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TRUMP'S HURRICANE REBUILDING JOB

A construction labor shortage will add costs and time to the recovery.

The Editorial Board
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President Trump knows the construction industry and can talk in great detail about laying concrete. So, the urgent need for more construction workers following Hurricanes Harvey and Irma ought to get his attention.

Even before the hurricanes, construction firms around the U.S. reported trouble finding enough workers. The Bureau of Labor Statistics reported 225,000 construction job openings in June, up 30 percent in the last year and 125 percent since 2012. According to a survey this month by the Associated General Contractors of America, 86 percent of firms nationwide anticipate hiring workers in the next year.

The worker shortage is especially acute in fast-growing metro areas in the South such as Atlanta, Houston and Miami. In Texas, 69 percent of contractors said they struggled to fill positions. About 60 percent of contractors in the South are having trouble finding carpenters and concrete workers while half need more day laborers.

Older construction workers have left the workforce since the last housing boom. About a third moved to higher-paying industries such as energy and manufacturing. Fewer young men are pursuing the trades or a vocational education, and some can't pass a drug test.

Big Labor and the restrictionist right say employers simply need to increase wages. But in Texas 57 percent of contractors reported increasing base pay while a quarter offered bonuses – and they're still struggling to recruit workers. Between 2013 and 2016, the base pay for a day laborer increased 30 percent in Houston. Carpenters there earn about \$25 an hour, 55 percent more than three years ago. Large contractors with government contracts can perhaps pay more. But small firms then get out-competed for workers.

Housing remodels are now taking longer because contractors and construction workers are busy on public works, which are costing taxpayers more. The hurricanes have exacerbated the shortage. Harvey destroyed about 30,000 homes in the Houston area. The National Association of Home Builders estimates that up to 20,000 workers will be needed to rebuild homes after Harvey – and many more to repair businesses, schools and infrastructure. Some rebuilding jobs simply won't get done if labor costs rise to make them unprofitable.

After Hurricane Katrina in 2005, much of the cleanup and rebuilding was done by immigrants, many illegal. That saved money and sped up the recovery. Undocumented workers make up 29 percent of construction workers in Louisiana, 23 percent Texas and 15 percent in Florida, according to the Pew Research Center.

All employers must complete an employment eligibility verification form, and those who hire undocumented workers risk losing workers in immigration raids. But the Department of

Homeland Security is now demanding that federal contractors use E-Verify to check whether workers are legal, and this deters some workers who could help.

The Bush Administration temporarily waived worker-ID requirements after Katrina, and President Trump should do the same. Congress also ought to authorize more guest-worker visas for construction as part of the Irma relief bill, and any undocumented worker who assists with rebuilding should receive one. Consider this a down payment on solving the economy's larger labor shortage.