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Construction/Maintenance Study: 78% Project Growth, But Also Report Increases in Union Labor Shortages

ARLINGTON, VA – Contractors, labor representatives and owner-clients in the union construction and maintenance industry are significantly more optimistic about growth opportunities in 2017 and beyond (+20%) compared to last year, but they also report an increasing pervasiveness in union craft labor shortages. The key difference: some union crafts face greater labor shortfalls than others.

These are just a few findings of the 2017 Union Craft Labor Supply report, recently released by The Association of Union Constructors (TAUC). It has been designed to give construction professionals an in-depth understanding of the current state of union labor supply in the construction and maintenance industry throughout the United States. Want to know what kind of work schedule to employ to help ensure your project is adequately staffed, or how long on average it can take to obtain the craftworkers you need? It's all right here.

The report is available as a free PDF download at www.tauc.org/laborsupply.

This is TAUC's third annual Union Craft Labor Supply report. It builds on previous studies (also available at the link above) and provides even more detail, data cuts and historical trend analysis. TAUC and the Construction Labor Research Council (CLRC) utilized a rigorous scientific methodology to analyze nearly 800 responses to a multi-question survey sent earlier this year to a cross-section of contractors, union representatives and owner-clients. The large sample size and carefully worded questions combine to make this one of the most useful labor supply reports available, and the **only** union-specific study focusing on construction and maintenance.

In addition to overall findings, the study also features numerous data cuts based on several demographics, including respondent categories, geographic regions and specific industries. Data are presented for each of 14 crafts individually, as well as aggregated, including both actual staffing levels for 2015 and 2016 and projections for 2017.

Highlights of the study include:

OUTLOOK MORE OPTIMISTIC FOR GROWTH

- This year, more than three quarters (78%) of all respondents said they expect the industry to grow by varying degrees. That percentage is up significantly from the 58% who

expected overall growth in 2016 (p. 12). Growth was projected to be the strongest in the Commercial/Institutional sector in the Middle Atlantic and Southeast regions (p. 16 & p. 18).

- Labor remains slightly more optimistic about growth than contractors and owner-clients. Over 86% of union representatives projected growth in 2017 compared to a combined 76% of contractor/subcontractors and owner/clients (p. 14). The Utility sector was the most bearish on growth, forecasting a still- respectful 67% increase (p. 16).
- In terms of geographic regions, 93% of respondents forecasted growth in the Middle Atlantic, while 84% saw growth in the Southeast (p. 18).

THE INDUSTRY HAS SPOKEN: REPORT INDICATES UNION CRAFT LABOR SHORTAGES HAVE GROWN SINCE LAST YEAR

- Over half (57%) of all respondents said they had experienced a union craft labor shortage in 2016. This represents an increase of 5% when compared to 2015 and 2014 (p. 22). Meanwhile, 43% of all respondents said that their union workforce had the appropriate number or a surplus of workers (p. 23).
- Union/labor respondents reported the lowest shortage rates (48%) and the highest surplus rates (18%). Construction managers reported the highest shortage rates (70%). The evident disparity between labor and management, while still significant (22%), has shrunk from last year's report (34%) (p. 23).
- In 2016, the Manufacturing sector reported the largest shortage of union craft labor at 64% and the Commercial/Institutional and Petroleum/Natural Gas/Chemical sectors reported the "best" union labor supply (p. 24).
- 65% of respondents (a 10% increase from 2015) said they experienced a shortage of Carpenters & Millwrights in 2016, the highest of the 14 building trades; they were followed by Boilermakers (56% reported a shortage), Electricians (54%) and Iron Workers (52%) (p. 29).

"This year's Labor Supply Survey report is second to none in its level of detail and analysis," said TAUC CEO Steve Lindauer. "We listened to previous respondents, many of whom asked for more data. The result is an extremely comprehensive report that will help the entire tripartite community – contractors, labor and owner-clients – prepare for the challenges that await us in 2017 and beyond."

Download the report today at www.tauc.org/laborsupply.

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ABOUT TAUC: The Association of Union Constructors is the premier national trade association for the 21st century union construction and maintenance industry. Our more than 2,000 member firms include union contractor companies, local union contractor associations and vendors in the industrial maintenance and construction fields. We demonstrate that union construction is the best option because it is safer and more productive, and provides a higher quality and cost-competitive product. For more information, log on to www.tauc.org.

ABOUT CLRC: The Construction Labor Research Council (CLRC) is the nation's foremost source of labor cost and related information for the unionized sector of the construction industry. For more information, log on to www.clrcconsulting.org.