HOW WE ARE COMBATING THE CONSTRUCTION INDUSTRY LABOR SHORTAGE



Who's Building the American Dream?

4 Bedrooms, 3 Baths, go ahead and skip the white picket fence so long as you get an amazing kitchen, walk-in closets, and a smart thermostat! The American Dream. It may be changing with technology, trends, and generational differences...but the people who help it come true are still at the heart of every home we build.

Our hundreds of partners, including manufacturers, contractors, suppliers, and more are critical to the construction of your new home. They are critical to quality. They are critical to the timeline. They are critical to the cost. And in 2019, those partners are facing a critical issue...Labor shortage!

If you aren't in the industry, you might find it surprising that 93% of builders agree that the availability of trades is a critical issue to their business. Delayed job schedules, construction timelines, direct costs, and stifled industry growth are just a few reasons why labor is an important concern to the Demlang Team.

So...what are we doing about it? Attacking it from every perspective! From fair business practices to community involvement and strategic partnerships, here's a little insight on what that looks like in our business:



1. We Know Fair Business Practices Foster Construction Industry Growth

First and foremost, at Demlang Builders we understand the importance of the golden rule. Our vendors and contractor partnerships are decades-long because of the good work we do together. Honest and fair discussions on pricing. Prompt payment for services. Appreciation and kindness. We treat our partners how we would want to be treated, and that produces loyalty in return.

Unfortunately, the construction industry is riddled with horror stories when it comes to how some companies do business. But when a subcontractor is paid regularly, in full, and on time, not only does that allow them to do great work, we also believe it gives their organization a greater chance of growing. When cash flow is consistent, it frees up resources for hiring, training and apprenticeship programs, leadership development, and more. It sounds simple, but fair business practices can have a profound impact on the labor shortage.

2. We Know Tight Project Management Helps Eliminate Labor Waste

Ask any of our trade partners and they will tell you that the most frustrating aspect of their business is a jobsite delay due to poor scheduling of labor or materials.

One of our partners, <u>Drexel Building Supply</u>, actually uses the motto "OTIF" which stands for "On Time and In Full Delivery." They know "the most expensive 2×4 is the one you don't have on your jobsite when you need it."

When supply is low and demand is high, proper scheduling and materials management helps avoid waste. When the plumber, the electrician, the carpenter, and other partners can show up and get to work on the job without delay, their labor shortage issues are softened. When they lose a half-day of work, the availability of labor becomes a much bigger challenge to their business.

3. We Know Community Involvement Helps Breed Future Generations of Construction Labor

Facing an aging trade contractor workforce, replacing the talent in our industry with the next generation is critical. Recent studies show that more than 53% of skilled trades workers are over the age of 45 and more than 20% are over the age of 55. That means we need fresh faces to build the American Dream.

At Demlang Builders, our participation in events like the <u>Metropolitan Builders Association Career Day</u> helps students considering a career in the trades get a first-hand look at their future. By opening up our Parade of Homes model this coming May, we can showcase the opportunities in the skilled trades and across the entire construction supply chain.

When it comes down to it, building your American Dream is an amazing privilege, and our next generation should want to be a part of it! Whether that means a degree in Construction Management, a 2-Year Certificate in Carpentry, an Apprenticeship in Plumbing, a license in selling real estate, or entering the workforce immediately as a general laborer, the career pathways are endless!

Stay tuned for more on MBA Career Day...and follow us on <u>Facebook</u> and <u>Instagram</u> to join in on the fun we will have with the 650+ students attending the event!



4. We Know it Takes Creative, Strategic Partnerships to Solve Labor Challenges

Last but not least, we know that sometimes solving a tough problem means taking a creative approach. Building relationships with the schools, sponsoring apprentice programs with our partners, and even joining forces with our competitors are just a few examples of how the industry, and how we at Demlang Builders, are stepping up to solve this big challenge.

If you or someone you know is interested in a career in the building trades, we want to be a resource. Please let us know how we can help you Build the American Dream!