



► ISSUE: WORKFORCE DEVELOPMENT

The United States faces a severe national workforce development crisis in public infrastructure, characterized by a massive shortage of skilled labor, a rapidly aging workforce, and a misalignment between educational programs and industry needs. As of early 2026, the construction industry requires approximately 499,000 additional workers to meet demand, which is driven by major federal investments.

HERE ARE THE KEY NATIONAL CHALLENGES IN WORKFORCE DEVELOPMENT AS THEY RELATE TO PUBLIC INFRASTRUCTURE:

1. Acute Labor Shortages and Demographic Shifts

- **The “Silver Tsunami” (Retirements):** A vast portion of the skilled workforce is retiring, taking decades of institutional knowledge with them. Approximately 41% of the construction workforce is projected to retire by 2031.
- **Insufficient New Entrants:** Not enough young workers are entering the skilled trades to replace retirees, leading to a “skills gap” where projects are delayed due to lack of qualified labor.
- **High Turnover Rates:** Skilled employees frequently move between companies, leaving projects understaffed.

2. Training and Educational Misalignment

- **The “Town vs. Gown” Disconnect:** There is a notable gap between the skills taught in educational institutions and the specialized, immediate needs of the industry.
- **Lack of Investment in Training:** Failure to adequately invest in vocational education, career and technical education (CTE), and apprenticeship programs has severely limited the pool of qualified applicants.
- **Slow Onboarding:** Traditional hiring methods are too slow for the fast-paced demand, and companies struggle to rapidly train unskilled labor to professional levels.

3. Impact of Technology and Modernization

- **Need for Digital Skills:** Infrastructure is becoming increasingly technology-driven, requiring workers who can use Building Information Modeling (BIM), drones, AI, and robotics.
- **Upskilling Current Workers:** Existing workers need continuous training to adapt to modern materials, green technology, and automated construction equipment.

4. Project Delivery and Economic Pressures

- **Project Delays and Cost Overruns:** Because of the workforce crisis, 45% of contractors report delays in projects.
- **Competition for Talent:** Construction firms are not just competing against each other; they are losing potential workers to other industries (like manufacturing and logistics) that offer more predictable, year-round work.
- **Wage Inflation:** As demand for skilled labor continues to outpace supply, labor costs are rising, increasing the overall cost of public projects.



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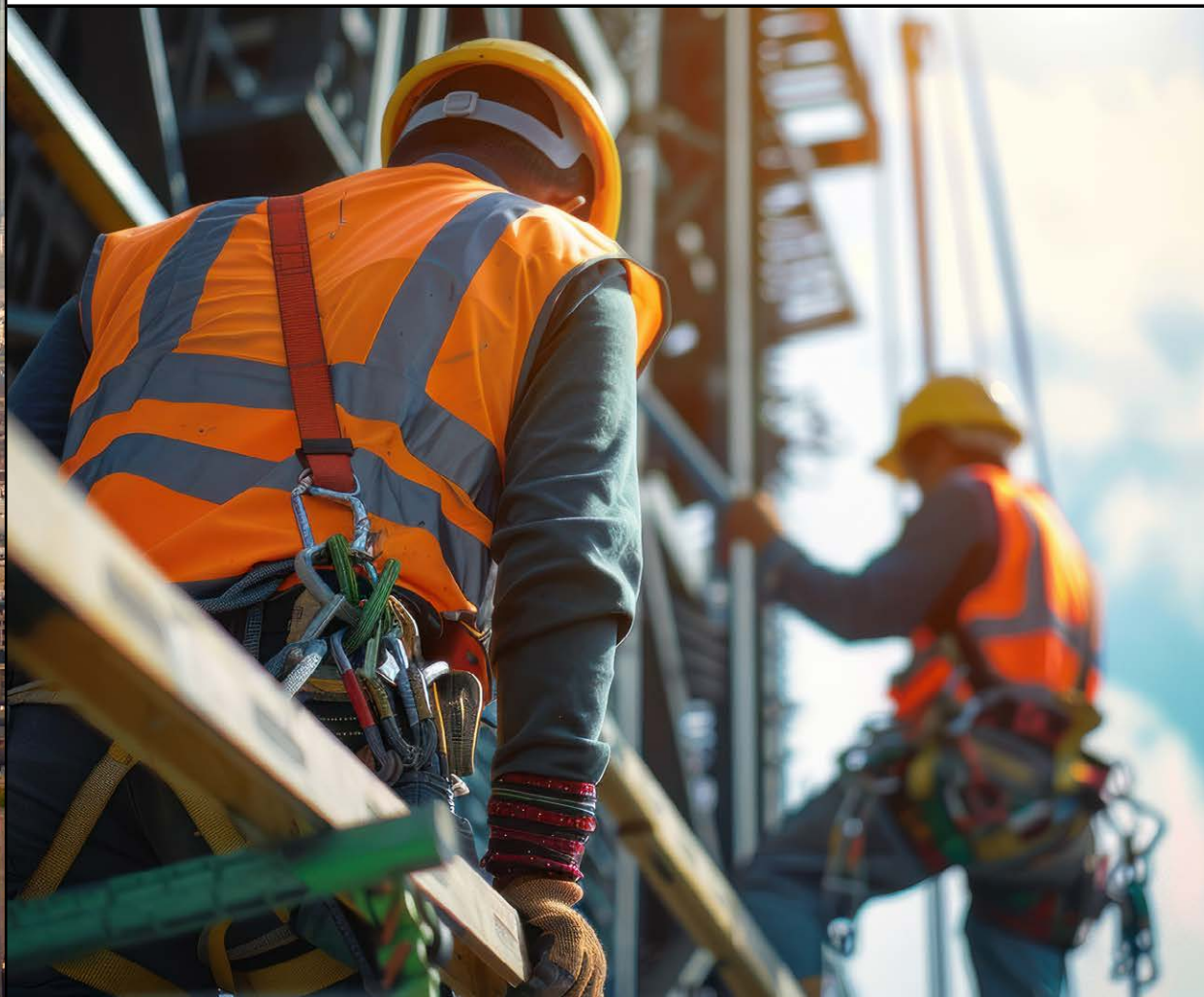
5. Regulatory and Structural Hurdles

- **Immigration Constraints:** A significant portion of the construction industry has historically relied on foreign-born labor. Tighter immigration policies and enforcement have exacerbated labor shortages.
- **Underrepresentation:** Women make up only 18.5% of infrastructure workers, and representation of Black, Hispanic, and Asian workers is often below national averages, indicating a massive, missed opportunity for expanding the talent pool.

6. Regional and Economic Factors

- **Lack of Affordable Housing:** In many regions, workers cannot afford to live near major infrastructure project sites, making recruitment impossible.
- **Commute Demands:** Workers are increasingly unwilling to travel long distances, meaning labor must be found locally, which is not always possible.

These challenges are compounded by the rapid, simultaneous, and long-term rollout of projects from the Infrastructure Investment and Jobs Act (IIJA), the CHIPS and Science Act, and the Inflation Reduction Act (IRA).



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