2026 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. The 2026 Workforce Survey is designed to measure the severity of construction workforce shortages and the impacts those shortages have on construction firms and projects. It also measures what construction firms are doing to recruit, train and retain workers, as well as how emerging forces such as data-center construction, immigration enforcement and artificial intelligence are affecting the construction workforce.

The results of this year's survey make clear that demand for workers on data centers is contributing to construction workforce shortages, while immigration enforcement impacts labor availability, even as market conditions soften. As a result of the tight labor conditions, workforce shortages remain the top reason for construction project delays. Contributing to these workforce challenges, many construction applicants appear to lack the skills needed to be successful.

This year's survey was conducted against a backdrop of uneven construction demand and continued uncertainty surrounding costs, financing and public policy. Thirty-seven percent of respondents report reducing their firm's headcount by at least five percent during the past 12 months, compared with 34 percent that increased headcount by at least five percent. Nevertheless, the pullback in employment has not eliminated the industry's longstanding workforce challenges. Most contractors continue to report open positions and significant difficulty finding qualified workers.

Despite softer conditions in portions of the construction market, substantial shares of contractors are both seeking more workers and having difficulty filling those openings. Eighty-seven percent of firms report openings for hourly craft workers, while 82 percent report openings for salaried

positions. Furthermore, 88 percent of firms with craft openings report those positions are as hard or harder to fill than a year ago. Similarly, 87 percent of firms with salaried openings report those positions are as hard or harder to fill. Perhaps most significantly, 73 percent of respondents expect to add employees during the next 12 months, while only eight percent expect to reduce headcount.

A major new element of the 2026 workforce story is the rapid growth of data-center construction and its impact on competition for workers. Twenty-eight percent of respondents report performing construction work on a data-center project during the past 12 months as a prime contractor, subcontractor or specialty contractor, or both. Among firms involved in data-center construction, availability of workers or subcontractors is the most cited challenge to pursuing or delivering those projects.

The workforce effects of data-center construction extend beyond the projects themselves. Among firms reporting on those effects, 58 percent say data-center projects have increased competition for skilled workers, 49 percent report increased wage pressure, 36 percent say they have made open positions more difficult to fill, and 30 percent report increased turnover. These findings suggest that rapidly expanding construction segments such as data centers can intensify local and occupational labor shortages even while demand in other portions of the construction market is slowing.

Immigration enforcement also continues to affect the construction workforce. Seventy-one percent of respondents report no impact from immigration enforcement actions during the past six months, meaning roughly 29 percent report at least one direct or indirect impact. Six percent report that a jobsite or offsite location was visited by immigration agents, 12 percent say workers left or failed to appear because of actual or rumored immigration actions, and 16 percent report that subcontractors lost workers.

Another reason it remains so difficult for firms to find workers is the limited supply of qualified candidates. Fifty percent of respondents 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 57 percent in last year’s survey, it remains the most cited reason contractors report difficulty filling positions. In addition, 42 percent report that new hires fail to show up or quit shortly after starting, highlighting that the industry's workforce challenge increasingly involves retaining workers as well as recruiting them.

Workforce shortages continue to undermine the industry's ability to deliver construction projects. Worker shortages remain respondents' most listed reason for project delays, with 42 percent reporting that shortages of their own workers or their subcontractors' workers have delayed projects. That is down modestly from 45 percent in last year's survey. Overall, only 26 percent of respondents report experiencing no significant project delays, meaning nearly three-quarters report delays associated with at least one of the factors included in the survey.

The construction industry is taking a range of steps to address these workforce challenges. Fifty-five percent of firms increased base pay for hourly craft workers by more than they did a year earlier, while another 29 percent increased pay by approximately the same amount as a year ago. For salaried workers, 53 percent increased base pay by more than a year earlier and another 30 percent increased pay by about the same amount. Thirty-five percent of firms also initiated or increased spending on training and professional development during the past 12 months, while 25 percent implemented or increased in-person, onsite craft training programs.

The industry is also using new approaches to recruit workers. Forty-nine percent of firms added or increased online recruiting strategies, such as social media and targeted digital advertising, to connect with younger applicants. Another 48 percent increased engagement with career-building programs at high schools, colleges, and career and technical education institutions.

This year's results also highlight the importance of retaining workers once they enter the industry. Eighty-three percent of firms report at least some turnover among new field employees during their first 90 days. Respondents most often attribute early departures to a mismatch between workers' expectations and the realities of construction work, followed by the physical demands of the job and travel or scheduling requirements. In response, many contractors are adopting more structured approaches to onboarding and retention, including structured onboarding processes, regular check-ins, safety-focused onboarding, formal jobsite orientations and mentor or buddy systems.

Project cancellations and postponements also point to softer demand and challenging financing conditions. Fifty-five percent of respondents report having at least one non-data-center project canceled, postponed or scaled back during the previous six months. Increasing costs are the most cited reason, reported by 34 percent of firms, while 27 percent cite financing that is unavailable or too expensive. Thirteen percent cite lengthening or uncertain completion times. Ten percent cite changes in demand or need due to tariffs, down from 16 percent in last year's survey.

Contractors are also expressing increasingly positive views regarding the impact of technologies such as robotics and artificial intelligence on construction. Fifty-one percent of respondents expect AI and robotics to have a somewhat or very positive impact on the construction industry over the next five years, compared with only eight percent that expect a somewhat or very negative impact. Twenty-one percent expect the impact to be mixed.

Rather than viewing AI primarily as a replacement for construction workers, contractors generally expect the technology to change how work is performed. Respondents most often expect AI and robotics to automate repetitive or error-prone tasks, increase worker productivity and improve worker safety. Within their own firms, contractors expect AI to have the greatest impact on estimating and bidding, cited by 67 percent; document and contract review, 66 percent; scheduling and planning, 62 percent; and project management, 49 percent.

In other words, the 2026 survey shows an industry navigating two realities at once. Portions of the construction market have softened enough that many contractors reduced headcount during the past year. At the same time, most firms still have open positions, nearly nine in ten firms with openings say those positions remain as hard or harder to fill than a year ago, and nearly three-quarters expect to add employees during the coming year.

The workforce challenge is also becoming more complex. Contractors need to find qualified candidates, retain workers after they are hired and compete in markets where rapidly expanding sectors such as data centers are putting additional pressure on skilled labor and wages. Contractors are investing in recruiting, compensation, training, technology and onboarding, but the industry cannot solve these challenges alone. Expanding construction education and training programs, establishing practical and lawful pathways for foreign-born workers and reducing avoidable uncertainty and delays will be important if the nation is to have the workforce needed to deliver infrastructure, housing, industrial facilities, data centers and other construction projects.

SURVEY ANALYSIS

Although construction demand has softened in parts of the market, contractors are still having difficulty finding workers to fill open positions. Eighty-seven percent of firms report having openings for hourly craft workers, while 82 percent report openings for salaried positions. Among firms with craft openings, 88 percent report that those positions are as hard or harder to fill than a year ago, including 50 percent that say they are harder to fill. Only six percent report less difficulty and six percent report no difficulty filling craft positions. The challenge extends to salaried positions, with 87 percent of firms with openings reporting they are as hard or harder to fill than a year ago, including 41 percent that say they are harder to fill.

Nearly all craft positions remain hard to fill. The survey asked contractors about difficulty filling a wide range of specific craft occupations. Electricians are the most widely reported hard-to-fill craft, with 81 percent of firms that have openings for electricians reporting difficulty filling those positions. Mechanics follow at 79 percent, while 77 percent report difficulty finding HVAC technicians and 76 percent report difficulty finding concrete workers. Roughly three-quarters of firms with openings for pipelayers, plumbers and cement masons also report difficulty filling those positions.

Salaried positions also remain difficult to fill. Superintendents continue to be among the most difficult salaried positions to fill, with 75 percent of firms that have superintendent openings reporting difficulty finding qualified candidates. Project managers and supervisors are cited by 74 percent of firms with openings, while 72 percent report difficulty filling estimating positions. Quality-control personnel and engineers also remain difficult to find, cited by 66 percent and 64 percent of firms with openings for those positions, respectively.

Data-center construction is emerging as an important new source of competition for construction workers. Twenty-eight percent of respondents report performing construction work on a data-center project during the past 12 months as a prime contractor, subcontractor or specialty contractor, or both. Among contractors involved in data-center construction, the availability of workers or subcontractors is the most commonly cited challenge to pursuing or delivering those projects.

Data-center construction is also putting pressure on the broader construction labor market. Among firms reporting on the workforce effects of data-center projects, 58 percent

say those projects increased competition for skilled workers, 49 percent report increased wage pressure, 36 percent say they have made open positions harder to fill and 30 percent report increased turnover. The effects are particularly pronounced among larger contractors and firms operating in infrastructure-related markets.

Enhanced immigration enforcement continues to affect nearly three in ten construction firms. Seventy-one percent of respondents report no impact from immigration enforcement actions during the past six months, meaning roughly 29 percent report at least one direct or indirect impact. Six percent report that a jobsite or offsite location was visited by immigration agents, 12 percent say workers left or failed to appear because of actual or rumored immigration actions, and 16 percent report that subcontractors lost workers.

Candidate quality remains the leading hiring barrier, while retention is becoming an increasingly important challenge. Fifty percent of respondents say available candidates are not qualified to work in the industry because they lack needed skills, certificates or licenses. That is down from 57 percent in last year's survey, but remains the most commonly cited reason contractors have trouble filling positions. Forty-two percent say new hires fail to show up or quit shortly after starting, while 36 percent cite candidates who lack required credentials such as a driver's license, work permit or clean background check. Thirty percent report difficulty because potential employees cannot pass a drug test.

The workforce challenge increasingly extends beyond recruitment to retention. Eighty-three percent of firms report at least some turnover among new field employees during their first 90 days. Respondents most frequently identify a mismatch between workers' expectations and the realities of construction work as the reason employees leave early, followed by the physical demands of the job and travel or scheduling requirements. Contractors are responding with more structured onboarding, regular check-ins, formal jobsite orientations, safety-focused onboarding and mentor or buddy programs.

Firms continue to modernize the way they recruit. Forty-nine percent of firms report adding or increasing online recruiting strategies, such as social media and targeted digital advertising, to connect with younger applicants. Forty-eight percent increased engagement with career-building programs at high schools, colleges and career and technical education institutions. Twenty-five percent report using executive and non-craft worker search firms or professional employer organizations, while 20 percent use craft staffing firms.

And contractors continue to use compensation and training to compete for workers. Fifty-five percent of firms increased base pay for hourly craft workers by more than they did a year earlier, while another 29 percent increased pay by approximately the same amount as a year ago. For salaried personnel, 53 percent increased base pay by more than they did a year earlier and another 31 percent increased pay by about the same amount. Thirty-five percent of firms initiated or increased spending on training and professional development during the past year, while 25 percent implemented or increased in-person, onsite craft training programs.

Labor shortages remain the leading driver of construction project delays. Forty-two percent of respondents report that shortages of their own workers or their subcontractors' workers have delayed projects, making workforce shortages the most commonly cited source of project delays. Other significant causes include longer lead times or shortages for electrical equipment, cited by 29 percent; owner directives to halt or redesign projects, also cited by 28 percent; governmental delays such as a lack of approvals or inspectors, cited by 26 percent; and shortages or longer lead times for other materials and equipment, also cited by 26 percent. Only 26 percent of firms report no significant project delays.

Tariffs remain a factor in project decisions, but costs and financing are currently larger sources of disruption. Fifty-five percent of respondents report having at least one non-data-center project canceled, postponed or scaled back during the previous six months. Increasing costs are the most commonly cited reason, reported by 34 percent of firms, while 27 percent cite financing that is unavailable or too expensive and 13 percent cite lengthening or uncertain completion times. Ten percent cite changes in demand or need due to tariffs, down from 16 percent in last year's survey.

Firms increasingly see AI and robotics as productivity tools rather than primarily as threats to construction jobs. Fifty-one percent of respondents expect AI and robotics to have a somewhat or very positive impact on the construction industry over the next five years, compared with only eight percent who expect a somewhat or very negative impact. Contractors most frequently expect AI and robotics to automate repetitive or error-prone tasks, increase worker productivity and improve worker safety. Within their own firms, respondents expect the greatest impacts in estimating and bidding, document and contract review, scheduling and planning, and project management.

Despite a softer and more uneven construction market, most firms expect to expand their headcount. Thirty-seven percent of respondents report reducing headcount by at least five percent during the past 12 months, compared with 34 percent that increased headcount by at least five percent. Yet those recent reductions are not translating into expectations of further contraction. Seventy-three percent of respondents expect to add employees during the next 12 months, while only eight percent expect to reduce headcount and 19 percent expect no net change. The results suggest contractors are adjusting staffing to current market conditions while still anticipating substantial workforce needs in the year ahead.

CONCLUSIONS

The 2026 Workforce Survey finds that construction workforce shortages remain acute even as market conditions soften in parts of the industry. This is largely because of the strong demand for workers to build new data centers. In addition, enhanced immigration enforcement activities continue to impact labor availability as well.

Contractors continue to face higher material costs and uncertainty surrounding tariffs, while some owners have delayed or canceled projects. Yet these conditions have done relatively little to ease the industry's longstanding workforce challenges.

The survey suggests the slowdown is not being felt evenly across the industry. While 34 percent of firms increased their headcount during the past year, that share rises to 54 percent among firms with between $50.1 million and $500 million in annual revenue and 79 percent among firms with more than $500 million in revenue. Roughly half of federal and heavy contractors and utility contractors also reported increasing their headcount. In other words, while some firms are adjusting to weaker demand, many contractors, particularly larger firms and those working in stronger segments, continue to expand and compete for a limited supply of qualified workers.

That growth is creating continued demand for workers. Eighty-seven percent of firms have opening for hourly craft workers, and 82 percent have openings for salaried positions. For many firms, the shortage is significant, one quarter of contractors report having 11 or more unfilled craft positions. Meanwhile, 88 percent of firms with craft openings report that filling those positions is hard or harder than it was a year ago.

The results make clear that softer construction demand has not translated into a broadly softer construction labor market. Contractors continue to struggle to find and retain qualified workers, even as firms boost pay, invest in training and look to technology to help address workforce challenges. Nearly three-quarters of firms expect to add employees during the next 12 months, suggesting that demand for qualified construction workers will remain strong.

Data center construction is adding another dimension to these workforce challenges. Among contractors performing data center work, 58 percent report that data center projects have increased competition for skilled workers, while 49 percent report increased wage pressure and 36 percent report greater difficulty filling open positions. Data centers are creating significant new opportunities for contractors, but the rapid pace of construction is also straining the supply of skilled workers in some markets.

Immigration enforcement is also affecting labor availability at some construction firms. While 71 percent of firms report no impact from immigration enforcement actions during the past six months, 16 percent say their subcontractors have lost workers and 12 percent report workers leaving or failing to appear because of actual or rumored enforcement actions. Other firms report additional impact from immigration enforcement as well. These impacts vary considerably across regions and states but represent an additional workforce constraint for some contractors already struggling to fill open positions.

The consequences of these shortages are already being felt on construction projects. Workforce shortages remain the most frequently cited reason for project delays, underscoring that contractors' difficulty finding qualified workers continues to affect their ability to complete projects on schedule.

Construction workforce shortages have consequences beyond the industry itself. When contractors cannot find enough qualified workers, projects take longer to complete, firms face additional labor costs and the ability to deliver new infrastructure, manufacturing facilities, data centers and other projects can be constrained. Addressing construction workforce shortages remains important not only for contractors, but for broader economic growth.

The most important long-term solution is to increase investment in construction education and training. Policymakers at every level of government should provide greater support for career and technical education and other programs that prepare workers for high-paying careers that do not require a traditional four-year college degree.

At the federal level, Congress and the administration should increase funding for high school career and technical education programs and enact workforce legislation that directs a greater share of federal workforce funding toward training programs that prepare people for in-demand careers like construction.

Rebuilding the domestic construction workforce will take time. Greater investment in career and technical education, apprenticeships and construction training programs will expose more people to career opportunities in the industry and provide them with the skills needed to succeed. But even significant new investments will take years to produce enough qualified workers to meet current and future demand.

In the meantime, federal officials should create more lawful pathways for people to enter or remain in the country to work in construction. That should include establishing a construction-specific temporary work visa program and providing a lawful pathway for qualified individuals already contributing to the U.S. economy to continue working in the country, subject to appropriate screening requirements.

Policymakers must also address the economic uncertainty affecting construction demand. Contractors continue to face elevated materials costs and uncertainty surrounding trade policy. Resolving outstanding trade disputes and providing greater predictability about tariff rates would allow contractors and project owners to plan and invest with greater confidence.

Congress and the administration can also help address market uncertainties by acting quickly to enact a new multi-year surface transportation bill. Putting a new transportation bill in place, before the current law expires at the end of September, will provide transportation officials with the certainty they need to plan for and fund significant new infrastructure improvement projects. Allowing the current transportation law to lapse and replacing it only with temporary funding will inject new uncertainty into the construction market at a time when demand for many other sectors remains soft.

Technology will also be part of the industry's response to workforce challenges. Contractors are generally optimistic about the potential for artificial intelligence and robotics: 51 percent expect their impact on construction to be somewhat or very positive over the next five years. Firms expect these technologies to automate repetitive or error-prone tasks, increase productivity and improve worker safety. For an industry that continues to struggle to find enough qualified workers, these technologies offer an opportunity to make the existing workforce more productive. However, technology is unlikely to eliminate the industry's need for people. Instead, it will change some of the skills construction workers need and create new opportunities for firms to make better use of a limited workforce.

AGC of America will continue to advocate for greater investment in construction education and training, more lawful pathways for people to work in the industry, and policies that provide contractors with the certainty they need to invest and grow. The association will also continue helping contractors understand and adopt technologies that can improve productivity and make construction careers safer and more attractive.

The 2026 results ultimately show that softer market conditions alone will not solve the construction industry's workforce challenges. Many contractors, particularly larger firms and those working in growing markets, continue to expand and compete for a limited supply of qualified workers. Data center construction is adding to those pressures in some markets, while immigration enforcement is affecting labor availability at some firms. At the same time, contractors are responding by raising pay, investing in training and adopting new technologies. Ensuring the industry has the people, skills and tools it needs to build will be essential to keeping projects on schedule and supporting broader economic growth.

BACKGROUND

AGC and NCCER conducted the survey in July and August 2026. A total of 1,830 individuals from a broad range of firm types and sizes responded to at least one portion of the survey. Among responding firms that identified their market segments, 69 percent are involved in building construction, 30 percent perform federal construction projects, 30 percent are involved in highway and transportation construction, and 29 percent work on utility infrastructure projects. Among firms that identified their revenue size, 58 percent performed $50 million or less worth of work in the preceding 12 months, 33 percent performed between $50.1 million and $500 million, and 10 percent performed over $500 million worth of work. Among firms that identified their labor structure, 56 percent always or primarily operate as open-shop contractors, while 30 percent always or primarily operate as union contractors; the remaining 14 percent do not self-perform construction or directly hire craft personnel. Respondents were not paid or otherwise compensated for their responses.