

CONTRACTORS ARE PAYING MORE FOR LOW-SKILLED WORKERS BUT AREN'T BENEFITING FROM INCREASED PRODUCTIVITY, ECONOMISTS SAY.

The clamor over construction's labor crisis reached a fever pitch recently, with new evidence suggesting historic wage increases for low-skilled site workers are eating into

Average hourly earnings for production and nonsupervisory

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But increasingly, those higher wages are coming on the bottom rung of the construction employment ladder, with unskilled



than the private sector as a whole, Simonson said, compared to

“So the average hourly wage in the rest of the private sector has come up, and that is squeezing what contractors are offering as a premium to go out and work in 100 degree heat,”

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More Workers, Lower Profits

At the same time, construction employers get fewer skilled workers for the higher wages they pay, said Anirban Basu, chief

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“The ‘unskilled laborer’ is among the fastest growing

“Contractors are still hiring aggressively, but they’re often just throwing bodies at jobs, without those bodies being more

As a result, even as contractors anticipate hiring more workers

they normally would while adding more employees to take on

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Just Half the Workers Needed

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“We’re in maybe the tightest market ever in the number of job

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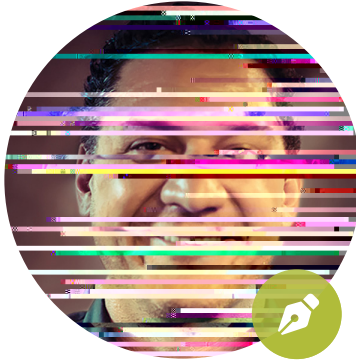
brought on twice as many workers as they did, if they could

Indeed, a recent article in the Wall Street Journal pointed to labor shortages stymieing construction activity and company

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About the Author

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