

CONSTRUCTION EMPLOYMENT FALLS ON WEAK DEMAND



Construction employment declined in 285 out of 337 metropolitan areas between June 2009 and June 2010 according to a new analysis of federal employment data released today by the Associated General Contractors of America. The report concluded the employment figures show that weak overall demand for construction is outpacing the benefits of the \$135 billion federal stimulus for construction-related investments. "The overall lack of demand for new construction is hurting more than the stimulus is helping at this point," said Ken Simonson, the association's chief economist. "While more metropolitan areas have started adding construction jobs, most are still experiencing losses nearly four years after the construction downturn began." Chicago-Joliet-Naperville lost more construction jobs (21,300 jobs, 15 percent) than any other metro area, while Pascagoula, Mississippi (2,000 jobs, 32 percent) and Flagstaff, Arizona (700 jobs, 32 percent) lost the highest percentage. Other areas experiencing large declines in construction employment included Las Vegas (16,500 jobs, 26 percent); Houston (16,300 jobs, 9 percent); Los Angeles-Long Beach-Glendale (15,900 jobs, 13 percent); and Seattle-Bellevue-Everett (12,400 jobs, 16 percent). Simonson noted that 25 metro areas added construction jobs over the past 12 months, while another 27 areas experienced no change in construction employment. Calvert-Charles-Prince George's Counties in Maryland added more construction jobs (1,900, 5 percent) than any other metro area while Hanford-Corcoran, California added the highest percentage (22 percent, 200 jobs). Other areas adding jobs included Kansas City, Kansas (1,600 jobs, 8 percent); Columbus, Ohio (1,200 jobs, 4 percent); Chattanooga, Tennessee (900 jobs, 11 percent); and Eau Claire, Wisconsin (400 jobs, 13 percent). The construction economist said the growing volume of stimulus-funded projects was helping save jobs throughout the construction industry. He added, however, that continued weak private, state and local demand for construction was taking a broader toll on construction employment. Worse, overall demand for construction is unlikely to recover until well after stimulus funding runs out, Simonson noted. "The industry's employment picture is only going to get worse unless Congress and the Administration act on long-overdue infrastructure investments programs," said Stephen Sandherr, the association's chief executive officer, referring to a series of recurring highway, transit, water and other investment programs Congress is months late in passing. "You have to ask how many more construction workers will lose their jobs once the stimulus runs out."

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