

## Construction Employment: Peak, Trough, Recovery

In 2006, the Construction sector workforce reached an all time high in Rhode Island, employing 22,791 workers. Shortly after, the local economy began a downward spiral, followed by the national economy, which entered into a recession in December 2007. The Construction workforce began feeling the effects of the recession in 2007 losing 681 jobs by the end of the year. By the end of 2008, employment within the Construction sector plunged by 2,416 or 10.6 percent from the 2006 peak level. Between 2008 and 2009, another 3,190 (-15.7%) construction jobs had been eliminated. Nearly a quarter (5,606 jobs) of the Construction workforce had disappeared between 2006 and 2009.

By 2011, Construction employment eventually bottomed out during the downturn at 15,680; 7,111 (-31.2%) less jobs from the peak level in 2006. As of 2013 (the latest annual data available), 16,101 individuals were employed in the Construction sector, nearly 6,700 jobs short of the 2006 average.

Between 2006 and 2013, the Specialty Trade Contractors (STC) subsector lost the most construction workers on a numeric and percentage basis, shedding 4,680 (-31.3%) positions. Building equipment contractors (electrical, plumbing and other building equipment contractors) lost 1,683 workers during this period, the largest decline among the STC subsector. In addition, building foundation and exterior contractors shed 1,439 positions within the STC subsector, followed by building finishing contractors (-904) and other specialty trade contractors (-654).

The Construction of Buildings subsector lost 1,761 positions between 2006 and 2013, a 30.7 percent decrease. A majority of jobs lost within this subsector came from the residential building construction industry group, losing 1,412 jobs during this period. The other industry group of this subsector, nonresidential building construction, reported a minor decline of 349 jobs.

The remaining Construction subsector, the Heavy and Civil Engineering Construction subsector, fared better during the economic downturn than the other two sub-sectors, dropping just 249 (-11.8%) positions between 2006 and 2013. A bulk of these losses was from the highway, street and bridge construction industry group which lost 237 of the 249 positions. The land subdivision and other heavy and civil engineering construction industry groups each lost 36 jobs during this period. The utility system construction industry group was the only industry group (among all of the Construction subsectors) to add jobs. This industry group added 60 positions between 2006 and 2013.

The Construction sector is among the better paying sectors in Rhode Island as construction workers averaged an annual wage of \$54,267 in 2013; \$8,498 or nearly 19 percent more than the total private sector average of \$45,769.

The Heavy and Civil Engineering Construction subsector, averaged the highest annual salary among all Construction subsectors, averaging \$69,416 in 2013. Workers in the Construction of Buildings subsector earned an average of \$59,283 in 2013 while Specialty Trade Contractors averaged \$49,583.

The job market within the Construction sector is slowly improving as of July 2013, the construction employment level reached 17,300, the highest total in four years, matching the same total in July 2010.

