

Testimony
of
Carol Reynolds
Founder, United Industrial Services
On behalf of the
Independent Electrical Contractors

Hearing
on

“On-The-Job: Rebuilding the Workforce Through Apprenticeships”

Before The
Subcommittee on Higher Education and Workforce Development

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Chairman Guthrie, Ranking Member Davis and Members of the Subcommittee, I'm honored for the opportunity to testify before you today at this important hearing, "On-The-Job: Rebuilding the Workforce Through Apprenticeships." My name is Carol Reynolds, founder of United Industrial Services, a small, certified woman-owned electrical contracting business based in Louisville, Kentucky. I'm here today on behalf of the Independent Electrical Contractors, as well as the IEC Kentucky and Southern Indiana Chapter, also located in Louisville.

Based in Alexandria, Virginia, the Independent Electrical Contractors is an association of over 50 affiliates and training centers, representing over 2,300 electrical and systems contractors nationwide. IEC's membership consists primarily of small businesses, with the average contractor member having 30 employees, 20 of which are electricians. IEC's purpose is to establish a competitive environment for the merit shop – a philosophy that promotes free enterprise, open competition and economic opportunity for all. IEC and its training centers conduct apprenticeship training programs under standards approved by the U.S. Department of Labor's (DOL) Office of Apprenticeship. Collectively, in the 2018 - 2019 school year, IEC will educate more than 11,000 electrical apprentices.

For decades, IEC has been at the forefront of the industry providing highly skilled electricians through its Registered Apprenticeship program. An IEC apprentice is able to earn while they learn, incurs little to no debt and enters into a well-paying job upon graduation. According to the Bureau of Labor Statistics (BLS), the median salary for an electrician in 2017 was \$54,110. In addition to being certified by DOL's Office of Apprenticeship and 38 State Apprenticeship Councils, the American Council on Education (ACE) has recommended that students that graduate the IEC apprenticeship program be eligible for 40 semester hours of college credit. IEC is also a member of DOL's Registered Apprenticeship – College Consortium (RACC), a national network of postsecondary institutions, employers, unions and associations working to create opportunities for apprentice graduates who may want to further enhance their skills by completing an associate's or bachelor's degree. RACC members have their programs evaluated by a third-party organization to determine the college credit value of the apprenticeship completion certificate.

As you are probably aware, electrical contractors, like the rest of the construction industry, continue to struggle to find qualified candidates to fill openings all across the country. According to recent research from the Associated General Contractors, among all the trades, electrician was the second hardest position for their members to fill. This challenge is expected to continue in the coming years, with BLS estimating there to be a 14 percent increase in demand for electricians through 2024. Construction employers as a whole are experiencing challenges hiring new workers with an estimated 500,000 skilled construction jobs currently vacant.

A number of different factors have contributed to the current workforce shortages in the electrical contracting industry. One of those is the fact that many left during the recession and never returned. In addition, much of the skilled trades workforce is retiring or is approaching retirement. According to former BLS economist Joseph Kane, about three million of the current 14.5 million construction workers will retire or leave the industry over the next ten years. Unfortunately, our industry cannot keep up with the demand. The cultural shift in our country over the past few decades has definitely had an impact on this. A significant emphasis has been placed on young people obtaining a bachelor's

degree, and a career in the trades is rarely discussed as an option. Parents have grown to believe that the primary pathway to a successful career and the American dream is through a traditional college education. Not helping matters is that many jurisdictions judge the success of their high schools on the number of students that attend college. In areas where this is the case, guidance counselors and school officials have less incentive to suggest students consider entering an apprenticeship program, like IEC. This, along with enormous subsidies from the government in the form of student loans, has made it easier for students to pay for college without fully understanding the massive debt they are incurring and no guarantee of a job to pay it off.

Another factor contributing to the construction industry's worker shortage is the lack of exposure of young people to skilled trades early as a viable career path. Across the country, we are seeing less investment in vocational or career and technical education (CTE) programs in high schools. These programs offer students the opportunity to work with their hands early in their education. They begin to understand what subjects interest them and these hands-on programs could influence their post-secondary education decisions. IEC views this as a missed opportunity to expose students to the skilled trades at an influential time in their lives.

Every day, IEC chapters and contractor members aggressively search for people interested in entering our apprenticeship program to become the electricians of the future. Most IEC chapters work with local Vo-Tech programs to promote the opportunities that come with being an electrician. In the Louisville area, we are excited to see high school programs, like the one in Jefferson County, which is moving to a system that exposes students to possible career options, including careers in construction. In addition to working with the area high schools, my chapter works with Job Corps and Fort Knox, to help place veterans looking for opportunities in the private sector. Almost all of IEC's apprenticeship programs are approved training providers under the G.I. Bill. Lastly, IEC National recently launched myelectricalcareer.com, which promotes electrical careers to young people through sites such as Facebook and Pandora.

When it comes to finding qualified individuals to become IEC apprentices through government programs, such as the Workforce Innovation and Opportunity Act (WIOA), IEC members have reported mixed results at best. My chapter and its members have seen little to no benefit from WIOA, but other chapters have reported some success in placing apprentices. That being said, chapters that have benefitted have expressed frustration with how time intensive, confusing and bureaucratic the program is, making them less likely to utilize WIOA in the future.

When recruiting candidates for an electrician apprenticeship, IEC members have trouble finding people that are qualified to enter the program. Candidates looking to enter the field must have a high school diploma or GED and possess solid math skills. Members continue to find that many interested in our opportunities do not possess the requisite mathematical ability to advance as apprentices. It's also becoming more common that young people interested in an electrical career lack basic "soft skills", and don't understand what it means to be punctual, communicate effectively, or act professionally in a work setting.

The lack of qualified and interested talent entering the industry has hurt the average IEC member's ability to expand their operation. Based on current demand, I estimate that I'd be able to grow my company by over 50 percent, but I unfortunately must turn customers away on a daily basis because I just don't have enough qualified people to do the work.

By virtue of recent hearings, like the one here today, IEC remains optimistic that legislators are becoming more interested in developing public policy that will further assist the skilled trades close the skills gap and increase the number of men and women entering construction apprenticeships, like IEC's.

In closing, I want to express IEC's willingness to work with Congress and the Trump administration to find practical solutions to address the workforce shortage faced by merit shop electrical contractors and the construction industry as a whole. Thank you for this opportunity today to explain the labor challenges IEC continues to address and I look forward to answering any questions you may have.