

Many construction firms are working aggressively to cope with and/or overcome workforce shortages. In addition to raising base pay rates, 45 percent are providing incentives and bonuses and a quarter of firms (24 percent) have also improved their benefits packages.

Beyond improving compensation, they are also getting more involved in preparing future workers for careers in construction. Fifty-one percent of survey respondents—up from 37 percent in the 2021 survey—report they have engaged with career-building programs such as high school, college, or technical school construction programs.

They are also boosting investments in their own internal training programs as they come to terms with a workforce that lacks many of the basic skills former workers possessed. Forty-seven percent of firms are boosting spending on training and professional development. 10 (f)3 (f)3 (i)-2 (r)3 (m)-2 (s)-

for reasons such as a lack of skills or failure to pass a drug test. Nearly one-quarter (23 percent) of respondents say potential employees report needing flexible work schedules or an option for remote work, for instance to stay home to care for a loved one. And 21 percent report potential employees report difficulty acquiring reliable transportation to and from a jobsite.

Firms are taking numerous steps to find workers.

multiple causes for delayed completion times. The most commonly listed reason is delays due to longer lead times or shortages of materials, noted by 82 percent of respondents. Almost two-thirds cite delays due to shortages of workers (66 percent of firms) and delivery delays (64 percent). About one-third list delays due to government (34 percent), such as lack of approvals or inspectors, or delays due to an owner's directive to halt or redesign a project (31 percent).

Responses vary to rising materials costs. About two-thirds of respondents (70 percent) report passing on some or all of their additional costs, but 39 percent say they have tried but have not succeeded so far, and around one-third (34 percent) say they have absorbed all additional costs. Thirty-nine percent report having changed suppliers or specifications and 9 percent have canceled orders. Only 7 percent report that items they buy have not had unanticipated cost increases.

to help meet unfilled demand. This will prevent the exploitation of undocumented workers that is unfair to all workers and responsible contractors. And it will buy the nation time to keep building while restoring the pipeline for preparing domestic workers.

Public officials must also continue working to untangle supply chains that have been hammered by government imposed COVID lockdowns, shipping and manufacturing labor shortages and massive inflationary pressure. These supply chain problems have a similar potential to undermine new infrastructure and manufacturing investments as do labor shortages.

The bottom line is there is plenty of work for the industry to perform. Unfortunately, there aren't enough people to do the work or materials to complete the projects. Addressing labor shortages and supply chain problems will ensure that the construction industry can upgrade America's infrastructure, modernize our manufacturing sector, and help deliver a more reliable and cleaner energy grid.

BACKGROUND

AGC conducted the survey of its members in July and August 2022. A total of 1,266 individuals from a broad range of firm types and sizes completed the survey. Among responding firms that identified their market segments, 68 percent are involved in building construction, 35 percent are involved in highway and transportation construction, 32 percent perform federal construction projects and 27 percent work on utility infrastructure projects. Among firms that identified their revenue size, 66 percent perform \$50 million a year or less worth of work, 28 percent perform between \$50.1 million and \$500 million, and 6 percent perform over \$500 million worth of work each year. Respondents were not paid or otherwise compensated for their responses. Fifty-six percent of firms always operate as open-shop contractors and 6 percent primarily operate that way, while 23 percent always operate as union contractors and 5 percent do so primarily; the remaining 10 percent do not self-perform or directly hire craft personnel.