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TWENTY-SEVEN PERCENT OF CONSTRUCTION FIRMS REPORT LAYOFFS SINCE THE CORONAVIRUS AS NEW JOBS REPORT OFFERS EARLY SNAPSHOT OF THE LOSSES

Association Survey Conducted This Week Suggests Industry's Job Losses are Spreading Rapidly; Officials Call for Additional Federal Measures to Help Avoid Further Layoffs and Economic Pain

The fast-worsening covid-19 pandemic has triggered layoffs at more than a quarter of construction firms responding to an online <u>survey</u> released today by the Associated General Contractors of America. The finding, based on responses from earlier this week, contrasts with the government's monthly employment report for March, which found that construction employment declined by 29,000 as of mid-March.

"The March employment data does a better job reflecting market conditions before the pandemic than it does the widespread disruptions that have occurred during the past few weeks," said Ken Simonson, the association's chief economist. He noted that the federal employment figures are based on payrolls as of March 12, when relatively few states or individual owners had directed contractors to stop work. "Our survey, meanwhile, indicates rapidly deteriorating labor and market conditions for the construction sector." Click here for additional video comments from Mr. Simonson.

Simonson added that 27 percent of respondents to the survey reported that they have furloughed or terminated construction workers. The share of firms that said they had been directed to halt or cancel projects by their clients had jumped to 55 percent from 39 percent the week prior. Over one-quarter of respondents reported they had been directed to stop construction activities by government officials.

In addition, 59 percent of respondents in the latest survey reported a variety of problems causing project delays or disruptions, compared to 45 percent last week. The most common source of delay or disruption, cited by 35 percent of respondents, was shortages of material, parts and equipment, including vital personal protective equipment for workers such as respirators. Twenty-eight percent reported shortages of craftworkers, while 16 percent said projects were delayed by shortages of government workers needed for inspections, permits and other actions.

The government employment data showed employment as of mid-March totaled 7,605,000, an increase of 162,000 (2.2 percent) from a year earlier. The March total followed a mild winter in which industry employment hit an 11-year high in February.

Association officials said the new employment and survey figures indicate that more needs to be done to prevent broader job losses and economic hardship for the construction sector as demand continues to shrink. They urged federal officials to begin working on new recovery measures, including greater investments in infrastructure, compensation for pandemic-related losses on federal projects and measures to protect pensions for many construction workers.

"We are just beginning to appreciate the severity of the economic impacts of the pandemic for construction workers and their employers," said Stephen E. Sandherr, the association's chief executive officer. "Washington officials have an opportunity, however, to use the construction industry as the vehicle for rebuilding our economic once the pandemic passes."

View AGC's coronavirus resources and survey. View comparative data here.