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CONTACT: Brian Turmail
(703) 459-0238 turmailb@agc.org

CONSTRUCTION FIRMS ADD 19,000 WORKERS IN FEBRUARY AS NUMBER OF UNEMPLOYED WORKERS HITS LOWEST RECORDED FEBRUARY TOTAL

Sluggish Growth in Nonresidential Construction Sectors is at Odds with Growing Nonresidential Construction Spending, May Indicate Contractors Having a Hard Time Finding Qualified Workers to Meet Demand

Construction firms added 19,000 workers in February, as the number of unemployed construction workers was at the lowest February total since the series started in 2000, according to an analysis of new government data by the Associated General Contractors of America. Association officials said, however, that sluggish gains in nonresidential construction employment may reflect the fact contractors are having difficulty finding workers to keep up with growing demand.

“The overall picture for construction employment is very positive with robust job growth and very little unemployment,” said Ken Simonson, the association's chief economist. “Yet it appears that many nonresidential construction firms have run out of people to hire to keep pace with demand for new projects.”

Construction employment totaled 6,631,000 in February, the most since December 2008, and is up by 253,000 jobs compared to a year ago, a 4.0 percent increase. Residential construction increased by 15,900 in February and by 155,100, or 6.4 percent, compared to a year ago. Nonresidential construction employment increased by 3,500 jobs for the month and is up by 98,300 jobs compared to February 2015, a 2.5 percent increase.

Among nonresidential construction employment categories, the nonresidential building segment expanded by 4,300 in February. And heavy and civil engineering construction firms added 700 jobs last month. But those gains were offset by a decline of 1,500 jobs in the nonresidential specialty trade contractors segment. The relatively small increase in nonresidential construction employment occurred despite the fact the Census Bureau reported on March 1 that spending on nonresidential construction projects increased by 12 percent between January 2015 and 2016.

Meanwhile, the number of unemployed jobseekers in February who last worked in construction totaled 749,000, the lowest February total since the series began in 2000. The unemployment rate for such workers was 8.6 percent, a ten-year low for the month. As the number of unemployed workers continues to decline, construction pay continues to increase, Simonson added, noting that average hourly earnings in



construction increased by 2.4 percent during the past twelve months, nearly double the 1.3 percent increase during the previous 12 months.

Association officials said they would continue to push for the measures outlined in the association's [Workforce Development Plan](#), including steps to make it easier for schools, not-for-profits and firms to establish construction training programs. They added that the measures were needed to begin the process of rebuilding a pipeline for recruiting and preparing new construction workers that has been largely dismantled during the past three decades.

“In our eagerness to send every student to college, our education system has inadvertently signaled that high-paying careers in fields like construction are less than desirable,” said Stephen E. Sandherr, the association’s chief executive officer. “Yet if we give more students multiple paths to success, more of them will graduate from high school and find the right path to fulfilling and rewarding careers.”

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