

Quarterly Topic HIRI Survey:

Labor Shortage in the Construction Industry

1st Quarter 2019



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Objectives and Methodology

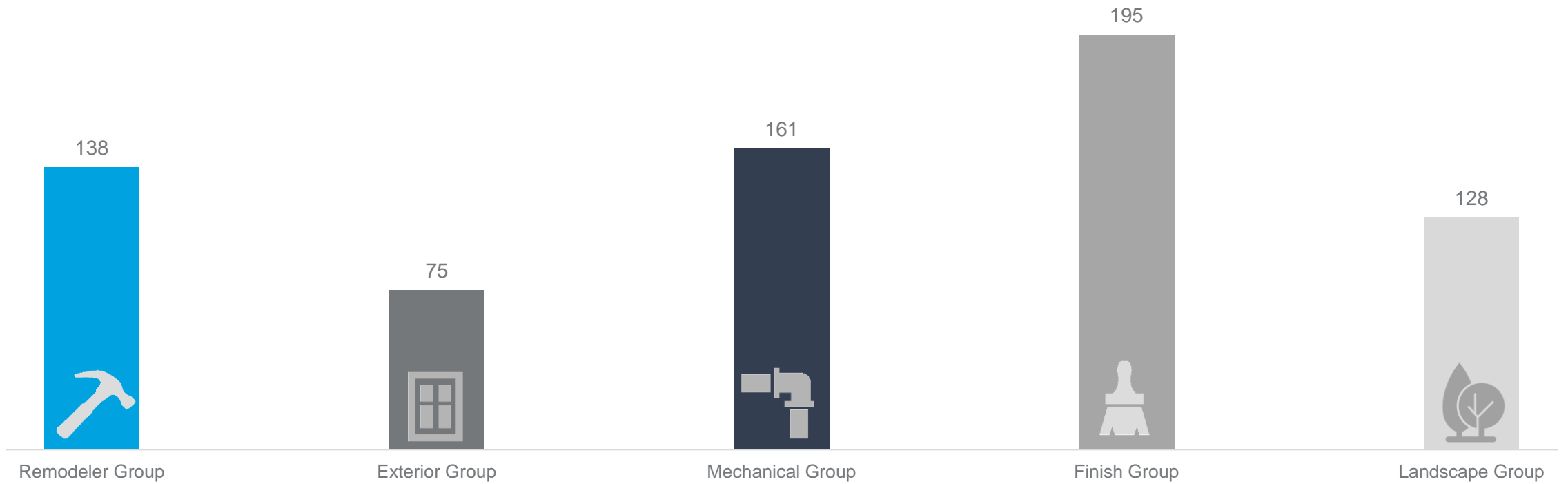
Project Objectives

- The Home Improvement Research Institute wanted to better understand data across various topics of the home improvement market on a quarterly basis.
- HIRI was interested in the labor shortage.

Project Methodology

- The online survey was administered from March 15th to April 7th.
- The sample for the study included 305 respondents across various construction and remodeling trades within the five industry segments.
- A majority (98%) of the sample were HomeAdvisor panelists.
- Respondents must have been at least 21 years old.
- Each respondent must have done at least 50% of their work on residential projects.
- Remodelers and general contractors had to do a majority of their work in the remodeling space (at least 51%).

Respondent Breakout

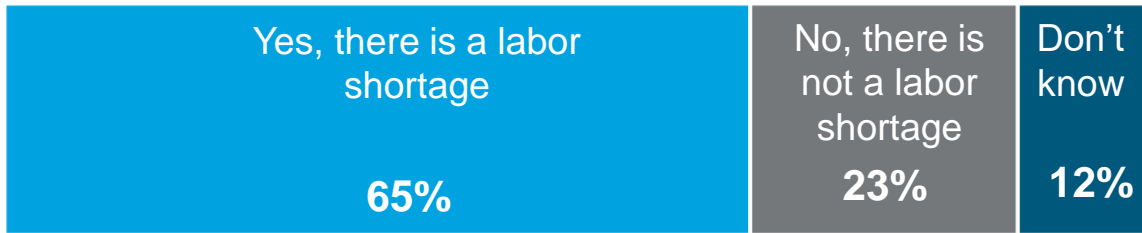


Key Takeaways

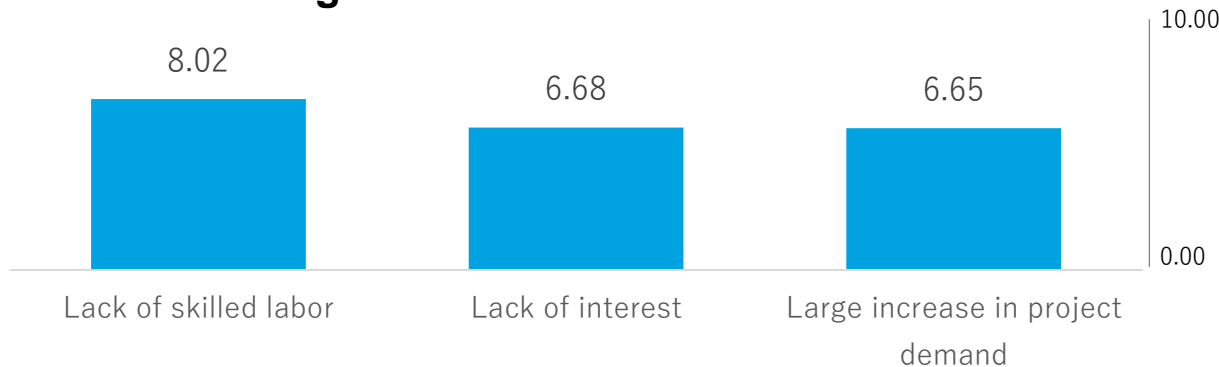


Labor Shortage in the Construction Industry

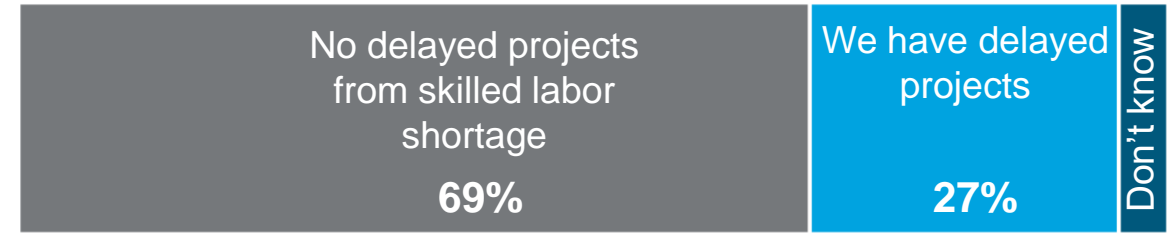
2/3rds of the respondents felt there is a labor shortage.



The top factor impacting the labor shortage is lack of skilled labor



A quarter of pros stated that they have projects delayed due to skilled labor shortage.



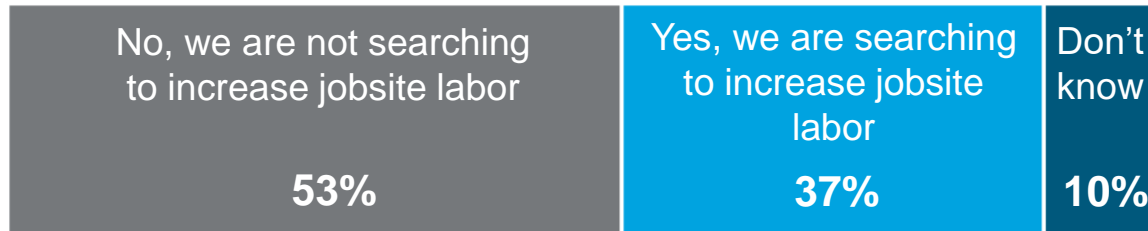
Of those with delayed projects, an average of 30% are delayed.



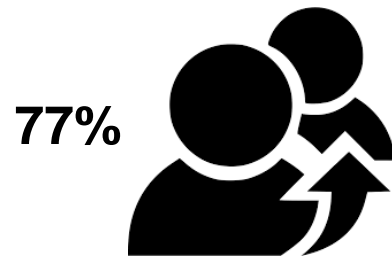
They are delayed an average of 4 weeks.

Employment, Payment, and Training of Jobsite Workers

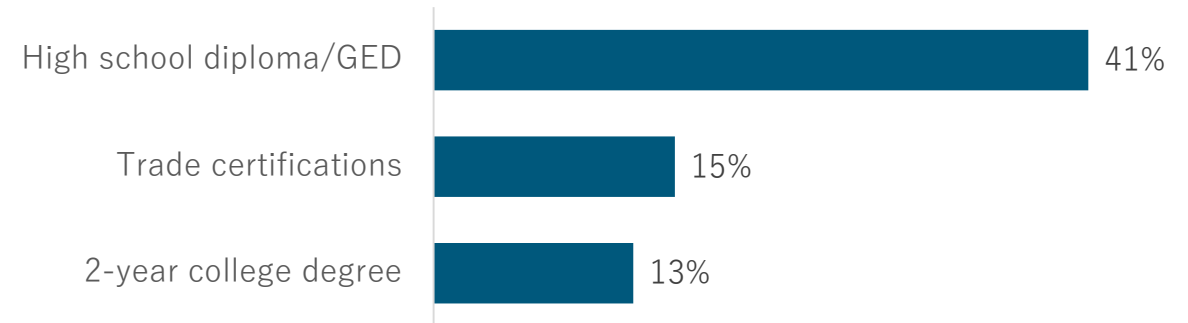
Over 1/3rd of the companies are looking to increase its jobsite labor force.



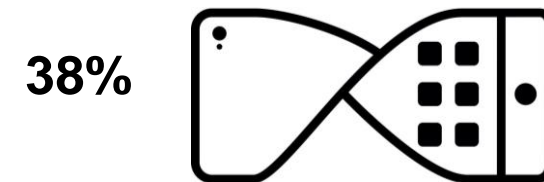
Referrals is overwhelmingly the top technique to find new jobsite workers.



Most companies do not require advanced training.



Besides increased salary, flexible schedules is the top method of attracting or keeping skilled laborers.



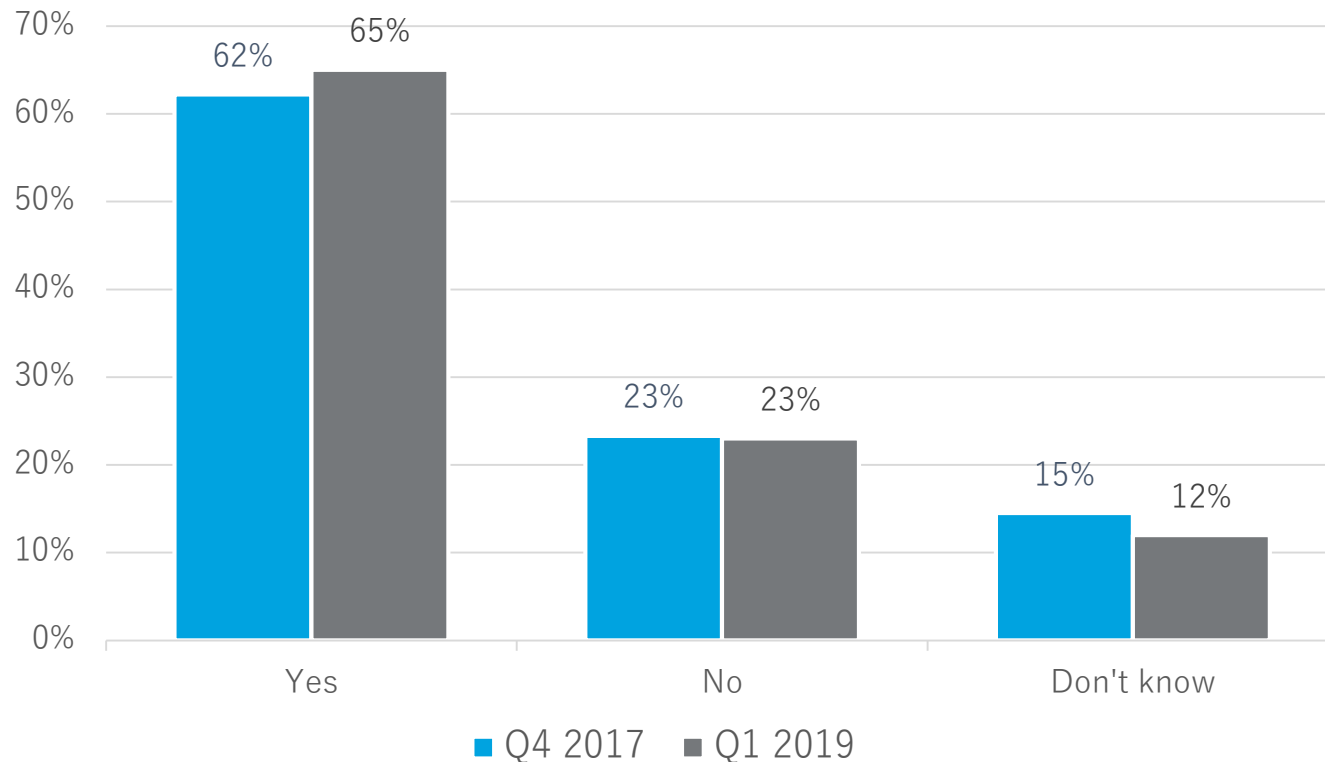
Labor Shortage



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Belief in a Construction Industry Labor Shortage

? Do you feel there is a shortage of labor in the construction industry? (N=305)

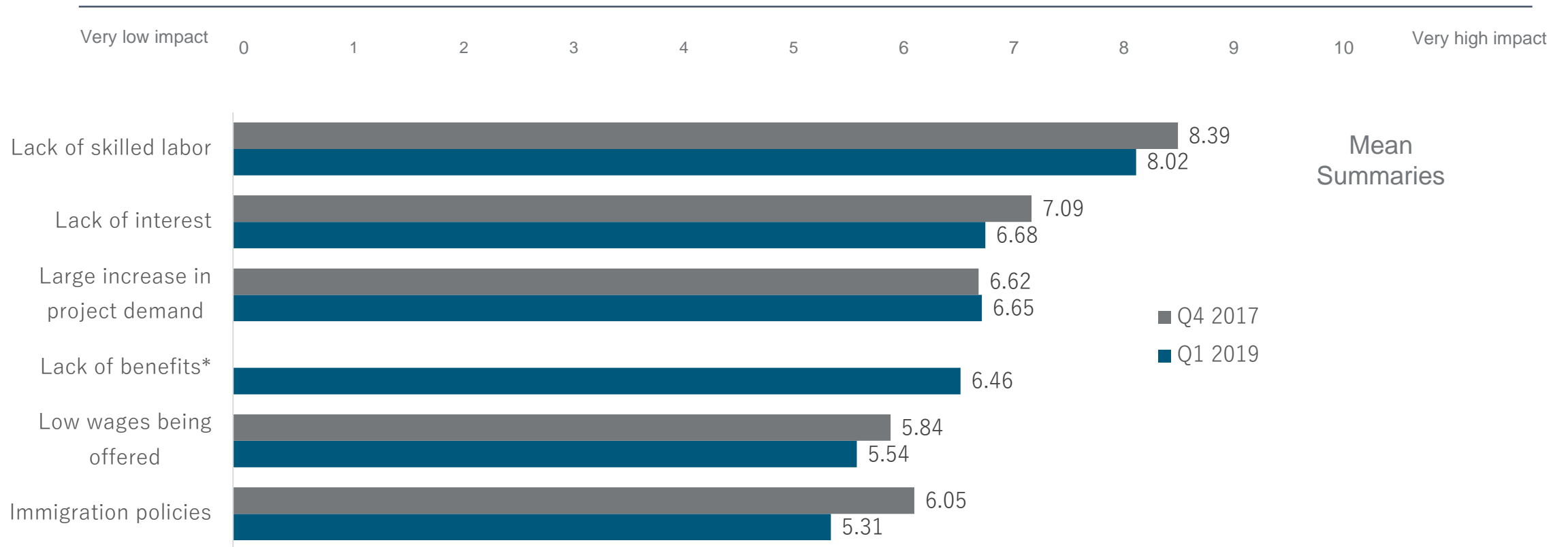


Slightly more now believe there is a labor shortage in the construction industry.

The increase comes from those who were unsure a year ago.

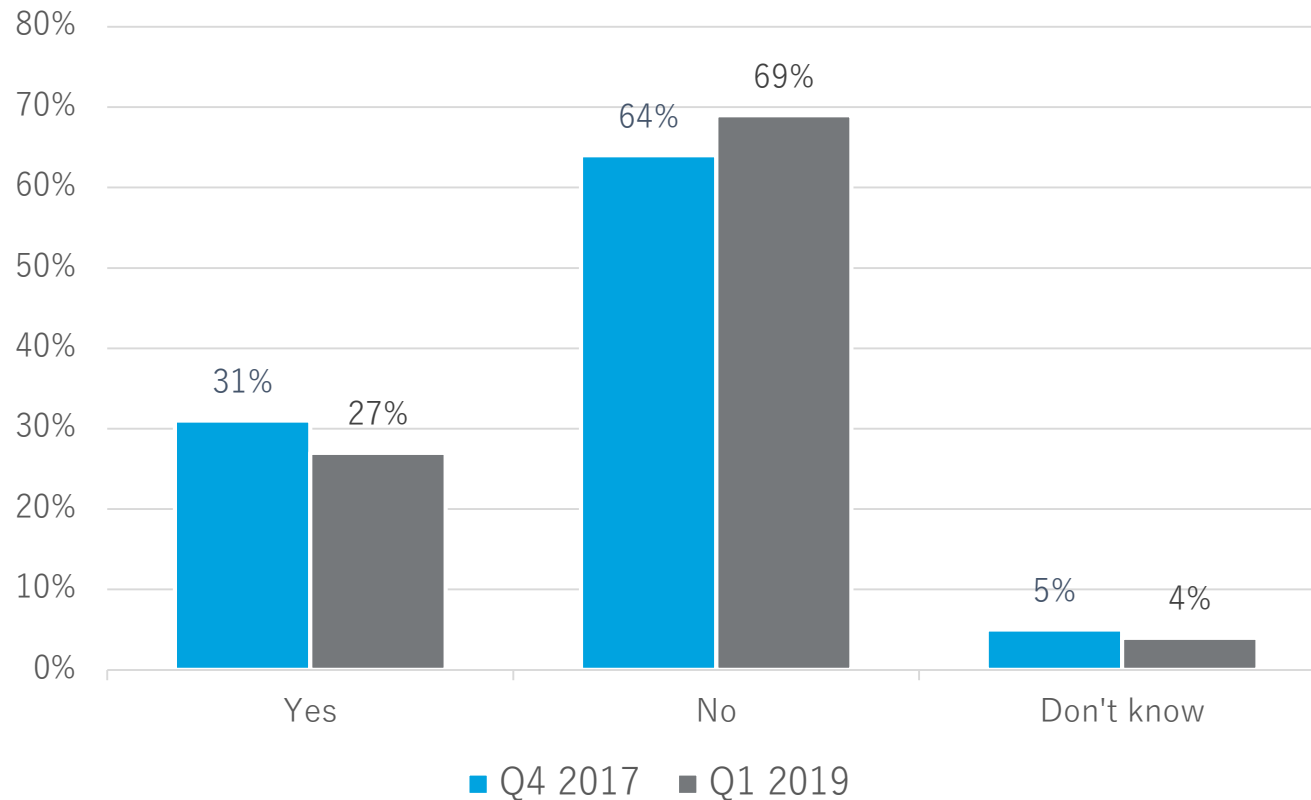
Impacts on Construction Labor Shortages

? (If feel there is a labor shortage) What type of impact do you feel the below factors have on construction labor shortages? (N=198)



Labor Shortage Delaying Projects

? Does your company have projects that are delayed due to **skilled labor** shortages? (N=305)

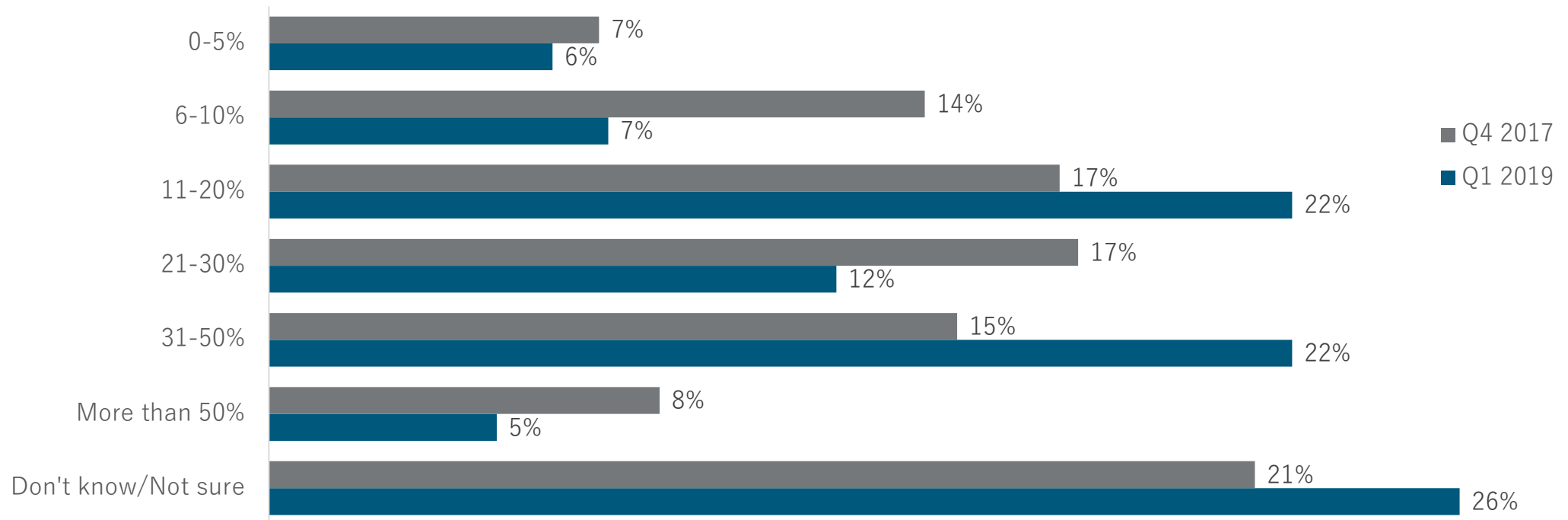


Fewer projects are delayed due to skilled labor shortages, but still happens in more than on quarter of the projects

Percentage of Projects Delayed by Skilled Labor Shortage

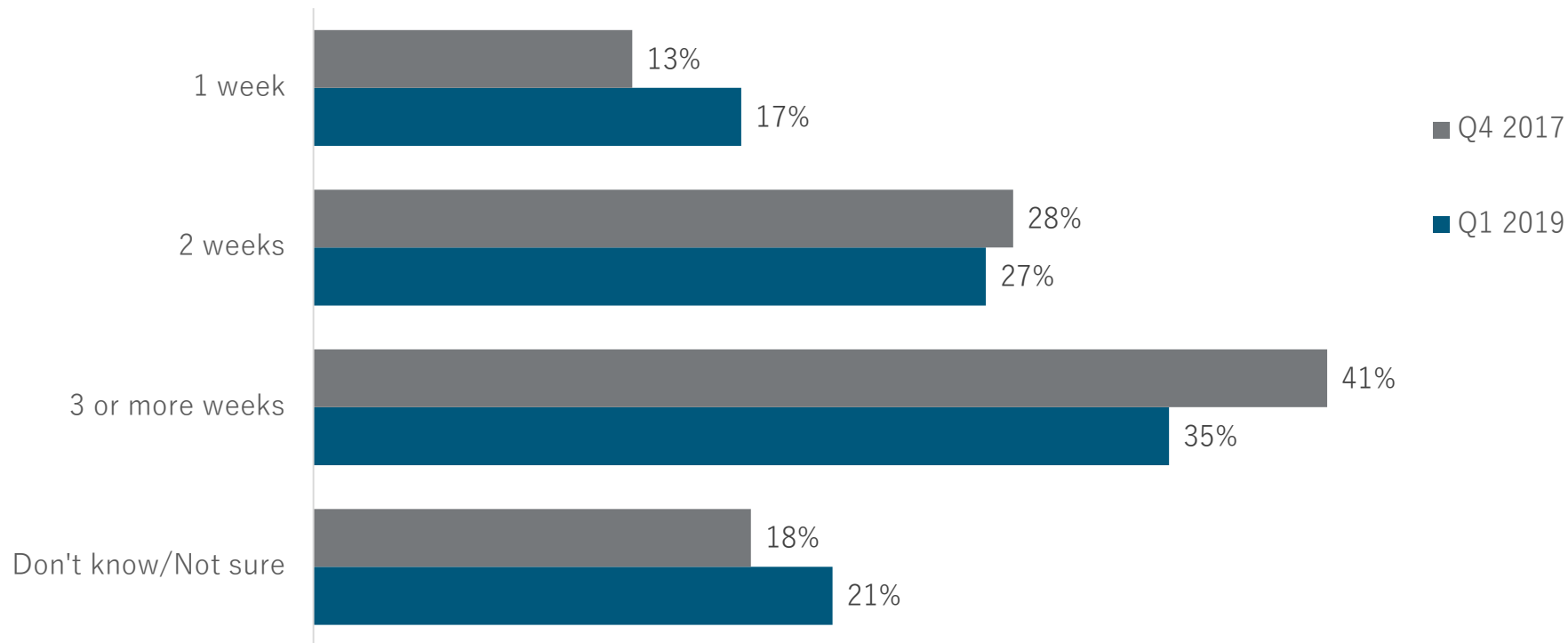


(If company has projects delayed due to labor shortage)
What percentage of your company's projects are delayed due to **skilled labor** shortages? (N=82)



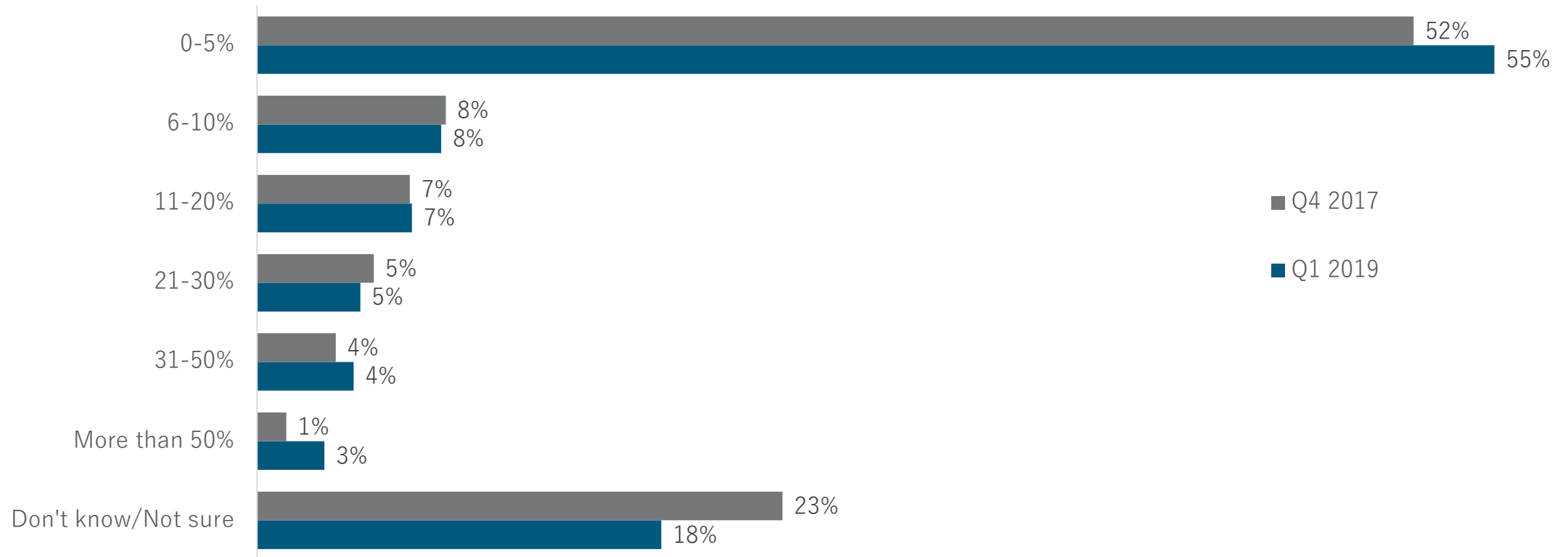
Number of Weeks Projects are Delayed by Skilled Labor Shortage

? (If company has projects delayed due to labor shortage) On average, how many weeks are those projects delayed? (N=81)



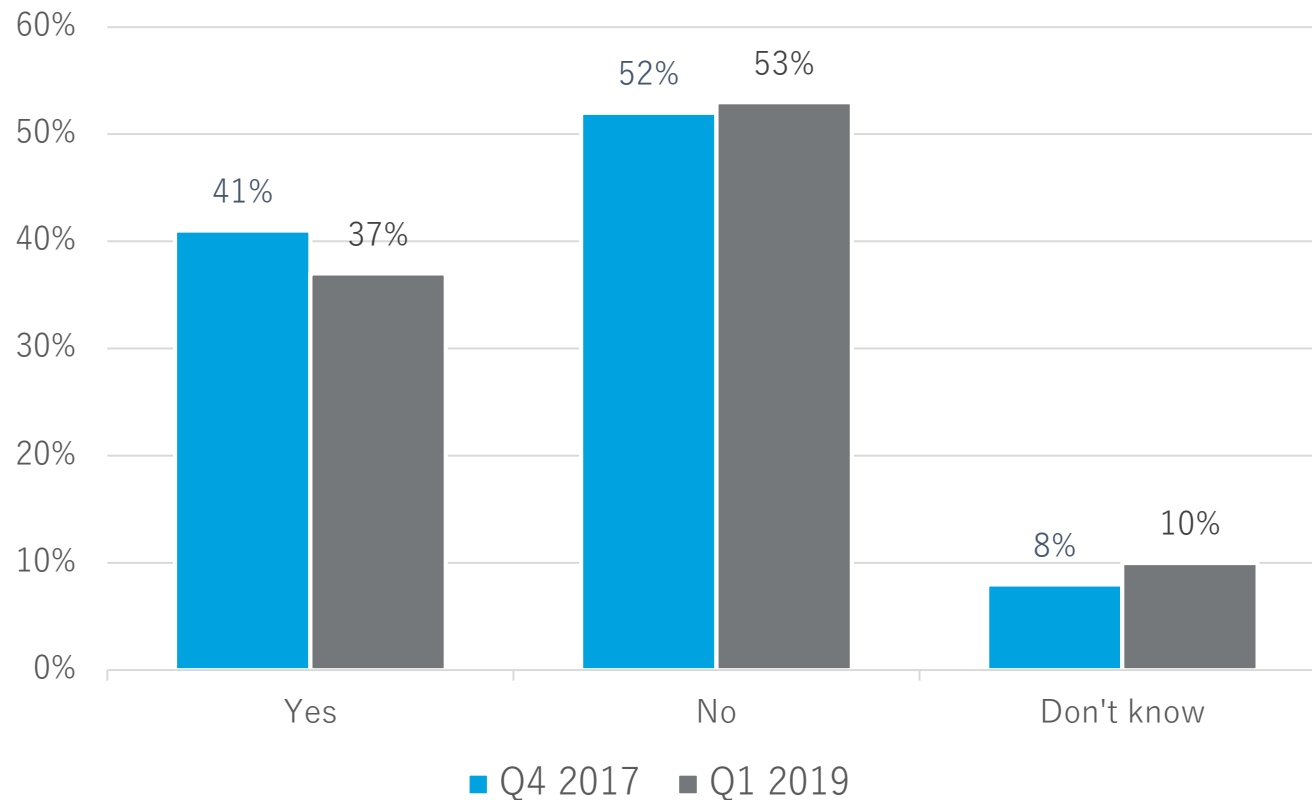
Percentage of Projects Declined due to Skilled Labor Shortage

? What percentage of the time does your company turn down projects due to **skilled labor** shortages? (N=305)



Company Seeking to Increase Jobsite Labor Force

? Is your company actively searching to increase its **jobsite** labor force? (N=305)

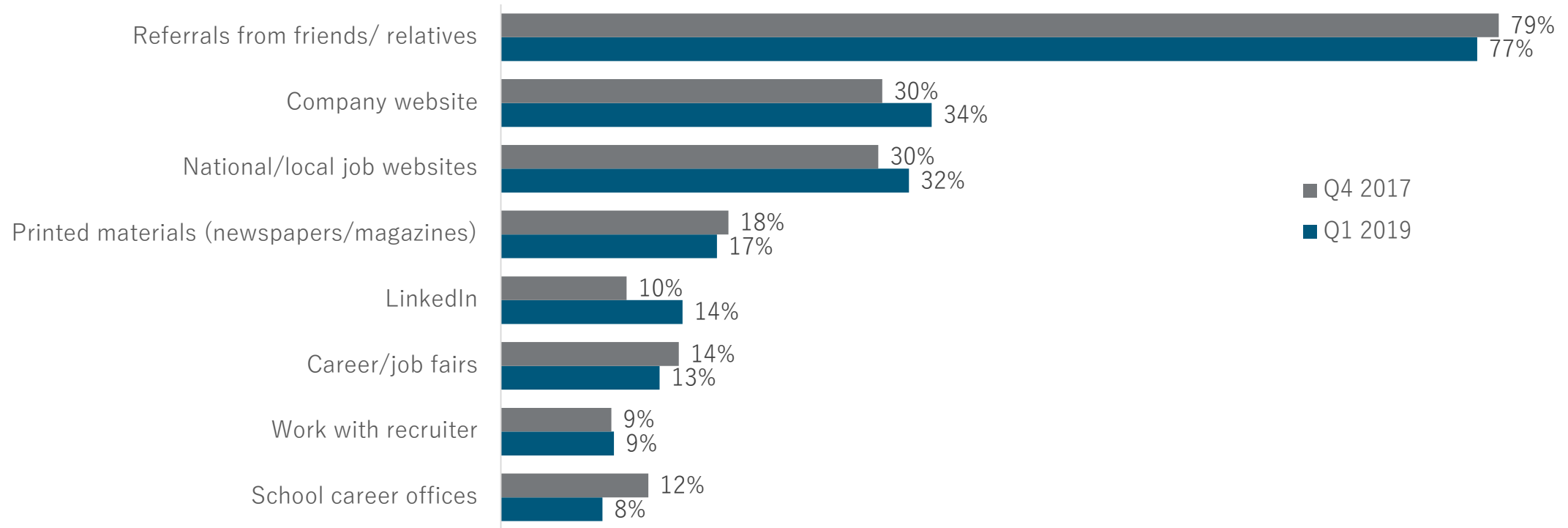


Only half of employers are not looking to increase their jobsite labor force

How Company is Finding New Jobsite Workers (Aided)



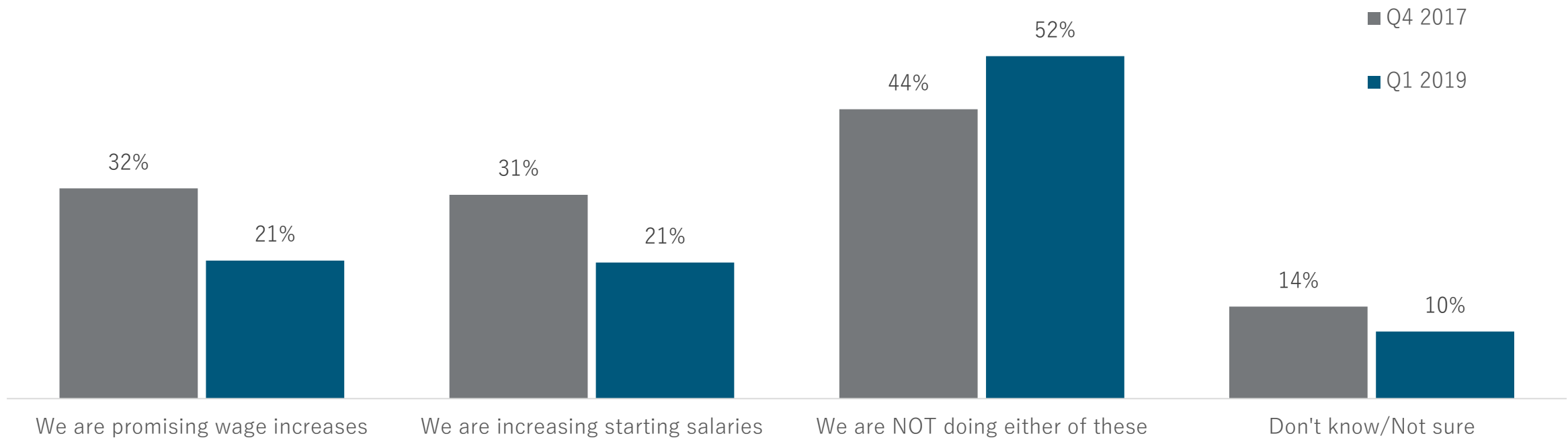
(If company is actively searching to increase jobsite labor force) What is your company doing to find new **jobsite** workers? (Aided) (N=112)



Increasing Starting Salaries or Wages for Jobsite Workers



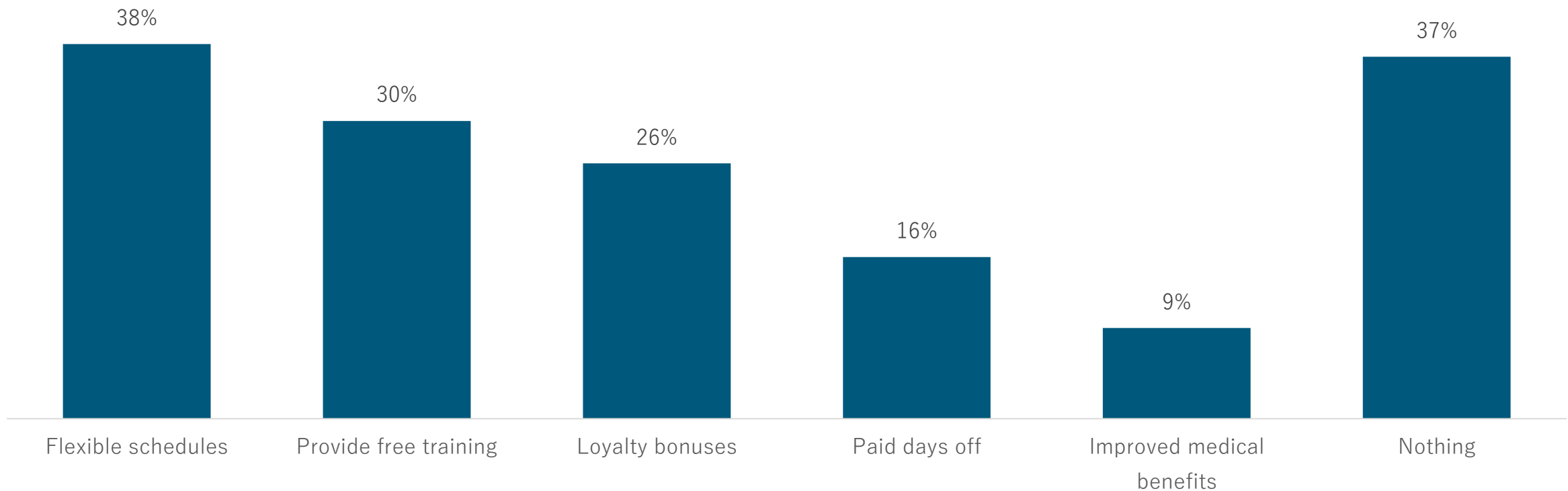
Is your company increasing starting salaries, or promising wage increases for **jobsite** workers? (N=305)



How Companies are Attracting or Keeping Skilled Laborers (Aided)

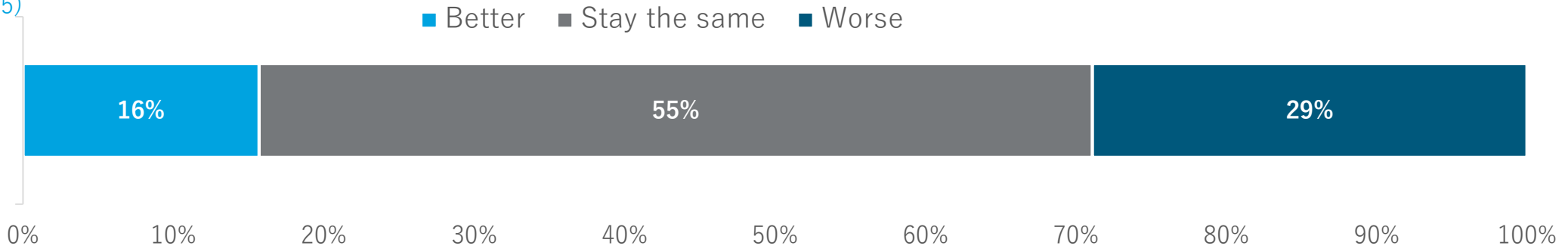


What, besides increased salary, are you doing to attract new skilled laborers or keep current ones? (N=305)

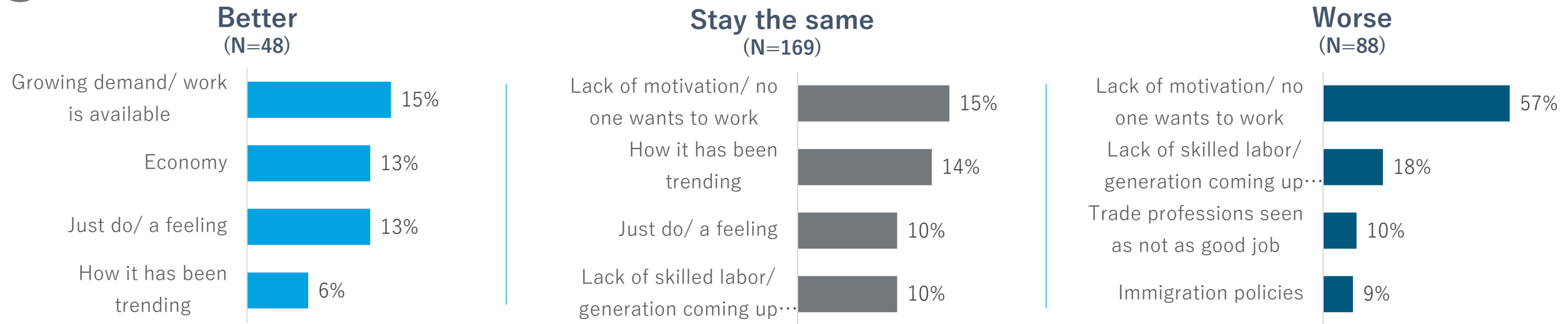


Future Labor Situation Beliefs

? How do you feel the labor situation will be in the next two years? (N=305)



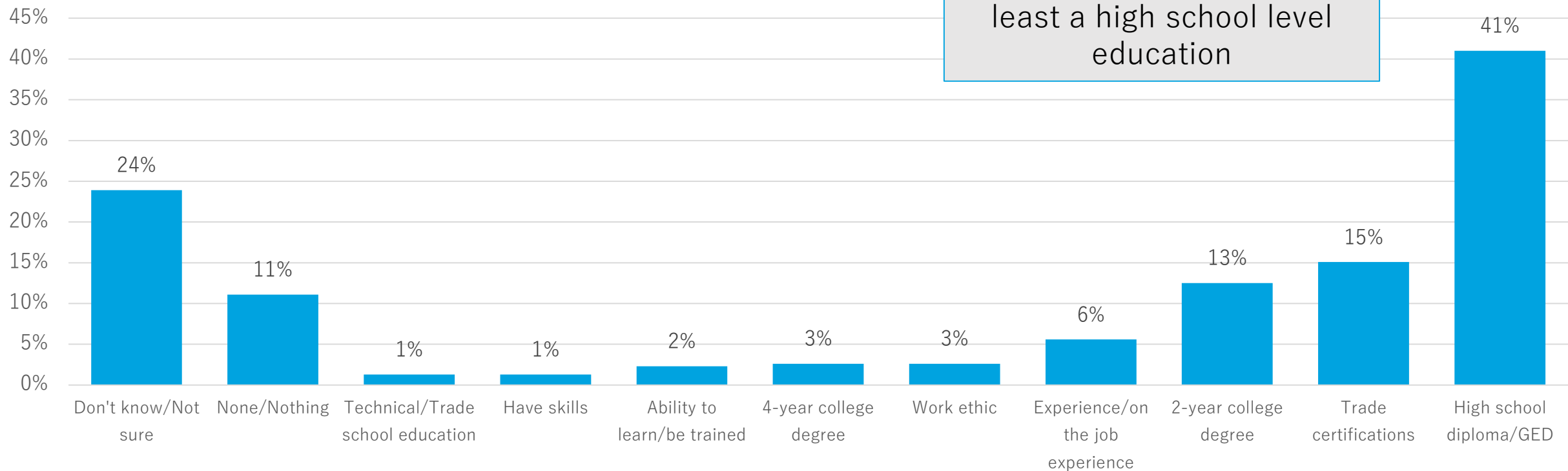
? Why do you feel that way?



Education Requirements

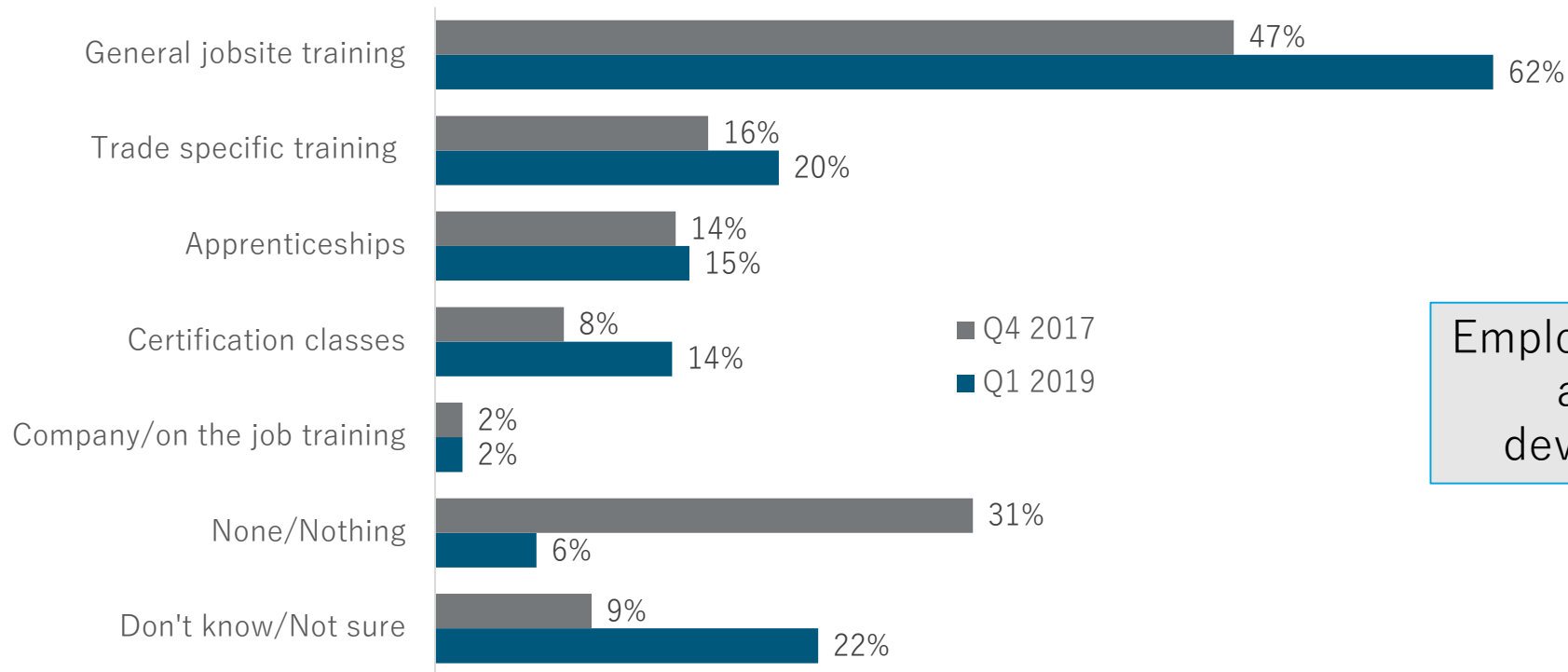
? What, if any, education requirements does your company have for its **jobsite** workers? (N=305)

An increasing number of employers are requiring at least a high school level education



Training Offered New Workers (Aided)

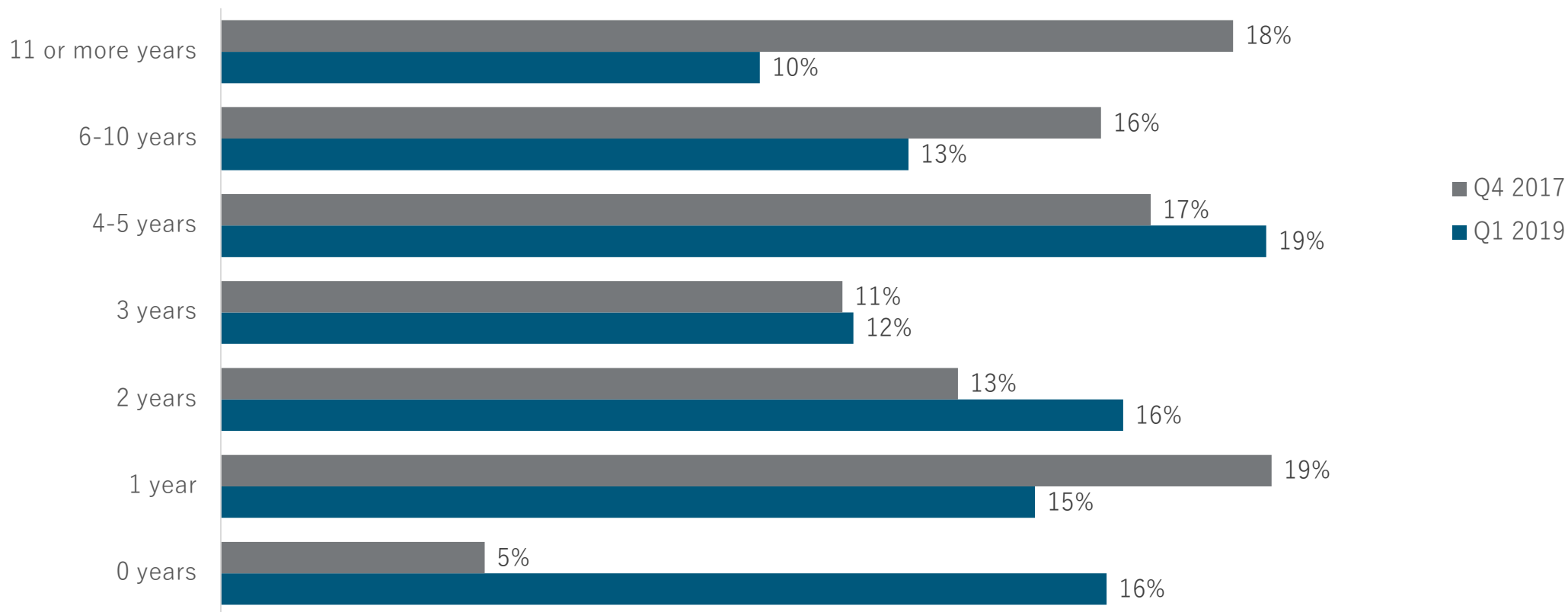
? What, if any, training or apprenticeship programs does your company offer for new **jobsite** workers? (N=305)



Employers are taking a more active approach in developing skilled labor

Average Tenure of Workers

? Thinking of all your company's jobsite workers, on average how many years have they been with the company? (N=305)

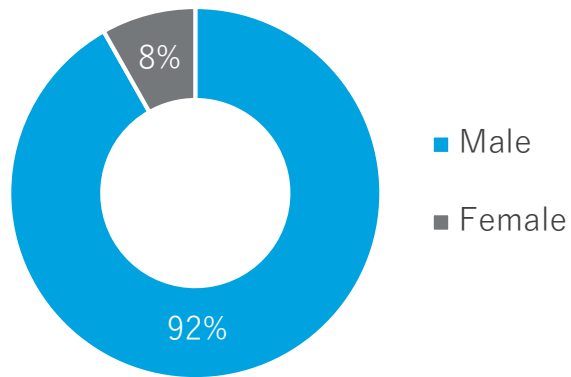


Demographics

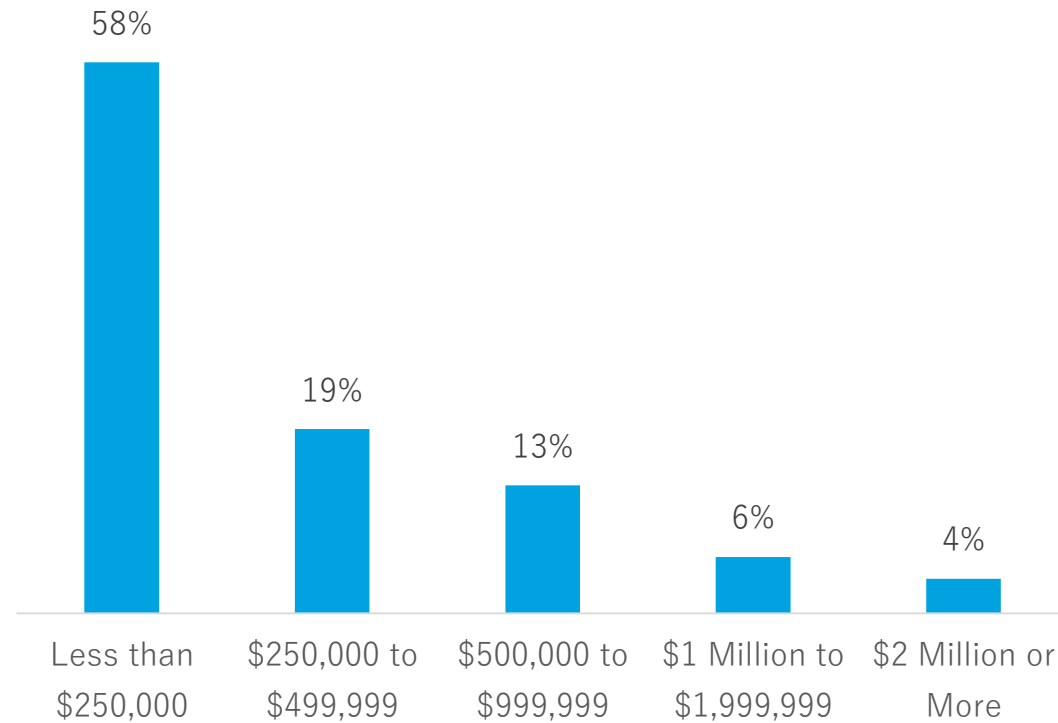


Demographics

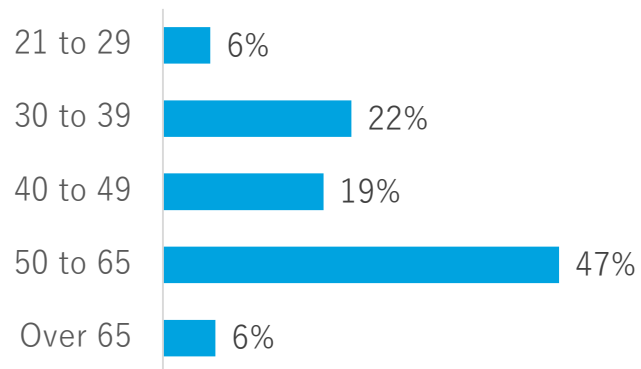
Gender



What is your company's annual revenue?

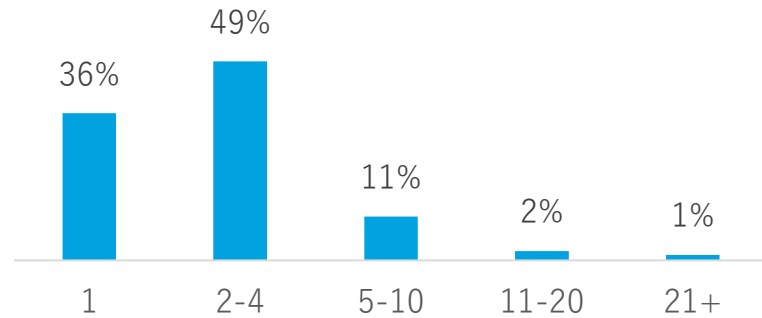


Age

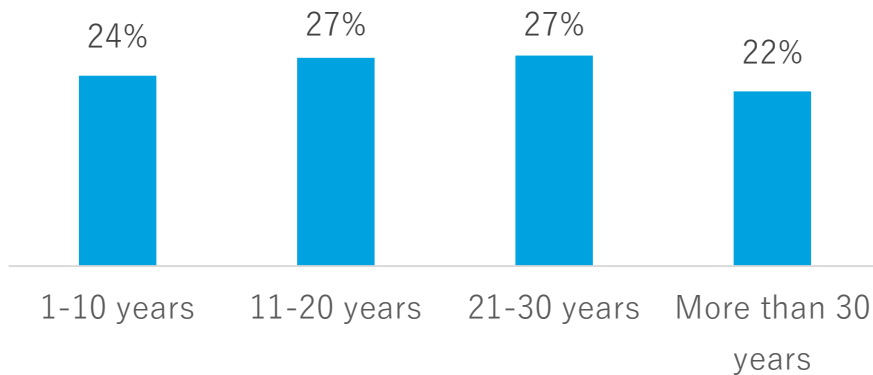


Demographics

Including yourself, how many **full-time** employees does your company have on staff?

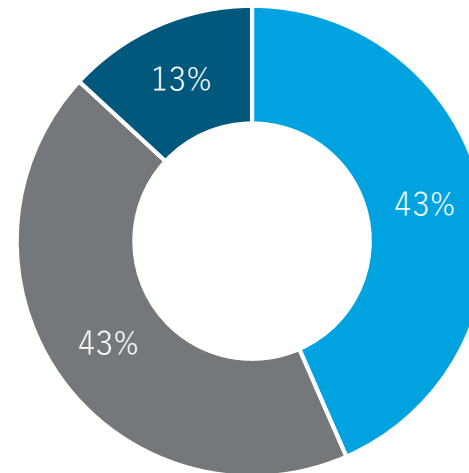


How many years have you been in your current trade?



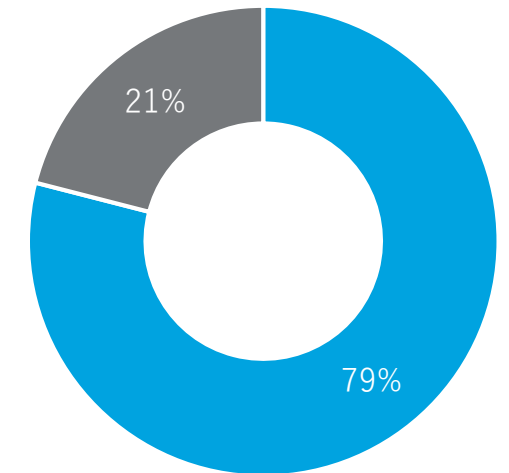
What percent of your work is remodel/repair/new construction?

- Remodel
- Repair/Maintenance
- New Construction



What percent of your work is residential vs. non-residential?

- Residential
- Non-Residential



Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Appendix



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Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Belief in a Construction Industry Labor Shortage

 Do you feel there is a shortage of labor in the construction industry?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
Yes	65%	65%	66%	62%	66%	69%	64%
No	23%	25%	18%	25%	24%	19%	26%
Don't know/Not sure	12%	11%	16%	14%	11%	13%	11%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Impacts on Construction Labor Shortages



(If feel there is a labor shortage) What type of impact do you feel the below factors have on construction labor shortages?

	Total (n=198)	Type of Work		Region			
		Remodel (n=157)	New Construction (n=41)	Northeast (n=45)	South (n=67)	Midwest (n=44)	West (n=42)
Lack of skilled labor	8.02	7.90	8.46	8.24	7.85	7.84	8.21
Lack of interest	6.68	6.61	6.95	6.87	6.36	6.80	6.86
Large increase in project demand	6.65	6.71	6.41	6.04	6.87	6.02	7.62
Lack of benefits	6.46	6.40	6.68	6.33	6.33	6.32	6.95
Low wages being offered	5.54	5.46	5.80	5.40	5.72	5.32	5.62
Immigration policies	5.31	5.17	5.85	5.49	6.04	4.70	4.60

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Labor Shortage Delaying Projects

? Does your company have projects that are delayed due to **skilled labor** shortages?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
Yes	27%	24%	37%	27%	32%	22%	23%
No	69%	72%	55%	70%	65%	70%	73%
Don't know/Not sure	4%	3%	8%	3%	3%	8%	5%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Percentage of Projects Delayed by Skilled Labor Shortage

? (If company has projects delayed due to labor shortage)
What percentage of your company's projects are delayed due to **skilled labor** shortages?

	Total (n=82)	Type of Work		Region			
		Remodel (n=59)	New Construction (n=23)	Northeast (n=20)	South (n=33)	Midwest (n=14)	West (n=15)
0-5%	6%	7%	4%	5%	3%	7%	13%
6-10%	7%	9%	4%	10%	6%	7%	7%
11-20%	22%	22%	22%	10%	30%	14%	27%
21-30%	12%	10%	17%	20%	9%	14%	7%
31-50%	22%	22%	22%	25%	24%	21%	13%
More than 50%	5%	2%	13%	5%	0%	7%	13%
Don't know/Not sure	26%	29%	17%	25%	27%	29%	20%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Number of Weeks Projects are Delayed by Skilled Labor Shortage

? (If company has projects delayed due to labor shortage) On average, how many weeks are those projects delayed?

	Total (n=81)	Type of Work		Region			
		Remodel (n=58)	New Construction (n=23)	Northeast (n=20)	South (n=32)	Midwest (n=14)	West (n=15)
1 week	17%	16%	22%	20%	16%	29%	7%
2 weeks	27%	26%	30%	20%	28%	21%	40%
3 or more weeks	35%	35%	35%	35%	31%	43%	33%
Don't know/Not sure	21%	24%	13%	25%	25%	7%	20%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Percentage of Projects Declined due to Skilled Labor Shortage

? What percentage of the time does your company turn down projects due to **skilled labor** shortages?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
0-5%	55%	58%	45%	55%	50%	59%	59%
6-10%	8%	8%	10%	8%	13%	5%	5%
11-20%	7%	7%	7%	6%	9%	9%	3%
21-30%	5%	5%	5%	7%	4%	3%	5%
31-50%	4%	4%	7%	10%	3%	2%	3%
More than 50%	3%	2%	8%	1%	5%	2%	3%
Don't know/Not sure	18%	18%	19%	14%	17%	20%	23%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Company Seeking to Increase Jobsite Labor Force

? Is your company actively searching to increase its **jobsite** labor force?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
Yes	37%	35%	44%	19%	50%	33%	39%
No	53%	56%	42%	67%	43%	58%	50%
Don't know/Not sure	10%	9%	15%	14%	7%	9%	11%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

How Company is Finding New Jobsite Workers (Aided)



(If company is actively searching to increase jobsite labor force) What is your company doing to find new **jobsite** workers? (Aided)

	Total (n=112)	Type of Work		Region			
		Remodel (n=85)	New Construction (n=27)	Northeast (n=14)	South (n=51)	Midwest (n=21)	West (n=26)
Referrals from friends/ relatives	77%	79%	70%	93%	73%	76%	77%
Company website	34%	31%	44%	21%	29%	38%	46%
National/local job websites	32%	29%	41%	57%	22%	43%	31%
Printed materials (newspapers/magazines)	17%	17%	19%	14%	16%	19%	19%
LinkedIn	14%	12%	22%	7%	18%	10%	15%
Career/job fairs	13%	9%	22%	21%	16%	5%	8%
Work with recruiter	9%	7%	15%	7%	10%	5%	12%
School career offices	8%	8%	7%	14%	8%	14%	0%
Other	21%	21%	19%	7%	24%	24%	19%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Increasing Starting Salaries or Wages for Jobsite Workers

? Is your company increasing starting salaries, or promising wage increases for **jobsite** workers?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
We are promising wage increases	21%	18%	32%	16%	25%	19%	23%
We are increasing starting salaries	21%	17%	34%	19%	27%	14%	20%
We are NOT doing either of these	52%	58%	31%	60%	44%	59%	49%
Don't know/Not sure	10%	10%	11%	8%	10%	14%	9%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

How Companies are Attracting or Keeping Skilled Laborers (Aided)



What, besides increased salary, are you doing to attract new skilled laborers or keep current ones?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
Flexible schedules	38%	36%	45%	36%	38%	44%	35%
Provide free training	30%	26%	47%	27%	31%	33%	29%
Loyalty bonuses	26%	25%	31%	14%	35%	19%	32%
Paid days off	16%	15%	21%	15%	19%	9%	21%
Improved medical benefits	9%	7%	18%	12%	9%	2%	14%
Nothing	37%	40%	26%	43%	29%	41%	38%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Future Labor Situation Beliefs

 How do you feel the labor situation will be in the next two years?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
Better	16%	14%	24%	12%	18%	9%	23%
Stay the same	55%	59%	42%	60%	53%	56%	53%
Worse	29%	28%	34%	27%	29%	34%	24%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Future Labor Situation Beliefs (Unaided)



Why do you feel that way?

Better	Total (n=48)	Type of Work		Region			
		Remodel (n=33)	New Construction (n=15)	Northeast (n=9)	South (n=18)	Midwest (n=6)	West (n=15)
Growing demand/work is available	15%	12%	20%	11%	17%	0%	20%
Economy	13%	9%	20%	11%	11%	17%	13%
Just do/a feeling	13%	15%	7%	11%	11%	33%	7%
How it has been trending	6%	3%	13%	11%	6%	0%	7%
Trump	4%	3%	7%	11%	0%	0%	7%
Immigration policies	4%	3%	7%	0%	11%	0%	0%
More trades education is happening	4%	6%	0%	0%	0%	17%	7%
We will continue to find quality workers	4%	6%	0%	0%	0%	17%	7%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Future Labor Situation Beliefs (Unaided)



Why do you feel that way?

Stay the Same	Total (n=169)	Type of Work		Region			
		Remodel (n=143)	New Construction (n=26)	Northeast (n=44)	South (n=54)	Midwest (n=36)	West (n=35)
Lack of motivation/ no one wants to work	15%	15%	15%	23%	7%	11%	23%
How it has been trending	14%	15%	4%	16%	7%	14%	20%
Just do/a feeling	10%	11%	8%	9%	9%	17%	6%
Lack of skilled labor/ generation coming up is unskilled	10%	8%	19%	7%	19%	6%	6%
Economy	5%	4%	8%	5%	4%	11%	0%
Good labor force	3%	4%	0%	0%	2%	8%	3%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Future Labor Situation Beliefs (Unaided)



Why do you feel that way?

Worse	Total (n=88)	Type of Work		Region			
		Remodel (n=67)	New Construction (n=21)	Northeast (n=20)	South (n=30)	Midwest (n=22)	West (n=16)
Lack of motivation/ no one wants to work	57%	54%	67%	65%	40%	82%	44%
Lack of skilled labor/ generation coming up is unskilled	18%	19%	14%	5%	20%	18%	31%
Trade professions seen as not as good job	10%	12%	5%	5%	17%	9%	6%
Immigration policies	9%	8%	14%	20%	13%	0%	0%
Lack of trades education in schools	5%	5%	5%	0%	3%	9%	6%
Good labor force	3%	4%	0%	0%	2%	8%	3%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Education Requirements (Aided)

? What, if any, education requirements does your company have for its **jobsite** workers?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
High school diploma/GED	41%	37%	58%	37%	39%	53%	36%
Trade certifications	15%	16%	13%	18%	17%	19%	6%
2-year college degree	13%	12%	13%	11%	13%	9%	17%
Experience/on the job experience	6%	6%	5%	1%	8%	6%	6%
4-year college degree	3%	2%	5%	3%	2%	3%	3%
Work ethic	3%	3%	0%	4%	1%	3%	3%
Ability to learn/be trained	2%	3%	0%	6%	1%	0%	3%
Technical/Trade school education	1%	1%	3%	0%	2%	0%	3%
Have skills	1%	1%	2%	0%	0%	3%	3%
None/Nothing	11%	13%	5%	15%	10%	8%	12%
Don't know/Not sure	24%	26%	16%	29%	21%	20%	27%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Training Offered New Workers (Aided)

? What, if any, training or apprenticeship programs does your company offer for new **jobsite** workers?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
General jobsite training	62%	60%	69%	56%	68%	63%	58%
Trade specific training (such as electrical, welding, plumbing, etc.)	20%	18%	27%	19%	26%	14%	18%
Apprenticeships	15%	14%	19%	15%	22%	9%	9%
Certification classes	14%	14%	15%	8%	20%	8%	17%
Company/on the job training	2%	2%	2%	3%	2%	2%	0%
None/Nothing	6%	7%	2%	7%	4%	6%	8%
Don't know/Not sure	22%	24%	15%	27%	18%	28%	18%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

Average Tenure of Workers

? Thinking of all your company's jobsite workers, on average how many years have they been with the company?

	Total (n=305)	Type of Work		Region			
		Remodel (n=243)	New Construction (n=62)	Northeast (n=73)	South (n=102)	Midwest (n=64)	West (n=66)
0 years	16%	17%	13%	19%	11%	16%	21%
1 year	15%	14%	18%	12%	13%	16%	20%
2 years	16%	17%	13%	10%	24%	20%	9%
3 years	12%	10%	16%	8%	14%	8%	15%
4-5 years	19%	19%	21%	21%	23%	17%	14%
6-10 years	13%	13%	11%	18%	9%	11%	14%
11 or more years	10%	10%	8%	12%	8%	13%	8%

Under the "Type of Work" heading, to be classified as "New Construction," respondent must have stated 25% or more under "New Construction" in Q6.

You may contact HIRI for any further questions or information:

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