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Autodesk-AGC survey finds 80% of firms have trouble filling craft jobs, adding to cost, delays

Filling craft positions and some salaried positions is an even greater challenge for contractors than it was a year ago, according to participants in the Autodesk-AGC of America 2018 Workforce Survey, [released](#) on Wednesday. (The site includes results for four regions and 34 states, and by firm size, union/nonunion, and project type.) Of the 2,552 respondents (a 38% increase from the 2017 survey), 80% stated they were having a hard time filling some hourly craft positions (up from 70% in 2017), while 10% reported no difficulty and 9% had no openings. In addition, 56% said they were having a hard time filling some salaried positions (up from 38% in 2017), while 14% reported no difficulty and 29% had no openings. For all but one of 20 specific craft positions listed in the survey, a majority of respondents whose firms employ that craft said filling positions was harder than last year. (The sole exception was traffic control personnel, with 47% of respondents saying it was harder to fill than last year.) The **hardest craft positions to fill** were pipelayers, reported as harder to fill than a year ago by 72% of firms that currently employ them; sheet metal workers, reported by 68%; carpenters and concrete workers, each cited by 67%; cement masons and pipefitters/welders, each cited by 66%. For each craft, fewer than 4% of respondents said filling the position was easier than last year, while 7-16% said they hired without difficulty. Among 10 **salaried positions**, 49% of respondents said project manager/supervisor positions were harder to fill than last year; engineers, 38%; and estimating personnel, 36%. More firms than in 2017 increased **base pay rates** for hourly craft workers (62%, vs. 50% in 2017) and salaried workers (56%, vs. 43% in 2017) because of difficulty filling positions. To add to their labor supply, firms turned to: engaging with career-building programs (48%, vs. 27% in 2017); craft staffing firms (32%, vs. 22% in 2017); executive and non-craft worker search firms (29%, vs. 23% in 2017). To replace workers or skills, 25% of firms used methods to reduce onsite worktime (e.g., lean construction, virtual construction or offsite fabrication) and 25% used labor-saving equipment (e.g., drones, robots, 3-D printers, laser- or GPS-guided equipment). Nearly half of respondents said costs have been higher than anticipated (44%) and/or have taken longer than anticipated (46%), while 47% have put higher prices into bids or contracts and 27% have put in longer times.

Construction employment, not seasonally adjusted, rose from July 2016 to July 2017 in 281 (78%) of the 358 **metro areas** (including divisions of larger metros) for which the Bureau of Labor Statistics (BLS) provides construction employment [data](#), fell in 41 (11%) and was unchanged in 36, according to an AGC [analysis](#) posted on Wednesday. (BLS combines mining and logging with construction in most metros to avoid disclosing data about industries with few employers.) The largest gains occurred in Houston-The Woodlands-Sugar Land (25,500 construction jobs, 12%), followed by the Dallas-Plano-Irving metro division (13,100 combined jobs, 9%) and Phoenix-Mesa-Scottsdale (13,000 construction jobs, 11%). The largest percentage gains occurred in Merced, Calif. (32%, 800 combined jobs), followed by Midland, Texas (26%, 7,400 combined jobs) and New Bedford, Mass. (22%, 600 combined jobs). The largest job losses were in the Middlesex-Monmouth-Ocean, N.J. division (-3,900 combined jobs, -10%), followed by Nashville-Davidson—Murfreesboro—Franklin (-3,000 combined jobs, -7%). The largest percentage losses (10% each) occurred in Columbia, S.C. (-2,200 combined jobs), Spokane-Spokane Valley, Wash. (-1,500 combined jobs) and Middlesex-Monmouth-Ocean. July employment was a record high for the month in 71 metros (dating back in most areas to July 1990), the most July peaks since 2006; three areas set a new July low.

The Federal Highway Administration recently [posted](#) the National **Highway Construction Cost Index** for March. The index increased by 0.2% from December 2017 and 2.9% over 12 months, following a decrease of 0.9% in the previous 12 months. The agency states that it “uses data on State web-postings of winning bids submitted on highway construction contracts. The data represent a detailed universe of prices and quantities of pay items for those winning contracts. A pay item is a unit of work, construction material, labor, or service for which price and quantity is provided in the contract. The NHCCI covers the universe of the nation’s highway projects and arrive at an average cost index for all highway construction.” By comparison, BLS’s [producer price index](#) (PPI) for inputs to highway and street construction, which measures producers’ selling prices for goods and services sold to highway contractors, increased 2.4% from December 2017 to March and 5.5% over 12 months.

Distributor New South Construction Supply [reported](#) on Wednesday in its monthly e-newsletter, “As it was the case in July, few manufacturers of **construction materials** we distribute increased **prices** or announced price increases in August; however, a few manufacturers are now increasing prices for steel construction products as a result of the tariffs imposed by the Trump administration last spring. The increases are also due to domestic manufacturers implementing yet another price increase on wire rod and steel flats in August....Domestic rebar prices were unchanged in August, despite strong demand and most mills rollings being sold out until mid to late September. [Two manufacturers] will increase prices by 10% on masonry reinforcing, ties, and all other steel masonry accessories the first week in September....Importers of construction products from China notified their customers that they will increase prices by 10% on or about September 2 for anchor bolts and other steel anchors if the [U.S. imposes a retaliatory] 10% tariff.” On August 23, the U.S. imposed tariffs on \$16 billion worth of imports from China. The American Institute of Steel Construction [reported](#) on August 9, “This is the first time that tariffs have been extended beyond mill products to include fabricated structural steel.”