

Worker Shortage Intensifies Despite Sluggish Recovery

Written by: Ken Simonson, Chief Economist, AGC of America

Contractors are struggling to fill openings, even though many firms have smaller workforces than a year ago, so say respondents to the latest Autodesk-AGC of America Workforce Survey, which released on September 2.

One-third of the more than 2,100 respondents reported their headcount was lower than one year earlier. Yet 90% of the firms reported having openings for hourly craft workers and 62% were seeking to fill salaried positions. For each of the 21 craft positions, more than 70% of firms that were trying to fill a position reported difficulty – the highest share in the nine-year history of the survey. More than 90% of firms seeking pipelayers reported those workers were hard to find. Nearly as challenging were bricklayers, concrete workers, installers other than drywall, and truck drivers: 88% of firms reported difficulty filling each of these slots.

The market for salaried workers was also tighter than in past years. Among 11 categories, the hardest to fill was project managers and supervisors, listed by 79% of respondents. Other especially difficult positions to fill include estimating personnel, listed by 74% of respondents, and Lean construction professionals (71%).

Contractors are using a variety of approaches to find and retain workers. Nearly three out of four firms (73%) reported increasing base pay rates, while 34% said they had provided incentives or bonuses. Thirty-seven percent reported they had engaged with a career-building program, whether at a high school, college, or career and technical education



center. Almost a third – 31% – reported they had initiated or increased spending on training and professional development.


Unfortunately, too many potential employees are unfit or unwilling to fill openings. Seventy-two percent of firms reported that available candidates are not qualified to work in the industry due to a lack of skills, failure to pass a drug test or other reasons. And 58% thought unemployment insurance supplements were keeping workers away. (Answers were received in July and August, before expanded federal unemployment benefits expired.)

Worker shortages caused delays in project completion times for 61% of respondents. Two other causes of delays were also common: 75% reported delays due to longer lead times or shortages of materials, while 57% cited delivery delays.

Delays, shortages, soaring materials costs and diminished demand for some projects have led to cancellations. Sixty

percent of respondents reported one or more of their projects had been canceled, postponed, or scaled back. The most frequently cited reason was cost increases, noted by 51%. About one-quarter of firms cited lengthening or uncertain completion times (26%) or changes in demand or need (22%).

Just under half the firms – 46% – said their volume of business matches or exceeds the year-ago level. Nearly as many – 43 percent – either expect it will take more than six months to return to year-earlier levels (26%) or don't know (17%). Yet nearly three out of four firms expect to add new employees in the next 12 months, whereas only 6% expect to furlough or terminate employees.

Together, these results show the construction industry is enduring extreme challenges in filling positions while also coping with cost increases, delivery problems and project cancellations. Nevertheless, the bulk of contractors expect better times in 2022. 



About the Author

Ken Simonson is the Chief Economist for the Associated General Contractors (AGC) of America. He provides information about construction activity by segment and region; materials cost and availability trends; national, state, and metro construction employment data through frequent presentations, articles, press releases, interviews, survey write-ups, and the Data DIGest, his weekly one-page summary of economic news relevant to construction.

He can be contactd at ken.simonson@agc.org.

About the Article

Republished from [Constructor Magazine](#), a publication of Associated General Contractors of America. The [Associated General Contractors of America](#) works to ensure the continued success of the commercial construction industry by advocating for federal, state, and local measures that support the industry; providing opportunities for firms to learn about ways to become more accomplished; and connecting them with the resources and individuals they need to be successful businesses and corporate citizens.

Any views and opinions expressed in this article may or may not reflect the views and opinions of the Construction Management Association of America (CMAA). By publishing this piece, CMAA is not expressing endorsement of the individual, the article, or their association, organization, or company.