THE HBI CONSTRUCTION LABOR MARKET REPORT

Fall 2021

Based on research of the Research of the Economics Group, National Association of Home Builders

Building Careers.
Changing Lives.

Executive Summary

A lack of skilled construction labor is a key limiting factor to expand home construction and improve housing inventory and affordability. Housing was a bright spot for the economy during the second half of 2020, as construction activity helped lead an economic rebound. However, sales outpaced home construction, resulting in growing backlog and supply-chain bottlenecks. For construction to expand further, more workers must be recruited and trained for the sector.

This report provides an overview of the state of the nation's construction labor market. Key findings include:

- The estimated number of construction worker growth required for the sector is approximately 740,000 per year, according to NAHB analysis of BLS data and projections
- Construction employment currently totals 7.42 million
    - Residential construction represents 3.1 million of this total
- The number of open construction sector jobs currently averages between 300,000 to 400,000 each month
- Construction employment is broad-based across the nation
- Self-employment in construction is currently 22% of the labor force, down from 26% in 2010
- Half of payroll workers in construction earn more than $50,460 annually and the top 25% make at least $71,000.
    - In comparison, the U.S. median wage is $49,150, while the top quartile (top 25%) makes at least $67,410
- Immigrant workers now account for 24% of the construction workforce, down slightly from the 2016 record high share of 24.4%.
- Women make up a growing share of the construction employment, up to 10.9% in 2020 from 10.3% in 2019
- The median age of construction workers is 41
    - However, due to aging trends, the share of construction workers aged 25 to 54 decreased from 72.2% in 2015 to 69.0% in 2019

Construction Employment Outlook

A lack of skilled construction labor is a key limiting factor for improving housing inventory and housing affordability. As detailed below, in recent months the number of open, unfilled jobs in the overall construction industry totals 300,000 to 400,000 positions. Moreover, given forecasts for additional home construction, required to reduce the existing housing deficit, and a rebound and recovery for nonresidential construction, the nation will require addition construction workers.

As explored in this report, there are several ways to measure the current need for additional workers. According to new NAHB Economics analysis of Bureau of Labor Statistics (BLS) data and projections, the average annual number of occupational openings in construction totals approximately 740,000 a year.[1] This estimate is determined by estimating the required net growth in employment due to construction expansion ***plus*** workers required to replace individuals who leave the sector permanently. This estimate reflects a need of more than 61,000 net hires a month. Over the course of 2022-2024, this total represents a need for an additional 2.2 million net hires for construction.

It is worth noting that the pace of gross hiring in construction is larger than these net estimates. In fact, over the period 2017-2020, total hires in the sector averaged approximately 4.8 million annually. These larger estimates reflect rehires in the sector as workers shift from business to business within the sector.

On a simple net basis, 2021 BLS estimates find that total construction employment is forecasted to rise from 6.97 million in 2020 (reflecting declines in the spring of 2020 during the virus recession) to 7.37 million in 2030, for a net need of 40,000 workers per year. This represents a forecast of average annual construction employment growth of 5.7% per year.

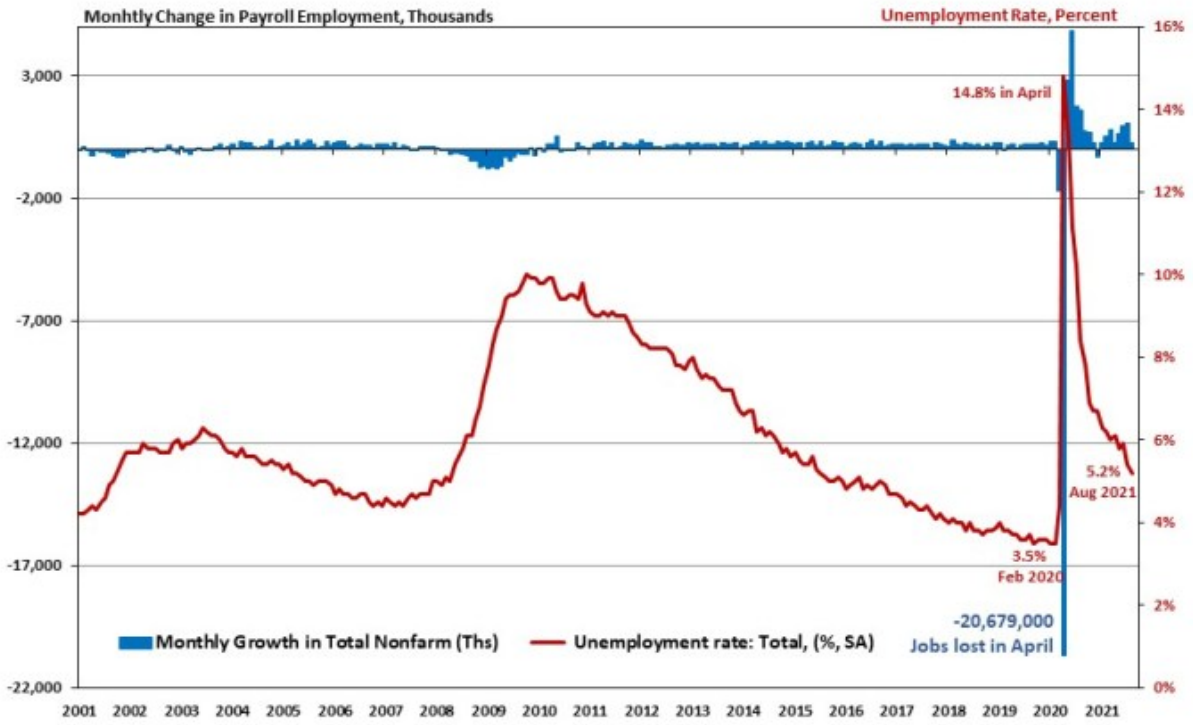
US Employment

During the first eight months of 2021, 4.7 million jobs were created and monthly employment growth averaged 586,000 per month. In August, total nonfarm employment, however, was 5.3 million less than its pre-pandemic level in February 2020 level. Total nonfarm payroll employment increased by 235,000 in August 2021, the smallest monthly gain in the past seven months. The June increase was revised up by 24,000, while the July increase was revised up by 110,000 from 943,000 to 1,053,000.

The national unemployment rate declined to 5.2% in August, the lowest point since the pandemic began. The rate was 9.6 percentage points lower than its recent high of 14.8% in April 2020 and 1.7 percentage points higher than the rate in February 2020. The August decrease in the unemployment rate reflected the decrease in the number of persons unemployed (-318,000) and an increase in the number of persons employed (509,000). The labor force participation rate, the proportion of the population either looking for a job or already with a job, was at 61.7% in August.

[1] BLS occupational projections are found here: https://www.bls.gov/emp/tables/occupational-projections-and-characteristics.htm

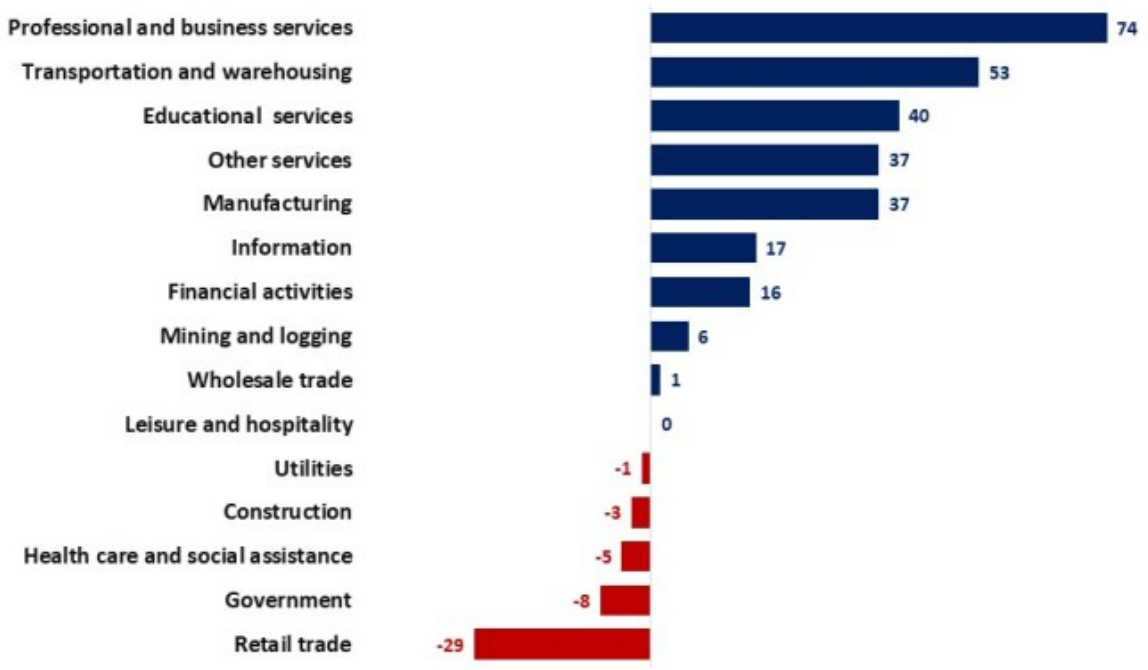
Figure 1. Monthly Change in Payroll Employment and Unemployment Rate



Source: Bureau of Labor Statistics.

In August, professional and business services, transportation and warehousing, educational services, and other services had job gains, while employment in retail trade declined over the month. Employment in leisure and hospitality was unchanged in August, after increasing for six straight months.

Figure 2. August Employment Changes by Selected Industry
(month-over-month change, in thousands)



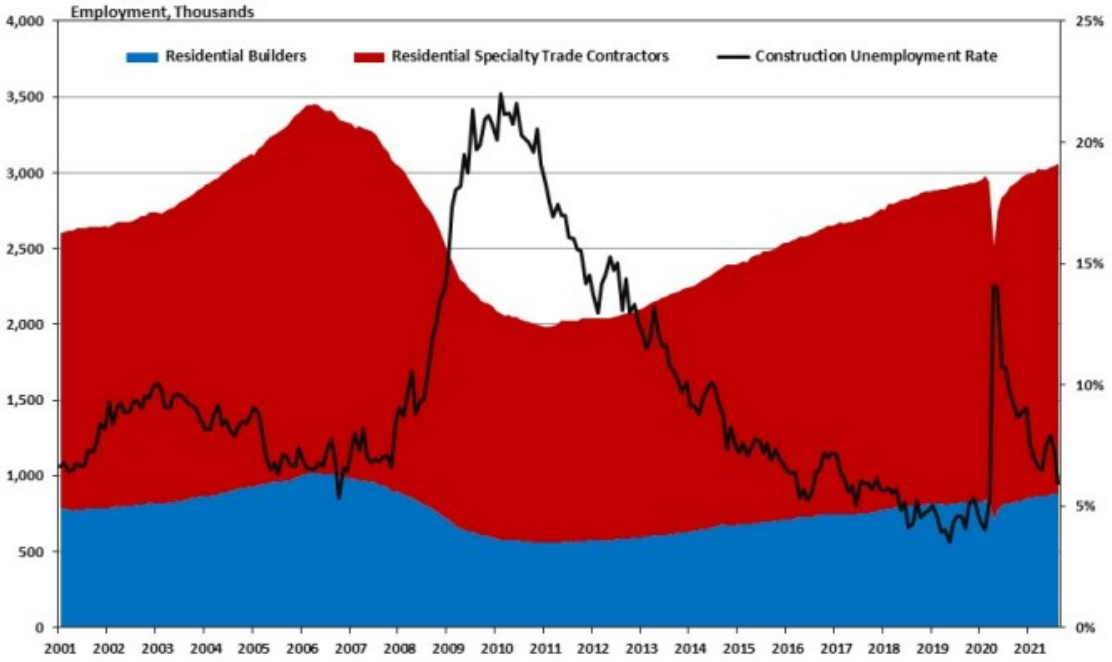
Source: Bureau of Labor Statistics.

Residential Construction Employment

Total construction industry (both residential and non-residential) payroll employment totaled 7.42 million in August 2021. Out of this total, residential construction employment now stands at 3.1 million in August, broken down as 881,000 builders and 2.2 million residential specialty trade contractors. The 6-month moving average of job gains for residential construction was 10,550 a month. Over the last 12 months, home builders and remodelers added 153,300 jobs on a net basis. Since the low point following the Great Recession, residential construction has gained 1,076,700 positions.

In August, the unemployment rate for construction workers declined by 1.4 percentage points to 5.9% on a seasonally adjusted basis. The unemployment rate for construction workers has been trending lower, after reaching 14.1% in April 2020, due to the housing demand impact of the COVID-19 pandemic.

Figure 3. Residential Construction Employment and Unemployment Rate



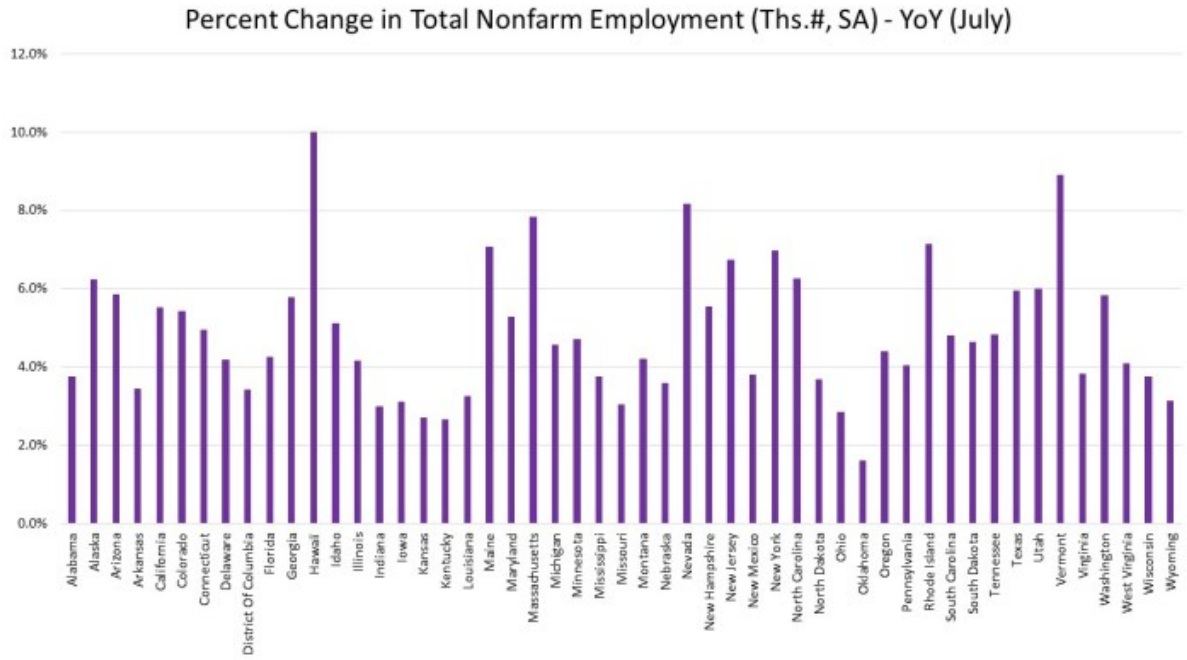
Source: Bureau of Labor Statistics.

State-Level Employment Data

According to the Bureau of Labor Statistics (BLS), nationwide total nonfarm payroll employment increased by 943,000 in July, following an upwardly revised increase of 938,000 jobs in June. Nonfarm payroll employment increased in 47 states and the District of Columbia in July compared to the previous month while three states (Oklahoma, Kentucky, and Tennessee) lost jobs.

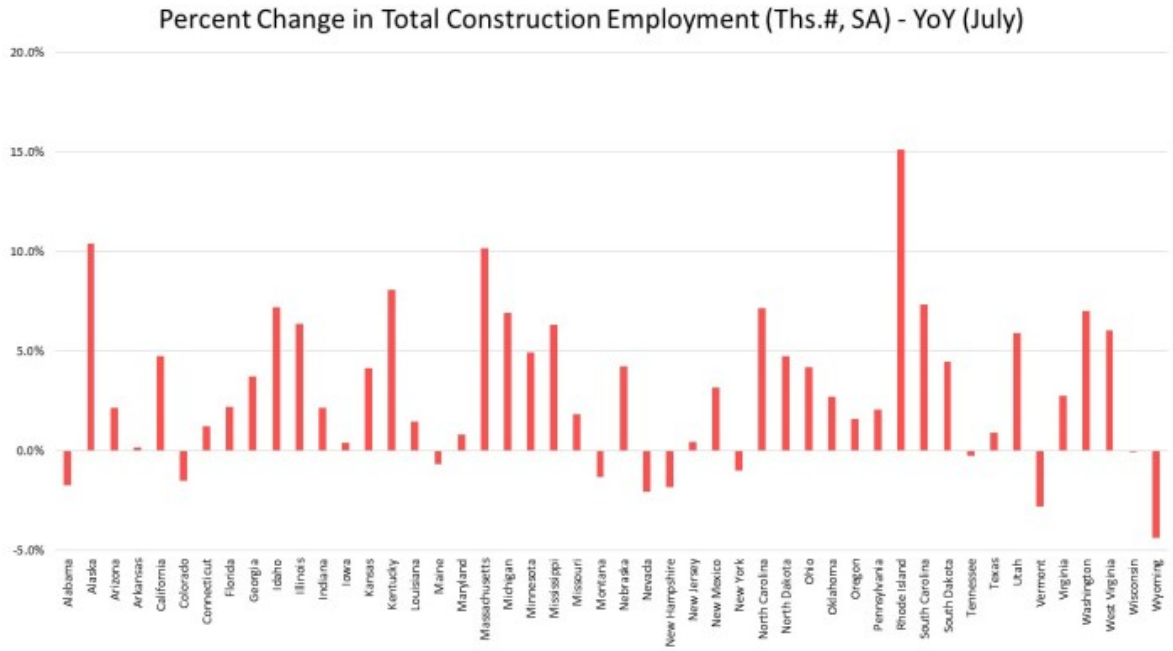
On a month-over-month basis, employment data was strong in California, which added 114,400 jobs, followed by Texas (+80,900) and North Carolina (+75,600). Oklahoma, Kentucky, and Tennessee lost a total of 13,700 jobs, where the largest decline was reported in Tennessee (-6,100). In percentage terms, Vermont employment increased by 2.3% while Kentucky reported a 0.3% decline between June and July.

Year-over-year ending in July, 7.3 million jobs have been recovered marking the economic rebound from the COVID-19 pandemic induced recession. All the states and District of Columbia added jobs compared to a year ago. The range of job gains spanned 864,400 jobs in California to 8,300 jobs added in Wyoming. In percentage terms, Hawaii reported the highest increase by 10.0%, while Oklahoma increased by 1.6% compared to a year ago.



Across the 48 states which reported construction sector jobs data—which includes both residential as well as non-residential construction— 29 states reported an increase in July compared to June, while 17 states lost construction sector jobs. Kansas and Tennessee reported no change. North Carolina added 4,300 construction jobs while Colorado lost 1,600. Overall, the construction industry gained 11,000 jobs in July compared to the previous month. In percentage terms, New Jersey increased by 2.7% while New Hampshire reported a decline of 2.2% between June and July.

Year-over-year, construction sector jobs in the U.S. increased by 224,000, which is a 3.1% increase compared to the July 2020 level. California added 39,900 jobs, which was the largest gain of any state, while New York lost 3,600 jobs, which was the largest decline. In percentage terms, Rhode Island had the highest annual growth rate in the construction sector by 15.1%. Over this period, Wyoming reported the largest decline at 4.3%.



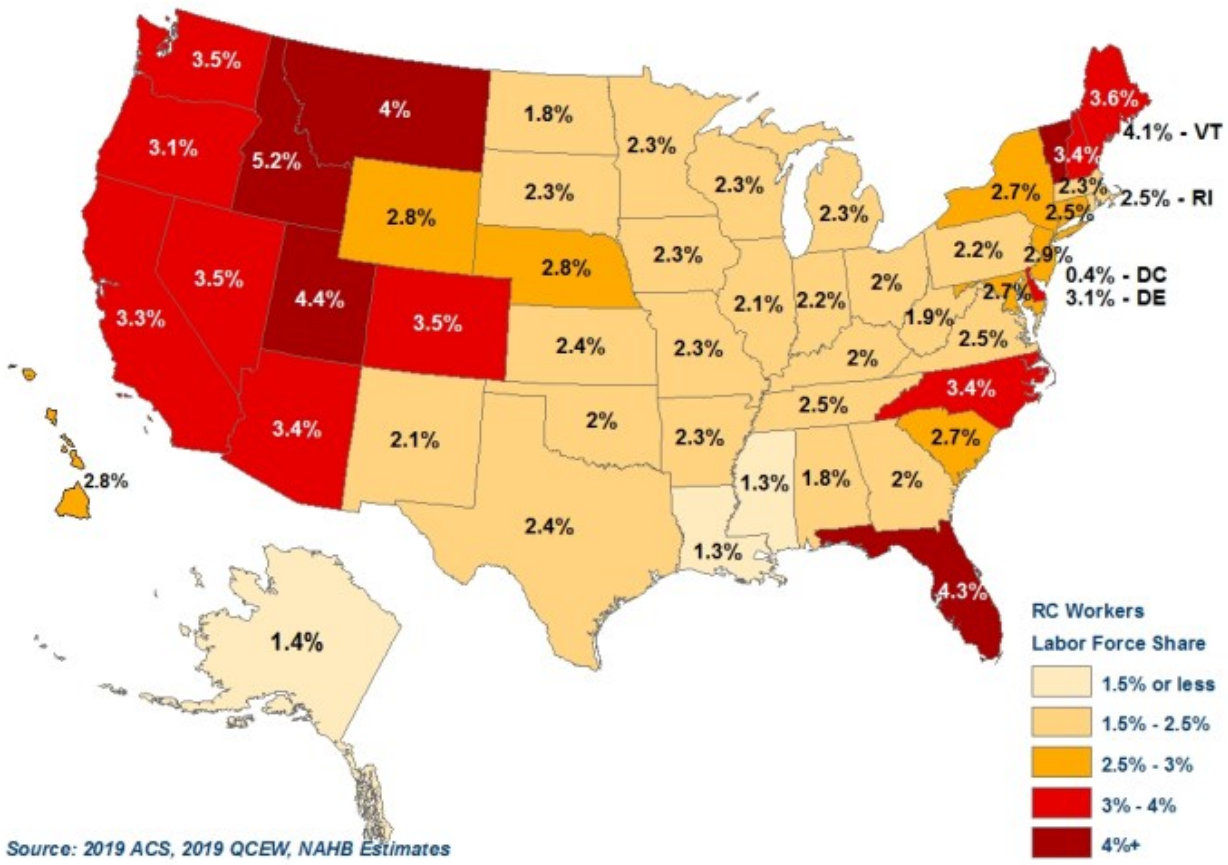
Residential Construction Employment across States and Congressional Districts

According to the latest 2019 American Community Survey (ACS), over 11 million people, including self-employed workers, worked in construction in 2019. The residential construction employment estimates, which only includes workers directly employed by the industry and do not count jobs created in related industries (such as design and architecture, furniture making, building materials, landscaping, etc), totaled 4.4 million people. It accounts for 2.8% of the US employed civilian labor force. In 2020, despite the widespread curtailment of economic activity due to Covid-19, home building created additional jobs as the rest of the economy struggled.

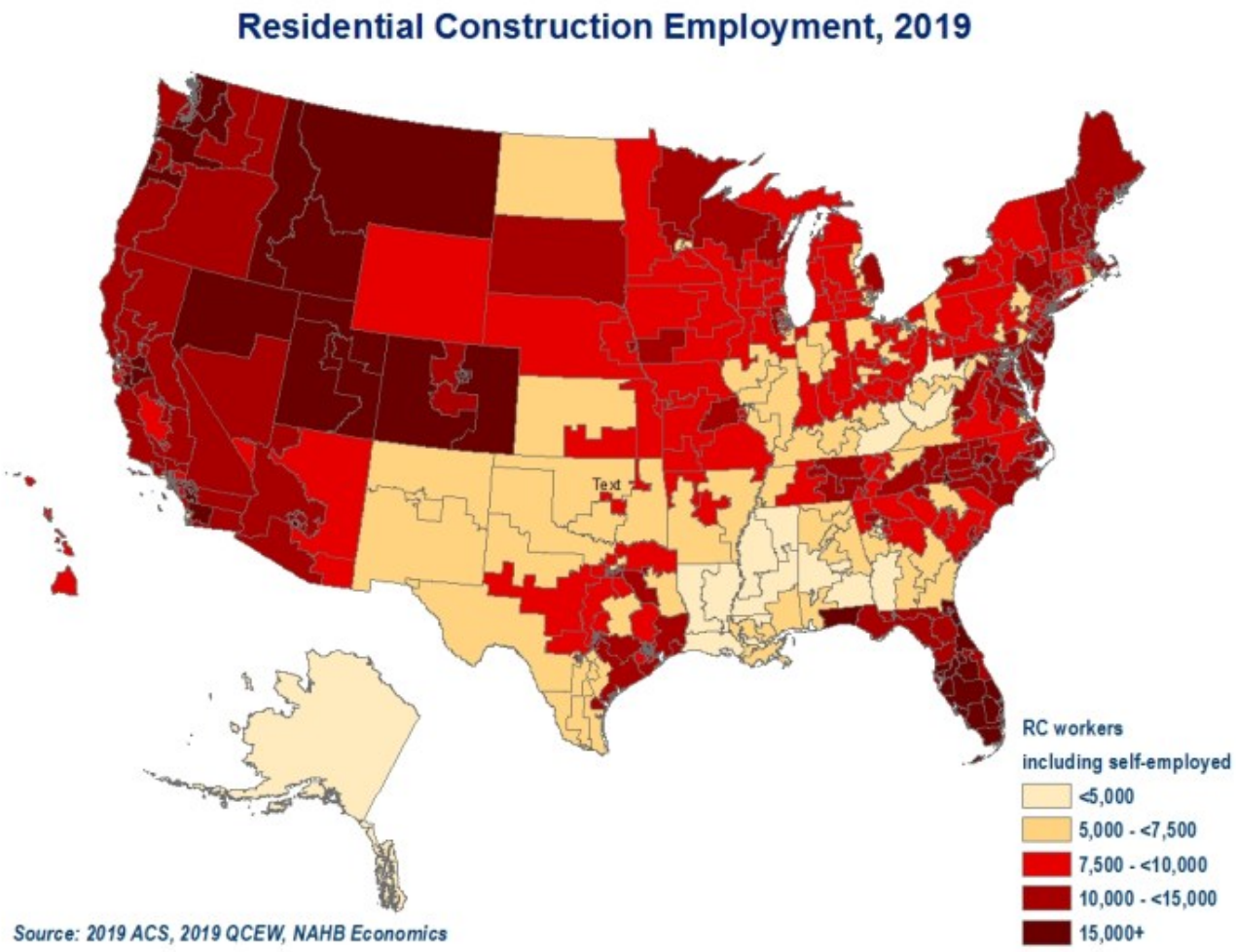
Not surprisingly, the most populous state—California—also has the most residential construction workers. Close to 640,000 California residents worked in home building in 2019, accounting for over 3.3% of the state employed labor force. Florida comes in second with over 430,000 residential construction workers. Florida has fewer residents than Texas but owing to its large vacation and seasonal housing stock, employs more residential construction workers. In Florida, residential construction workers account for a relatively high 4.3% of the employed labor. Even though this share is well above the national average (2.8%), it is drastically lower than in 2006 when Florida registered the highest share among all 50 states and the District of Columbia, 6.5%.

Other states with a high prevalence of seasonal, vacation homes top the list of states with the highest share of residential construction workers in 2019. Idaho with 5.2% of the employed labor force working in home building takes the top spot on the list. Utah and Florida follow with 4.4% and 4.3%, respectively. Vermont and Montana also register shares in excess of 4%. In addition, ten other states register shares of residential construction workers that exceed 3%: Maine (3.6%), Nevada (3.5%), Washington (3.5%), Colorado (3.5%), New Hampshire (3.4%), Arizona (3.4%), North Carolina (3.4%), California (3.3%), Oregon (3.1%) and Delaware (3.1%).

The Share of Home Building Workers in the Labor Force, 2019



As of 2019, the average congressional district has about 10,000 residents working in residential construction, but that number is often significantly higher in some congressional districts. In Idaho's 1st (Rep. Russ Fulcher – R), 24,000 residents are in home building. Florida's 25th (Rep. Mario Díaz-Balart – R) that stretches from west of Miami to east of Naples and Marco Island and Arizona's 7th (Rep. Ruben Gallego – D) that includes much of inner Phoenix and comprises the western part of the state are close second and third with about 22,000 residents employed in home building. Utah's 4th (Rep. Burgess Owens – R) and Montana's single Congressional district (Rep. Matt Rosendale – R) have over 21,000 residents working in home building.



Next on the list are three congressional districts in Florida and Idaho's 2nd (Rep. Mike Simpson-R) with about 20,000 residents working in home building. Florida's 19 (Rep. Byron Donalds– R) and Florida's 21st (Rep. Lois Frankel – D) are in the south and Florida's 14th (Rep. Kathy Castor – D) serves most of Tampa. California's 41st (Rep. Mark Takano – D) in western Riverside and 29th (Rep. Tony Cárdenas – D) in the north central San Fernando Valley and Florida's 10th (Rep. Val Demings – D) in Orange County conclude the top dozen list with close to 19,000 residential construction workers.

By design, Congressional districts are drawn to represent roughly the same number of people. So generally, large numbers of residential construction workers translate into high shares of RC workers in their district employed labor forces. Three districts in Florida (Florida's 19th, 17th, and 25th) register the highest shares of residential construction workers in the employed labor force, 6%, 5.8% and 5.7%, respectively, by far exceeding the national average of 2.8%. The other congressional districts on the top 10 list all register the shares of residential construction workers in excess of 5%. These include Arizona's 7th, Idaho's 2nd, Texas's 33rd and 29th, Florida's 21st, and California's 41st and 29th.

At the other end of the spectrum there are several districts that contain parts of large urban areas: the District of Columbia (Rep. Eleanor Holmes Norton – D), Pennsylvania's 3rd (Rep.

Dwight Evans – D) that includes areas of the city of Philadelphia, Georgia's 5th (Rep. Nikema Williams – D) that includes most of Atlanta, the 12th of New York (Rep. Carolyn Maloney – D), located in New York City, and among others, Louisiana's 2nd (currently vacant) that contains New Orleans. Most residents in these urban districts tend to work in professional, scientific, and technical services. The District of Columbia stands out for having the lowest number of RC workers residing in the district, around 1,500. At the same time, it has a disproportionally large share of public administration workers. The 12th District of New York and the 7th District of Illinois are home to a very large group of finance and insurance workers. Meanwhile, in Pennsylvania's 2nd, more than a third of residents work in health care and educational services.

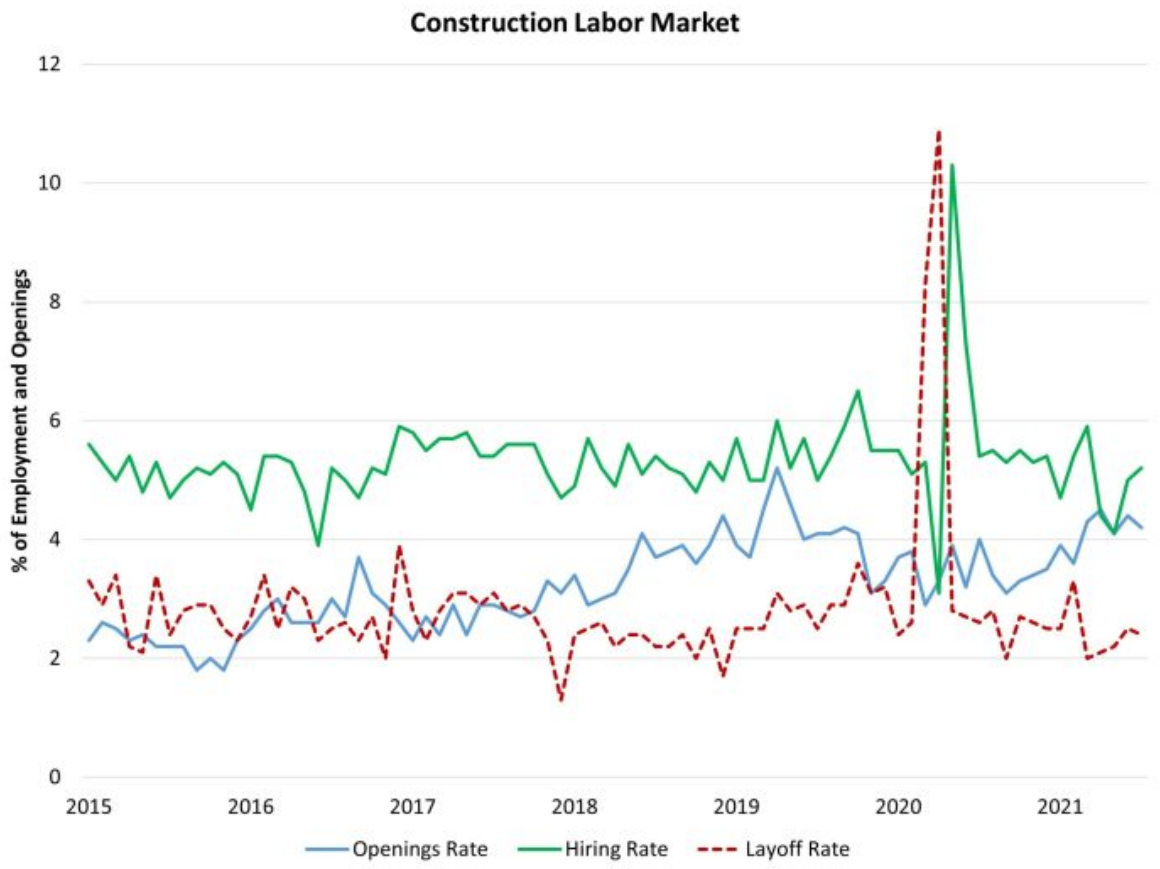
Job Openings and Labor Turnover in Construction

The count of open construction jobs weakened in July to 321,000 unfilled positions, according to data from the BLS Job Openings and Labor Turnover Survey (JOLTS). The housing market remains underbuilt and requires additional labor, lots and lumber and building materials to add inventory.

Overall, hiring in the construction sector remained solid in July, increasing to a 5.2% rate. The post-virus peak rate of hiring occurred in May 2020 (10.3%) as a rebound took hold in home building and remodeling. Hiring has generally slowed since that time, except for a weather-related rebound in March 2021. Hiring has been impeded due to a lack of workers.

Construction sector layoffs ticked down in July to a 2.4% rate. In April 2020, the layoff rate was 10.9%. Since that time however, the sector layoff rate has been below 3%, except for February 2021 due to weather effects.

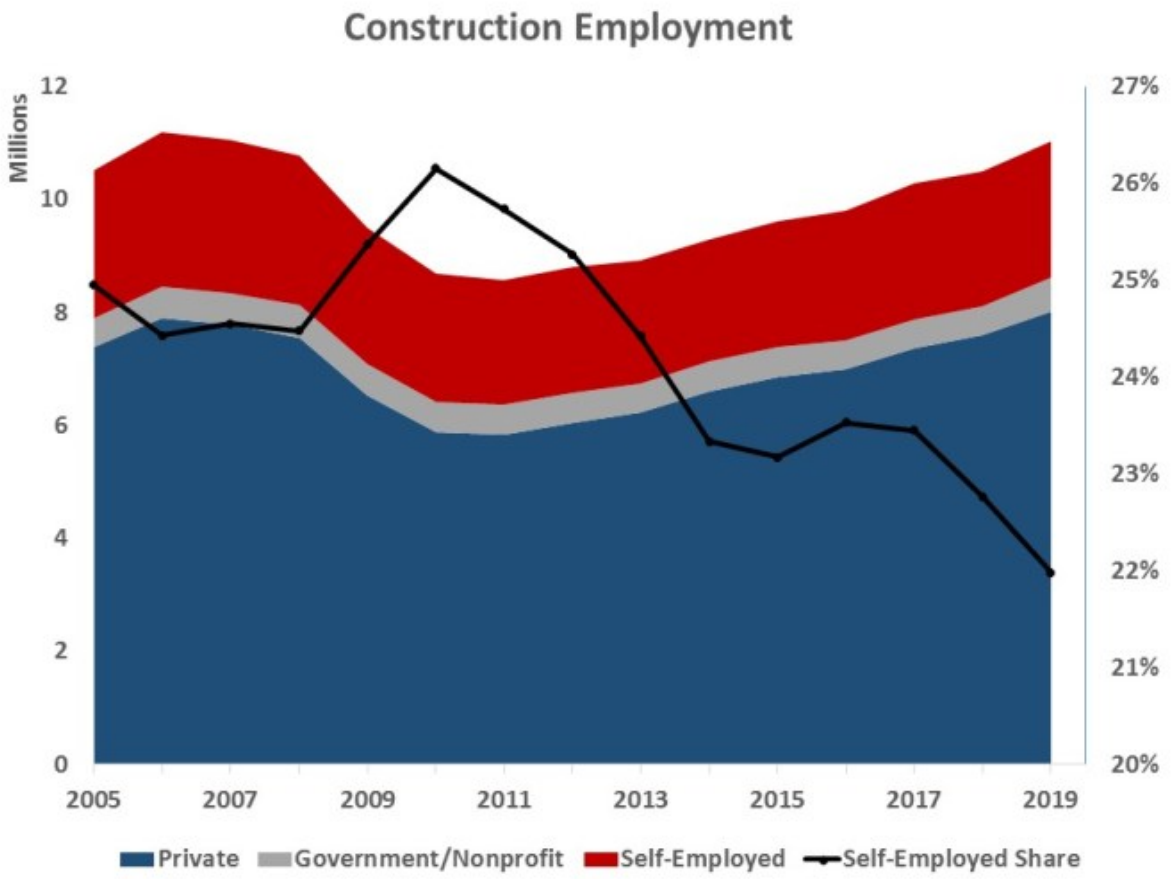
The job openings rate in construction edged down to 4.2% in July, with 321,000 open positions in the sector. This is higher than the 298,000 count recorded a year ago. Looking forward, the construction job openings rate is likely to see increased upward pressure as both the residential and nonresidential construction sectors trend higher. Attracting skilled labor will remain a key objective for construction firms in the coming quarters and will become more challenging as the labor market strengthens.



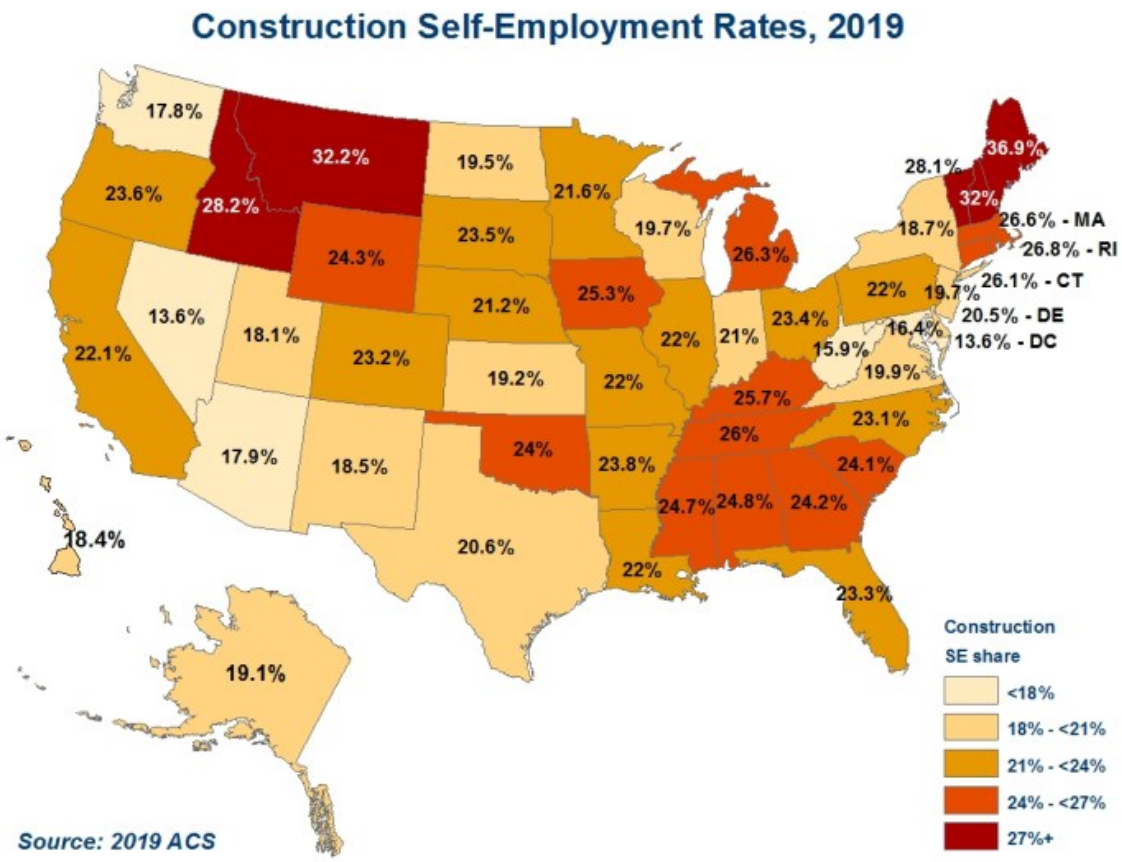
Self-Employment in Residential Construction

The timely payroll employment and unemployment statistics from the Bureau of Labor Statistics (BLS) do not include self-employed workers. Counting self-employed is particularly important in the home building industry since they traditionally make up a larger share of the labor force. According to the 2019 American Community Survey (ACS), 22% (2.4 million) of construction workers are self-employed. This is significantly higher than an economy-wide average of 9.7% of the employed labor force. Nevertheless, construction self-employment rates are now lowest on record, down from a record high of over 26% in 2010.

The construction industry has been adding payroll jobs since 2011 while the number of self-employed construction workers continued dwindling until 2015 and registered only modest gains since then. In 2019, construction payroll employment exceeded 8 million workers thus breaking the previous payroll record of 7.9 million set in 2006. In comparison, the number of self-employed workers in construction remained 11% below the cyclical high of 2.7 million reached in 2006.



Additional insights into construction self-employment rates can be gained by examining a cross-state variation. Many states, where home building accounts for a higher share of the labor force, also register higher shares of self-employed. Notably, Maine, Montana, New Hampshire, Idaho and Vermont have the highest shares of self-employed construction workers in the nation and some of the highest shares of residential construction workers in the state labor force. The share of self-employed reaches 37% in Maine, 32% in Montana and New Hampshire, and over 28% in Idaho and Vermont.



Wages in Construction

According to the 2020 Bureau of Labor Statistics Occupational Employment Statistics (OES) Survey data, half of payroll workers in construction earn more than $50,460 and the top 25% make at least $71,000. In comparison, the U.S. median wage is $49,150, while the top quartile (top 25%) makes at least $67,410.

Reflecting the divergent paths residential and commercial construction took during the pandemic, overall construction wages did not register sharp gains that would be consistent with a strong pace of home building and persistent labor shortages that weigh residential construction down.

Year over year, median wages in construction rose 3%. However, wages of multiple entry-level construction trades increased faster. Median wages of helpers of various construction tradesmen went up 5%.

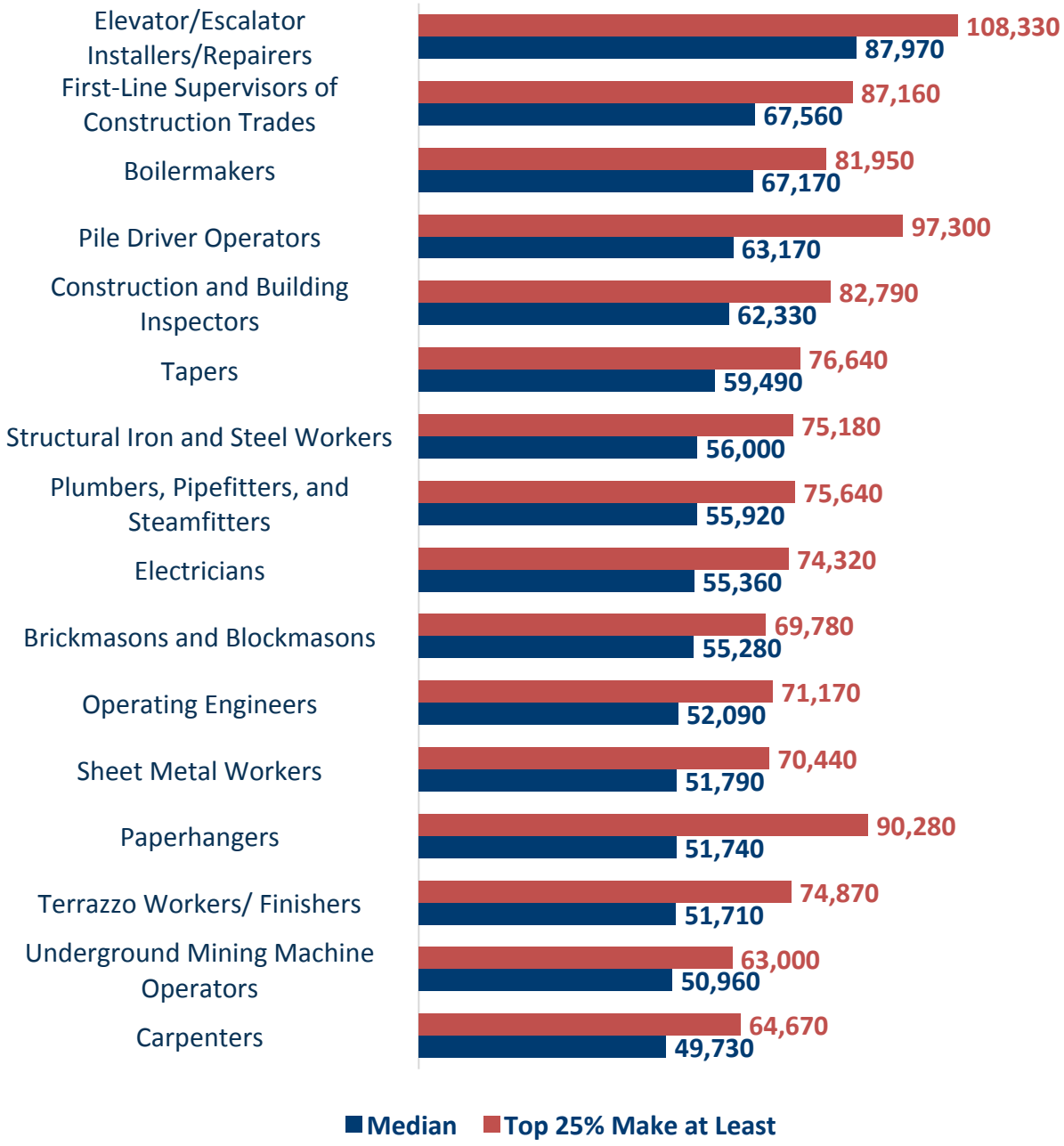
The highest paid occupation in construction is Chief Executive Officers (CEO) with half of CEOs making over $176,160 per year. Lawyers working in construction are next on the list with the median wages of $146,150 and the top 25 percent on the pay scale earning over $201,000 annually. Out of the next 15 highest paid trades in construction, 13 are various managers. The highest paid managers in construction are architectural and engineering managers, with half of them making over $135,910 and the top quartile earning at least $170,920.

Among construction trades, elevator installers top the median wages list with half of them earning over $87,970 a year, and the top 25% making at least $108,330. First-line supervisors of construction trades are next on the list, with half of them making over $67,560 and top quartile earning at least $87,160. Boilermakers are close third highest paid construction craft. Half of these craftsmen working in construction earn over $67,170, and the highest paid 25% bring in at least $81,950.

In general, construction trades that require more years of formal education, specialized training or licensing tend to offer higher annual wages. Median wages of construction and building inspectors are $62,330 and the wages in the top quartile of the pay scale exceed $82,790. Half of plumbers in construction earn over $55,920, with the top quartile making over $75,640. Electricians' wages are similarly high.

Carpenters are one of the most prevalent construction trades in the industry. The trade requires less formal education. Nevertheless, the median wages of carpenters exceed the national median. Half of carpenters working in construction earn over $49,730.

Highest Paid Construction Occupations in Construction, 2020

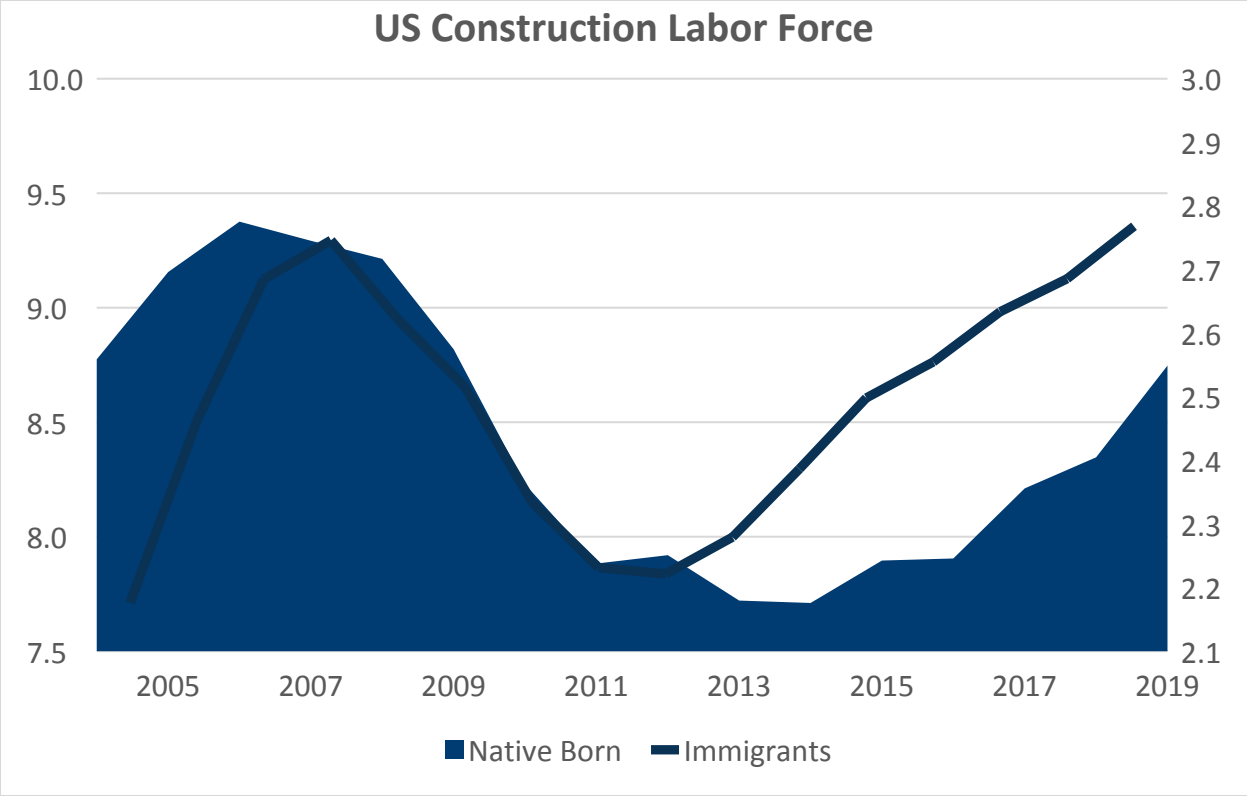


Immigrants in Construction

According to the most recent American Community Survey (ACS), the number of immigrant workers in construction approached 2.8 million in 2019, the highest level recorded by the ACS. Immigrant workers now account for 24% of the construction workforce, slightly below the 2016 record high share of 24.4%. The share of immigrants is higher in construction trades, reaching 30%. The latest statistics confirm that immigrant workers remain a vital source of labor to the construction industry amid ongoing skilled labor shortages exacerbated by a pandemic boost to housing demand.

The latest ACS data show that 11.5 million workers, including self-employed, worked in construction in 2019. Out of these, 8.7 million were native-born, and 2.8 million were foreign-born.

While the number of immigrant workers in construction reached a new record high, breaking the housing boom era record levels, the number of native-born workers in construction remained 7% below the cyclical high reached in 2006, when 9.4 million native-born workers were in construction.

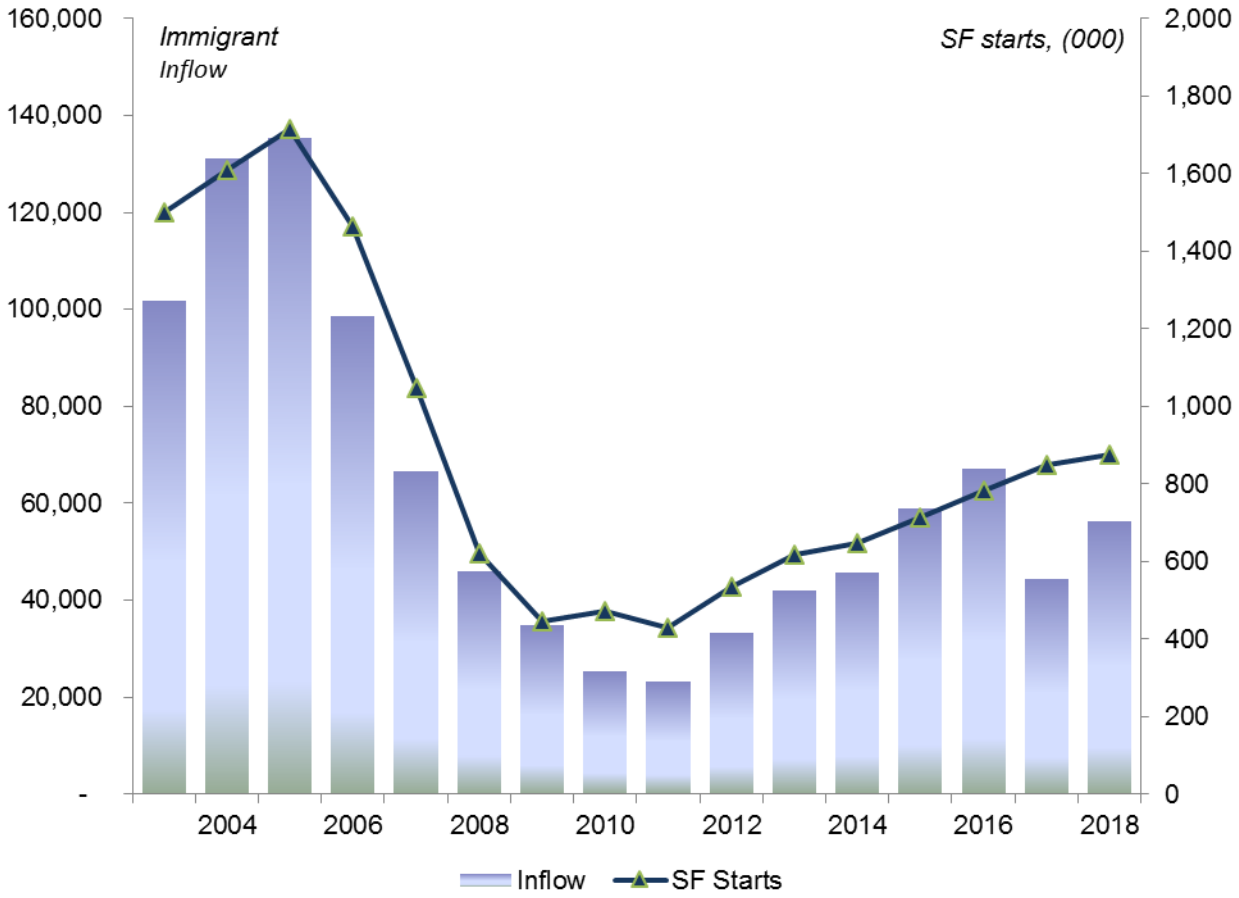


Source: 2004-2019 ACS PUMS, NAHB estimates

Even as native-born workers have generally been a lagging source of construction workforce growth, 2019 registered a noticeable increase in their numbers. As a result, the share of immigrants declined slightly in 2019 but nevertheless remains at historically high levels.

Another contributing factor to the recently declining share of immigrants was a noticeable decrease in the inflow of newly arrived immigrants into the construction work force. Just over 44,000 new immigrants entered the construction industry in 2017 and additional 56,000 in 2018. This is a substantial drop even compared to 2016, when over 67,000 new immigrants joined in. In comparison, over 130,000 new immigrants were joining the construction labor force annually in 2004 and 2005.

Annual Flow of New Immigrants into Construction and Single-Family Starts

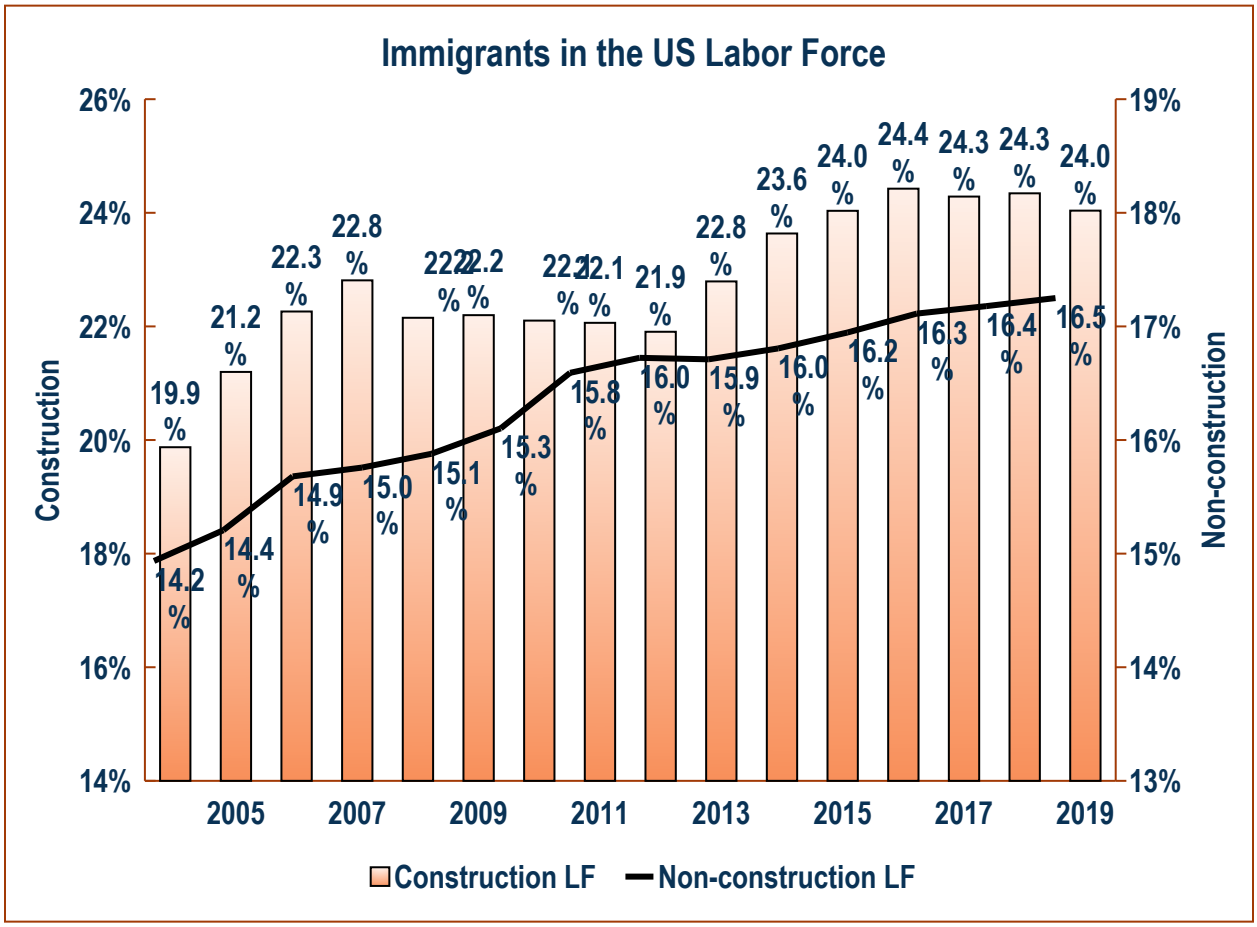


Source: 2004-2019 ACS PUMS, NAHB estimates

NAHB's earlier research showed that over the last 15 years, the time span these data are available, the annual flow of new immigrant workers into construction remained highly correlated with measures of new home construction, especially new single-family starts. The number of newly arrived immigrants in construction rose rapidly when housing starts were rising and declined precipitously when the housing industry was contracting. The response of immigration has been quite rapid, occurring in the same year as a change in the single-family construction activity. This correlation broke in 2017 when NAHB's estimates showed a surprising drop in the number of new immigrants in construction despite steady gains in housing starts.

The 2017 noticeable drop and 2018 anemic gains in the number of new immigrants in construction may seem puzzling given favorable economic conditions but most likely reflect changes in the US immigration policies.

Similar trends are observed in the rest of the US economy, with the share of immigrants in the labor force stabilizing at record high levels but showing no further gains in recent years. Over the last 15 years, the entire US labor force has become more dependent on foreign-born labor with its share rising from less than 15% in 2004 to 17% in 2019. Excluding construction, where the reliance on foreign-born workers is greater, the share of immigrants in the US labor force increased from just over 14% in 2004 to 16.6%, the highest level recorded by the ACS, in 2018. The share of immigrants stabilized at these record high levels with no further increases in 2019.

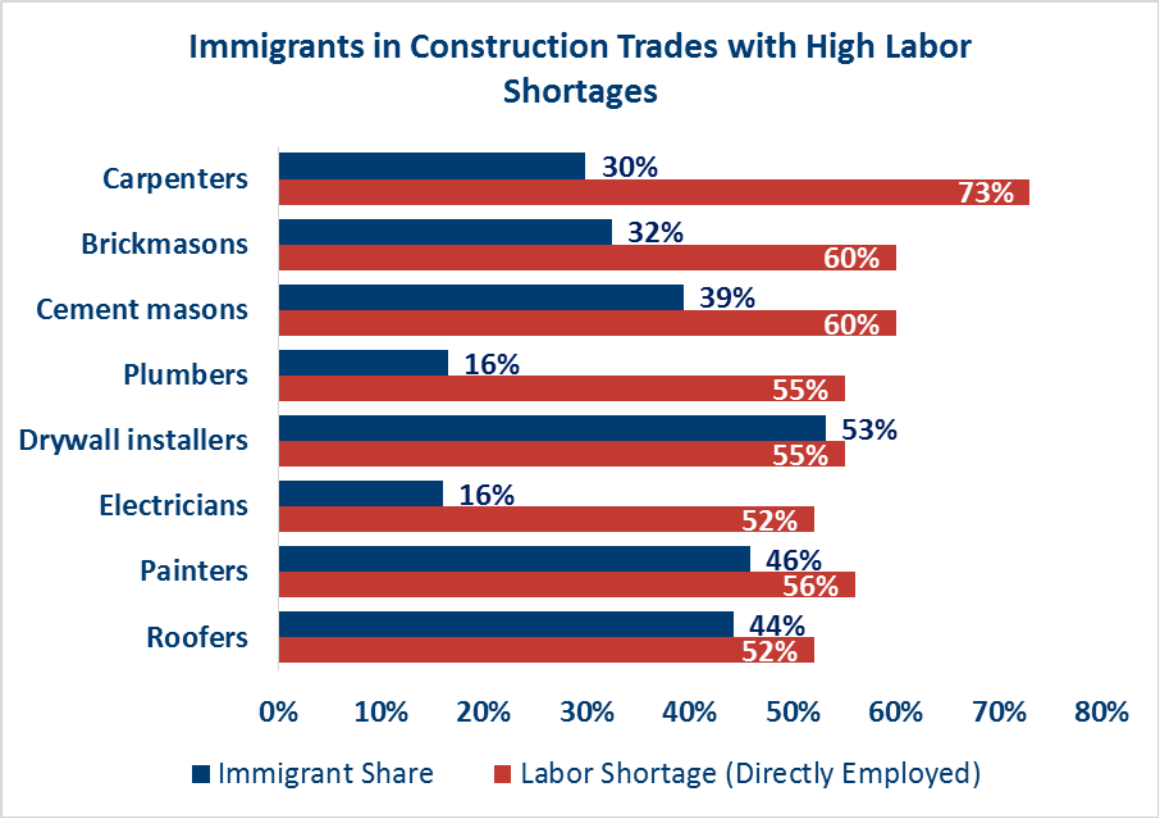


Source: 2004-2019 ACS PUMS, NAHB estimates

Concentration of immigrants is particularly high in some of the trades needed to build a home, like drywall/ceiling tile installers (53%), painters (46%), roofers (44%), cement masons (39%), and construction laborers (38%) – trades that require less formal education but consistently register some of the highest labor shortages in the NAHB/Wells Fargo Housing Market Index (HMI) surveys and NAHB Remodeling Market Index (RMI).

The most recent October 2020 HMI survey shows ongoing labor shortages exacerbated by a pandemic boost to housing demand. Over 73% of builders report shortages of carpenters and framing crews and 60% of builders report shortages of brick masons and cement masons directly employed by their firms.

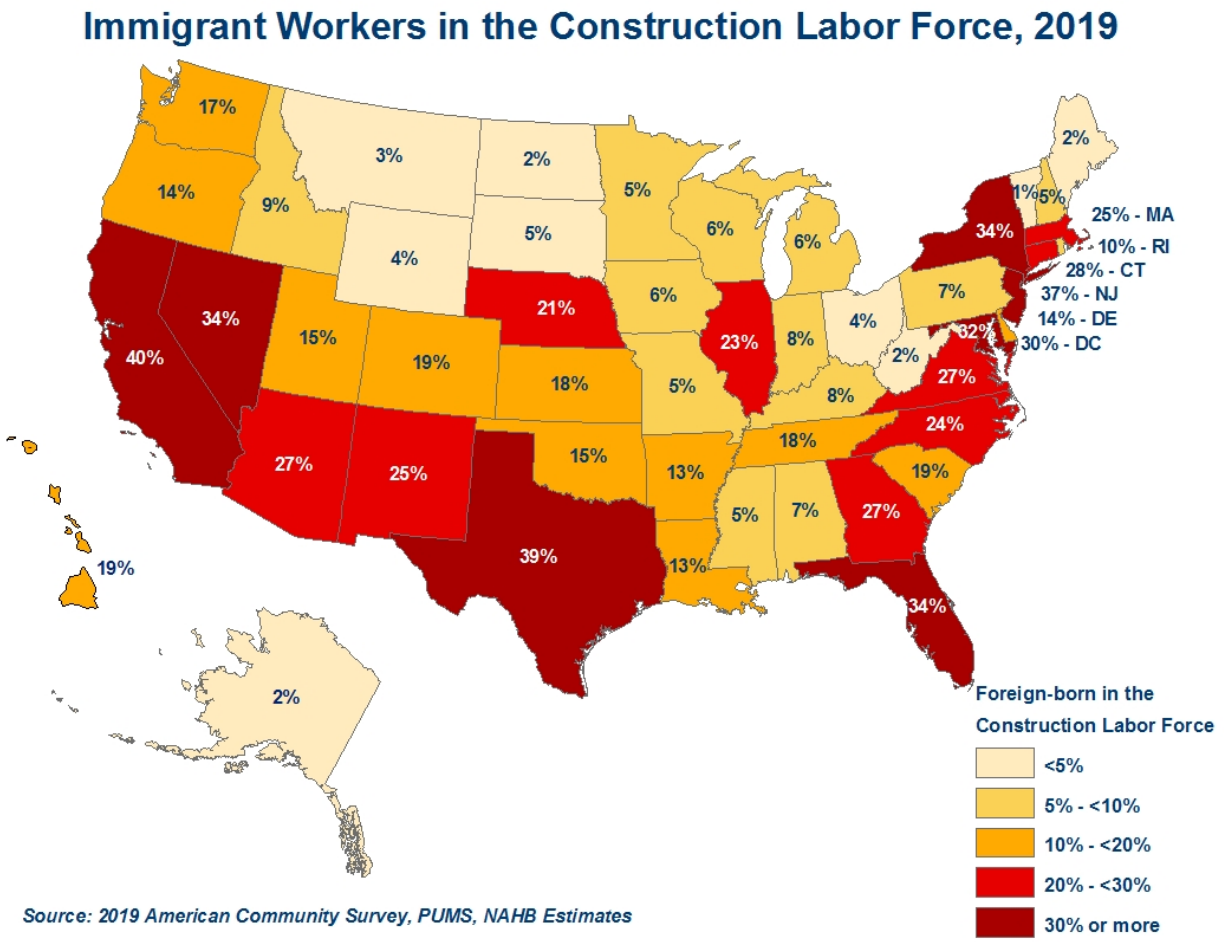
Comparing the HMI survey data over the recent years, construction trades with the most consistent labor shortages are framing crews, carpenters and bricklayers – all requiring unique technical expertise but less formal education.



The two most prevalent construction occupations, laborers and carpenters, account for about 30% of the construction labor force. More than a third of all construction laborers (38%) and 30% of carpenters are of foreign-born origin.

Reliance on foreign-born labor is quite uneven across the US states. Immigrants comprise close to 40% of the construction workforce in California and Texas. In New Jersey, 37% of the construction labor force is foreign-born. In Nevada, New York and Florida, one out of three construction industry workers come from abroad.

Traditionally, construction immigrants are concentrated in a few populous states, with more than half of all immigrant construction workers (56%) residing in California, Texas, Florida, and New York. These are not only the most populous states in the U.S. (together accounting for a third of the country's population), they are also particularly reliant on foreign-born construction labor, as more than a third of the construction industry workforce in these states comes from abroad.



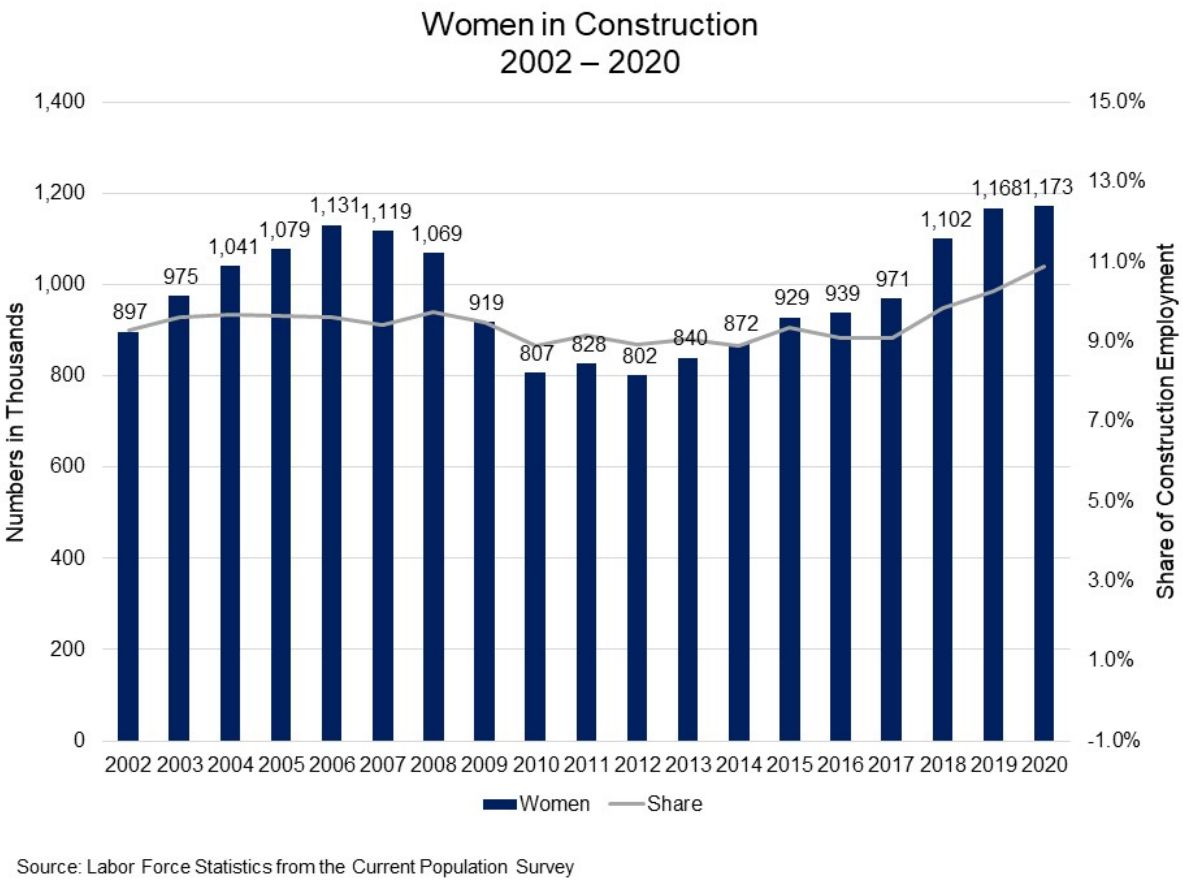
However, the reliance on foreign-born labor is also noticeable outside of these traditional immigrant magnets. This is evident in states like Nevada, New Jersey, Maryland, and Connecticut, where immigrants, as of 2019, account for between 28 and 34% of the construction labor force.

While most states draw the majority of immigrant foreign-born workers from the Americas, Hawaii relies more heavily on Asian immigrants. European immigrants are a significant source of construction labor in North East and Illinois.

Women in Construction

The number of women employed in the construction industry grew slightly in 2020, rising to around 1.17 million, while the construction industry lost 587,000 jobs in 2020 when the pandemic hit the economy. Currently, women make up a growing share of the construction employment, up to 10.9% in 2020 from 10.3% in 2019. As the construction skilled labor shortage remains a key challenge, adding new workers is an important goal of the industry. Bringing additional women into the construction labor force represents a potential opportunity for the future. Here we explore the state of women in the construction industry using labor force statistics from the Current Population Survey (CPS).

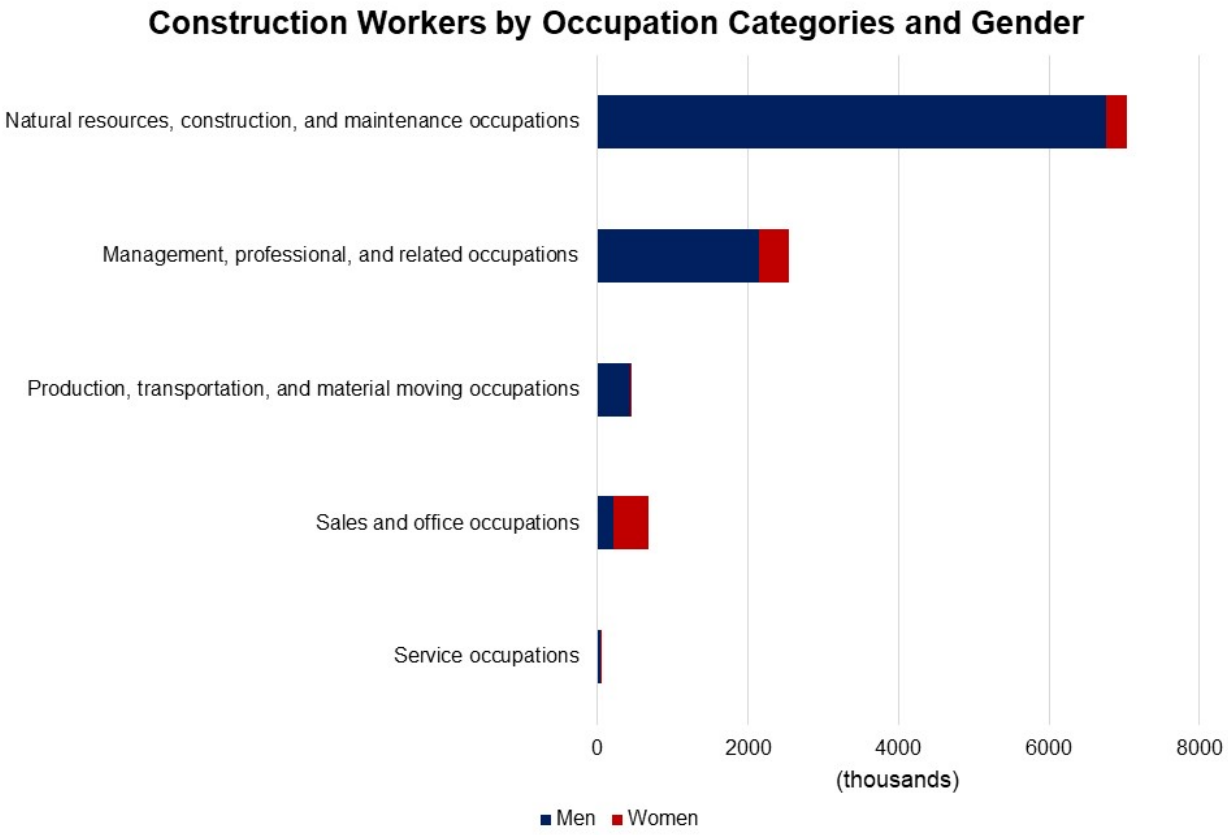
During the Great Recession, the number of female construction workers declined sharply by almost 30 percent to 807,000 by 2010. From 2010 to 2017, the total slowly expanded to around 970,000 but remained below the peak of pre-recession levels. The number of women working in construction increased to 1.17 million in 2020, edged up by 0.4% in 2020 during the pandemic.



Source: Labor Force Statistics from the Current Population Survey

Overall, the share of women in construction increased to 10.9% in 2020. According to the Current Population Survey, women in the construction are mostly involved in such occupations as office and admnistrative support, management, business and financial operations. Sales and office occupations employed the largest number of women within the construction industry. For example, women accounted for 69 percent of workers in sales and office occupations, including 444,000 women in office and administrative support, and 32,000 in sales and related occupations in 2020. Around 398,000 women were engaged in management, professional, and related occupations.

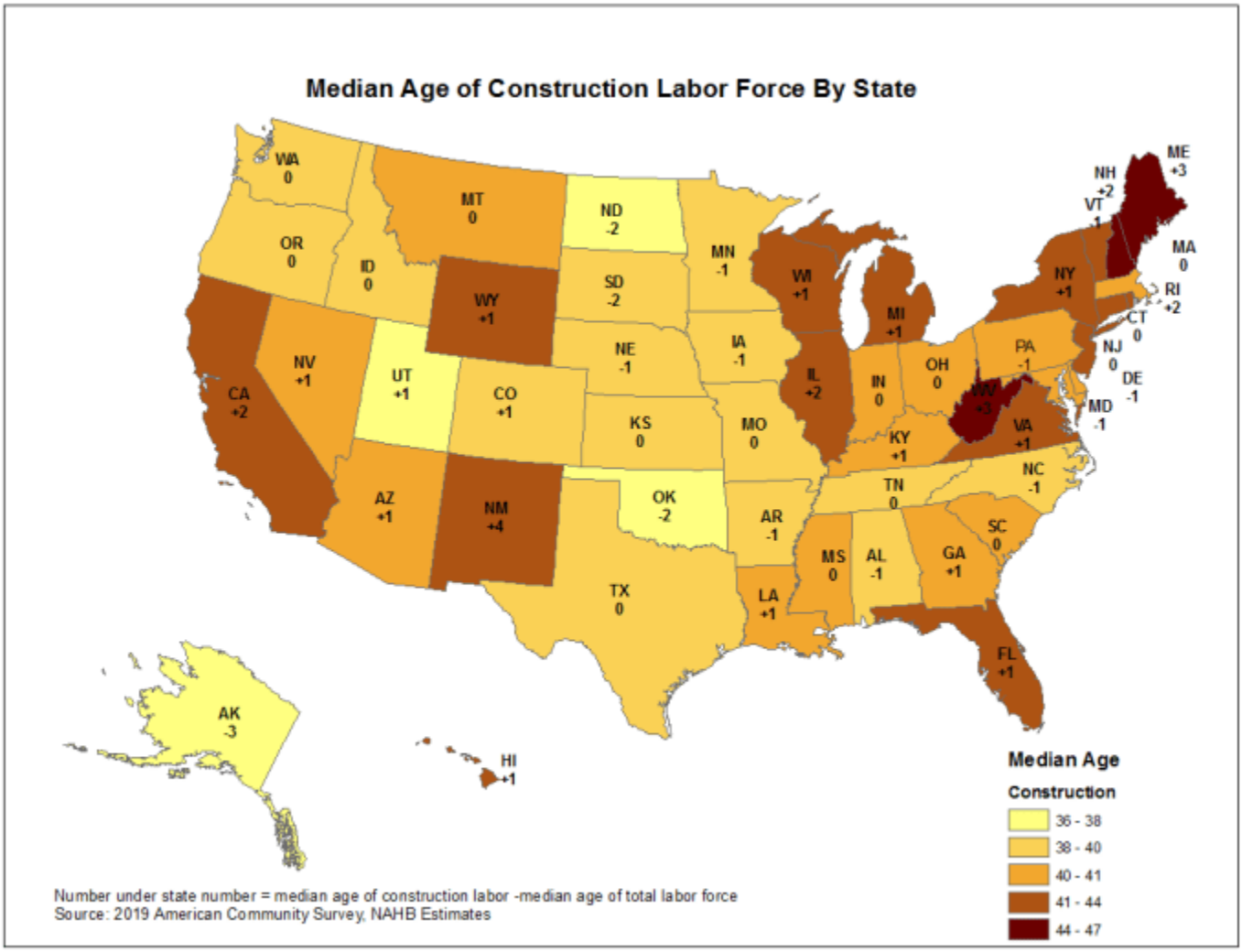
While construction and mainenance occupations account for the largest number of employees in construction, and is where additional workers are needed, women comprised only 6 percent of the such occupations. More improvement is needed here. Other groups such as production, transportation, and material moving occupations, and service occupations employed only around 14,000 female workers.



Source: 2020 Labor Force Statistics from the Current Population Survey

Age of Construction Labor Force

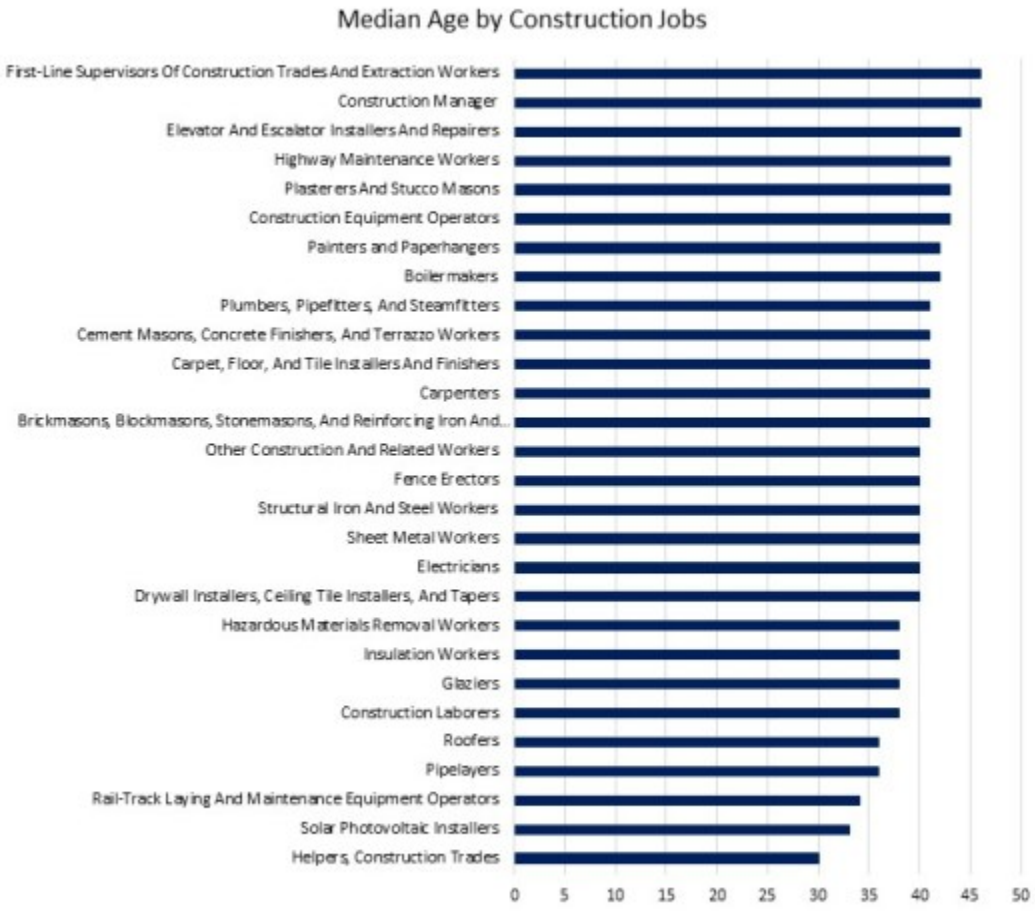
NAHB analysis of the most recent 2019 American Community Survey (ACS) data reveals that the median age of construction workers is 41, the same as a typical worker in the national labor force. While the residential construction has been adding jobs during the pandemic, access to skilled labor is still a business challenge in 2021.



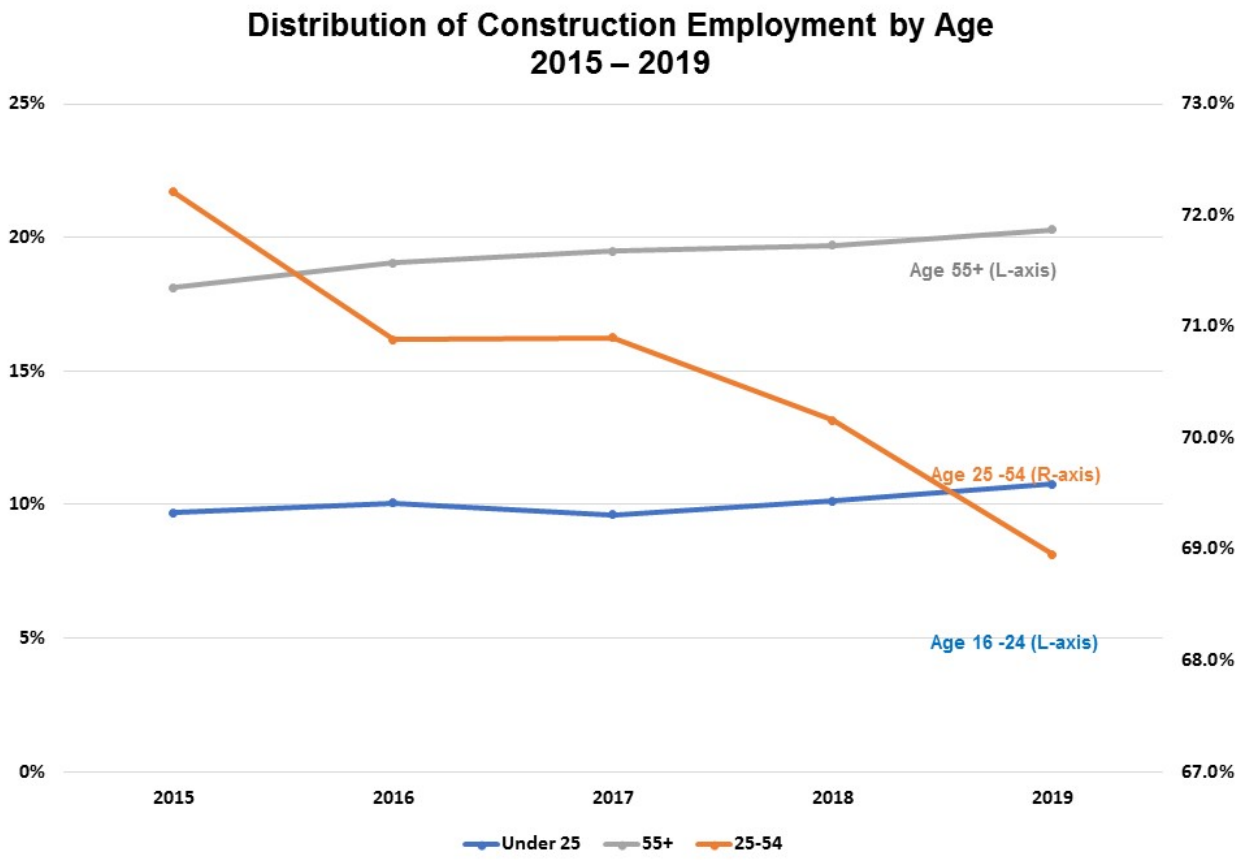
The median age of construction workers varies across the states. The color coding in the map above tracks the median age of construction workers. States with the oldest median age of construction workers (47 years old) are Maine, followed by New Hampshire (46 years old) and West Virginia, where the median age of construction workers is 45. Construction workers are younger on average in the central part of the nation. Half of all construction workers in North Dakota and Alaska are under 36, while in Oklahoma and Utah half are under 38.

The second data series mapped above is the difference between the median age of construction workers in each state and the median age of the overall workforce. These estimates are reported as the numbers printed on each state. A positive number indicates that on average, construction workers are older than a typical worker in the state labor force. New Mexico is the state where the median age of construction workers is 4 years higher than the overall median, followed by Maine and West Virginia (+3). Meanwhile, a negative number indicates construction workers are, in general, younger than the state labor force. In Alaska, the median age of construction workers is 3 years younger than the overall median.

The ACS data also allow analyzing median age by occupations. Construction occupations with younger workers include helpers, construction trades, solar photovoltaic installs. Older workers are concentrated in managerial positions such as inspectors, construction supervisors and construction managers.

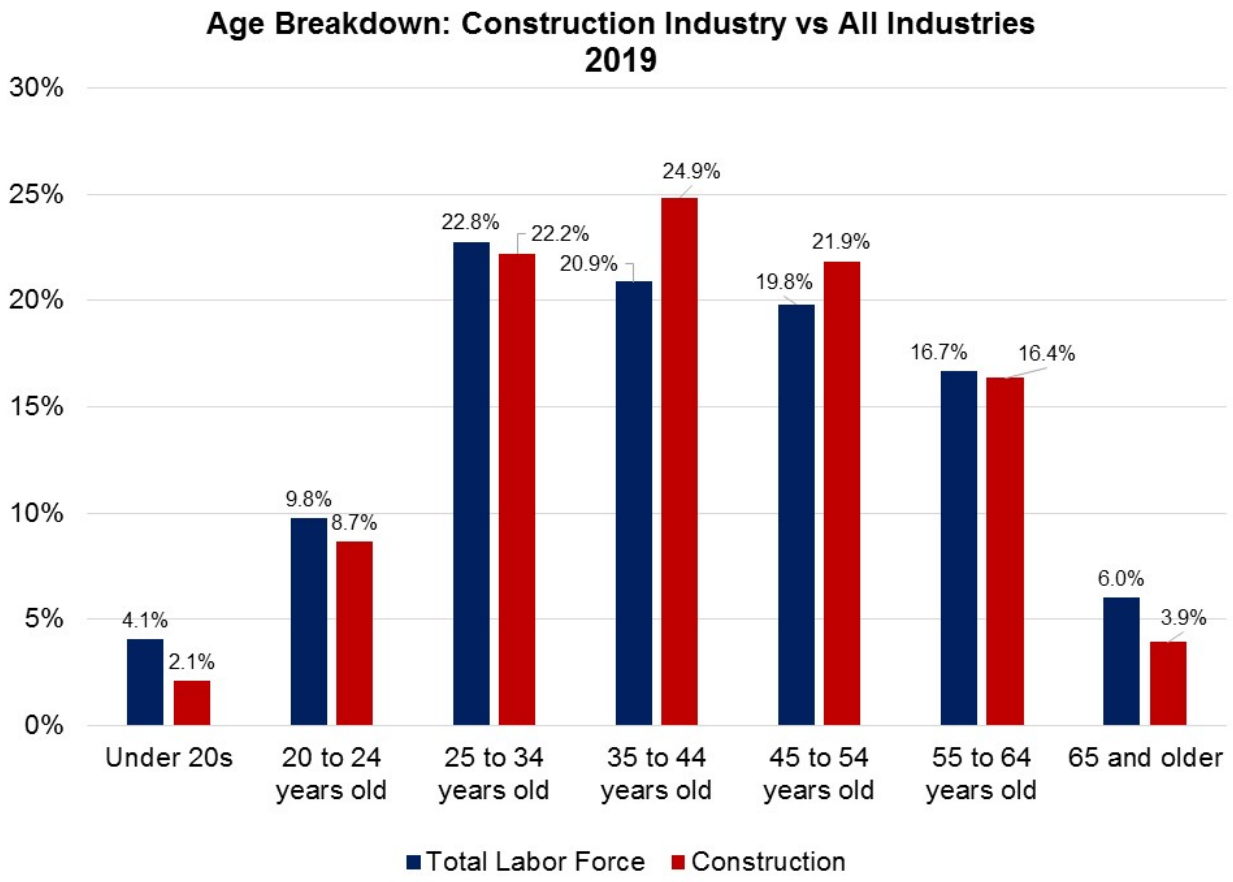


More young people are entering the construction trades, as the share of workers under the age of 25 reached 10.8% in the construction industry in 2019, compared to only 9.7% in 2015. Consequently, the median age of construction workforce is 41 in 2019, a year younger than in 2018. This is good news for the long-run objective of the industry bringing in a new generation of skilled labor, but more needs to be done.



Source: 2019 American Community Survey, PUMS data

However, the proportion of older construction workers, ages 55+, also increased from 18.1% to 20.3%. Simultaneously, the share of construction workers ages 25 to 54 decreased from 72.2% in 2015 to 69.0% in 2019. This change in age composition of construction labor force is largely because the last elements of the Baby Boomer generation are entering the 55+ group and a large share of skilled workers displaced during the Great Recession left the construction industry.



Source: 2019 American Community Survey, PUMS data

Compared to the workforce in all industries, construction has a relatively smaller share of younger workers, but a larger proportion of workers in their prime-working age. The chart above shows that, as of 2019, only 8.7% of construction workers were 20-24 years old and 2.1% under 20, less than the employment share of these two age groups in all industries. Around 69% of construction workforce were in the prime working years of 25-54, compared to 63% in overall workforce.

The relative greater share of workers in construction in the 35-55 age group, mostly Gen X-ers, reveals the current challenge. Gen X is a smaller generational group than the Baby Boomers. The share of workers ages 55 and older was 20.3% in construction, implying that a substantial portion of workforce could retire in near future, highlight the need for more efforts in attracting talent in the industry.