Statement
of the
Independent Electrical Contractors

Hearing
on
“Closing the Skills Gap: Private Sector Solutions for America's Workforce”

Before the
Subcommittee on Higher Education and Workforce Development
United States House of Representatives

May 9, 2018
Chairman Guthrie, Ranking Member Davis and Members of the Subcommittee, the Independent Electrical Contractors (IEC) is pleased to take this opportunity to share comments for this important hearing, “Closing the Skills Gap: Private Sector Solutions for America’s Workforce.”

Established in 1957, IEC is a trade association with over 50 chapters, representing 3,400 member companies that employ more than 80,000 electrical and systems workers throughout the United States. Headquartered in Alexandria, Va., IEC is the nation’s premier trade association representing America’s independent electrical and systems contractors. IEC aggressively works with the industry to establish a competitive environment for the merit shop – a philosophy that promotes the concept of free enterprise, open competition and economic opportunity for all.

IEC educates 11,000 electricians and systems professionals each year through its world-class apprenticeship program. IEC member companies perform over $8.5B in gross revenue annually and include many of the premier electrical companies in the industry.

For decades, IEC has been on the forefront of providing highly trained electricians to the industry through its Registered Apprenticeship program. An IEC apprentice is able to earn while they learn, incurs little to no debt and enters into a well-paying job upon graduation. According to the Bureau of Labor Statistics (BLS), the median salary for an electrician in 2016 was $52,720. IEC’s apprenticeship program is certified by the U.S. Department of Labor’s (DOL) Office of Apprenticeship and State Apprenticeship Councils for use in 38 states and the District of Columbia. In addition, the American Council on Education (ACE) has recommended that students that graduate from IEC’s Apprenticeship Program be eligible for 40 semester hours of college credit. IEC is also a member of DOL’s Registered Apprenticeship – College Consortium (RACC), a national network of postsecondary institutions, employers, unions and associations working to create opportunities for apprentice graduates who may want to further enhance their skills by completing an Associate's or Bachelor's Degree. RACC members have their programs evaluated by a third-party organization to determine the college credit value of the apprenticeship completion certificate. Given its experience and investment in apprenticeship, IEC continues to work with the federal government as a LEADER (Leaders of Excellence in Apprenticeship, Development, Education, and Research) in DOL’s ApprenticeshipUSA program.

As the title of this hearing indicates, there is a significant skills gap in this country, which is impacting electrical contractors that continue to struggle to find qualified candidates to fill openings. According to recent research from the Associated General Contractors, among all the trades, electrician was the second hardest position for their members to fill. This challenge is expected to continue in the coming years, with BLS estimating there to be a 14 percent increase in demand for electricians through 2024. Construction employers as a whole are experiencing trouble hiring new workers with an estimated 500,000 skilled construction jobs currently vacant.

A number of different factors have contributed to the current workforce shortages in the electrical contracting industry. One of those is the fact that many left during the recession and never returned. In addition, much of the skilled trades workforce is retiring or is approaching retirement. According to former BLS economist Joseph Kane, about three million of the current 14.5 million construction
workers will retire or leave the industry over the next ten years. Unfortunately, our industry cannot keep up with the demand. The cultural shift in our country over the past few decades has definitely had an impact on this. A significant emphasis has been placed on young people obtaining a baccalaureate degree, and a career in the trades is rarely discussed as an option. Parents have grown to believe that the primary pathway to a successful career and the American dream is through a traditional college education. Not helping matters is that many jurisdictions judge the success of their high schools on the number of students that attend college. In areas where this is the case, guidance counselors and school officials have less incentive to suggest students consider entering an apprenticeship program, like IEC. This, along with enormous subsidies by the government in the form of student loans, has made it easier for students to pay for college without fully understanding the massive debt they are incurring and no guarantee of a job to pay it off.

Another factor contributing to the construction industry’s worker shortage is the lack of exposure of young people to skilled trades early in life as a viable career path. Across the country, we are seeing less investment in vocational or career and technical education (CTE) programs in high schools. These programs offer students the opportunity to work with their hands. They begin to understand what subjects interest them and these hands-on programs could influence their post-secondary education decisions. IEC views this as a missed opportunity to expose students to the skilled trades at an influential time in their lives, and is why it’s critically important that Congress increase funding for CTE programs through mechanisms such as the Carl D. Perkins Act, which the House passed earlier this year.

Every day, IEC chapters and contractor members aggressively search for people interested in entering our apprenticeship program to become the electricians of the future. IEC member companies reach out to local high school Vo-Tech programs to promote the opportunities that come with being an electrician. IEC’s chapters also recruit students by reaching out to tech schools, placing ads online, and contacting high schools to promote electrical contracting careers. In the past year, IEC launched myelectriccareer.com, which promotes electrical careers to young people through sites such as Facebook and Pandora.

When recruiting candidates for an electrician apprenticeship, IEC members have trouble finding people that are qualified to enter the program. Becoming an electrician requires a high school diploma or GED. Candidates also must possess solid math skills, and members continue to find that many interested in our opportunities do not possess the requisite mathematical ability to advance as apprentices. It’s also becoming more common that young people interested in an electrical career lack basic “soft skills” and don’t understand what it means to be punctual, communicate effectively, or act professionally in a work setting.

To address labor shortages in the short term, IEC members will sometimes take steps that are less than ideal. Some members will loan electricians to a competitor or will utilize temporary staffing companies to meet project demands. Regardless, it is currently difficult for IEC members to find qualified journeymen electricians. These workforce challenges hurt our members’ ability to expand and provide the services their respective communities need. Unfortunately, we are hamstrung by growth-limiting ratios, which restrict the industry’s ability to hire additional apprentices.
Government-mandated ratios vary across the country, and serve as artificial restrictions that prevent us from training the future electrician and help to close this skills gap. On a broader scale, with hundreds of thousands of construction jobs going unfilled year after year, this type of restriction on the industry will eventually start to impact our ability to build, repair and maintain our country’s infrastructure, schools, businesses, factories and more. This inability to hire and train more people will have a detrimental effect, not only on the construction industry, but on the country as a whole, as repairing the country’s infrastructure will take longer and increase the cost to the taxpayer.

Since all the trades work together or typically have some impact on each other on construction projects, the skilled worker shortage faced by other trades can impact us as well, leading to missed completion dates and increased costs by having to work overtime. One IEC member recently had a project that was delayed by two months because the concrete crews were short on labor. Another reported that 80 percent of their projects are delayed due to a labor shortage of their own or other trades. Unfortunately, this kind of delay due to a lack of qualified workers in the trades has become all too common in the industry.

By virtue of recent hearings, such as the one here today, IEC is optimistic that legislators are becoming more interested in developing public policy that will further assist the skilled trades and close the skills gap. One approach IEC believes that government can assist the private sector close the skills gap is to expand apprentice to journeyman ratios. This will most certainly help to open more opportunities for individuals interested in the construction industry. Additionally, in areas where secondary schools are currently graded in part based on the number of students that are placed in traditional universities, IEC would request that apprenticeship programs be given similar weight. This would incentivize schools to provide all post-secondary options to its students and expose them to a trade, like that of electrician, as a possible career path.

In closing, IEC continues to do what it can to close the skills gap and place qualified men and women into its Registered Apprenticeship program. IEC appreciates the Subcommittee’s attention on this important matter and expresses its willingness to work with Congress and the Trump administration to find practical solutions to address the workforce shortage faced by merit shop electrical contractors and the construction industry as a whole.