

TSWF_Ep.30_Why Are Tradesmen Paid So Little__FULL AUDIO ONLY...

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SPEAKERS

Tim, Brett

B Brett 00:00
Over a 20 year time we have so devalued the trades which are so important to this country. I mean, every road you drive on, you know almost everything you do and touch every day, you know was built and done by by somebody in the trades and the food you eat and on and on. I mean, it's everything.

T Tim 00:28
Hello, and welcome to the Skillwork Forum. My name is Tim I'm again joined by my partner, Brett here from Skillwork. And as always, we use these opportunities to talk to you about things related to skilled tradesmen, employment issues, involving skilled craftsmen, and particularly industries like construction, manufacturing, where we work a lot in those industries as our partner.

T Tim 00:48
So today, we're doing something a little bit different. Brett, we we've been doing these Skillwork Forum podcasts for a while now. And we get an opportunity to engage with those of you out there that take your time. And we want to say, number one, thank you, we really appreciate the fact that you do take time to listen to these and engage. And you

provide us questions and comments back. And we thought we'd take the time today to kind of respond to some of the responses that we've gotten.



Tim 01:15

Particularly, there's kind of two themes that we see consistently coming back from mostly skilled craftsmen out there that we wanted to maybe read a couple of our comments, and Brett, you're going to respond to, you know what our comment back to you would be along those lines. And essentially, the two topics, if we had to summarize them, it would be the challenge with wages and the wage gap and the perception out there that skilled craftsmen are being underpaid. And the second one is kind of tied to that it's the whole idea, the whole concept of respect. And those two things want to hit on right?



Brett 01:51

Yep. know for sure. I think that's a consistent theme. And I think they do kind of overlap because if you feel undervalued, you tend to feel disrespected. And so they kind of, to some degree, they go hand in hand. At the same time, sometimes I think we're going to talk about a little bit, sometimes the industry is behind on getting the wages caught up for the skilled labor that we're seeing.



Tim 02:16

Yeah, for sure. So we'll talk a little bit about that. And some of it is actually the trends are going in the right direction. And a lot of it has to do with the high demand skilled trades that have to do on the higher technology, part of things are on the increase. So we'll talk about that a little bit as well. But we thought we would just maybe read some comments from those of you out there. And, and then respond accordingly. So we'll read these exactly as they come across. So unedited here, and they're always colorful and we try to respond actually to, Brett or I try to respond to all of them. So we do do we do read these and we do respond.



Tim 02:56

But here's one that has something to do with with wages. And this is kind of, you know, an example of what we see a lot of you know, this is representative of a lot of comments. So this is from Steve G responding to our podcast that we call a growing skilled labor shortage. And and Steve G writes this quote, "Millennial Timmy", not this Timmy another one. I don't think I'm a millennial.



Brett 03:24

Oh, no, he says that.



Tim 03:27

"Millennial Timmy graduates high school, goes to work for skilled trade at \$14 an hour busting his you know what every day working with his hands, or he could work at Skillwork, or I'm sorry, work at Starbucks. He can work at Starbucks for 16 bucks an hour, making lattes with his hands, plus tips. Timmy picks Starbucks every time." So he's basically saying why would somebody go work hard with their hands, unappreciated job, when he can go you know, have a cool job at Starbucks for two bucks more an hour? Yeah. What would you say that?



Brett 04:03

Well, I think it is, you know, there is some reality in that, I think obviously the, you know, restaurants and a lot of that hospitality space, you know, they because of the demand right now coming out of out of the COVID pandemic you know, now we're at a whole different level of those Starbucks and McDonald's and on and on and on all trying to find, you know, staff so they're having to increase their wages. And some of the some of the construction labor, whether you be a painter or whether you be, you know, a variety of different things, we're going to get into in a minute, not so much-I think that's where we want to kind of separate the gap is-the more specialized crafts and obviously our encouragement would be is why Yeah, there is some underpaying in the skilled labor side and it needs to get adjusted, you're not going to, it doesn't make sense for a guy to to bust his hump, as, as he says here for 15, 16, 17 bucks an hour, you know, it's just hard to get them to stay in that. You know, back even 10 years ago, 5,6,7,8,9,10 years ago, even some of the more technical, were still in that \$17/\$18 an hour, and we're really starting to see that they're starting to take off. So there's some truth in it. I think the construction, you know, people that are leading construction companies, they definitely need to take a hard look at what they're paying, you know, some of the some of the laborers.



Tim 05:45

Yeah, I mean, we're hearing that. I think the federal government has mandated that anybody working on a federal contract or federal job mandated minimum wage, 15 bucks an hour. I mean, these wages are being increased for entry-level jobs. And the demand is a supply and demand issue. We I just told you the other day, Brett about an article I read that, he was in Florida, McDonald's? So McDonald's used to be like, that was, I'm aging

myself here. But I remember guys going to work for McDonald's for \$3.50, \$3.75 an hour back in the day, it's crazy isn't it. And my dad was telling me, I was making way too much. But there's a McDonald's that was giving \$50 just to show up for an interview. Yeah, just show up for the interview, and we'll give you \$50. Now I don't know if that \$50 in McDonald's french fries or what.

B

Brett 06:39

They hope! Yeah, that's crazy.

T

Tim 06:42

That's that speaks to your point, you know about that. So, you know, the comment that that was made here, by Steve, we hear it a lot, the frustration of working in skilled trades, especially breaking into it, that the work is so hard, and the pay is not commensurate with- they're looking around at somebody working at a McDonald's that makes as much or almost as much and they see that there's a lack of fairness there. And fairness, you know, that gets to this comment that we hear a lot about about respect. And I think we want to focus on that. Because there's, it's a cultural shift that needs to take place with respect to wages. Supply and demand, the economic model will take care of that, it's coming around, we're seeing that gap closed. But the respect issue really is.

B

Brett 07:32

Yeah, no, the respect's huge. Yeah, I mean, you know, we probably, and I think it's connected, you know, I do want to back up a minute and, and talk a little bit more about the the wages, you know, just from a standpoint, and then let's, let's kind of do a little more of a deep dive into the respect thing.

B

Brett 07:48

But you know, one thing I was looking, you know, in kind of prepping for this a little bit. And there's a company, they do surveys called PayScale, and, you know, they they do a lot of assessment of what jobs are worth and what they're getting paid, whatnot. Well, then it's interesting, and this is kind of true across the board, it it, you know, almost consistently, whether you're in a high-paying job, or whether you're in a low-paying job. Most people if you ask them, are you satisfied with the compensation you're getting for what you're doing, 50% of people automatically say no. So you got to kind of keep that a little bit in perspective. It's not to discount and go, "well these people are not justified their comments on wages", in a lot of cases, it is 100% justified. But you also have to put it in

perspective, to understand that, you know, everybody feels a little undervalued and everybody, you know, feels like, you know, I'm worth a little bit more, and it doesn't change a whole lot. Like I said, from the guy making \$15 an hour or the guy making \$45 an hour or gal, you know, they both have a similar, you know, kind of a response to that, that survey kind of played that out.

T Tim 09:12

Yeah, I've been meaning to tell you that I kind of feel like I'm getting underpaid as well. So if you can, you can take a look at that after this.

B Brett 09:18

Okay, we will talk. My dad always said if you ever have to ask for a raise, it's probably time to move on. [laughs] My dad had a lot of wisdom. And I'm glad he passed it on.

T Tim 09:34

Well back back to more serious topics. So I mean, there's there's a wage issue, but they're also I mean, there's some trends that are the wages are improving for some skilled trades.

B Brett 09:44

They are, I think that's the part you know, we do hear a lot and we appreciate it. And I think in a lot of that skilled labor, you know, those wages I think are still trailing where they need to be in that, but a lot of what we do, and a lot of what we study and see a lot is more in the, I guess I want to say, the more technical space. And so whether it's electricians, plumbers, mechanics, you know, construction managers, you know, in those areas, those. There are positions out there, and opportunities out there, that you're definitely starting to see the wage. And we've, we see it. You know, like I said a little bit ago, you know, that's probably most people who have watched this podcast know, I spent, you know, a big chunk of my career in the food manufacturing space. And my dad actually, we just talked about, he was an ammonia refrigeration specialist. So I kind of grew up in the maintenance trade, or at least around it. And so, you know, I can remember not that long ago, like I said, where we were paying mechanics, you know, \$17, \$18 an hour. We know today, if the company that we work, if you're not paying a skilled mechanic, you know, 24-plus and a lot of them, depending on the market, you know, closer to probably 28 and more. I mean, we've got a client right now that's paying electrical mechanical guys, not electricians, but electro mechanic guys, they're paying \$31 an hour and struggling to find help.

B

Brett 11:21

So that demand and that skill, but you got to have the skill and you got to you've got to take the time to invest. If you right now you feel like hey, I'm not being properly compensated here. That's probably a fair complaint. But there's also an opportunity to say, where is some of that? You know, I printed off, there's a group I don't remember, let's be honest with you, I'm not that familiar with them, called The Interview Guys, they've been featured in Forbes and Inc, and they do some, some really good data and some really good information. And they had listed "2021, the top 15 skilled trade jobs." And and I thought it was interesting. You know, the the number one is a plumber, a plumber is averaging about \$41 an hour. And so some of the other ones that I thought there wasn't any job on here in the top 15 in the skilled trades that was paying less than \$25 an hour.

B

Brett 12:17

So you know, Timmy, who's working at Starbucks for 16? I think if he if he gets himself the right skill set, yeah, you know, there's a bigger opportunity, I think, yeah, in some of the other spaces. And so an interesting one, Tim, and this is a space we don't currently do anything and we might have to look into it. I keep seeing this, I've read it in multiple places. But right now, a really big demand is elevator mechanics. I think one of the guys in one of our comments had commented, that's a space you should look into. The elevator mechanics are making on average \$40 an hour. And so they're in such demand, and it's such a specialized skill type thing. So a variety of others, like I said, electricians, and, and so forth, but everything expands north of 25. You know, I think.

T

Tim 13:12

You hit on a point too Brett and you know, you talk about your dad and my dad also came from a trades background, he was electrician, and he ended up was working locally at a manufacturing facility where you know, from a relatively small town in Arkansas. And in order to do what he needed to do financially, he pursued a different location where he could get 30% more in wages to go to where that that job was available.

T

Tim 13:40

So, a part of what we do here, sometimes it's its location. So you can have a skilled trade in a certain location that's only paying \$18 an hour. A company like ours, if you're willing to travel, you know, and we provide all the necessary support for you to do that exact same job with the exact same skills we may will get you 20,25, 30% higher wages in a different location. Yep. So sometimes it's not just, you know, the skill is the location. Yeah. So being

mobile,

B

Brett 13:47

I was just talking to mark one of our sales guys this morning. And he was talking to a company, perfect example. There was a facility in Oklahoma. And this guy had become a supervisor at this facility in Oklahoma. And he had come from Wisconsin, and that wage gap for the same job was significant. You wouldn't think you know, why, you know, Wisconsin, Oklahoma, but it was in the in the range of probably \$6 an hour. So, you know, you know, I told him I said, well, we might have to start targeting Oklahoma to pull those guys north to get them the wages they probably deserve.

T

Tim 14:58

Yeah, so it is always a little bit It's surprising to me, geographically, where companies are looking for in some cases, even a higher skill set, are offering a wage that, frankly, is just not competitive on a, you know, nationwide scale, and we've talked before that you've got to expand your aperture in looking for these candidates and you're fishing in the same, you know, pond out back that you've been for years, paying \$18 an hour that, and that's just not going to be able to be persisted.

B

Brett 15:32

But you know, one of the beauties, you know, Tim of the, of America and the economy that we're blessed with, or the the system that we're blessed with. It's a true supply/demand, you know, I've you know, like I said, in the food, I was in the I was in the pork belly business for a long time. And you know, when pork bellies would get really high bacon prices get really high, people quit buying it, guess what bellies go down. I mean, that's, that's the beauty of a supply, you know, when when you keep your hands out, and you just let the market adjust itself, wages are the same way. You know, if you want the talent to keep your plant run efficiently, you're going to have to pay a fair wage to get that talent, because somebody else is going to be willing to pass especially with the shortage that there is right now.

T

Tim 16:18

Yeah, and I think, you know, we've heard a few comments that people are jaded, somewhat against what they perceive as company owners and management, trying to, you know, get you for low wage, and you know, not treat you with respect, and we're going to talk about that here in just a minute. But I can just tell you, from our perspective

at Skillwork, our goal is to get our guys the very best wage that we can possibly get, at the very best location that's, that provides what you need. So we're working for our skill workers, to try to get you the best opportunity, as well as trying to service our clients. So I know we can't speak for everybody, we don't manage the wage that they pay. But our you know, part of who we are, as a matter of fact, one of our core values is, you know, we desire to bring back value and respect to skilled craftsmen, we believe they deserve it. We live it out every day here, and a big part of that is a fair wage, a good wage for the work that they do.

B

Brett 17:21

Yeah, I mean, it's, it's a, it's a two way street as must be a day of me quoting my dad, I must be channeling my dad today as as, as you know, he always he would always tell me, you know, back when I was hiring people and it was that good people always pay for themselves. Yeah. And that's kind of what we're saying here is, is we're gonna our respect to our clients is we're going to provide you the skill that you need, we're not going to ask you to pay for something that won't deliver. On the flip side, for that skill worker, we're going to get them the absolute best, best wage, and the best situation and culture that we can that we can put them in. And if it isn't the right one, then we will make it right.

T

Tim 18:07

We'll make it right. So I want to read a couple more comments. And have you respond Brett on some of the guys and these are, this kind of gets to the respect and appreciation. And there's a lot of them like Keith, I'll just read a couple from Chris and Max. I guess it's the tag team here.

T

Tim 18:08

So they said that the "trade workers don't feel appreciated, and looked down on by a lot of society. Until this changes, it's going to be hard for younger people learn these jobs, and make it a career." And they go on to say, in a follow up a few weeks later. That "a great trade worker with years of skill and knowledge are hard to find. These days, you need to keep the ones you have happy. So don't get frustrated and go to work for someone else. hiring people just fill the slots might look good on paper, but bad in the real world situation. Some people are not mechanically able to do the work, that's a lowering of the bar. So you try to train, they just mess it up, then you have to fix it. It's counterproductive."



Tim 19:09

And he says "I speak this from personal experience from having to run crews of people that we had described this lowering of the bar." After 31 years in in his career, here's his advice, "your company has to offer better pay, benefits, and an atmosphere that respects workers, so you can attract these kinds of skilled workers going forward."



Tim 19:35

So it has to do with that respect, and wages and respect are tied together. But this idea of appreciating people.



Brett 19:43

Yeah, I mean, you know, it's a it's a value. It's, as you indicated a minute ago, Tim, you know, all of our values, we have three core values that we founded the company on, and in a lot of ways, they're really all built around respect, you know that our first is, you know, We bring, you know, to honor God in everything we do, you know, we talk about it all the time, you know, the greatest example of, of true equality and respect was Christ and the values that he, that he carried, we tried to do that. And so and then that specific bringing value and respect back to the trades, but we talk about it internally with our own employees here, you know, it's, it's appreciating them and respecting them respecting one another is big, big deal in our culture. If we don't do it here, we're not going to do it, you know, outside with the, with the guys and gals that we place. And then, then obviously, we always talk about, you know, we measure success by the number of lives, we positively impact. Again, that's a respecting, you know, we're taking what Chris and Max said here, and recognizing and saying, We see the same thing, you know, companies have to do, when you say, the most important thing to us as our people, but you continue to not really address the people that you're hiring, you're bringing in lesser quality, you're not providing the training, the message is mixed. In and individuals, you know, they, they pick up on it very well, you're either genuine, that your people matter, or you're not.



Tim 21:17

Yeah, we were talking Brett, old school coming out of old school mentality, you came out of manufacturing background, I came out of military background, and, you know, back in the day, it was just the guys that made it, were just hardcore, and you know, respect was something you earned through hard knocks. And it was just a tough environment. And today, you know, that is we're living in a different world. But human nature is human nature and people, we were designed by our Creator to desire respect, and affirmation.

And when you don't have that, we looked up some, some some statistics on this. And it's not just a feel good Starbucks-y kind of environment, we're talking about real impact your bottom line, if you have a culture, where you're not respecting your folks, and some of these statistics are pretty telling here. And I'll read a couple of them then Brett, you can respond to a couple.

T

Tim 22:16

But this is a research involving 800 managers, employees in 17 different industries. And the report was called "The Cost of Bad Behavior". And those that kind of received or felt disrespected like many of the people that comment to our podcast, here's here's the the research showed that 78% said that their commitment to the organization had declined 78%, almost 80%, eight out of 10, "I'm no longer committed to your company". 66%, two out of three, said that their job performance went down 50%, nearly 50% said they intentionally spent less time at work. So you've got problems with people showing up? Or maybe it has to do with the way we're treating people there. And then finally, 38% said they deliberately decreased, deliberately decreased the quality of their work. Yeah, you disrespect me?

B

Brett 23:13

Yeah, no, it's a it's a it's a reality, like you said, I mean, it's, I think it's just, it's like he said, It's human nature. I mean, if you feel respected, then you're going to naturally respect I'm not saying you know, you know, it goes against the little bit of what we talked about and and, you know, spiritually from an unconditional This is the reality. This is a very conditional love, but it's a reality. If you're not, most, most employees are not, are not going to respond in a positive way if you're not treating them in the right way. And so I said, study after study, show this. It's right. Like I said, it was why one of the important things that we saw in our core values was the respect, you know, back to the trades, you know, I think Chris said, or Chris and Max, and theirs is that, in one of their comments was very sad that that, that individuals feel disrespected by society. And we saw that too, you know, over a 20 year time, we have so devalued the trades which are so important to this country. I mean, every road you drive on, you know, almost everything you do and touch every day, you know, was built and done by somebody in the trades and the food you eat and on and on. I mean, it's everything.

T

Tim 24:38

Well, your number one job you listed there are plumbers. I guarantee you when you need a plumber,

B Brett 24:44
right? Yeah.

T Tim 24:46
And you know, I just it's, and maybe because where we came from our dads are both blue collar guys that carry tools. We inherently respect that and because of what they can do, and and I think it's just crucial. It makes good business sense. Number one. So set aside, maybe you don't you don't believe in the, you know, on the values and that God created that way. But just as a business person, it makes good sense. Set that aside it's just the right thing to do. And, you know, it's think about yourself, how do you like to be treated, do you like to be devalued or disrespected? So some of these studies are talking about even Brett, that people will take lower compensation, lower benefits, a lot of things that we think that are going to make people happy if they feel appreciated, respected.

B Brett 25:35
Yeah, yeah. Well, you know, it's, it's, you know, part of that is, is, you know, being being part of something, being part of a purpose. You know, I think when, when a company kind of knows, its Why it has a purpose, you know, so we spend a lot of time on here, at Skillwork. But, but, but I think in for all companies, I think people buy into that culture, they feel part of that they feel respect, people want to be heard, they want to feel like their voice is valued, that there's just a genuine that I think, you know, you commented there was a Harvard Business Review, that basically said that there was no other leader behavior, speaking of respect, that had a bigger effect on employees a big statement, you know, I mean, you know, we get, you know, thanks some times, you know, we, you know, we put in a ping pong table and this and that and think, you know, that should do it. Nothing wrong with ping pong. But, you know, valuing and respecting people, I think is probably the biggest thing we can do as leaders.

T Tim 26:40
Yeah, there's a couple of things here in these studies, I just found fascinating because I mean, inherently, you know that, you've experienced it, I've experienced it, I've been in places before, where well, you and I started this company, we started talking about, a lot of what drove us to some of our core values was not because we experienced great companies with great core values, but because we experienced the opposite. And we're like, we can do that, right? Because we experienced it firsthand.



Tim 27:06

Listen to some of these other things. It says, um, people that feel disrespected, less creative. They, as I mentioned, they decrease their effort, lower the quality, and here's the other thing people are less likely to buy. So think about your customers, okay? You're in a business, you have customers, people are less likely to buy from a company with an employee, they perceive as rude, whether the rudeness is directed at them or other employees. So if they see your employees, treating your other employees rudely, they're less likely to buy from you. So you witness just one short negative interaction, it'll lead your customers to generalize, that's who you are as a company. So it's a big deal.



Brett 27:50

Nope, it is, it's a really big deal. I mean, I say, you know, don't, don't sell a negative and people buy into, you know, if, if you talk your competition down, or whatever the case may be, you know, while maybe true, it's perceived as kind of a, you disrespect people, you're kind of negative in that way. You know, I think even have to, you know, respect your, you know, respect your enemies, you know, and, and at least you know, kind of recognize that. But I do think people, you know, we had a recent obviously, we won't mention any names, but we had a recent company that was trying to sell us a product. And they, I guess thought we asked too many questions, and we got a pretty, pretty rude response. And needless to say, it was a technology based company, and we didn't go with him, we went with a different company. So.



Tim 28:47

Exactly. Yeah, it means for us. Yeah, it means a lot on how you, you interact and treat people, like you mentioned, you know, our core values, honor God and everything we do value respect back to the skilled trades. And you know, we, we measure our success by the way, we positively impact people everyday. That's who we are. And for those of you out there that have commented on our podcast before, in many of these things, we hope we kind of addressed that. And we can't change the whole world. But you know, I think you said before, Brett, but you can change somebody's world.



Brett 29:25

Yep, that should be everybody's goal everyday, you know, in what you're doing may not change the world, but you might change somebody's or impact somebody's world in a little way or a big way. So that's what we try to do. We love the comments. We love it when people take the time to engage because it shows that you're at least passionate

about it. You know, obviously, we love the ones that are really thought out. But we'll take them all and so and hopefully we can, down the road we can address a few more of them.



Tim 29:53

Yeah, absolutely. I look forward to looking looking at them as well. So again, we appreciate your time, the time you take to look at this. As always, if we can help you solve any of your skilled trades issues, or you're a skilled craftsman out there, and you're interested in working for a company like Skillwork that values and respects you, we'd appreciate if you reach out, you know, [skillwork.com](https://www.skillwork.com), you can reach out to us whether you're a skilled worker looking for a new opportunity or a company that wants to do business with somebody that holds these core values. We welcome the opportunity to talk to you either way, though, until next time, thanks for joining us on The Skillwork Forum. Have a great one.