



CONSTRUCTION 2025: HOW TO COPE WITH LABOR SHORTAGES, SAFETY SHIFTS AND MATERIAL PRICE HIKES

Economic uncertainty, labor shortages and shifting regulations are making it more difficult than ever for contractors to stay competitive. We polled contractors about their biggest concerns for the coming year, and in addition to an aging workforce and a specialized skills shortage, they identified supply chain issues and weakened or sluggish demand as their top concerns.

Here's some key contractor questions we are hearing and some advice on how your company can be prepared. Organizations like Steamfitters Local 601 and its signatory contractors can provide you with a range of valuable advantages, especially important in today's challenging market conditions.

1

WILL THERE BE ENOUGH LABOR TO COVER UPCOMING PROJECTS?

70% of construction companies continue to struggle to find enough labor, but Wisconsin is beating the averages with construction job growth of 4.4% over five years due to the state's continued commitment to quality technical education.¹

CONSIDER THIS:

- Aging Workforce: Over 20% of workers are hitting 55+. Many skilled tradespeople are retiring, with fewer young workers entering the industry.
- Declining Quality: Less experienced workers and fewer regulations lead to poor workmanship, project delays and increased costs. 56% of contractors report concern that workers don't have adequate skills,² but studies show union workers provide more reliable skilled labor.³

HOW TO PREPARE:

Work with a large network so you can fill roles quickly with reliable, well-qualified workers. Steamfitters Local 601 trains apprentices, including recent high school graduates, and its program is consistently filled with top-level recruits. It's a deep talent pool with a nationwide network and 3,000 members, providing access to a highly trained, job-ready workforce that increases efficiency and minimizes costly errors, so no job suffers from labor shortages.



4.4%

CONSTRUCTION JOB GROWTH. WISCONSIN IS BEATING THE AVERAGES.¹

2

HOW CAN YOU OVERCOME CONSTRUCTION WORKER TURNOVER AND KEEP YOUR TEAM STABLE?

Construction has one of the highest turnover rates of any industry at 54%,⁴ which disrupts projects and drives up costs.

CONSIDER THIS:

- Projects that are short on labor are twice as likely to have at least a 10% cost overrun and schedule slip.⁵
- Motivation & job security: Some workers are chasing better wages and benefits and can leave without warning creating instability.

HOW TO PREPARE:

Focus on creating a positive work environment that supports and benefits workers, so they don't want to leave. Hire a motivated workforce, like Steamfitters Local 601. Members receive competitive wages, strong benefits and job security, so the workers employed by signatory contractors are more committed, productive and reliable.



54%

TURNOVER - CONSTRUCTION HAS THE HIGHEST RATE OF ANY INDUSTRY.⁴

3

HOW WILL YOU MANAGE CONSTRUCTION MATERIAL PRICE HIKES AND SUPPLY CHAIN DISRUPTIONS?

Over the past few years, more than 80% of construction materials have gone up in price. While price jumps have begun to stabilize, some experts say these elevated costs are here to stay.⁶

CONSIDER THIS:

- As leaders brace for new tariffs, construction costs are estimated to rise at least 20%,⁷ depending on where materials are sourced.
- Higher fees on materials from Mexico, Canada or China will squeeze project budgets and could lead to delays.

HOW TO PREPARE:

Partner with industry experts who can help navigate these challenges to keep projects on track. Local 601 is not just a union, it's comprised of seasoned experts and partners you can trust for sound advice on streamlined construction methods and to help you plan, prepare and carefully consider options.



80%

INCREASE IN THE PRICE OF CONSTRUCTION MATERIALS.⁶

4

HOW WILL YOU PREPARE FOR SHIFTING SAFETY STANDARDS FOR CONSTRUCTION CONTRACTORS?

Keeping up with building codes and safety standards is vital to avoid injuries as well as potential penalties. But the current push towards deregulation could mean a shift in safety oversight.

CONSIDER THIS:

- What's the future of OSHA and will penalties for non-compliance stay the same?
- Will safety regulations be enforced consistently?
- How will this impact contractor liability?

HOW TO PREPARE:

Regardless of federal policy changes, Steamfitters Local 601 prioritizes safety. Members receive ongoing safety training, reducing liability risks for contractors. Hiring rigorously trained workers from Local 601 signatory contractors means your project remains safe, compliant and efficient.



34%

FEWER ACCIDENTS ON UNION JOB SITES.⁸

5

WHAT WILL IT TAKE TO STAY COMPETITIVE WITH BIM, AI AND OTHER INNOVATIONS IN CONSTRUCTION?

Construction Tech evolves daily with Building Information Modeling (BIM), AI and prefabrication. While these technologies help improve efficiency, widespread adoption takes time, and technology is only as good as the people using it.

CONSIDER THIS:

- BIM and AI are transforming how projects are designed and executed.
- Prefabrication helps cut costs but requires skilled installation.

HOW TO PREPARE:

Highly trained tradespeople who are up to date on new technologies can easily integrate them into projects seamlessly. Steamfitters Local 601 offers training in the latest tech advancements, so workers stay ahead of industry trends.



30%

IMPROVEMENT IN PROJECT DELIVERY TIMES WITH AI-DRIVEN TASK AUTOMATION.⁹

HOW WILL NEW GREEN BUILDING REGULATIONS SHAPE PROJECTS IN 2025?

As cities implement stricter energy efficiency requirements, demand is increasing for sustainable HVAC and mechanical systems. Contractors need partners who understand the requirements and how to meet them.

CONSIDER THIS:

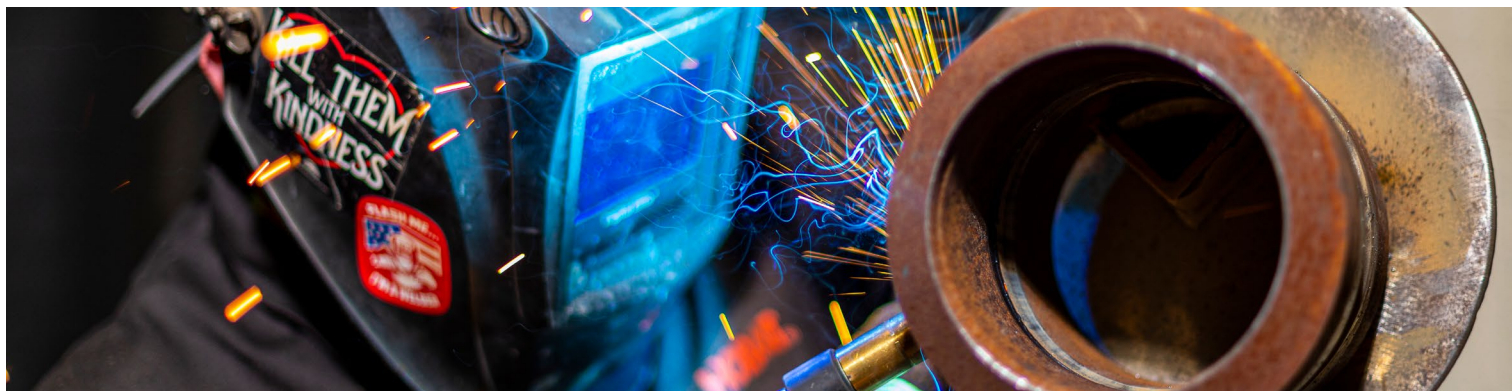
- Green building mandates require energy-efficient solutions.
- LEED-certified expertise is becoming essential.

HOW TO PREPARE:

Be sure you have workers who are trained in the latest sustainability practices and green building compliance. For example, did you know refrigerant regulation changes are on the horizon? Steamfitters Local 601 members do. They're experts in energy-efficient HVAC. Members have access to ongoing education, and signatory contractors are at the forefront of the industry.

▶ **100%**

CONTRACTORS NEED PARTNERS WHO UNDERSTAND THE REQUIREMENTS AND HOW TO MEET THEM.



A STEAMFITTERS LOCAL 601 PARTNER

In an industry full of question marks, Local 601 provides certainty. Local 601 signatory contractors offer:

- Access to a skilled, job-ready workforce
- Higher worker retention & job stability
- Expertise in compliance, safety & new technology
- Sustainable building knowledge & green solutions

To find a signatory contractor for your next project reach out to our team on our [website](https://www.steamfitters601.org).

Sources: ¹ ABC | ² US Chamber | ³ MCAA | ⁴ Award | ⁵ MCAA | ⁶ Morris & Garritano | ⁷ CNBC | ⁸ LHSFNA | ⁹ AMS