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By <u>Ruth Simon</u> - Follow The Wall Street Journal Sept. 26, 2022 5:33 am ET

Nearly 60% of small companies report that worker shortages are affecting their ability to operate at full capacity, according to a September survey of more than 725 small-business owners by Vistage Worldwide Inc., a business coaching and peer advisory firm.

Southeast Constructors Inc. in Des Moines, Iowa, is addressing the labor shortage by creating its own training school. The new academy, set to open early next year, will offer three months of instruction in construction basics such as how to hang drywall, paint and drive a Bobcat. The heavy-construction firm hopes to hire some graduates of the program, which is expected to start with 50 students.

"During Covid, it was really hard as far as hiring. After Covid, it was even harder," said Perlla Deluca, president of the 22-year-old company, which specializes in bridges, roads, parking lots and other government projects.



Perlla Deluca, president of a company that specializes in bridges, roads and other government projects, says hiring has gotten harder since earlier in the pandemic.

PHOTO: PERLLA DELUCA

Ms. Deluca borrowed nearly \$750,000 to buy and renovate a former middle school to house the program; she plans to charge \$4,200 for the three-month class.

Overall, small-business confidence inched up slightly in September, as expectations for the national economy improved and the portion of entrepreneurs who expect profits to increase or remain at current levels edged upward, the Vistage survey found.

Nearly 80% of small-business owners said they have increased wages and compensation in response to hiring challenges, according to the survey, and another 11% plan to do so. In addition, 60% of small businesses have refined their recruiting strategies, while 46% have boosted employee benefits.



#### 2023 People to Watch

## Perlla Deluca paves way to open up the construction industry for women, people of color

Like an artist ready to unveil a new project, Deluca, an entrepreneur and owner of the Des Moines-based general contractor firm <u>Southeast</u> <u>Constructors</u>, said her vision for this space is simple: She wants to create an inclusive school to equip the next generation of young adults — young women, especially — with the right set of trade skills to work in construction.

Deluca was chosen as one of the Des Moines Register's 15 People to Watch in 2023 because, come next year, she and her team plan to reopen the former elementary school at 1801 McKinley Ave. under a new name — the Iowa School of Construction — and welcome their first batch of students. The students, 20 of whom have already signed up, will take a 12-week course that includes lessons on the basics of carpentry, welding, masonry, power tools and other machinery. Registration is ongoing, with classes set to start in February.









#### **ARTICLES**

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Such was the shortage of skilled labor in lowa, that Perlla DeLuca, owner and CEO of Southeast Constructors in Des Moines, took workforce shortages into her own hands: by opening a construction school to train new employees.

In time, DeLuca plans to educate more than 1,000 students a year in the 20,000-square-foot building she's refurbishing. Like many small business owners, DeLuca will be operating this new venture alongside her existing construction business.



# Help us find difference makers to feature in our 15 People to Watch in 2024 series



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A year ago, entrepreneur Perlla Deluca had a building and a dream: Turn a long-vacant elementary school on Des Moines' southeast side into the Iowa School of Construction.

Her mission: Equip the next generation of young adults, especially women, with the skills to work in construction, an industry with an aging workforce that's begging for employees.



Perlla Deluca, owner and CEO of Southeast Constructors, is opening a construction school aimed to help more people, women especially, become employable in the construction industry. Bryon Houlgrave/The Register

Deluca, who owns the Des Moines-based general contractor firm Southeast Constructors, was chosen as one of the Des Moines Register's 15

People to Watch in 2023 because of her creative plan to train young people who want good-paying jobs for an industry that needs them, and for her drive to make a difference in her career and her community.

I caught up with Deluca because it's once again time to ask your help in identifying Iowans to feature in this year's iteration of this Register tradition: 15 People to Watch in 2024. We're looking for people like Deluca who are working on an innovative project, lifting up neighbors through volunteering or otherwise making a positive impact in their community.



Perlla Deluca Special To The Register

Deluca, who emigrated from Brazil to the U.S. two decades ago, reports that the school graduated its first class in July. In a 12-week course, students learned to paint, install drywall, do carpentry and mix and pour concrete.

Each week, instructors brought in a different piece of equipment, such as a skid loader or excavator, for students to learn to operate. They took 30 hours of Occupational Safety and Health Administration training and learned CPR and

Twelve students started the 12-week course, 11 finished it and all got jobs.

It was a diverse group, including people of color, Latinos and women.

"These people don't have a chance sometimes," she said.

She was especially excited when one of the women, a Latina, landed a job with an industry heavyweight, the Weitz Co.

When Deluca was in her early 20s, she started in construction as a painter, working for a company that renovated homes, then moved on to other skills. After gaining experience for a decade, she bought out the company.

Latinos make up at least 30% of the construction workforce, according to the U.S. Bureau of Labor Statistics, while only about 1 in 10 construction workers is a woman.

Besides serving as a role model, Deluca can step in and translate coursework into Spanish and English for students still learning the language.

Deluca had priced the course at \$4,200, but she secured a \$50,000 grant from Iowa Workforce Development and said she put in \$50,000 of her own money, which allowed her to offer the course to the dozen students without charge.

And plans are in the works for an even bigger second class, which will start in March. The state Department of Transportation is providing a grant that will cover tuition for 30 students, she said, and a third class later in the year may be possible.

Deluca said she was nervous ahead of the first course, fearing that perhaps a younger generation wouldn't buy into her dream and put in the hard work to learn a trade. She need not have worried.

"Nobody missed class. Everybody came," she said. "Nobody was on their phones."

Deluca sees the school as her chance to help another generation of young people find a pathway to a better life.

As she prepares to welcome her second group of students, "I'm really excited," she said.

Carol Hunter is the Register's executive editor. She wants to hear your questions, story ideas or concerns at <u>515-284-</u>

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