

Surfaces

<https://surfacesmagazine.com/construction-workers-are-scarce-aging-and-really-popular/>

Construction Workers Are Scarce, Aging and Really Popular

Marcum provides the latest in a series of annual analyses focused on the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey.

MARCH 28, 2022

The construction industry continues to face a skilled labor shortage, with worker scarcity exacerbated since the onset of the pandemic. The resulting surge in construction wages, combined with climbing materials prices, has produced significant increases in the cost of delivering construction services.

These are some of the key findings of Marcum LLP's annual analysis of the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey (JOLTS). The [2021 Marcum JOLTS Analysis](#) was produced by [Marcum's National Construction Services group](#).

Marcum's chief construction economist, Anirban Basu, details hiring trends, quit rates, and the economic environment shaping the demand for labor in the residential and nonresidential construction sectors.

"The pandemic resulted in a 14.5 percent decline in construction employment from February to April of 2020," said Dr. Basu. "Rather than helping the situation, that further exacerbated industry challenges by persuading some workers to enter retirement earlier than anticipated and inducing others to

seek employment in other industries, including those that offer the ability to work remotely and/or on flexible schedules.”

The construction industry currently faces a historical level of unfilled jobs. On average in 2021, 4.4 percent of construction jobs were unfilled. “That was easily the highest proportion over the course of the two decades that the Bureau of Labor Statistics has monitored such things. The share of unfilled jobs expanded over the course of last year, rising from 3.9 percent in January to 5.7 percent by October,” Dr. Basu said.

Labor Shortages and Demographics Jeopardize Industry Recovery

These labor shortages have resulted in rising wages as contractors compete for workers. Over the past 12 months, construction wages climbed 5.1 percent, increasing \$0.19 in January 2022 alone. “Construction input prices have also raced higher. Not only does that squeeze industry margins, it jeopardizes industry recovery altogether by causing certain project owners to delay or cancel projects because of elevated bids,” Dr. Basu said.

The median age of construction workers has risen in recent years, and more construction workers than ever consider themselves general construction laborers. “This suggests that the industry doesn’t simply face a worker shortage, it faces a skills shortage,” said Dr. Basu. “While these dynamics predated the pandemic, they have become especially apparent over the past two years. Above all, this threatens industry profitability as well as creating circumstances that could result in widespread firm failure.”

There is some good news, however. “With inflationary prices rising and stimulus payments increasingly in the rearview mirror, more people are reentering the workforce,” said Dr. Basu. “Construction is no exception. By December 2021, the proportion of positions that remained unfilled had declined to 4.3 percent, though that remains well above the 2.5 percent average that prevailed during the decade preceding the pandemic.”

EXHIBIT 2

Construction
Employment by
Subsector

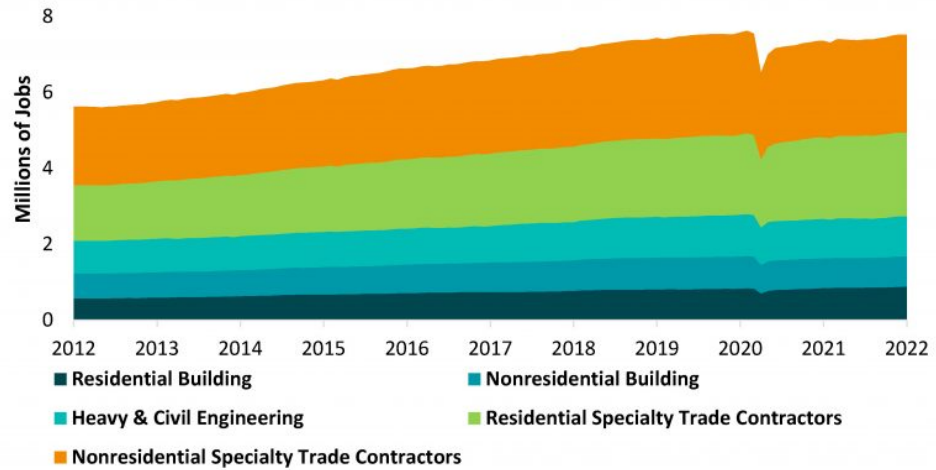


IMAGE COURTESY OF MARCUM LLP

EXHIBIT 3

Construction
Employment
Statistics:
January 2022

	January 2022	December 2021	January 2021	1-Month Net Change	12-Month Net Change	12-Month % Change
Employment						
Construction	7,523,000	7,528,000	7,360,000	-5,000	163,000	2.2%
Nonresidential	4,436,600	4,445,600	4,360,900	-9,000	75,700	1.7%
Nonresidential Building	799,100	798,700	785,500	400	13,600	1.7%
Nonresidential Specialty Trade Contractors	2,586,800	2,586,700	2,538,600	100	48,200	1.9%
Heavy & Civil Engineering	1,050,700	1,060,200	1,036,800	-9,500	13,900	1.3%
Residential	3,086,600	3,082,200	2,998,600	4,400	88,000	2.9%
Residential Building	883,300	879,700	844,500	3,600	38,800	4.6%
Residential Specialty Trade Contractors	2,203,300	2,202,500	2,154,100	800	49,200	2.3%
Average Hourly Earnings						
All Private Industries	\$31.63	\$31.40	\$29.93	\$0.23	\$1.70	5.7%
Construction	\$33.80	\$33.61	\$32.16	\$0.19	\$1.64	5.1%
Average Weekly Hours						
All Private Industries	34.5	34.7	35.0	-0.2	-0.5	-1.4%
Construction	38.7	39.0	39.2	-0.3	-0.5	-1.3%

Source: Bureau of
Labor Statistics

IMAGE COURTESY OF MARCUM LLP

To download the full report and for more information, visit www.marcumllp.com

About Marcum Construction Services

One of the leading construction accounting firms in the U.S., Marcum LLP's Construction Services group provides audit, consulting, and taxation services to clients ranging from start-ups to multi-billion-dollar enterprises. The group's

professionals, among the country's foremost experts in construction accounting, are frequent industry authors and speakers and serve as technical reviewers for the AICPA's construction audit and taxation guides. Marcum's construction group also publishes several definitive industry resources – including the annual [Marcum National Construction Survey](#), the quarterly [Marcum Commercial Construction Index](#), the [Marcum PAS Contractor Compensation Quarterly](#), and the annual [Marcum JOLTS Analysis](#) of construction employment trends – and presents an ongoing series of [industry summits and technical webinars](#) focused on the unique needs of construction contractors.

About Marcum

Marcum LLP is a top-ranked national accounting and advisory firm dedicated to helping entrepreneurial, middle-market companies and high net worth individuals achieve their goals. Marcum's industry-focused practices offer deep insight and specialized services to privately held and publicly registered companies, and nonprofit and social sector organizations. Through the Marcum Group, the Firm also provides a full complement of technology, wealth management, and executive search and staffing services. Headquartered in New York City, Marcum has offices in major business markets across the U.S. and select international locations. #AskMarcum. Visit www.marcumllp.com for more information about how Marcum can help.