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CONSTRUCTION EMPLOYMENT STALLS IN JUNE BUT TOPS OVERALL RATE OF JOB GAINS SINCE JUNE 2015; DATA ON PAY, HOURS, UNEMPLOYMENT POINT TO WORKER SCARCITY

Industry Association Officials Say Prompt Passage of Bill to Reform and Increase Funding for Career and Technical Education is Needed Step in Preparing Students for High-Paying Career Path in Construction

Construction employment was unchanged from May to June, but an increase in hourly pay and longer workweeks, along with shrinking numbers of unemployed construction workers, suggest contractors would hire more workers if they were available, according to an analysis by the Associated General Contractors of America. Association officials said the lack of available qualified workers for firms to hire appears to be holding back employment growth and urged Congress to pass legislation to reform and increase funding for career and technical education.

“Construction employment stalled in June after declining in April and May, but unemployment among construction workers is at a 16-year low, while average hourly earnings have accelerated for the past three months and average weekly hours are very high,” said Ken Simonson, the association’s chief economist. “These indicators, along with reports from contractors, suggest there is a dearth of qualified workers to hire, not a deliberate pullback in hiring. Indeed, construction activity and employment should continue to outpace the overall economy in the remainder of 2016.”

Construction employment totaled 6,643,000 in June, matching the level in May. Industry employment dipped by 6,000 in April and 16,000 in May. Despite the decreases, unemployment employment in the sector increased by 217,000, or 3.4 percent over the past year, compared to 1.7 percent for total nonfarm payroll employment.

Average hourly earnings, a measure of wages and salaries for all workers, increased 2.8 percent in construction over the past year to \$28.13 in June. Both earnings and average weekly hours for all workers in construction—39.2 hours in June—have increased in the past three months even as employment tapered off, Simonson said. He noted that the 417,000 unemployed jobseekers in June who last worked in the construction industry and the 4.6 percent unemployment rate for those individuals were the lowest June levels since 2000.

Residential construction—comprising residential building and specialty trade contractors—added 2,300 jobs in June and 134,000, or 5.5 percent, compared to a year ago. Nonresidential construction—building,



specialty trades, and heavy and civil engineering construction firms—lost 1,500 jobs for the month but gained 83,000 employees compared to June 2015, a 2.1 percent rise.

Association officials said the new employment data appears to indicate that shortages of qualified workers are undermining the construction sector’s ability to grow. Noting that this inability to hire will hinder broader economic growth, they urged Congress to reauthorize and reform the Carl D. Perkins Act to provide the flexibility and funding needed to allow schools to set up career and technical education programs to prepare future construction workers.

“We are at the point now where the lack of qualified workers is holding many construction firms back from expanding headcounts,” said Stephen E. Sandherr, the association’s chief executive officer. “It is time for Congress to pass legislation that will help reinvigorate the pipeline for recruiting and preparing students for high-paying careers in construction.”

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