

NHCA POLICY PRIORITIES

The National Hispanic Construction Alliance (NHCA) advocates for policies that address critical issues impacting the Hispanic workforce in the construction industry. **With Hispanics comprising 30.31% of the U.S. construction workforce, their contributions are vital to the industry's growth and stability.** However, systemic challenges such as immigration barriers, restrictive labor policies, over-regulation, and trade and economic hurdles continue to pose significant obstacles that require targeted and strategic policy reforms to overcome.

NHCA's policy priorities focus on four core areas:

1. ***Immigration Reform***
2. ***Organized Labor Policies***
3. ***Over-Regulation***
4. ***Trade & Economy***

1. IMMIGRATION REFORM

Immigrants play a fundamental role in the construction industry, comprising nearly a quarter of the total workforce and over 31% of skilled trades. Their contributions are especially significant in high-demand trades like plastering, drywall installation, and painting, where immigrants often represent over 40% of the labor force.¹As the industry faces over 400,000 open positions and requires an estimated 723,000 new workers annually, immigrant labor is crucial to sustaining productivity and meeting infrastructure demands.² However, intensifying immigration enforcement, including increased ICE raids, has led to absenteeism and worsened labor shortages.³ Ensuring fair and robust immigration policies that provide legal pathways for immigrant workers is essential to maintaining industry stability, closing workforce gaps, and supporting long-term growth.

ENSURE A STABLE WORKFORCE BY EXPANDING LEGAL IMMIGRATION PATHWAYS

The construction industry faces a persistent labor shortage, requiring an estimated 500,000 new workers in 2024 just to meet demand. Immigrants with legal status, including naturalized citizens, TPS holders, and work permit holders already make up 24.7% of the construction workforce and over 31% in skilled trades, demonstrating their critical role in sustaining the industry.⁴ Given their essential role in addressing workforce shortages, NHCA is advocating for immigration policies that create clear and efficient pathways for skilled construction workers to enter and remain in the United States.

1. Implement a streamlined visa program specifically designed for construction labor to help businesses address immediate workforce shortages while promoting long-term industry stability.
2. Secure permanent protections for DACA recipients to acknowledge their valuable contributions to the construction sector and provide them with stability in their careers.
3. Create a path to citizenship for long-term undocumented construction workers who have consistently paid taxes and contributed to the industry, strengthening the workforce and supporting economic growth.
4. Workforce mobility policies should be improved to allow immigrant workers to transition between projects without excessive administrative barriers. Many are tied to a single employer by visa restrictions, limiting job mobility despite labor shortages. State-specific licensing and certification rules also create delays and financial burdens, preventing skilled workers from quickly adapting to new opportunities.

2. ORGANIZED LABOR POLICIES

Hispanic workers play a crucial role in the construction industry but remain underrepresented in higher-paying positions and leadership roles. Despite making up nearly a third of the workforce, they are largely concentrated in lower-tier jobs with limited upward mobility. Addressing these disparities through fair labor policies is essential for fostering equitable growth and ensuring long-term industry sustainability.

1. The Home Builders Institute (HBI) Construction Labor Market, Fall 2024 Publication
2. National Association of Home Builders. "HBI Spring 2024 Labor Report."
3. Wall Street Journal. "ICE Raids Send Chill Through Migrant Workforces."
4. The Home Builders Institute (HBI) Construction Labor Market, Fall 2024 Publication

PROMOTE FAIR AND BALANCED LABOR POLICIES

Hispanic workers make up a significant share of the construction workforce but remain underrepresented in higher-paying roles. Only 15.72% of Hispanic workers hold management, supervisory, or engineering positions, compared to 35.73% of non-Hispanic workers.⁵

1. **Protect Independent Contractors and Small Subcontractors from Excessive Union Restriction.** NHCA advocates for safeguarding Hispanic-owned businesses from restrictive union mandates, particularly mandatory Project Labor Agreements (PLAs). While recently nullified at the federal level, PLAs can still be enforced by agencies, often requiring union-specific terms that increase costs and limit flexibility for small businesses. NHCA supports making PLAs voluntary to promote fair competition and allow Hispanic contractors the freedom to operate without unnecessary union constraints.
2. **Ensure Worker Freedom in Union Participation.** NHCA champions right-to-work laws that protect Hispanic workers' freedom to choose whether to join a union without risking employment or being forced to pay dues. Workers should have the right to select their representation without coercion, ensuring they can opt in or out of union membership while still accessing equal job opportunities and career advancement.

3. OVER-REGULATION

The construction industry has seen a 26.8% decline in productivity over the last 35 years, largely due to rising costs and excessive regulations.⁶ Regulatory compliance costs alone add an estimated \$94,000 per unit for new homes (NAHB), making projects less viable and driving up housing costs.⁷ Eliminating excessive permitting delays that slow down housing and infrastructure projects is essential.

REDUCE REGULATORY BURDENS THAT RESTRICT GROWTH

1. **Reform acquisition, development, and construction (ADC) lending standards to reduce the 100% risk-weight requirement on banks for construction financing.** Current regulations assign a 100% risk weight to ADC loans, classifying them as high-risk and obligating banks to hold capital equal to the loan amount. This stringent requirement restricts lending capacity, particularly affecting small and minority-owned construction firms that rely on bank financing. NHCA advocates for revising these standards to lower the risk weight for well-underwritten ADC loans, thereby enhancing access to capital for Hispanic-owned businesses and promoting industry growth.
2. **Oppose overreach in environmental regulations that disproportionately burden small and minority-owned construction firms.** The National Environmental Policy Act (NEPA) often imposes complex, time-consuming, and costly compliance requirements that small and minority-owned construction firms struggle to navigate. Lengthy environmental reviews can delay projects for years, leading to increased costs and cash flow issues that smaller firms with limited resources are less equipped to handle. Larger companies can absorb these costs, putting smaller businesses at a disadvantage and limiting their ability to compete for federally funded projects. NHCA advocates for streamlining NEPA processes to reduce these barriers while maintaining essential environmental protections.

5. NHCA own estimations based on a 5-Occupational Tier classification of ACS 1-Year Estimates Public Use Microdata Sample 2018-2023 / Weight used: PWGTP / Universe: Occupation recode for 2018 and later based on 2018 OCC codes (OCCP), 37 Codes, Recoded detailed Hispanic origin recode

6. Bureau of Labor Statistics, Total Factor Productivity / Construction & Manufacturing / All workers, Index (2017=100)

7. National Association of Home Builders. Regulatory Costs Add a Whopping \$93,870 to New Home Prices.

3. Simplify and Expand SBA 8(a) Program Access. The SBA 8(a) Business Development Program is a valuable tool for minority-owned businesses but remains challenging for many Hispanic-owned construction firms due to stringent eligibility criteria and complex exit rules. Strict financial thresholds—such as the \$850,000 net worth cap and personal income limits—often disqualify firms that still face economic challenges. Additionally, the program’s rigid nine-year term and abrupt graduation process leave many businesses unprepared to compete without support. NHCA advocates for raising financial eligibility limits and implementing a phased graduation system to provide Hispanic-owned firms with a smoother transition and sustained success post-program.

4. *Trade & Economy*

The construction industry faces mounting economic pressures driven by rising material costs and shifting tax policies. Tariffs on essential construction materials like steel, aluminum, and lumber have significantly increased project costs, directly impacting housing affordability and placing an added burden on small and minority-owned firms. At the same time, looming changes to tax regulations threaten to reverse key benefits that have supported small businesses in recent years. Addressing these challenges is critical to ensuring the continued growth and competitiveness of Hispanic-owned construction firms.

STRENGTHEN ECONOMIC POLICIES THAT SUPPORT INDUSTRY GROWTH

1. Reducing Tariffs on Construction Materials. The imposition of tariffs on essential construction materials, such as steel, aluminum, and lumber, significantly elevates building costs, directly impacting housing affordability and the viability of construction projects. For instance, the National Association of Home Builders (NAHB) has reported that tariffs on steel and aluminum imports are expected to raise residential construction costs, thereby exacerbating the housing affordability crisis. These increased costs disproportionately burden small and minority-owned firms, including Hispanic-owned businesses, which often lack the resources to absorb sudden price hikes. NHCA advocates for reducing or eliminating tariffs on critical construction materials to stabilize costs, promote fair competition, and support the growth of Hispanic-owned construction firms.⁸

2. Making the Tax Cuts and Jobs Act (TCJA) Benefits Permanent. The Tax Cuts and Jobs Act (TCJA), enacted in 2017, introduced significant tax relief measures benefiting small businesses, including many Hispanic-owned construction firms. Key provisions, such as reduced tax rates for pass-through entities and a 20% small-business deduction, have enabled these businesses to reinvest savings into hiring, wage increases, and expansion. However, many of these benefits are set to expire after 2025, which could result in substantial tax increases for small business owners. For instance, the National Association of Home Builders (NAHB) notes that without congressional action, the expiration of the TCJA will lead to more than \$4 trillion in tax hikes, significantly impacting small businesses.⁹

NHCA’s policy priorities advocate for smart immigration reform, balanced labor policies, regulatory reform, and fair trade and economic policies to foster a more equitable, efficient, and inclusive construction industry.

By addressing critical issues like workforce development, labor rights, regulatory burdens, and economic challenges such as tariffs and tax policies NHCA aims to ensure that Hispanic workers and businesses can continue driving the industry forward while securing long-term economic growth.

⁸ National Association of Home Builders. "NAHB Urges Action on Tariffs Impacting Housing Costs."

⁹ National Association of Home Builders. "Tax Reform: Protecting Small Businesses."



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