WORLD BLUE-COLLAR LABOR SHORTAGE

МИРОВОЙ ДЕФИЦИТ РАБОЧЕЙ СИЛЫ

The object of the research is tightening of the blue-collar labor market. To study the object the following aim is established: to find out the causes of the labor shortages in blue-collar occupations. Due to the aim of the research the following tasks are set: reveal the features of the blue-collar labor market that influence its tightness.

With economic growth likely to continue at a relatively strong pace in 2019, an already tight labor market is likely to get even tighter. But there is a twist – the threat of labor shortages is more acute in blue-collar and low-paid services occupations than in more highly skilled white-collar occupations, the exact opposite
of the prevailing trends in recent decades. Besides the short-term implications, companies should also prepare for more recruitment and retention difficulties in the next decade as there are few entrants and many exits out of the blue-collar and low-paid services workforce.

Blue collar occupations include construction, extraction, farming, installation, maintenance, repair, production, transportation, and material moving.

The main factors causing blue-collar labor shortage:

- continuous and solid increase in the demand both for blue-collar and low-paid services occupations;
- growth in working-age population of people with a college degree (the number and share of people without a college degree has been shrinking; people with a college degree are much less likely to look for a blue-collar job, especially in a tight labor market);
- changes in immigration policy (immigration policy, which presumably is reducing the number of available undocumented immigrant workers, is having a larger impact on blue-collar occupations than white-collar ones, because undocumented immigrants tend to concentrate in construction, agriculture, food preparation and service, and cleaning related occupations);
- concerns about future automation (new entrants to the labor market may shy away from choosing occupations where automation is likely to eliminate a large number of jobs in the future);
- slower growth in wages for blue-collar workers versus white-collar workers (many blue-collar spheres include low-pay services occupations);
- increase in the share of disabled population (the share of disabled population among non-college graduates has been rapidly increasing over the past couple of decades and is much higher than for college graduates);
- problem of ambition (too few young people who could become blue-collar workers view the positions as desirable).

In conclusion, there are simply not enough people in the labor force who are choosing to work in blue-collar jobs. There are already labor shortages in many blue-collar occupations and demographic projections suggest that for employers it will only become harder to recruit blue-collar workers in the coming decade.