

MERIT CONTRACTORS SESSION: INNOVATIVE TALENT STRATEGIES AND TRENDS

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Session Overview

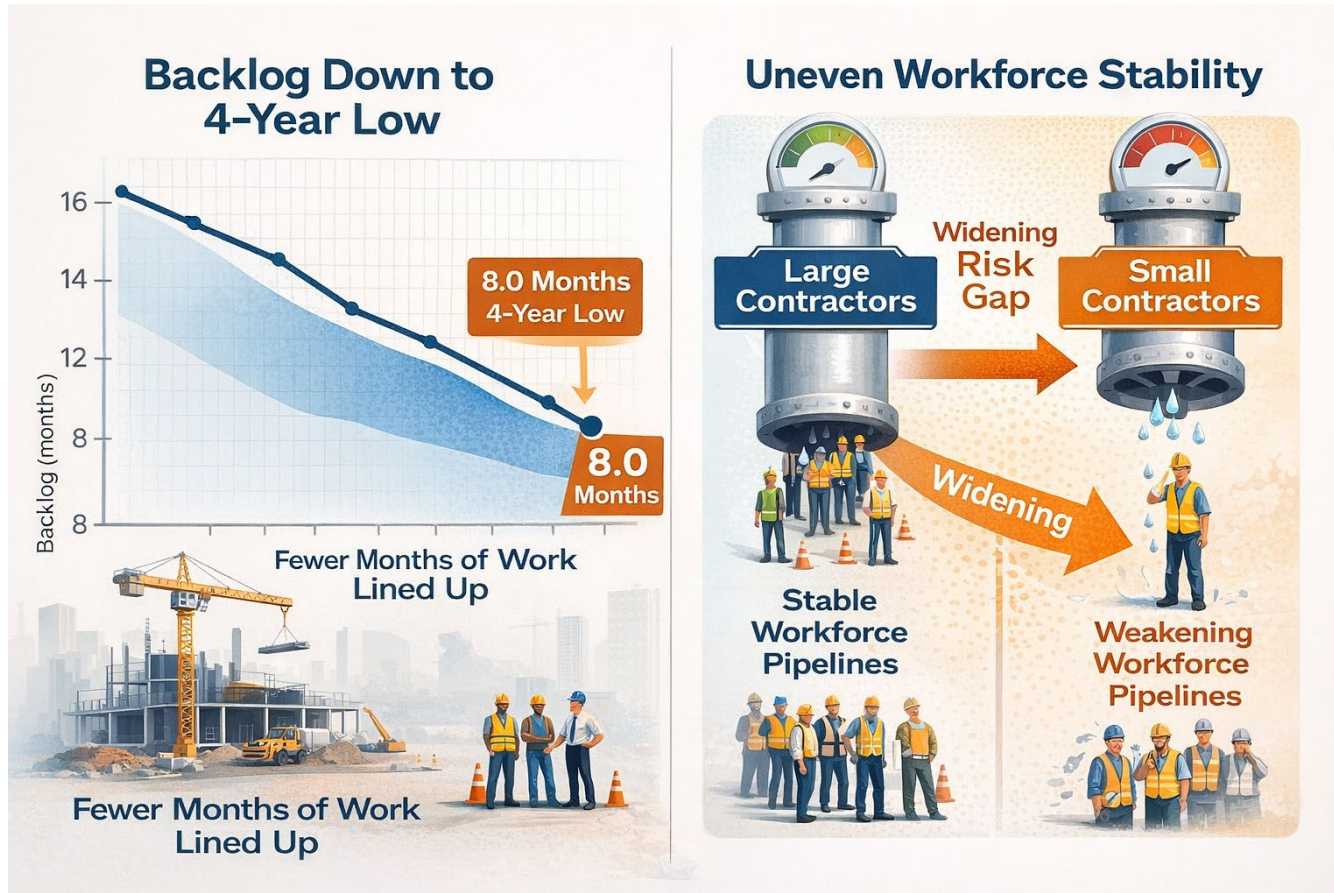
Explore innovative, workforce trends, and learn how to design performance-based structures that drive productivity, retention, and profitability. You will see how technologies improve accuracy, compliance, and labor cost insights.

2026 Workforce Trends

Pay is high, demand is strong, but fewer people are entering the trades. Why?



Workforce Trends: Workforce Stability



Backlog has fallen to a 4-year low at 8.0 months, creating uneven workforce stability as **larger contractors maintain stronger pipelines than smaller firms.**

Workforce Trends: Worker Demand



Nonresidential specialty trades (welders, plumbers, HVAC, etc.) continue to **fuel hiring**, adding **33,000 jobs** in January and keeping unemployment tight at **4.3%**.

Workforce Trends: Industry Competition



Logistics, manufacturing, and energy sectors offer **comparable entry-level wages and often more predictable schedules**, drawing workers away from construction.

Workforce Trends: High Wages

Wages remain elevated, **outpacing the private sector** and intensifying competition for craft talent.

Workforce Trends: Aging Workforce



Average construction worker age is ~42-43, with 20-25% of workers over 55, creating a large retirement wave over the next decade.

Workforce Trends: Next Gen Workforce



~3-4% of high school graduates enter the trades, while the industry needs roughly **500,000+** new workers annually to meet demand.

Workforce Trends: Why?

Why Fewer Young People Are Pursuing the **Construction Trades**

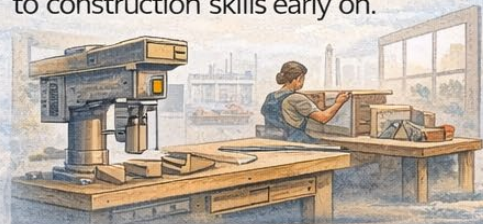
1 College-First Mindset

Schools and parents often steer students toward four-year degrees, reducing interest in trade careers.



2 Decline in Vocational Education

Fewer shop classes and trade programs mean students have less exposure to construction skills early on.



3 Perception Challenges

Construction is sometimes viewed as physically demanding or less prestigious than office-based careers.



4 Competition from Other Industries

Logistics, manufacturing, and energy offer similar entry-level pay with more predictable schedules.



5 Limited Awareness of Modern Construction

Many young workers are unaware of the technology, innovation, and career growth in today's construction industry.



6 Insufficient Training Pipelines

Apprenticeships and trade training programs haven't expanded fast enough to meet industry demand.



Performance-Based Structures



Performance-Based Structures



Technology Enabled



- Improves accuracy by reducing manual data entry
- Assist in maintaining compliance
- Delivers actionable reporting and analytics
- Tracks labor costs in real time
- Connects field and office data, i.e.. training, certifications
- Provides better visibility into project labor costs

Questions?

Contact Information

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