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Construction Industry Will Need At Least 430,000 More Workers This Year than Last

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The U.S. construction industry will need at least 430,000 more workers this year than it did in 2020, according to an Associated Builders and Contractors analysis of Census Bureau data and a forecast by economic consulting firm Markstein Advisors.

Construction spending will total \$1.45 trillion in 2021, an increase of 1.3% from 2020, Markstein Advisors estimates. If that scenario is correct, employment demand will concurrently increase by 430,000 this year over total employment in the sector in 2020, which was 7.83 million.

An even higher growth rate scenario could mean that nearly 1 million more [construction workers](#) (986,000) will be needed in 2021. That scenario assumes a post-pandemic spike in construction spending of 8.1% to a total of \$1.55 trillion for the year.

The rollout of the [coronavirus vaccine](#) and the return to some kind of normalcy is only one factor driving heightened demand for workers, [according to ABC President and CEO Michael Bellaman](#). Other factors include inflationary pressure, rising commodity costs and other global supply chain

concerns, as well as the trajectory of the new administration, including the possibility of an [infrastructure stimulus](#).

Overall, the increased demand for workers might mean shortages in some parts of the country for some kinds of skills. That means that contractors will also face the prospect of wage inflation for the workers they do hire. Construction workers were paid \$32.11 per hour as of January, according to the Census Bureau, the highest level ever recorded.

"The construction labor market has returned toward normalcy with astonishing rapidity," [the 2020 Marcum JOLTS Analysis](#) of construction data said. "Job openings are low by recent standards but not especially low in the context of the past decade."

"When the [pandemic](#) began, some thought (and hoped) that the massive job losses observed in March and April would mitigate the skilled labor shortages that have frustrated construction firms for years. That simply hasn't happened to any meaningful degree."