industry is experiencing a worrisome workforce skills gap as baby boomers begin to retire, taking with them hands-on experience and conventional knowledge they acquired over years in the industry. This is on top of the last decade of economic decline where Michigan construction employment plummeted causing many to leave the industry altogether.

Put into perspective, *CBS News* reported last November that the average construction worker is in their 40s or 50s, depending on the trade. This aging workforce, combined with welcomed growth in the construction industry, will result in a shortage of 1.6 million construction workers by 2022 according to the Bureau of Labor Statistics. This shortage presents a challenge to our industry, but also provides career opportunities for men and women interested in construction. The state of Michigan alone predicts that demand for skilled trades jobs will be increasing by at least 8.5 percent by the end of the current decade. For many construction skilled trade industries the near-term demand is much higher, approaching or even surpassing 20%, including for critical jobs like brickmasons, welders, glaziers, iron workers, HVAC installers, carpentry helpers, pipelayers and other essential construction-related occupations in Michigan. Overall, the U.S. Bureau of Labor Statistics anticipates that the construction industry will grow at more than twice the national average growth rate.

As the demand for highly paid and skilled workers increases, industry promotion needs to be aligned with rigorous training and educational opportunities to ensure a talented and career ready workforce that Michigan's economy can rely upon.

Unfortunately, Michigan, (and most other states as well) needs to do a better job at emphasizing skilled trades careers. That said, last year in Michigan, ABC, other major trade associations including the Home Builders, Manufacturers and Farm Bureau, along with a bi-partisan group of legislative leaders did successfully pass legislation to improve the flexibility of the Michigan Merit Curriculum to help make skilled trades opportunities more accessible in high school. This was a needed step in the right direction. However, there is still more that needs to be done, particularly when it comes to encouraging and supporting skilled trades education ***after*** high school with the same level commitment given to attending a four-year college or university after high school.

Nowhere is this problem more evident than in the arena of financial aid and tuition assistance. In Michigan there are numerous state-supported financial aid and scholarship programs that exist for college and university bound students. This is, of

course, a good thing but unfortunately these fall short by not being readily available for students who seek other educational opportunities at accredited trade, proprietary and vocational schools. Therefore, as this committee begins its work this session, we encourage exploring ways to better align Michigan's financial aid and scholarship offerings to be more inclusive, so we do not miss out on opportunities to help attract people to skilled trades careers. We think this is a conversation worth having and it is one in which we look forward to participating. After all, if we are serious about workforce development and equally emphasizing skilled trades, we can no longer make the mistake of denying students financial aid that enables them to obtain needed, rigorous, credentialed and relevant skilled trades education after high school.

Indeed, Mr. Chairman, we believe something as basic as this could have a big impact. I will leave you with that recommendation as I conclude my remarks.

And at this time now would like to switch directions by introducing Mr. Jimmy Green from the ABC Greater Michigan Construction Academy, to discuss some of the great things that are happening in Michigan on the skilled trades front. From educational partnerships with community colleges, proprietary schools, high schools and Michigan employers who depend on a highly skilled and educated workforce, there is a lot happening that members of the committee should know about.

Again, thank you for the opportunity to be here today, and following Mr. Green's comments he and I will be more than happy to answer any questions you or members of he committee may have.