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BLUE-COLLAR JOBS BOOM AS COVID-19 BOOSTS HOUSING, E-COMMERCE DEMAND

Residential construction, package delivery and warehousing jobs exceed pre-pandemic levels, and some companies can't find enough workers.

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The US's blue-collar workforce has begun to benefit from a strengthening job market.

An Orlando, Florida-area home builder is seeking to add four construction workers to a six-person team in the midst of soaring housing demand during the pandemic. In Atlanta, a forklift driver rakes in overtime pay because the warehouse that employs him is so busy distributing packages. A Chicago-based truck-trailer manufacturer is increasingly hosting drive-through job fairs and raising wages by up to 7 percent as hiring picks up across its nine production plants.

Nationally, employment in residential construction, package delivery and warehousing now exceeds pre-pandemic levels. Manufacturers have steadily added back jobs after slashing payrolls last spring, though employment remains down about 5 percent from February 2020, according to Labor Department data. Job openings in many blue-collar occupations broke above pre-virus levels last summer and remain significantly elevated, figures from the online job site Indeed show.

Strength in housing and e-commerce during the pandemic has helped propel hiring in blue-collar occupations, which were hard hit by previous recessions. Many economists and companies expect blue-collar jobs to continue growing, though at a slower pace, after the coronavirus is contained. They predict the key factors driving employer demand for blue-collar workers – a swift pickup in online orders and a buoyant housing market – will largely stay even after vaccines are widely distributed and consumers shift some of their spending from goods to services.

"The demand for the workers is not going to go down," said David Berson, chief economist at Nationwide Mutual Insurance Co. "We're still going to need good warehousing. We will continue to see great strength in the demand in the construction area, particularly housing."

Economists also expect service-industry jobs, such as retail and restaurants, to see particularly big gains as the pandemic fades, helping propel broader economic growth.

One factor driving construction and housing jobs has been the Federal Reserve, which cut short-term interest rates to near zero last year and has indicated rates will remain low for the foreseeable future. Millennials – now in their prime homebuying years – will likely maintain a strong appetite for houses after the pandemic. Further, the pandemic sped up employers' embrace of remote work and consumers' accompanying desire for more space, often in lower-density areas. Telecommuting is expected to endure, though at lower levels than during the pandemic.

Home builders will likely remain in hiring mode as they scurry to bring more homes into a market that has suffered from historically low inventory levels. The residential construction sector began hiring again in May after cutbacks at the onset of the pandemic. Employment in the sector is now up 1 percent from February 2020, while it is down 6.5 percent across all industries.

A hot housing market is churning out job opportunities for workers such as Matthew Lynch.

Mr. Lynch, 36 years old, came to a Goodwill staffing agency in search of work last September. He had lost his home through a court dispute and was picking up side gigs, including welding fences and cleaning up yards, to make ends meet. Goodwill connected him to a temporary role as a project technician that became permanent at the start of the year. In his new job, Mr. Lynch oversees the construction of ranch-style homes in Colorado Springs, Colorado, for Toll Brothers.

"I've been able to get back up on my feet," he said. Mr. Lynch bought a home in Colorado Springs in January and is comfortably paying bills on his \$19-an-hour wage.

Job openings on Indeed are up 25.6 percent in construction compared with last February. Openings also rose by double digits in many transportation and distribution positions that involve delivering items such as yoga pants, air fryers and groceries to homes. Overall job openings rose 3.9 percent over the past year.

The blue-collar gains largely result from the growing adoption of online shopping during the pandemic, which is likely to last permanently. In a recent survey by the technology company Pitney Bowes, consumers said they do about 59 percent of their shopping online, and they expect to do 56 percent online after the pandemic ends. Before the coronavirus hit, consumers did about 39 percent of their shopping online.

Rapid growth in online orders during the pandemic has transformed how goods are distributed. In the past, items often just moved from the manufacturing plant to a big-box store for customer pickup, said Melissa Hassett, vice president of client delivery for ManpowerGroup Talent Solutions. The increase in home delivery "creates a need for many, many more drivers and many more touches on the package between the manufacturing plant and the home," Ms. Hassett said.

Trenton Williams, 28, lost his job as a cook last spring when the restaurant he worked at permanently shut down. He couldn't find employment in the restaurant industry, so he decided to broaden his search. He noticed warehouses were hiring.

After earning a certificate in forklift driving, the Atlanta resident found a job at a Pitney Bowes distribution center last summer. Mr. Williams, who uses a forklift to unload and reload packages into trucks, is helping people get their mail on time.

"I feel like I'm still doing something good," Mr. Williams said. He is also staying very busy. Over the holiday season through mid-February, he said he was called in to work many seven-day shifts, helping him rack up overtime at an hourly rate of \$21. Mr. Williams plans to stay in warehousing, where the pay of nearly \$1,100 a week well exceeds his previous restaurant wage, and the workload is expected to persist.

"There isn't going to be any time where they're going to have a shortage of work," Mr. Williams said.

Many blue-collar companies are struggling to find workers to keep up with demand. Millions of people aren't seeking work, in some cases because of increased child-care responsibilities or fear of contracting the coronavirus. Fewer young people are seeking work that involves operating machinery or lifting heavy objects, according to industry experts.

Finding workers has been a top challenge for Great Dane, said Brian Sage, executive vice president of manufacturing. The Chicago-based company manufactures trailers used for long-haul trucking and sells them to truck fleets and companies such as Amazon.com Inc., Walmart Inc. and FedEx Corp. so they can deliver goods.

After initial lockdowns last spring, shoppers began ramping up online purchases, and orders for the truck trailers that Great Dane makes shot up rapidly. Great Dane is seeking to add workers across its nine manufacturing plants and increase its head count by 20 percent to 25 percent.

"My ability to produce is being hindered most by . . . being able to get qualified workers," Mr. Sage said.

Mr. Sage expects orders for truck trailers to remain high after the pandemic fades. Many consumers who embraced the conveniences of online ordering will never fully return to their previous in-person shopping habits, he said.

"We should be running pretty hard here for a while," Mr. Sage said. "We have been hiring as fast as we can in all the plants, and we still have further to go."