

Construction Salaries Rise Amid Competition For Workers

August 10, 2021 [Deirdra Funcheon, Bisnow South Florida](#)

As the [cost of materials comes back down](#) to earth, [construction labor](#) prices — not to mention the industry's [continued labor shortage](#) — are providing a new challenge to developers.

Contractors are projecting 2021 construction staff wages to increase an average of 3.23%, according to the [Contractor Compensation Quarterly report](#). But PAS Inc. President Jeff Robinson told *Bisnow* by email that figure will be three-tenths to half a percentage point higher by the end of the year, bringing construction staff pay growth more in line with the trends of the past seven years.

A hike to at least 3.5% to 3.7% by year's end would further differentiate construction staff pay growth from projected 2021 pay increases across all industries (2.9%), according to WorldatWork data cited in the CCQ.

"Certainly any increase in construction compensation will affect new projects down the road," Robinson wrote.

The CCQ — prepared by [Marcum LLP](#), an accounting and advisory firm, and PAS, which specializes in compensation research and consulting for the construction industry — was based on survey responses from 290 companies.

It outlines pay rates for professional and middle management roles such as project manager, superintendents, estimators, accountants and human resources staff.

Numbers show how the [coronavirus pandemic](#) affected salaries: In the first quarter of 2020, only 3% of contractors indicated a pay freeze, which is typical in boom times, the report said. By June, 14% of contractors froze pay. By September, 25% had. By year-end, it rebounded to 14%, and by May, only 4% were freezing pay.

Coming in highest for total compensation were chief estimators at \$184,486 (\$151,756 average base pay, plus \$32,730 average bonus), business development directors at \$183,378 (\$151,840 base plus \$31,538 bonus) and construction managers at \$179,766 (\$153,076 plus \$26,690).

The project superintendent role, which is typically used to take the pulse of the industry, made an average salary of \$134,520, or \$118,394 plus \$16,127 bonus pay. The lowest-paid position of 34 listed is marketing coordinator, coming in at an average total of \$66,986.

The report noted that over three years, project superintendent base pay rose while bonuses decreased from 16.6% of base salary in 2018 to 13.7% in the 2021 survey.

"Not necessarily an earth-shattering change, but it does suggest that maybe more dollars are being pushed towards base pay in order to recruit and retain key employees," the report said.

A high degree of wage compression occurs when new hires command higher wages than current employees — often when there is a decline in construction activity followed by high demand, according to the report.

"When this occurs, the company must overcome 'sticker shock' and match the marketplace which most likely means a general increase to bring wages up to changed market conditions for key job families," the report said.