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Construction Labor Market Tightness Persists, Finds Annual Marcum Analysis

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The [2020 Marcum JOLTS Analysis](#) of construction employment trends reports that the industry is beginning to experience labor market tightness as it begins to recover from the recession caused by COVID-19. Job openings fell to 195,000 in December, equal to roughly 2.6% of the available construction positions. The annual Marcum report, which was released today by the Firm's national [Construction Services group](#), extrapolates construction data from the U.S. Bureau of Labor Statistics' Job Openings and Turnover Survey.

"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," wrote [Anirban Basu](#), author of the report and Marcum's chief construction economist. "That simply hasn't happened to any meaningful degree."

Dr. Basu points out that contractors have shown a reluctance to lose workers in an increasingly tight labor market. "In December 2020, there were 13,000 more workers who quit their construction jobs than were laid off or discharged by their employers. This was just the 17th month in the past 20 years during which quits exceeded layoffs and discharges—a clear indication of labor market tightness." Contractors in some regions of the country are struggling to find labor, and that has driven up wages. "In the midst of a gut-wrenching, economy-destroying pandemic, average hourly earnings of construction employees reached their highest level on record in January 2021 (\$32.11), and average weekly hours worked rose to their highest level since 2019's third quarter. This is what might be expected from a strong economy operating under normal circumstances, not one facing a lingering pandemic and elevated unemployment."

The report warns that, historically, some workers who lose their jobs during a recession don't return to the industry. "According to the Census Bureau, more than 60 percent of construction workers who lost their jobs during the Great Recession left the industry permanently by 2013. Many of these workers found positions in other industries, while others retired altogether."

For the complete report, visit <https://www.marcumllp.com/industries/construction>.

Marcum Construction Group

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