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Home Builders Institute CEO: A Slowdown in Housing Won't Solve the Shortage of Skilled Workers in Residential Construction

Washington, DC – The softening of the U.S. housing market means short-term demand for construction labor will slacken, according to a semi-annual report provided by the [Home Builders Institute \(HBI\)](#). Nevertheless, now is the time for the residential construction industry to invest in more skilled worker training, says the chief executive of the nonprofit organization.

“While housing demand will slow during a downturn, there will remain a severe shortage of skilled construction workers now and after the economy recovers,” said HBI CEO Ed Brady. “That is because for many decades our country has not encouraged enough young people and others to consider careers in construction.”

HBI [previously reported](#) that from 2022 to 2024 the construction industry will need an additional 2.2 million net hires. [Economists estimate](#) the nation faces a shortage of homes for sale or rent of at least one million units.

“Boosting skills training now will help the housing industry to be better prepared for both the coming months and the years to come,” Brady said.

According to the [Fall 2022 HBI Construction Labor Market Report](#), the combination of increased mortgage interest rates, higher construction costs and inflationary trends have placed housing affordability at a more 10-year low. The report is compiled for HBI by the Economics Group of the National Association of Home Builders.

“Over the long run, additional residential supply must be added. For construction to expand further, more workers must be recruited and trained for the construction sector,” Brady said in remarks to a group of home building and workforce development leaders here at an industry roundtable sponsored by HBI.

“Put simply, a housing downturn won't solve the nation's crisis level shortage of skilled workers for home building,” he said.

Other key findings from HBI's report include:

- Women make up a growing share of the construction employment, reaching a new record high of 11% in 2021, a 1.9% percentage point gain since 2017
- Construction employment currently totals 7.7 million; residential construction represents 3.2 million of this total
- Self-employment in construction is currently 22% of the labor force, down from 26% in 2010
- Half of payroll workers in construction earn more than \$49,070 annually and the top 25% make at least \$75,820; in comparison, the U.S. median wage is \$45,760, while the top quartile (top 25%) makes at least \$68,590
- Immigrant workers now account for 24% of the construction workforce, down slightly from the 2016 record high share of 24.4%.
- Hispanics make up close to a third of the construction labor force (31.5%), a new record high share
- The median age of construction workers is 41; however, due to aging trends, the share of construction workers aged 25 to 54 decreased from 72.2% in 2015 to 69% in 2019

About HBI

HBI is the nation's leading nonprofit provider of trade skills training and education for the building industry. With nearly 400 programs across 46 states, HBI provides no-cost pre-apprenticeship training and certification programs to middle and high school students, transitioning military and veterans, unemployed and displaced workers, low-income and opportunity youth, and justice-involved youth and adults. HBI's training curriculums are developed in conjunction with members of the National Association of Home Builders and approved by the U.S. Department of Labor. Learn more at [HBI.org](https://www.hbi.org).