

CONSTRUCTION EMPLOYMENT DROPS



During the month of May, construction employed had fallen by about 28,000, which was the biggest decline that this particular sector has had to deal with within the past two years. This means that construction employment is at a low, so low that it has reached a level that it has not seen since August of last year. The information on the drop within construction employment was provided by the Associated General Contractors of America and was recently released. The decline in construction employment makes sense, as it goes along with the decline in the amount of money being spent on construction projects. As construction projects slow down and the spending declines, the construction employment will decline as well. The chief economist for the association, Ken Simonson, says that the industry is definitely dealing with a struggle. Simonson points out that employment within the construction employment has declined gradually within the past four months, showing that there is cause for concern. He also says that cuts that have been made to investments for construction is what is causing the employment numbers to drop because as the spending declines, so will the employment. With less construction projects available, fewer construction workers are needed because there simply is not enough work for all of them. As of right now, the construction employment is currently at 5,516,000, which is lower than it was just a month ago but it is actually higher than it was during the month of May in the previous year of 2011, which shows that there are some improvements that have been made, although things are still sluggish for this sector. The unemployment rate for the construction sector is also much higher than the national unemployment average, as it is currently at 14.2 percent, which is almost double the unemployment average for the nation as a whole. Simonson says that the construction sector is far from a time in which it was at its peak, back in April of 2006. During the month of April, spending for construction did increase a little bit from the month before, in March. It also increased by a whopping 6.8 percent when compared to the month of April in the previous year of 2011. During the month, there was more of a demand for private sector construction but there were some obstacles to overcome, as public construction did decline, dropping from the April of 2011 rate. Officials for the association believe that construction spending needs to be figured out as soon as possible, especially for the construction sector to be able to improve. The chief executive officer for the association, Stephen E. Sandherr, says that having bills for highway and transit construction would help improve construction activity and overall construction employment greatly.

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