

# REAL ESTATE WEEKLY

---

May 21, 2014

## *More jobs, more cash as the number of city construction workers climbs*

Private sector construction employment in New York City last year topped 120,000 for the first time since 2009 while wages rose modestly, according to a New York Building Congress analysis of New York State Department of Labor employment statistics.

New York City construction employment averaged 120,900 in 2013, a 4.2 percent increase from 2012, when construction employment averaged 116,000.

Private sector construction employment is up 7.8 percent since 2011, when New York City averaged 112,200 jobs.

Construction employment remained steady in the first quarter of 2014, with 116,200 jobs compared to 116,500 jobs in the first three months of 2013.

Construction industry employment generally is lowest in the first quarter of each year as companies reduce employees on payroll during the winter months in anticipation of inclement weather, which was especially severe at the start of this year.

The specialty trades sector, which includes plumbers and electricians, accounted for 79,000 jobs in 2013, a 5.4 percent increase from 2012. Workers involved in the construction of buildings accounted for 32,900 jobs (a 3.1 percent increase from 2012). The heavy construction and civil engineering sector produced 9,000 jobs, a 2.0 percent decline from the prior year.

Despite two consecutive years of solid job growth, average industry employment remains 8.3 percent below the 2008 peak of 131,800.

“As is the case with a number of sectors important to the local economy, the construction industry has yet to regain all of the jobs that were lost during and immediately after the national recession,” said Building Congress president Richard T. Anderson.

“That said, the employment numbers for 2013 are very encouraging. If the most recent Building Congress forecast for construction is on target, we should expect to see industry employment back in the 130,000 range by 2015.”

Average wages earned by construction workers in the private sector rose 1.6 percent through the nine months of 2013 (the latest period for which data are available).

Construction workers in New York City earned an average of \$51,999 in the first nine months of 2013, compared to \$51,164 for the same period in 2012, and \$50,989 during the first nine months of 2011.

Given that earnings are generally the greatest in the

fourth quarter due to year-end bonuses, it is safe to assume that annual earnings in 2013 will end up in the \$73,000 range. In 2012, earnings for the entire year averaged \$71,700 per worker.

Those involved in heavy and civil engineering construction are the highest paid workers, averaging \$101,600 in 2012. Workers involved in construction of buildings averaged \$70,000 in earnings in 2012, while specialty trade workers earned approximately \$69,000.

“Even though the relatively low rate of growth in wages is in part a function of the overall economy,” Anderson continued, “it also likely reflects the 2013 decline in heavy and civil engineering jobs, which command considerably higher average wages than building construction and specialty trades work.”

“Overall, 2012 was a good year for the construction industry workforce, and signs currently are pointing to continued positive momentum.”