

#### FOR IMMEDIATE RELEASE Friday, February 1, 2019

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### CONSTRUCTION EMPLOYMENT CLIMBS BY 52,000 IN JANUARY TO 11-YEAR PEAK; INDUSTRY WORKWEEK HITS ALL-TIME HIGH AS UNEMPLOYMENT FALLS TO LOW

Government Data on Construction Spending, Association Survey Find Demand for All Project Types; Officials Call for More Funds for Training and Education, Immigration Reform to Keep Work on Track

Construction employment increased by 52,000 jobs in January and by 338,000 jobs, or 4.7 percent, over the past year, while the latest reading on construction spending showed moderate increases in all major categories, according to an analysis of new government data by the Associated General Contractors of America. Association officials urged government officials to strengthen career and technical education programs and facilitate immigration for workers with construction skills before a worker shortage stalls completion of needed infrastructure.

"There has been no letup in demand for construction projects—or workers," said Ken Simonson, the association's chief economist. "Even though the industry added employees at more than double the pace of the overall economy in the past year, the average workweek in construction reached an all-time high and unemployment in construction hit a series low, indicating that contractors would hire even more workers if they were available."

Construction employment totaled 7,464,000 in January, the most since January 2008. A report on construction spending—delayed a month by the partial government shutdown—showed an increase of 0.8 percent from October to November and 4.5 percent year-to-date for the first 11 months of 2018 combined compared to the same period in 2017. Year-to-date spending rose by 3.9 percent for residential construction, 3.5 percent for private nonresidential construction and 7.0 percent for public construction.

Average weekly hours in the industry increased to 39.9 hours in January, the highest since the series began in 2006, the economist noted. Average weekly hours of production and nonsupervisory employees, a series that dates back to 1947 and covers construction trades, set a record of 40.6 hours, Simonson added.

The unemployment rate for jobseekers with construction experience in January was 6.4 percent, down from 7.3 percent in January 2018. The number of such workers fell to 638,000 from 707,000 a year earlier. Both figures were the lowest for January since those series began in 2000, Simonson pointed out.

In a <u>survey</u> the association released in January, more contractors reported they expect the dollar volume of projects available to bid on to expand than to shrink in 2019 in each of 13 project categories. In addition, 79 percent of construction firms reported that they expect to add employees in 2019. However, nearly as many—78 percent—reported they were having trouble filling some positions and 68 percent said they expected that hiring would remain difficult or become harder. Association officials cautioned, however, that contractors' expansion plans could be thwarted if Washington officials fail to fund more career and technical education to prepare more individuals for construction careers and to allow firms that document a shortage of qualified workers to bring in workers from outside the U.S.

"The pool of unemployed workers with construction experience has virtually evaporated, and everyone in the industry is working longer hours than ever," said Stephen E. Sandherr, the association's chief executive officer. "The only way to satisfy the demand is to provide more people with the skills needed to work in construction and to expand the nation's labor force with qualified workers from outside our borders."



#### FOR IMMEDIATE RELEASE Friday, March 8, 2019

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### CONSTRUCTION JOBS DECLINE BY 31,000 IN FEBRUARY BUT INDUSTRY MAINTAINS HIGH RATES OF YEAR-OVER-YEAR EMPLOYMENT AND WAGE GROWTH

Large Job Gain in January, Association Survey Show Ongoing Demand But Workers are Hard to Find; Officials Call for More Funds for Training and Education, Immigration Reform to Keep Work on Track

Construction employment decreased by 31,000 jobs in February as extreme winter weather gripped much of the nation. However, continuing year-over-year employment and wage increases that exceed those in other industries suggest there has been no letup in demand for projects, according to an analysis of new government data by the Associated General Contractors of America.

"The decline in construction employment in February follows an oversized increase in January of 53,000 employees," said Ken Simonson, the association's chief economist. "That suggests contractors may have been able to bring workers on board sooner than normal and had less need to hire in February than usual, even if lousy weather conditions hadn't stalled some projects.

"A bigger concern for the industry is the lack of experienced workers," Simonson continued. "There were fewer unemployed construction workers last month than any prior February in the 20-year history of this series, down 144,000 from a year earlier. Contractors are scrambling to find workers, despite offering pay that is well above the private sector as a whole."

Construction employment totaled 7,422,000 in February, an increase of 223,000, or 3.1 percent, since February 2018. That growth rate was nearly double the 1.7 percent gain in total nonfarm payroll employment, the economist pointed out. Average hourly earnings in construction—a measure of all wages and salaries—increased 3.1 percent over the year to \$30.45. That figure was more than 10 percent higher than the private-sector average of \$27.66.

In a <u>survey</u> the association released in January, more contractors reported they expect the dollar volume of projects available to bid on to expand than to shrink in 2019 in each of 13 project categories. In addition, 79 percent of construction firms reported that they expect to add employees in 2019. However, nearly as many—78 percent—reported they were having trouble filling some positions and 68 percent said they expected that hiring would remain difficult or become harder.

Association officials said that, despite the headline number, all indications are that demand for construction remains strong and that firms continue searching for qualified candidates to hire. They called on federal officials to double investments in career and technical education programs to expose more high school students to construction opportunities.

"Members in most parts of the country continue to worry more about finding enough workers and not about finding enough work." said Stephen E. Sandherr, the association's chief executive officer. "The more federal officials can do to let students know about the many high-paying jobs available in construction, the more people will begin rewarding careers in the industry."



### FOR IMMEDIATE RELEASE Friday, April 5, 2019

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### CONSTRUCTION EMPLOYMENT RISES BY 16,000 IN MARCH AND 246,000 FOR THE YEAR AS WEEKLY HOURS HIT NEW HIGH AND UNEMPLOYMENT A NEW LOW FOR MARCH

Hiring Rebounds from Losses in February, Suggesting Demand for Construction Remains Strong; Association Calls for Career Training Funding and Immigration Reform to Continue Growth

Construction employment increased by 16,000 jobs in March and by 246,000 jobs, or 3.4 percent, over the past year, according to an analysis of new government data today by the Associated General Contractors of America. Association officials called on federal officials to double funding for career and technical training programs and facilitate immigration for workers with construction skills before a worker shortage stalls future infrastructure projects.

"Construction employment rebounded in March, indicating that the dip in February was probably related to extreme weather conditions and not the beginning of a slump," said Ken Simonson, the association's chief economist. "In fact, the construction industry has added jobs at twice the rate of the overall economy in the past year."

Construction employment totaled 7,447,000 in March, an increase of 246,000, or 3.4 percent, since March 2018. The growth rate was double the 1.7 percent gain in total nonfarm payroll employment, the economist noted. Average hourly earnings in construction – a measure of all wages and salaries – increased 3.3 percent over the year to \$30.45. That figure was nearly 10 percent higher than the private-sector average of \$27.70.

"The average workweek in construction is at a record high for March and the number of unemployed jobseekers with construction experience is at all-time lows," Simonson added. "These data suggest that contractors are having a hard time finding qualified workers even though the industry pays better than the private sector as a whole."

All construction industry employees averaged 39.9 hours of work per week in March, the highest March rate in the 14-year history of the series, Simonson observed. Meanwhile, the number of unemployed jobseekers whose last job was in construction totaled 490,000 in March, a steep decline from the 696,000 such workers in March 2018 and the lowest March total since the series began in 2000. The unemployment rate for those jobseekers amounted to just 5.2 percent, down sharply from the 7.4 percent rate a year earlier. The economist said the lack of experienced workers to hire results in longer-than-usual hours for short-handed construction crews.

In a <u>survey</u> the association released in January, more contractors reported they expect the dollar volume of projects available to bid on to expand than to shrink in 2019 in each of 13 project categories. In addition, 79 percent of respondents reported that they expect to add employees in 2019. However, nearly as many—78 percent—reported they were having trouble filling some positions and 68 percent said they expected that hiring would remain difficult or become harder.

Association officials said that growth in the construction industry was dependent on finding qualified construction workers and that a lack of skilled workers would hold back businesses and infrastructure projects. They called on federal officials to double investments in career and technical education programs to expose more high school students to construction opportunities and to allow a contractor to bring in foreign workers for specific projects when the firm can demonstrate it was unable to hire U.S. workers.

"Our member firms continue to worry about finding enough workers to fulfill the demand for construction." said Stephen E. Sandherr, the association's chief executive officer. "The only way to ensure that the construction industry continues to grow is to develop more skilled domestic workers that contractors need and to allow construction firms to seek qualified workers from outside the United States."



FOR IMMEDIATE RELEASE Friday, May 3, 2019 CONTACT: Brian Turmail (703) 459-0238; turmailb@agc.org

# CONSTRUCTION JOBS INCREASE BY 33,000 IN APRIL AND 256,000 OVER 12 MONTHS AS INDUSTRY UNEMPLOYMENT RATE FALLS TO 4.7 PERCENT, LOWEST EVER FOR APRIL

Average Hourly Earnings in Construction Top Private Sector Average by 10 Percent but Association Survey Shows Workers are Hard to Find; Officials Urge Expanding Career and Technical Education to Boost Supply

Construction employment increased by 33,000 jobs in April and by 256,000 or 3.5 percent, over the past 12 months, while the number of unemployed jobseekers with construction fell to a record low for April, according to an analysis of new government data by the Associated General Contractors of America. Association officials said the unavailability of experienced construction workers underscores the importance of including initiatives to expand opportunities for construction careers as part of infrastructure funding legislation.

"With overall unemployment now at the lowest level in nearly 50 years, contractors are having an ever harder time finding workers with or without construction experience," said Ken Simonson, the association's chief economist. "Average pay in construction is more than 10 percent higher than in the private sector as a whole but job openings in the industry keep climbing."

The unemployment rate for jobseekers who last worked in construction declined to 4.7 percent from 6.5 percent in April 2018, and the number of such workers decreased over the year from 623,000 to 439,000. Both the rate and number of unemployed were the lowest for April since the series began in 2000, Simonson said. He added that another government series showed that the number of job openings in construction, last reported for February, totaled 286,000, the highest February total in the 19-year history of that series.

Average hourly earnings in construction—a measure of all wages and salaries—increased 3.1 percent over the year to \$30.60. That figure was 10.2 percent higher than the private-sector average of \$27.77, the economist noted.

"These figures are consistent with the message we keep hearing from contractors that finding qualified workers keeps getting harder," Simonson added. He noted that in a <u>survey</u> the association released in January, 78 percent of contractors reported they were having trouble filling some positions and 68 percent said they expected that hiring would remain difficult or become harder.

Association officials said that adding to the pool of potential construction workers is essential, especially if Congress and the president agree on a bold infrastructure funding package. They urged federal officials to include in such legislation initiatives to expand career and technical education that would open the door to careers in construction.

"Including funding for new career and technical education training in a new infrastructure measure will help ensure that the measure creates a significant number of new, high-paying, construction jobs," said Stephen E. Sandherr, the association's chief executive officer. "These new jobs will significantly benefit the economy, as will the increased efficiencies that come with improving aging and over-burdened infrastructure."



FOR IMMEDIATE RELEASE Friday, June 7, 2019 CONTACT: Brian Turmail (703) 459-0238; turmailb@agc.org

# CONSTRUCTION JOBS INCREASE BY 4,000 IN MAY AND 215,000 OVER 12 MONTHS AS INDUSTRY UNEMPLOYMENT RATE FALLS TO RECORD-SETTING LOW OF 3.2 PERCENT

Average Hourly Earnings in Construction Top Private Sector Average by 10 Percent; Association Officials Call for Doubling Career and Technical Education Funding, Immigration Relief to Attract Needed Workers

Construction employment increased by 4,000 jobs in May and by 215,000, or 3.0 percent, over the past 12 months, while the number of unemployed jobseekers with construction experience fell to a record low, according to an analysis of new government data by the Associated General Contractors of America. Association officials said that an extremely tight job market, rather than softening demand for projects, probably explains the modest employment increase in May.

"The construction industry unemployment rate in May was even lower than for the overall economy," said Ken Simonson, the association's chief economist. "Even though average pay in construction is 10 percent higher than in the private sector as a whole, the number of job openings keeps climbing."

Simonson noted that the unemployment rate for jobseekers who last worked in construction declined to 3.2 percent from 4.4 percent in May 2018, and the number of such workers decreased over the year from 415,000 to 294,000. Both the rate and number of unemployed were the lowest for any month since the series began in 2000, the economist added. Another government series showed that the number of job openings in construction, last reported for April, totaled 360,000, the highest April total in the 19-year history of that series.

Average hourly earnings in construction—a measure of all wages and salaries—increased 3.2 percent over the year to \$30.68. That figure was 10 percent higher than the private-sector average of \$27.83, the economist noted. "Many construction firms report they are raising pay and increasing benefits to help recruit from the dwindling pool of available workers," Simonson added.

Association officials urged Congress and the Trump administration to boost investments in career and technical education and to make needed reforms to the nation's immigration system. Specifically, they called on Washington officials to double funding for career and technical education programs over the next five years to expose even more students to high-paying construction career opportunities. They also called for measures to allow more immigrants with construction skills to legally enter the workforce and to address the status of workers already in the country.

"Federal officials can help bring new workers into the construction industry so firms can keep pace with demand," said Stephen E. Sandherr, the association's chief executive officer. "Funding more career and technical education programs is a proven way to expose more young adults to the many high-paying career opportunities available in this industry."



FOR IMMEDIATE RELEASE Friday, July 5, 2019 CONTACT: Brian Turmail (703) 459-0238; turmailb@agc.org

## CONSTRUCTION JOBS INCREASE BY 21,000 IN JUNE AND 224,000 DURING THE PAST YEAR AS THE SECTOR'S UNEMPLOYMENT RATE DECREASED TO 4.0 PERCENT

Average Hourly Earnings in Construction Top Private Sector Average by 10.1 Percent as Construction Employers Cope with Tight Labor Market; Association Officials Call for New Career Training Funding

Construction employment increased by 21,000 jobs in June and by 224,000, or 3.2 percent, over the past 12 months, while the number of unemployed jobseekers with construction experience fell, according to an analysis of new government data by the Associated General Contractors of America. Association officials noted that firms continue to increase pay as they work to attract new hires from an ever-tighter labor market.

"Construction firms continue to go to great lengths to recruit and retain workers during one of the tightest labor markets many of them have ever experienced," said Stephen E. Sandherr, the association's chief executive officer. "Making matters worse, relatively few school districts offer the kind of career and technical education programs that signal to students that they should explore careers in high-paying fields like construction."

Sandherr noted that the unemployment rate for jobseekers who last worked in construction declined to 4.0 percent from 4.7 percent in June 2018, and the number of such workers decreased in the last year from 466,000 to 390,000. Another government series showed that the number of job openings in construction, last reported for May, totaled 360,000, the highest May total in the 19-year history of that series.

He added that most of the construction job growth during the past month and year came from the non-residential construction sector. Non-residential contractors added 14,900 jobs in June and 146,700 jobs during the past year. Meanwhile, residential contractors added 6,000 jobs this past month and 78,000 jobs between June 2018 and June 2019.

In addition, average hourly earnings in construction—a measure of all wages and salaries—increased 3.2 percent over the year to \$30.73. That figure was 10.1 percent higher than the private-sector average of \$27.90, the association official noted.

Association officials said that industry employment gains were coming despite an extremely tight supply of available, qualified, workers to hire. They noted that in addition to raising pay and other benefits, many firms note they have increased their investments in training as they recruit workers with little to no prior experience in construction. Federal officials could help attract more people into high-paying construction careers by boosting funding for career and technical programs in schools and enacting immigration reform that allows more people with construction skills to legally enter the country.

"The nation's education system continues to produce too many over-qualified baristas and not enough qualified bricklayers and other craft construction professionals" said Sandherr. "As a result of these educational imbalances, too many young adults are struggling to pay off college debts while too many construction firms are struggling to fill job positions that pay well and don't require costly degrees."



FOR IMMEDIATE RELEASE Friday, August 2, 2019 CONTACT: Brian Turmail (703) 459-0238; turmailb@agc.org

## CONSTRUCTION EMPLOYMENT RISES BY 4,000 IN JULY AND 202,000 OVER THE PAST YEAR AS THE SECTOR'S UNEMPLOYMENT RATE INCREASES FROM 3.4 TO 3.8 PERCENT

Average Hourly Earnings in Construction Top Private Sector Average by 9.9 Percent as Construction Firms Continue to Boost Pay to Attract Limited Pool of Available, Qualified Workers

Construction employment increased by 4,000 jobs in July and by 202,000, or 2.8 percent, over the past 12 months, while the number of unemployed jobseekers with construction experience rose, according to an analysis of new government data by the Associated General Contractors of America. Association officials noted that many firms likely would have added more employees last month if more were available.

"Job gains in construction have slowed markedly in recent months but the industry is still increasing employment nearly twice as much as other employers," said Ken Simonson, the association's chief economist. "The recent slowdown in hiring and construction spending may reflect contractors' difficulty in finding enough qualified workers, rather than a downturn in demand for projects."

Simonson noted that the 2.8 percent growth in construction employment between July 2018 and July 2019 was the slowest in more than six years but that the rate remained close to double the 1.5 percent increase in total nonfarm payroll employment. The unemployment rate for jobseekers who last worked in construction increased from 3.4 percent in July 2018 to 3.8 percent, but Simonson said that was nevertheless the second-lowest July rate since the series began in 2000.

"Despite these recent signs of a slowdown or pause in construction hiring, contractors still say it is very difficult to find qualified workers, and the latest government data on construction job openings showed they set yet another record high in May," Simonson commented. "Contractors in all parts of the nation remain busy and are not reporting that owners are canceling or delaying project starts, which would be a more convincing sign of a downturn."

Average hourly earnings in construction—a measure of all wages and salaries—increased 2.8 percent over the year to \$30.75. That figure was 9.9 percent higher than the private-sector average of \$27.98, the association official noted.

Association officials noted that construction firms continue to boost pay and other benefits as they work to recruit more people into the industry. They added that most firms report having a hard time finding qualified workers to hire, which is likely holding back broader employment gains in the sector. They urged Congress to pass measures to boost career and technical education and make students studying construction in community and technical colleges eligible for federal Pell Grants.

"Other than construction careers, few other jobs in today's economy pay as well without requiring workers to pay for a costly college education," said Stephen E. Sandherr, the association's chief executive officer. "Washington can help put more young adults into high-paying construction careers by boosting funding for career and technical education and treating collegiate construction programs the same as other fields of study."



FOR IMMEDIATE RELEASE Friday, September 6, 2019 CONTACT: Brian Turmail (703) 459-0238; brian.turmail@agc.org

# CONSTRUCTION EMPLOYMENT RISES BY 14,000 IN AUGUST AND 177,000 OVER THE PAST YEAR AS THE SECTOR'S UNEMPLOYMENT RATE IS THE SECOND-LOWEST IN AUGUST

Average Hourly Earnings in Construction Top Private Sector Average by 9.7 Percent as Construction Firms Continue to Boost Pay as Most Firms Struggle to Find Enough Qualified Workers to Hire

Construction employment increased by 14,000 jobs in August and by 177,000, or 2.4 percent, over the past 12 months, while the number of unemployed jobseekers with construction experience decreased, according to an analysis of new government data by the Associated General Contractors of America. Association officials noted that 80 percent of contractors reported they were having a hard time finding enough qualified workers to hire according to the results of a <u>survey</u> the association released last week.

"Construction employment gains would likely have been higher if firms could find even more people to hire," said Ken Simonson, the association's chief economist. "Even as firms are raising pay, doing more in-house training and investing in labor-saving equipment labor shortages are changing the way many firms bid, schedule and manage their projects."

Simonson noted that the 2.4 percent growth in construction employment between August 2018 and August 2019 was the slowest in more than six years but that the rate remained well above the 1.4 percent increase in total nonfarm payroll employment. The unemployment rate for jobseekers who last worked in construction increased from 3.4 percent in August 2018 to 3.6 percent, but Simonson said that was nevertheless the second-lowest August rate since the series began in 2000.

"Simonson attributed much of the slowdown in construction employment gains to the overall shortage of qualified workers," the construction economist said. "Contractors in all parts of the nation remain busy and are not reporting that owners are canceling or delaying project starts, which would be a more convincing sign of a downturn."

Average hourly earnings in construction—a measure of all wages and salaries—increased 2.7 percent over the year to \$30.84. That figure was 9.7 percent higher than the private-sector average of \$28.11, the association official noted. He added that two-thirds of firms responding to the association's survey had raised base pay rates for hourly craft workers in the past year because of difficulty in filling positions, while 58 percent of firms had done so for salaried workers. Many respondents also reported providing incentives, bonuses and larger contributions to benefit plans.

Association officials said the industry was taking a broad range of <u>steps</u> to cope with labor shortages, including boosting pay, expanding training programs and becoming more efficient. But they cautioned that labor shortages are still impacting construction schedules and costs. They urged Congress to pass measures to boost career and technical education and provide a way for more immigrants with construction skills to legally enter the country.

"Few other jobs in today's economy pay as well without requiring most workers to pay for a costly college education as do careers in construction," said Stephen E. Sandherr, the association's chief executive officer. "Construction firms are doing all they can to address workforce shortages, but it would certainly help if federal officials would boost investments in career and technical education and allow for more individuals with construction skills to legally enter the country."



FOR IMMEDIATE RELEASE Friday, October 4, 2019 CONTACT: Brian Turmail (703) 459-0238; brian.turmail@agc.org

# CONSTRUCTION EMPLOYMENT RISES BY 7,000 IN SEPTEMBER AND 156,000 IN 12 MONTHS; HIRING SLOWDOWN LIKELY REFLECTS TIGHT LABOR MARKET, NOT SLUMP IN DEMAND

Industry's Job Gains and Average Hourly Earnings Outpace Broader Economy as Association Survey Finds Contractors Expect to Keep Hiring; Officials Urge Boost to Career and Technical Education, Immigration

Construction employment increased by 7,000 jobs in September and by 156,000, or 2.1 percent, over the past 12 months, while the number of unemployed jobseekers with construction experience reached a record low for September, according to an analysis of new government data by the Associated General Contractors of America. Association officials said the modest increase in employment likely reflects tight labor conditions and urged federal officials to increase funding for career and technical education and pass immigration reform.

"Contractors foresee plenty of projects to bid on, and nearly three-fourths of firms expect to add workers during the next twelve months, but most are finding it hard to find qualified workers to hire," said Ken Simonson, the association's chief economist, referring to the results of a <u>survey</u> the association released in late August. "That's not surprising, given that the total unemployment rate hit a 50-year low in September—a sign that workers are hard to come by throughout the economy."

Simonson observed that the 2.1 percent growth in construction employment between September 2018 and September 2019 was the slowest in more than six years but that the rate remained well above the 1.4 percent increase in total nonfarm payroll employment. There were 319,000 unemployed jobseekers who last worked in construction—an unemployment rate of 3.2 percent for such workers. Simonson noted those were the lowest September levels since the series began in 2000.

Average hourly earnings in construction—a measure of all wages and salaries—increased 2.2 percent over the year to \$30.81. That figure was 9.7 percent higher than the private-sector average of \$28.09, the association official noted. He added that two-thirds of firms responding to the association's survey had raised base pay rates for hourly craft workers in the past year because of difficulty in filling positions, while 58 percent of firms had done so for salaried workers. Many respondents also reported providing incentives, bonuses and larger contributions to benefit plans.

Association officials said the industry was taking a broad range of <u>steps</u> to cope with labor shortages, including boosting pay, expanding training programs and becoming more efficient. But they cautioned that labor shortages are still impacting construction schedules and costs. They urged Congress to pass measures to boost career and technical education and provide a way for more immigrants with construction skills to legally enter the country.

"Contractors are going to great lengths to recruit, prepare and hire new workers, but too few young adults know about the rewarding opportunities available to them in construction," said Stephen E. Sandherr, the association's chief executive officer. "Getting federal and state officials to boost funding for career and technical education will create significantly more programs that allow a greater number of students to consider careers in the construction industry."



#### FOR IMMEDIATE RELEASE Friday, November 1, 2019

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### CONSTRUCTION EMPLOYMENT RISES IN OCTOBER BUT SPENDING DROPS IN LATEST 12 MONTHS AS GAINS IN HOMEBUILDING AND PUBLIC OUTLAYS OFFSET PRIVATE NONRESIDENTIAL DIP

Trade Fights Appear to be Undermining Demand for Many Types of Private-Sector Projects; Association Officials Urge the Trump Administration to Quickly Resolve Disputes with China, the European Union and Other Countries

Construction employment increased by 10,000 jobs in October and by 148,000, or 2.0 percent, over the past 12 months, while construction spending decreased by 2.0 percent from September 2018 to September 2019, according to an analysis of new government data by the Associated General Contractors of America. Association officials said demand for construction is being undermined by uncertainty and tariffs that are part of a series of trade disputes with China, the European Union and other countries.

"The construction industry is still adding workers at a faster clip than the overall economy but growth has slowed as private nonresidential and multifamily construction spending shrinks," said Ken Simonson, the association's chief economist. "At the same time, public investment and a recent pickup in single-family homebuilding have helped employment to grow."

Simonson observed that the 2.0 percent growth in construction employment between October 2018 and October 2019 was the slowest in almost seven years but that the rate remained well above the 1.4 percent increase in total nonfarm payroll employment. Average hourly earnings in construction—a measure of all wages and salaries—increased 2.4 percent over the year to \$30.95. That figure was 9.8 percent higher than the private-sector average of \$28.18, Simonson noted.

Construction spending totaled \$1.294 trillion at a seasonally adjusted annual rate in September, a gain of 0.5 percent from the August rate but 2.0 percent less than the September 2018 rate, according to estimates the U.S. Census Bureau released today. Year-to-date spending for January-September combined fell 2.2 percent from the year-ago total.

Public construction spending increased 1.5 percent for the month and 5.6 percent year-to-date. Among the three largest public categories, spending in the first nine months of 2019 climbed 9.3 percent compared to the same period in 2018 for highway and street construction spending, 1.0 percent for educational construction and 9.1 percent for transportation (airports, transit, rail and port) projects.

Private residential construction spending increased 0.6 percent for the month but slid 7.9 percent year-to-date. Single-family homebuilding rose 1.3 percent from August to September, the third consecutive monthly gain, but fell 8.0 percent year-to-date. Spending on multifamily projects declined 0.7 percent for the month but was 5.9 percent higher year-to-date.

Private nonresidential spending decreased 0.3 percent from August to September and 0.6 percent year-to-date. Major private nonresidential segments experienced mixed year-to-date results. The largest—power construction (comprising electric power generation, transmission and distribution, plus oil and gas fields and pipelines)—climbed 5.5 percent year-to-date. Commercial (retail, warehouse and farm) construction plummeted 15.2 percent. Manufacturing construction posted a 3.2 percent gain. Private office construction spending rose 6.8 percent.

Association officials said that the uncertainty and increased prices that come from recent trade fights and a series of threatened and imposed tariffs appear to be undermining demand for many types of construction projects. They urged the Trump administration to quickly resolve outstanding trade disputes with China, the European Union and other countries.

"Resolving trade disputes and providing businesses with greater certainty about trade and tariff levels will help accelerate demand for new construction projects," said Stephen E. Sandherr, the association's chief executive officer. "The best way to make sure our economy continues to expand is to quickly resolve a series of trade disputes that have contributed to business uncertainty and likely held back many new development and construction projects."



FOR IMMEDIATE RELEASE Friday, December 6, 2019 CONTACT: Brian Turmail (703) 459-0238; brian.turmail@agc.org

# CONSTRUCTION EMPLOYMENT RISES BY 1,000 IN NOVEMBER AND 146,000 IN 12 MONTHS; SLOWING JOB GAINS MAY BE SIGN OF LABOR SHORTAGES, NOT SLUMPING DEMAND

Industry Continues to Add Workers Faster and Pay Higher Wages than Overall Economy as Association Officials Call on Congress and the White House to Pass the JOBs Act, Boost Career Training Funding

Construction employment increased by 1,000 jobs in November and by 146,000, or 2.0 percent, over the past 12 months, according to an analysis of new government data by the Associated General Contractors of America. Association officials said recent modest monthly increases in industry employment likely reflects the difficulty contractors are having in finding workers rather than a letup in demand. Officials urged federal officials to pass the JOBs Act and boost funding for career and technical education programs to help ease labor shortages.

"Contractors report they remain busy and have lots of projects on their order books," said Ken Simonson, the association's chief economist. "But they find it extremely difficult to fill many positions despite paying more than other industries. That's not surprising, given that the total unemployment rate returned to a 50-year low in November—a sign that all industries are competing for workers."

Simonson observed that the average weekly hours for all employees in construction increased from 38.7 in November 2018 to 39.1 in November 2019, even though construction employment rose by 2.0 percent over the year. In contrast, weekly hours for the overall private sector remained flat at 34.4 hours, while total nonfarm employment increased by 1.5 percent.

"One takeaway from these numbers is that contractors are adding workers faster than other sectors, but they are eager to hire even more people to keep pace with strong demand for projects," Simonson commented. "To make up for the shortfall, many firms are asking workers to put in more hours." The construction economist noted that it will be difficult for firms to continue asking existing staff to compensate for labor shortages in the long run.

Average hourly earnings in construction—a measure of all wages and salaries—increased 2.7 percent over the year to \$31.08. That figure was 10.2 percent higher than the private-sector average of \$28.29, the association official noted.

Association officials said Congress and the Trump administration should address construction labor shortages by passing the JOBs Act, boosting funding for career and technical education and enacting comprehensive immigration reform measures. The JOBs act would make it easier for students in short-term credentialing programs that teach skills like construction to qualify for federal Pell Grants, they noted.

"Labor shortages are making it harder for firms to keep pace with demand, and more important, it is making it harder for them to add new people to their payrolls," said Stephen E. Sandherr, the association's chief executive officer. "Making it easier for young adults to acquire construction skills and for skilled workers to enter the country when they are needed will put many more people to work in high-paying construction careers."



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### CONSTRUCTION EMPLOYMENT INCREASES BY 20,000 IN DECEMBER AND 151,000 IN 2019; CONTRACTORS EXPECT TO HIRE IN 2020 BUT ANTICIPATE DIFFICULTY FILLING SLOTS

Survey Finds Optimism about 2020 along with Even Tighter Labor Supply as Construction Unemployment Sets Record December Low; Association Calls for Government to Boost Career Opportunities, Immigration

Construction employment increased by 20,000 jobs in December and by 151,000, or 2.0 percent, in all of 2019, according to an analysis of new government data by the Associated General Contractors of America. Association officials noted that its recent <u>survey</u> found three out of four contractors expect to keep adding workers in 2020, but even more respondents found it difficult to fill positions in 2019, and a majority anticipate it will be as hard or harder to do so in 2020. Officials called on the federal government to increase funding for career and technical education and expand employment-based immigration for workers whose skills are in short supply.

"More than four out of five respondents to our survey said they were having a hard time filling salaried or hourly craft positions in 2019," said Ken Simonson, the association's chief economist. "Nearly two-thirds of the firms say that hiring will be hard or harder this year. In light of those staffing challenges, costs have been higher than anticipated for 44 percent of respondents and projects took longer than anticipated for 40 percent of them. As a result, 41 percent of respondents have put higher prices into their bids or contracts and 23 percent have put in longer completion times."

Simonson observed that both the number of unemployed workers with recent construction experience (489,000) and the unemployment rate for such workers (5.0 percent) were the lowest ever for December in the 20-year history of those series. He said these figures support the survey's finding that experienced construction workers are hard to find.

"Contractors are confident that there will be plenty of projects in 2020," Simonson added. "Our survey found that for each of 13 project types, more contractors expect an increase in 2020 than a decrease in the dollar value of projects they compete for."

Association officials said the optimistic outlook for projects depends on having an adequate supply of qualified workers. The officials urged the Trump administration and Congress to double funding for career and technical education over the next five years, pass the JOBS Act to expand opportunities for students seeking alternatives to college, and enable employers who demonstrate an unfilled need for workers to bring them in from outside the U.S.

"Construction can play a major role in sustaining economic growth, but only if the industry has an expanding supply of both qualified workers and new entrants to replace retirees," said Stephen E. Sandherr, the association's chief executive officer. "Construction firms are working hard to overcome labor shortages, but federal officials must do their part by adequately funding career and technical education, making it easier for students to qualify for loans for short-term technical education programs and putting in place needed immigration reforms."

<u>View</u> the 2020 Construction Outlook Survey.