

June 8, 2022

The Honorable Ben Cardin Chairman Senate Committee on Small Business and Entrepreneurship 509 Hart Senate Office Building Washington, D.C. 20510 The Honorable Rand Paul Ranking Member Senate Committee on Small Business and Entrepreneurship 167 Russell Senate Office Building Washington, D.C. 20510

## RE: Senate Small Business and Entrepreneurship Committee Hearing on "The Small Business Workforce Challenge: Causes, Impacts and Solutions"

Dear Chairman Cardin and Ranking Member Paul:

NDA represents nearly 500 U.S. and Canadian companies that offer standard demolition services as well as a full range of demolition-related services and products. NDA educates members on the latest advances in equipment and services, provides educational programs and tools to stay abreast of regulatory and safety matters and keeps regulators informed about issues in our industry. NDA also increases public awareness of the economic and societal benefits of demolition.

First, NDA would like to thank the Senate Committee on Small Business and Entrepreneurship for holding a hearing on workforce challenges facing small businesses and for the opportunity to provide written comments on this critical issue. Labor shortages continue to pose a very real challenge to both the short-term and long-term health of the demolition industry and construction sector as a whole. Like many small businesses, demolition contractors were deeply impacted by the economic downturn caused by the COVID-19 pandemic and subsequent supply chain and workforce disruptions that are still affecting contractors today. The impacts of these labor shortages are affecting stakeholders ranging from small, family-owned businesses to large corporations.

According to the latest data from the Bureau of Labor Statistics released on June 1, 2022, there are currently 11.4 million job openings in the United States.<sup>1</sup>This includes nearly 450,000 unfilled job openings in the construction industry alone.<sup>2</sup> The monthly jobs survey released by the National Federation of Independent Business (NFIB) last month found that 51% of employers are reporting job openings they could not fill. This is up four points from April and matches the 48-year record high set last September. In addition, 23% percent of employers reported labor quality was their top business problem, only second to inflation.<sup>3</sup>

This economic data acutely conveys the difficult challenges facing small businesses and the urgent need for the federal government to prioritize policies that encourage a robust and skilled labor force. NDA supports bipartisan solutions to address the labor crisis and calls on Congress to work together on legislation that will strengthen workforce development and help alleviate labor shortages in essential industries, such as demolition.

<sup>&</sup>lt;sup>1</sup> Press release, "Job Openings and Labor Turnover, April 2022," U.S. Bureau of Labor Statistics, June 1, 2022

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> <u>Dunkelberg, "NFIB Jobs Report: Over Half of Small Businesses Have Unfilled Job Openings."</u>

NDA remains concerned about the growing "skills gap" in the nation's workforce and the negative effects it is having on the construction industry. To this end, NDA supports government policies addressing the shortage of qualified candidates for high-skilled jobs by improving the STEM (Science, Technology, Engineering and Mathematics) education system and other efforts to increase the pool of qualified candidates for technical jobs on demolition sites. This includes funding for state and local career technical education (CTE) programs, such as the Carl D. Perkins Act. NDA also supports efforts to improve and expand apprenticeship opportunities and vocational training in the private sector to address the shortage of skilled labor in the workforce.

While not a comprehensive list, NDA urges Congress to strongly consider the following bipartisan legislation as it examines solutions to America's labor crisis:

- H.R. 7622 Small Business Workforce Pipeline Act
- H.R. 7664 Supporting Small Business and Career and Technical Education Act
- H.R. 6778 Workforce Development Investment Act
- H.R. 6436 Workforce and Education Partnership Act
- H.R. 2984/S. 1422 Investing in American Workers Act
- H.R. 2037/S. 864 Jumpstart Our Businesses By Supporting Students (JOBS) Act

Thank you for the opportunity to provide comment and we look forward to working with Congress in the coming months on bipartisan legislation to address small business workforce challenges. Please contact Alex McIntyre on NDA's government affairs staff at <u>amcintyre@demolitionassociation.com</u> with any further questions.

Sincerely,

Jeff Lambert Executive Director National Demolition Association