

Blue-collar labor shortage: How top employers are avoiding it

A new report by The Conference Board research group warns that blue-collar labor shortages will continue at least through 2030. Companies can expect growing shortages in sectors that include transportation, health care support, manufacturing, agriculture, mining and construction.

Why are blue-collar jobs now harder to fill than white-collar jobs?

According to "U.S. Labor Shortages: Challenges and Solutions," the supply of blue-collar workers is shrinking rapidly because of several factors.

Baby boomer exodus

Baby boomers perform much of the nation's blue-collar work, but they are retiring in droves, a trend that will continue through 2030.

Men without a college degree are less likely to work

Their declining workforce participation results, in part, from more of them being single, living with their parents and having less of a need to earn an income.

Large increase in disability rates

The share of people not in the labor force due to disability is now at a record high, with a strong concentration in the South and the Midwest.

Young adults are avoiding the trades, instead pursuing college

As a growing share of young adults enroll in four-year colleges, the number of working-age people with a bachelor's degree continues to increase.

No growth in the working-age population

The working-age population has largely stopped growing. The U.S. economy has never before experienced a swell of retirements amid no growth in its working-age population.

How top employers attract, retain blue-collar workers

Some employers, however, are succeeding in attracting and retaining the laborers and tradespeople they need. The Conference Board says this is how they do it:

Increasing compensation

Although it is the most popular tactic, raising pay helps only to a point. Given increased employment opportunities for workers and the financial constraints companies face, employers must innovate to attract and retain workers.

Enacting tactical HR solutions

The biggest difference between companies most and least affected by labor shortages is that those hardest hit are making tactical changes to the recruitment process. Solutions frequently cited include:

- **Increasing referrals:** 51% of blue-collar-heavy companies indicated they had added or modified an employee referral program, compared to only 21% of white-collar-heavy companies.
- **Ramping up social media:** Increasing social media efforts ranked as the second most popular recruitment strategy (69%) among blue-collar-heavy companies, behind increasing wages and salaries (79%).
- **Shortening the recruitment process:** 37% of blue-collar-heavy companies have experienced candidates ghosting interviews. As such, the most affected companies are responding by not requiring multiple interviews.

Extending outreach beyond the usual recruits

55% of blue-collar-heavy companies ranked expanding the target demographic as a key tactic; just 30% of white-collar-heavy companies said the same.