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LABOR SHORTAGE IN CONSTRUCTION INDUSTRY WORSENING: MARCUM

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A labor shortage in the construction industry has maintained a downward trend since the beginning of the pandemic, according to Marcum LLP's analysis of the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey. While it had struggled with labor shortage in the past, the slow rate of recovery from the pandemic has put the construction industry behind the pre-pandemic pace of employment growth.

"In the first two months of the pandemic, construction lost about 1.1 million jobs, a decline equivalent to 14.2% of the industry's workforce," said Dr. Anirban Basu, Marcum's chief construction economist. "As of January 2023, the most recently available data as of this writing, there are roughly 7.9 million people on construction payrolls. That's about 3.6% more employees than the industry had at the start of the pandemic."

Basu noted that there are approximately 400,000 fewer construction employees than there would have been, based on the 2015 to 2020 pace of hiring, had the pandemic not occurred.

However, the residential sector, buoyed by a boom in new home construction, has gained employees at a faster pace than the nonresidential sector over the past two years.

"Residential construction accounted for 39.0% of all construction workers at the start of the pandemic. As of January 2023, that share had risen to 41.4%," Basu said.

The report also found that open positions in the industry have been unfilled.

"The construction industry averaged 390,500 open, unfilled positions in 2022, by far the highest recorded level over the 21-year period for which the Bureau of Labor Statistics has data. As of January 2023, one in 20 (5.0%) of construction jobs were unfilled," Basu said.