

Construction employment declines, wages rise

Source: Associated General Contractors of America | Compiled by Sahely Mukerji

The pace of U.S. job losses slowed down in May, sparking hopes that the recession is drawing to a close. However, the jobless rate reached its highest level in 26 years, according to a June 8 article in The Wall Street Journal.

According to the Labor Department, nonfarm payrolls fell by 345,000 in May, less than April's 504,000 drop and the smallest decline since September. Still, more jobs were lost in May than in any month of the prior three recessions, according to the article. The economy has now lost 6 million jobs since the recession began in December 2007, and the unemployment rate has risen a half point to 9.4 percent, its highest level since February 1983.

Unemployment in the construction sector climbed to a "horrendous" 19.2 percent (not-seasonally adjusted) as an additional 59,000 construction workers lost their jobs in May according to new federal data, said Ken Simonson, chief economist, Associated General Contractors of America, Arlington, Va., in a June 5 AGC release.

Simonson, who discussed the significance of the

new jobs data during a June media conference call with contractors from across the country, said that construction employment has declined by 990,000 jobs, or 14 percent, in the past year while overall nonfarm employment has declined by 4 percent.

"Construction continues to bear a disproportionate share of the pain from the recession," Simonson said in the release. "Simply put, the unemployment rate for construction in May was horrendous."

In 2007, residential spending totaled \$500 billion and nonresidential, \$638 billion, Simonson said. Going forward, in 2009, labor costs will be +3 percent to +4 percent; and in 2010, +3 percent or less.

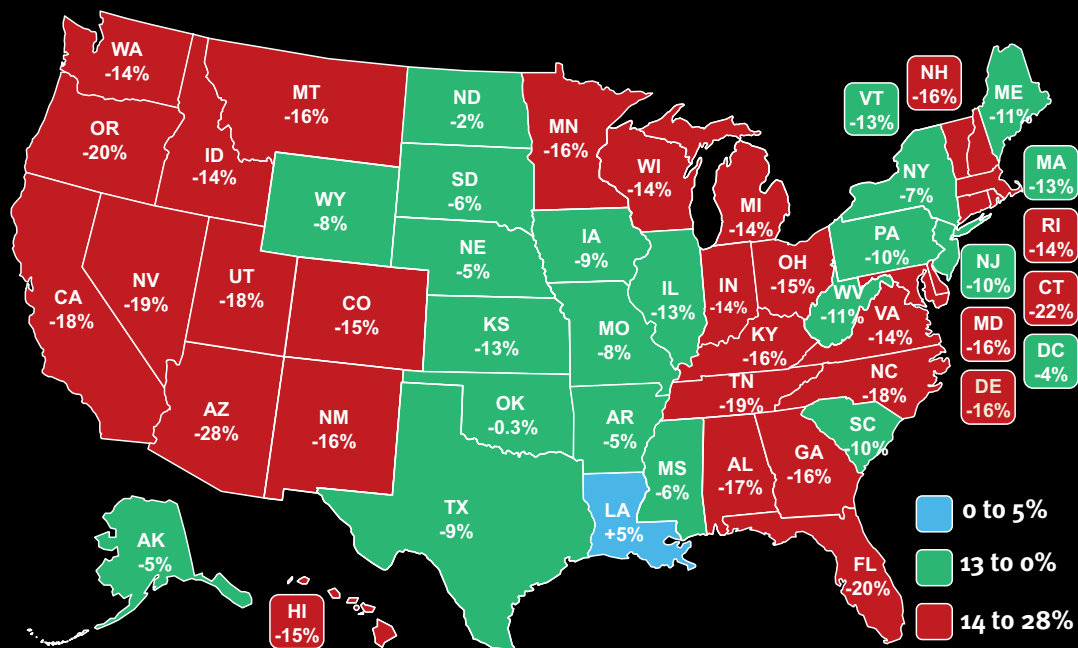
See graphs below for more details.

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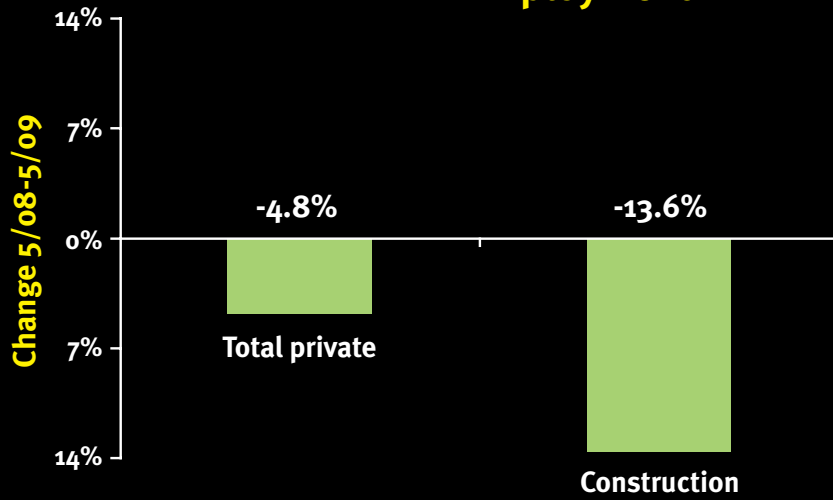
Visit the online-only section of GlassMagazine.com to read the article Economy gaining traction, based on a presentation from the American Architectural Manufacturers Association, Schaumburg, Ill., Summer Conference in Minneapolis.

State construction employment

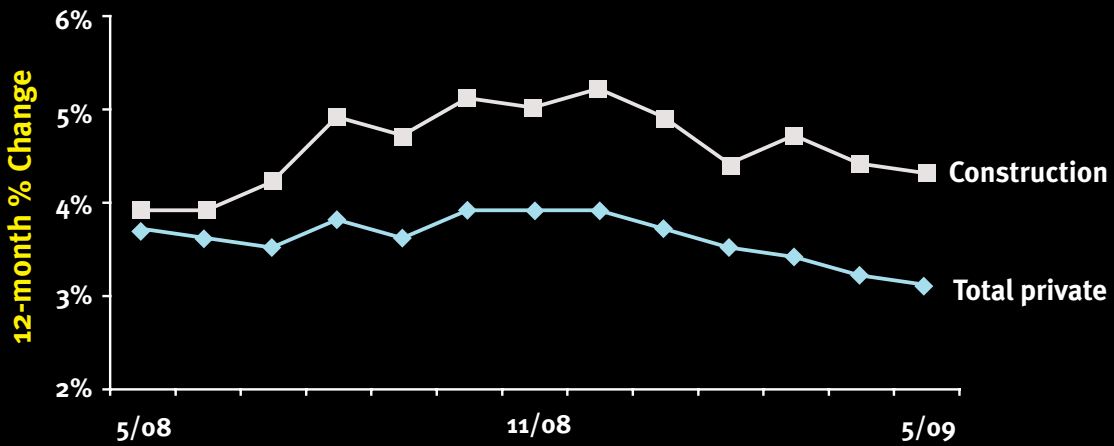
4/08 to 4/09 (US -13.5%)



Employment



Average hourly pay



Unemployment rate (Not seasonally adjusted)

