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## CONSTRUCTION FIRMS ADD 14,000 WORKERS IN JULY AS INDUSTRY PAY ROSE AT THE FASTEST RATE IN SEVEN YEARS AMID LABOR SHORTAGES

*Construction Employment is Up 3.3 Percent for the Year, Nearly Double the Increase in Total Payroll as Tight Labor Conditions Drive Sector's Wages Up to 10 Percent Higher than Private Sector Average*

Construction firms added 14,000 workers in July and construction industry pay rose at the fastest rate in seven years as contractors bid to attract workers, according to an analysis of new government data by the Associated General Contractors of America. Association officials added that tight labor market conditions have driven the construction sector's wages up to 10 percent higher than the all-private sector average.

"Several indicators show that there is still plenty of construction work available, but the shortage of experienced workers is growing ever more acute," said Ken Simonson, the association's chief economist. "With the number of unemployment workers who have construction experience now at a 16-year low, the industry has increased pay at the fastest rate since 2009 and is keeping workers on the job more hours per week."

Construction employment totaled 6,652,000 in July, and is up by 215,000 jobs compared to a year ago, a 3.3 percent increase; nearly double the 1.7 percent increase in total nonfarm payroll employment. Residential construction employment increased by 700 in July and by 120,100, or 4.9 percent, compared to a year ago. Nonresidential construction employment increased by 13,400 jobs for the month and is up by 94,700 jobs compared to July 2015, a 2.4 percent increase.

The construction economist noted that average hourly earnings in construction rose by 3.0 percent over the past year. Average pay on the construction sector is now \$28.20 per hour, or 10 percent more than the all-private sector average. Average weekly hours in construction totaled a high of 39.2 in July, indicating that contractors are keeping workers busy as they try to find additional employees.

Meanwhile, the pool of unemployed, experienced construction workers shrank to the lowest July total since 2000. Today there are 410,000 unemployed construction workers, down from 474,000 a year earlier. The unemployment rate for such workers was 4.5 percent in July, down from 5.5 percent in July 2015.

Association officials said the new employment figures underscore the need for federal, state and local officials to act on the measures outlined in the association's [Workforce Development Plan](#). In particular, they



urged Congress to act on a measure recently approved by the House Education and Workforce Committee that makes needed reforms to, and funding increases for, career and technical education programs that recruit and prepare future construction workers.

“Many high-paying construction jobs are going unfilled even as our school systems continue to produce students who lack the skills many employers are seeking,” said Stephen E. Sandherr, the association’s chief executive officer. “Congress must act now to give school officials greater flexibility and funding they need to offer programs that teach skills employers need.”

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