2025 Workforce Survey Analysis

SUMMARY

The Associated General Contractors of America and NCCER—the National Center for Construction Education and Research—conduct an annual survey of construction firms to measure the state of the industry's labor market. This survey, the 2025 Workforce Survey, is designed to measure the severity of construction workforce shortages and the impacts those shortages have on construction firms and projects. It is also designed to measure what construction firms are doing in response to those shortages to cope and help bring more people into the industry.

This year's survey was conducted against a backdrop of drastic and abrupt policy upheavals that have caused many owners to pause project starts and, in some cases, to cancel, shrink, or redesign projects. As a result, construction spending and employment are not growing as robustly as in the recent past. Nevertheless, survey respondents report continuing difficulty filling many types of positions.

Contractors have adopted numerous strategies to attract, retain, and increase the skills and productivity of their workers. But the industry cannot increase its human capital singlehandedly: a variety of actions will be needed at all levels of government if the nation is to expand and modernize its stock of infrastructure, commercial and industrial structures, and housing.

Despite the slowdown in activity, substantial shares of contractors are both seeking more workers and having difficulty filling those openings. 88 percent of firms that directly employ craft workers report having openings for craft workers, while four fifths of firms have openings for salaried workers. Furthermore, 83 percent of firms with craft worker openings report those positions are as hard or harder to fill than a year ago; similarly, 84 percent of firms with openings for salaried workers report they are as hard or harder to find than a year earlier.

One reason it is so difficult for firms to find people is because federal officials have failed to properly invest in construction workforce training and education. Contractors' survey responses highlight the impacts of these investment shortfalls. Fifty-seven percent of firms report that available candidates are not qualified to work in the industry because they lack essential skills or do not have an appropriate certificate or license for the position. While that represents an improvement from last year's 62 percent, it is still unacceptable that more than half of available candidates lack qualifications.

At the same time, the survey results show how difficult it is for construction firms to take advantage of the very few visa programs available to the industry. Only 10 percent of firms use the H-2B visa program or other temporary work visa programs to secure either salaried or hourly craft employees.

The workforce shortages being created by federal education, training, and immigration policies are undermining the country's ability to build infrastructure and construction programs. Worker shortages are respondents' most commonly listed reason for project delays, even though significant delays were a little less common than in past surveys. Forty-five percent of respondents report experiencing project delays due to shortages of their own or subcontractors' workers. (The comparable figures in the past three surveys were 54 percent of firms in 2024, 61 percent in 2023, and 66 percent in 2022.) Overall, 78 percent of firms report experiencing at least one project that has been delayed—down from 80 percent a year ago.

The construction industry is, however, taking a range of steps to address these shortages. Seven out of eight firms raised base pay for workers as much or more than they did a year earlier. And 42 percent initiated or increased spending on training and professional development in the past 12 months.

The industry is also looking to technological solutions to help overcome workforce shortages. A majority (55 percent) of firms added online strategies (e.g., social media, targeted digital advertising) to connect better with younger applicants. A similar share (52 percent) engaged with career-building programs at high school, college, or career and technical education institutions.

In addition to delayed project completions, about two-thirds of firms report at least one project in the previous six months has been postponed, canceled, or scaled back. What is new this year is that 16 percent of firms identified changes in demand or need due to tariffs as a reason for project disruptions. In addition, 26 percent cited changes in demand or need due to other government policy changes such as federal spending, taxes, and regulations—up from 20 percent in last year's survey. In contrast, significantly fewer respondents this year cite increasing costs or financing difficulties as reasons for project disruptions.

Respondents' firms have resorted to a variety of strategies to cope with increased or proposed tariffs. (Over the course of the survey, numerous tariffs were implemented, while others were changed, announced, or postponed.) Roughly two-fifths of firms raised prices (41 percent) and/or accelerated purchases in anticipation of higher materials costs (39 percent). Nearly one in four (23 percent) added price-sharing adjustments or other terms to contracts. But another one-fourth (26 percent) said they had not been affected.

Another policy change that has begun to affect contractors is stepped-up immigration enforcement. More than a quarter (28 percent) of respondents report their firm has been affected directly or indirectly. Specifically, 5 percent report a jobsite or offsite was visited by immigration agents. Ten percent say workers left or failed to appear because of actual or rumored immigration actions. And 20 percent report subcontractors lost workers.

Contractors are expressing slightly more positive views than previously regarding the impact of technologies such as robotics and artificial intelligence (AI) on construction jobs over the next five years. As before, about one-third expect no significant effect. But 45 percent (compared to 41 percent in 2024 and 44 percent in 2023) expect robotics and AI will positively impact construction jobs by automating manual, error-prone tasks. And 44 percent (up from 40 percent in 2024 and 41 percent in 2023) expect they will improve the quality of construction jobs and make workers safer and more productive. The share that expects robotics and AI will negatively impact the construction job market by eliminating jobs fell to 12 percent from 14 percent in 2024 and 17 percent in 2023.

In other words, contractors are struggling with a challenging business climate while still having to cope with extremely tight labor market conditions. Those labor shortages are being made more significant because the administration is stepping up immigration enforcement efforts without simultaneously taking steps to boost investments in domestic construction education and training or to establish new lawful pathways for foreign-born workers to enter the country and work in construction. As a result, workforce shortages are delaying a significant number of construction projects, potentially undermining broader economic activity.

SURVEY ANALYSIS

Although the economy has slowed, contractors are still having difficulty finding workers to fill open positions for hourly craft workers. Eighty-three percent of firms that employ craft workers report having open positions for craft workers. Among those firms, 38 percent say filling hourly craft positions is harder than a year ago and 45 percent say it is hard but no more so than a year ago. These percentages were almost identical for union and open-shop employers. Only 9 percent report less difficulty than a year ago and 8 percent say they are having no difficulty filling craft positions.

These percentages are almost unchanged from last year's survey results. What has changed is that 12 percent of firms this year report have no openings for craft positions, an increase from 6 percent in the 2024 survey.

Nearly all craft positions are hard to fill. The survey asked about difficulty in filling 18 specific crafts. For every craft, a majority of respondents whose firms employ that craft report it is difficult to fill. The most widely reported difficulty was for mechanics: 79 percent of firms that employ mechanics say they are hard to find. Other hard-to-fill positions were iron workers (reported as difficult to find by 78 percent of firms), electricians and operators of cranes and heavy equipment (77 percent of firms for both professions).

For most crafts, a similar or smaller share of respondents than in the 2024 survey reported difficulty filling positions. However, more respondents than last year reported difficulty finding iron workers: 78 percent, compared to 69 percent in 2024.

Salaried positions also are hard to fill. For 10 of the 15 salaried positions covered in the survey at least half of firms that had openings report difficulty filling them. As before, the most-mentioned hard-to-fill salaried position is superintendents, listed by 81 percent of the firms that are seeking those workers. Estimating personnel are listed by 77 percent of respondents and project managers/supervisors by 76 percent. There was a huge jump in difficulty filling AI personnel/specialist positions—listed by 47 percent of respondents, up from 30 percent in 2024.

Candidate quality remains poor amid continued Federal underinvestment in workforce development. The top three reasons contractors cited why they are having trouble filling positions all related to poor candidate quality. The top reason (57 percent) contractors cite for having trouble filling positions is that available candidates are not qualified to work in the industry. The second most-cited reason, at 48 percent, is that new hires fail to show up or quit shortly after starting. And the third most-cited reason, at 41 percent, is that potential employees lack required credentials, such as a driver's license, work permit or clean background check.

Firms are modernizing the way they recruit. A significant percentage of firms report they are taking new and innovative steps to enhance their workforce recruiting efforts. For example, 55 percent of firms report they have added online strategies, such as using social media and targeted digital advertising to better connect with younger applicants. Fifty-two percent of firms report they have engaged with career building programs run by high schools, colleges or career and technical institutions to enhance their recruiting efforts. And nearly one-third (30 percent) of firms report they are using worker search firms or professional employer organizations to supplement their recruiting efforts.

Adoption of these approaches differs, however, by the size of the firm. For instance, roughly three-quarters of firms with more than $500 million in revenue added online strategies (77 percent) and engaged with career-building programs (70 percent). Yet fewer than half of firms with revenue of $50 million or less adopted these approaches.

…And continuing to improve pay and benefits to attract workers. Ninety-five percent of firms report they increased their base pay rates during the past year. Meanwhile more than half (53 percent) noted this year's pay raises were higher than the prior year's raise in an effort to recruit hourly craft personnel and 50 percent did the same to better recruit salaried construction personnel. This explains why the average construction wage is now $39.69 per hour, 8.9 percent higher than the average private sector wage rate in the U.S.

Labor shortages are the leading driver of construction project delays. The number one reason respondents cited for experiencing project delays was the shortage of their, or their subcontractors', workers. Forty-five percent of firms report that worker shortages prompted delays on at least one of their projects during the past year. That is higher than any other reason cited, including longer lead times for materials (35 percent), lack of government approvals or inspectors (34 percent) or an owner's directive to halt or redesign a project (32 percent).

Enhanced immigration enforcement is impacting more than one-quarter of construction firms. Twenty-eight percent of construction firms report they have been affected by immigration enforcement actions in the past six months. More specifically, five percent of firms report at least one of their job sites has been visited by immigration agents. Ten percent report workers left or failed to appear because of actual or rumored immigration actions. And 20 percent report their subcontractors have lost workers because of immigration enforcement.

It is important to note that the impacts of immigration enforcement varied considerably by state. Contractors in Georgia, Virginia, Alabama, Nebraska and South Carolina were more likely to be impacted (ranging from 75 percent of firms in Georgia to 36 percent in South Carolina). Conversely, only 8 percent of firms in Idaho and 9 percent in Alaska reported being impacted by immigration enforcement activities during the past six months.

The impacts also differ, though less dramatically, by the type of projects contractors work on. More than a third (35 percent) of building contractors report impacts from immigration enforcement activities, compared to 24 percent of utility infrastructure contractors, 23 percent of highway contractors, and 21 percent of contractors that work on federal projects.

Tariffs are impacting the way construction firms procure materials and how much they charge to build. Forty-one percent of contractors report they have raised bid prices in response to actual or proposed tariffs during the past year. Thirty-nine percent of firms responded that they accelerated the purchase of key construction materials because of tariffs. And nearly a quarter of firms (23 percent) have added price-sharing adjustments or other terms to contracts because of tariffs. Notably, only 14 percent of firms report they have switched from foreign to domestic suppliers because of tariffs.

Firms continue to see AI and technology as a possible solution for labor shortages. Forty-five percent of firms report they believe artificial intelligence and robotics will positively impact construction jobs by automating manual, error-prone tasks. And 44 percent of firms report AI and robotics will improve the quality of construction jobs and make workers safer and more productive. Only 12 percent of firms worry that AI and robotics will negatively impact the construction job market.

Despite challenging market conditions, most firms plan to expand their headcount. Nearly two-thirds of construction firms (62 percent) report they plan to expand their headcount during the next 12 months. Conversely, only 7 percent of firms expect to reduce headcount during the same period.

CONCLUSIONS

The past twelve months have proven to be particularly challenging for the construction industry. On one hand, construction firms are being impacted by tariffs and the related increases in materials prices. Owners are delaying and cancelling some projects amid broader economic uncertainty. Indeed, construction spending figures show recent year-over-year declines in construction activity. Meanwhile, enhanced immigration enforcement activities, and recent decisions to not renew temporary protected status for individuals from a range of Central and South American countries, are reducing the size of the available workforce.

Despite these challenges, most contractors plan to expand their headcount next year, if they can. But almost every firm that is looking to hire new workers reports difficulty finding people to onboard. And almost as many firms report they currently have unfilled positions because of labor shortages. These shortages are clearly being made worse by the enhanced immigration enforcement activities being undertaken by the administration, even if the impacts vary by state.

As the survey results show, construction workforce shortages aren't just a problem for the construction industry. Construction projects of all types are being delayed because there aren't enough qualified workers available for firms to hire. This means public infrastructure projects, private-sector economic developments and countless other projects are taking longer, and costing more, to build. The longer it takes, and the more expensive it is, to build, the harder it becomes for the economy to grow.

Fortunately, there are policy measures that can be put in place that will go a long way in addressing construction workforce shortages. The most important thing policy makers at every level of government must do is boost funding and support for construction education and training programs. Today, four-fifths of all federal workforce development dollars go to supporting students who are pursuing a four-year college degree. Yet only 38 percent of adults have such a degree. This funding imbalance is one of the main reasons contractors report having such difficulty finding qualified workers to hire. As a nation we simply aren't preparing future workers for high-paying career opportunities in fields like construction.

At the federal level, Congress and the Trump administration should at least double current funding levels for high school career and technical education programs. And Congress should pass a new Workforce Innovation and Opportunity Act that allocates at least 50 percent of funds for workforce training programs. Today, only 10 percent of funds spent through this law go to training programs.

Rebuilding the domestic workforce development program will take time. Boosting funding and supporting more training programs focused on construction will expose more people to career opportunities in construction and provide them with the basic skills they need to be employable. But it will take at least a few years before any new investments translate to significant numbers of new, qualified workers.

In the meantime, Congress and the Trump administration must provide more lawful pathways for people to enter into, or remain in, the country to work in construction. This should include establishing a new, construction-specific temporary work visa program. And it should also include a pathway for people already in the country – whether they are here via the Temporary Protected Status program, seeking asylum or are undocumented – to lawfully remain in the country and continue to contribute to the American economy. Such a pathway should include rigorous screening to ensure the people who remain are hard-working, responsible and law-abiding.

In addition to measures designed to support construction workforce development, policy makers should continue taking steps to eliminate the economic uncertainty that is contributing to declining demand for certain types of construction projects. Federal officials took an important first step when they established long-term tax rates earlier this year. But there remains a lot of uncertainty about future tariff rates. The Trump administration should continue to quickly resolve trade disputes with major U.S. trading partners, including Canada, Mexico and China, to eliminate the threat of punitive tariffs. Eliminating market uncertainty will help boost demand for many types of construction projects.

AGC of America will continue to advocate for workforce development measures, including new investments in construction education and training programs. We will continue pushing to establish more lawful ways for people to enter, or remain in, the country to work in construction. And we will continue to educate our members about the potential impacts of tariffs even as we urge federal officials to resolve those outstanding trade disputes.

Our goal is to make sure the construction industry remains a driver of economic growth in this country. The best way to do that is to ensure it has the workforce, and the demand, needed to continue building the American economy.

BACKGROUND

AGC conducted the survey of its members in July and August 2025. A total of 1,342 individuals from a broad range of firm types and sizes completed the survey. Among responding firms that identified their market segments, 64 percent are involved in building construction, 33 percent perform federal construction projects, 37 percent are involved in highway and transportation construction, and 29 percent work on utility infrastructure projects. Among firms that identified their revenue size, 57 percent performed $50 million or less worth of work in the preceding 12 months, 36 percent performed between $50.1 million and $500 million, and 7 percent performed over $500 million worth of work. Sixty-two percent of firms always or primarily operate as open-shop contractors, while 26 percent always or primarily operate as union contractors; the remaining 11 percent do not self-perform or directly hire craft personnel. Respondents were not paid or otherwise compensated for their responses.