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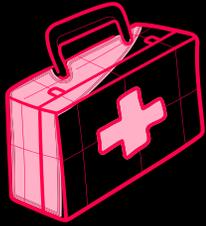
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CONSTRUCTION & ENGINEERING  
SPECIALIST RECRUITERS

# HEALTHCARE CONSTRUCTION

**DEMAND VS SUPPLY:  
THE 2026 LABOR CRISIS**

# CRITICAL LABOR SHORTAGE



**The healthcare construction sector faces its most severe workforce crisis in modern history.**

With nearly 500,000 workers needed in 2026 and only a fraction of that entering the industry, projects across the country face delays, cost overruns, and potential cancellations. This is not a temporary disruption—it's a structural challenge that will persist for at least a generation.

DEMAND

## \$70B+

Healthcare construction market value with aggressive growth

- › Record project pipelines
- › Aging infrastructure requiring upgrades
- › Demographic pressure from Baby Boomers
- › New facilities for specialized care
- › Outpatient expansion nationwide
- › Deferred maintenance backlogs

SUPPLY

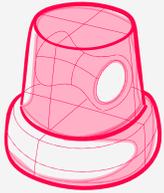
## 500K

Worker shortage in construction industry for 2026

- › 88% of firms can't fill openings
- › 41% of workforce retiring by 2031
- › Limited young talent entering trades
- › Competition from other booming sectors
- › Immigration enforcement impacts
- › Skills gap widening

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# THE PERFECT STORM: WHY HEALTHCARE CONSTRUCTION CAN'T FIND WORKERS

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**88%**

Of firms report craft worker openings harder to fill than last year

**45%**

Of projects experience delays due to labor shortages

**30%**

Cite immigration enforcement as contributing factor

**41%**

Of construction workforce will retire by 2031



# THE PERFECT STORM: WHY HEALTHCARE CONSTRUCTION CAN'T FIND WORKERS

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## 1. Demographic Cliff

**The construction industry faces an unprecedented demographic challenge.**

Currently, one in five construction workers is 55 or older, with the average skilled tradesperson age approaching 43 and rising. As Baby Boomers retire en masse—with 41% of the workforce projected to retire by 2031—there simply aren't enough young workers entering the trades to replace them.



## 2. Perception Problem

**After the COVID-19 pandemic, many workers reevaluated their careers.**

Construction trades became associated with difficult working conditions, manual labor, lower wages compared to tech jobs, and limited career advancement. Despite reality showing skilled trades can earn \$75,000-\$100,000+ annually with strong benefits, the perception challenge persists, particularly among younger generations and their families.



## 3. Education System Disconnect

**For decades, the U.S. education system has prioritized four-year college degrees over vocational training.**

High schools eliminated shop classes and trade programs, funneling students toward universities. The result: a massive shortage of trained craftspeople while many college graduates carry debt in oversaturated job markets.



# THE PERFECT STORM: WHY HEALTHCARE CONSTRUCTION CAN'T FIND WORKERS

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## 4. Immigration Policy Impact

Nearly one-third of construction businesses report that federal immigration enforcement actions have caused or contributed to project delays.

Stricter immigration policies enacted in 2025 significantly tightened the labor supply, affecting an industry that has historically relied on immigrant workers to fill gaps.



## 5. Competition from Other Booming Sectors

Healthcare construction doesn't operate in a vacuum. The industry competes for the same skilled workers with:

- **Data Centers:** Explosive growth offering premium wages
- **Advanced Manufacturing:** Semiconductor fabs and battery plants paying top dollar
- **Infrastructure:** Bipartisan Infrastructure Law funding massive public works
- **Renewable Energy:** Solar and wind projects across the country
- **Life Sciences:** Pharmaceutical and biotech facility boom



# HEALTHCARE CONSTRUCTION: EXTRA CHALLENGES

**Beyond the general construction labor shortage, healthcare projects face unique workforce challenges:**

## Specialized Skills Requirements

**Healthcare construction requires knowledge that general commercial workers may lack:**

- Infection Control Risk Assessment (ICRA) protocols
- Understanding of medical gas systems and life safety codes
- Experience with continuous operations and phased occupancy
- Familiarity with FGI Guidelines and healthcare specific requirements
- Complex MEP coordination with critical systems

This specialization means healthcare projects can't simply pull workers from other construction types—they need experienced healthcare construction professionals, further limiting the talent pool.

## Higher Stress and Complexity

- Working in occupied facilities with patients receiving care
- Zero-tolerance environment for safety incidents
- Strict noise, dust, and vibration controls
- Irregular hours to minimize patient disruption
- Complex sequencing to maintain operations

These factors make healthcare projects more demanding, and not all construction workers want to take on the additional challenges—even with premium pay.



# THE BUSINESS IMPACT

The demand-supply imbalance creates cascading consequences across the healthcare construction ecosystem:

**\$50,000–\$75,000**

**Economic Reality:**

Replacing senior construction leadership costs \$50,000-\$75,000 per position after recruiting, onboarding, and productivity loss. This economic pressure is pushing firms to dramatically improve retention strategies.

## For Project Owners

- **Extended Timelines:** Projects routinely add 10-15% schedule float for labor delays. Senior placements take 90+ days.
- **Cost Escalation:** Wages rising 6-8% annually. Material costs climbing alongside labor pressure. Change orders more frequent.
- **Reduced Competition:** Fewer qualified contractors willing to bid on complex healthcare work, reducing competitive tension.
- **Quality Concerns:** Pressure to hire less experienced workers to fill positions, potentially impacting workmanship.

## For Contractors

- **Margin Pressure:** Wage increases outpacing billing rate growth. Recruitment costs ballooning.
- **Project Selection:** Must be more selective about which projects to pursue based on labor availability.
- **Retention Challenges:** Workers have leverage to job-hop for better pay. Losing key staff mid-project creates major disruptions.
- **Training Burden:** Investing heavily in developing less-experienced workers while managing project delivery.

## For Workers

- **Unprecedented Opportunity:** Multiple job offers with competing compensation packages.
- **Wage Growth:** Double-digit increases common, especially for those willing to relocate or learn new technologies.
- **Career Acceleration:** Promotion timelines 2-3 years faster than historical norms as firms build leadership benches.
- **Burnout Risk:** Overwork due to understaffing can lead to safety concerns and quality of life issues.

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# STRATEGIES TO NAVIGATE THE CRISIS

While there's no silver bullet, successful organizations are implementing multi-pronged approaches:



## Technology Adoption

Leveraging digital tools to maximize existing workforce productivity:

- › BIM reducing coordination issues
- › AI-driven scheduling optimization
- › Drones for site monitoring
- › Robotics for repetitive tasks
- › Prefabrication reducing field labor



## Prefabrication & Modular

Factory-built components reducing on-site labor needs:

- › MEP racking assembled off-site
- › Patient bathroom pods delivered complete
- › Headwalls and footwalls prefabbed
- › 4-6 month timeline reductions
- › More controlled work environment



## Self-Performing GCs

Contractors with large in-house workforces gaining advantage:

- › Reduced subcontractor dependency
- › Better schedule reliability
- › 5,000+ self-perform workers at leading firms
- › Improved quality control
- › Greater delivery predictability



# STRATEGIES TO NAVIGATE THE CRISIS

While there's no silver bullet, successful organizations are implementing multi-pronged approaches:



## Workforce Development

Long-term investment in talent pipeline:

- › Expanded apprenticeship programs
- › High school partnerships
- › On-the-job training initiatives
- › Mentorship programs
- › Career path clarity



## Improved Compensation

Competitive total rewards packages:

- › 6-8% annual wage increases
- › Performance bonuses
- › Sign-on incentives
- › Enhanced benefits
- › Flexible scheduling



## Alternative Delivery Methods

Procurement approaches that reduce labor risk:

- › Job Order Contracting (JOC)
- › Progressive design-build
- › Early contractor involvement
- › Phased project approaches
- › Lean construction techniques



# LONG-TERM OUTLOOK

The healthcare construction labor shortage reflects structural factors that extend beyond current market cycles:

- **Demographic Inevitability:** Baby Boomer retirements will continue through the 2030s
- **Education System Inertia:** Rebuilding vocational programs and changing perceptions takes decades
- **Immigration Policy:** Uncertain political landscape affects long-term labor supply
- **Competing Priorities:** Infrastructure, technology, and energy sectors will continue competing for talent
- **Healthcare Demand Growth:** Aging population ensures healthcare construction stays strong through 2040+

The organizations that thrive will be those that:

- Invest early in technology and prefabrication capabilities
- Build strong talent pipelines through apprenticeships and partnerships
- Offer compelling compensation and career development



## Reality Check:

**“The reality is it will take at least a generation to fully address the labor shortage.”**

**Roel Aguilar, DPR Construction  
National Preconstruction Leader**

- Develop reputation as employer of choice in healthcare construction
- Embrace alternative delivery methods that maximize labor efficiency
- Maintain financial flexibility to weather wage inflation

**For the foreseeable future, labor availability—not project funding—will be the primary constraint on healthcare construction growth. Success will require creativity, investment, and a fundamental rethinking of how the industry attracts, develops, and retains skilled workers.**

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