

# AEG Puerto Rico Energy Week Industry Panel on Critical Workforce Needs

“If everyone is moving forward together, then success takes care of itself.” – *Henry Ford*

“The strength of the team is each individual member. The strength of each member is the team.” – *Phil Jackson*

**February 21, 2023**

**Hotel La Concha – San Juan, PR**





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## **Puerto Rico Construction Industry Workforce Needs Outlook:**

1. Currently about **35,000 workers** in the “formal” construction industry
  - Most contractors are “Open Shop”, very low Union presence
2. Construction Services are or will be in high demand for the following segments:
  - A. Residential:
    - Homes for sale and for rent, private development, government housing programs
    - To increase workforce capacity affordable housing is needed
  - B. Institutional Facilities:
    - Reconstruction efforts of Municipal, State, and Federal Government Facilities
  - C. Infrastructure: Billions of Dollars in Reconstruction and Improvement Projects
    - Roads (Autoridad de Carreteras ACT, DTOP, Federal Highways)
    - Airports, Water Ports (Autoridad de los Puertos)
    - Water and Sewerage (Autoridad de Acueductos y Alcantarillados / AAA)
    - Electrical Power System (LUMA, Autoridad de Energia Electrica / AEE-PREPA)
  - D. Renewable Energy:
    - PR 100 goal is for PR to be at 100% Renewable Energy sources by 2050
3. Estimated needs are **85,000 workers**, so the industry needs to add about **50,000 workers**
4. Contractors and Project Developers/Owners **also need professionals to manage and execute projects**



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## Key Issues Regarding Workforce Needs:

1. Professionals and Workers Labor Cost – Will it keep rising?
  - Significant Labor Cost Increase (over 35%) in the last 3 years
  - Federal and Local Projects with Minimum Wage Determinations
  - **More Work in demand than Workers available**
2. Workforce Cost Increases can change **viability** of Projects:
  - Energy Projects
  - PR Re-Construction Projects
  - Private Projects and other Investments
3. **Competition for Labor Pool** between segments of the industry
4. Puerto Rico's living capacity to support off island workers (living accommodations [limited-Expensive])
5. Currently **not enough formal Training and Skills Development Programs**
  - For new workers and currently active workers



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## Key Obstacles to Overcome in Addressing Issues in the Next 12-Month:

1. Getting More people into the Industry Workforce
  - 15,000-20,000 per year for the next 3 years (Local and Off Island)
2. Industry and segment wide marketing campaign promoting the benefits of the construction industry
3. Expand and/or Develop more Skills Development and Training Programs
  - At secondary, high school, and post high school levels
  - Pre-Apprenticeship and Apprenticeship Programs (tailored to PR needs and to cover industry market segments)
4. Hire more professionals (engineers, estimators, project managers, administration support, etc.)
  - Hire young professionals for long term sustainability of the industry (currently there is a big generational gap)
5. Bring Workers from US and other countries
  - Be able to bring workers into the industry via the H2B Visas program (it seems to be a challenging process)
  - PROMOTE that the President of the US can consider Executive Order for the “Parole for Significant Public Benefit”
    - Can ad 10,000-15,000 currently living in PR people with indefinite migratory status into the construction industry workforce for PR Re-Construction Projects, that may include the Energy Sector
    - It can benefit other US Jurisdictions with construction labor shortages besides Puerto Rico



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## Benefits / Consequences of addressing or NOT addressing the challenges:

1. Achieve that more People enter the Construction Workforce:
  - projects **will or will NOT start and finish of time** and projects budgets can be stable or affected adversely
2. Effective Industry Marketing Campaigns:
  - potential workers and professionals will go or stay in other industries
3. Add / Expand Training and Skills development programs:
  - **expertise needed for each construction industry market segment** (Energy for example)
  - workers effectivity and productivity may be higher or lower
4. Hire more professionals into the industry
  - projects will not be completed within a reasonable timeline
  - transfer of knowledge for the future, address generational gap
5. Bring Workers from US and other countries
  - If the H2B Visas program is not effective, **less workers will be available**
  - If the “Parole for Significant Public Benefit” is not put into effect, **the rate at which new workers enter the industry will be much slower and detrimental to the PR Reconstruction Programs**



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## Regarding Workforce needs, critical issues to address in the Next 12 Months is:

- ADD workers and professionals to the industry for construction projects:
  1. That “Multi-Sector, Strong” support for the “Parole for Significant Public Benefit” is obtained and that the government of Puerto Rico and Federal agencies ask for its implementation
  2. Invest in the Construction Industry marketing campaign to attract more workers
  3. Add / Expand Training and Skills development programs

“The way to get started is to quit Talking and Begin Doing” – Walt Disney