



2024 LABOR MARKET OUTLOOK

Construction

The State of Construction

Construction is one of the largest industries in the world, making up 4% of U.S. GDP and employing about 5% of U.S. workers. But it's also one of the slowest growing. For decades, the sector has been stuck in a time warp with low rates of innovation.

Overregulation and industry fragmentation have slowed investment in new technologies and skills. And more recently, pandemic-related materials shortages and high interest rates have stalled projects.

Despite facing challenges, promising developments are gaining momentum, and a bright future for the industry is on the horizon. Rising demand for apartments and data centers, and new funding for industry and infrastructure, are generating high-quality jobs on the kinds of large-scale projects where productivity growth is fastest. That shift is unleashing a wave of innovation that holds the key to overcoming the industry's most serious long-term challenge: a shortage of workers in the skilled trades.

The construction workforce is undergoing major demographic shifts. Seasoned skilled trades professionals are aging out, while the pipeline of new talent shrinks due to younger generations pursuing college degrees and opting for less physically demanding roles.

The industry faces an opportunity address its talent shortages and productivity challenges by adopting innovative technologies and modern benefits programs.

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Manufacturing has seen a century of evolution, shifting from intensive manual labor to high-tech precision. Safety and efficiency now reign, with opportunities for career growth and adaptability. Construction—poised on the brink—is next in line for a similar transformation.

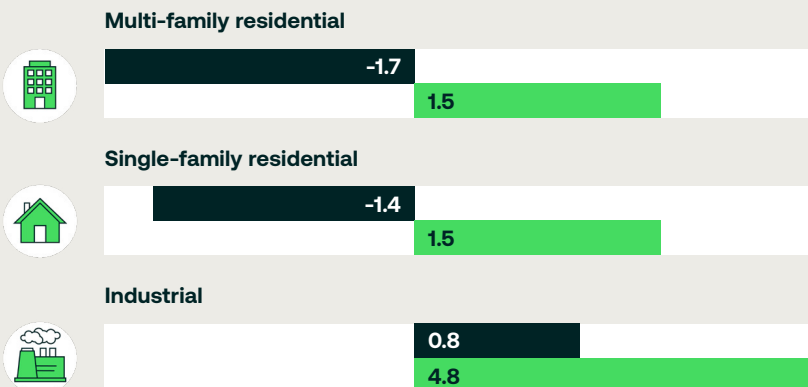
-Julia Pollak, ZipRecruiter Chief Economist

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Construction productivity is growing

Average annual % change in labor productivity, selected periods, by sub-sector

■ 2007-2019 ■ 2019-2022



Source: U.S. Bureau of Labor Statistics, Construction Labor Productivity, Sept. 12, 2023.

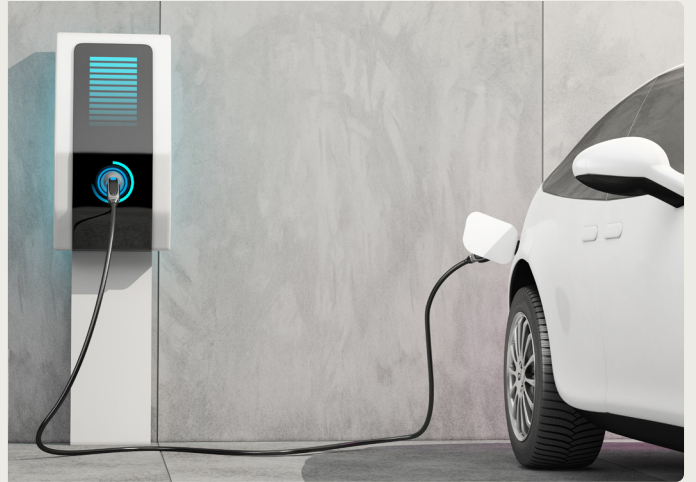
Reasons for optimism in the industry:

- 1. Major industry segments** have recently experienced a surge in productivity growth.
- 2. Materials shortages** are resolving and materials cost inflation is cooling.
- 3. Interest rates** are likely to start falling in 2024, stimulating new business activity.
- 4. Advanced technology** is making construction careers more appealing to a wider pool of talent.

Three Trends to Watch

1. A new era of U.S. industrial policy

Non-residential construction is receiving a boost from the Infrastructure Investment and Jobs Act (IIJA) and the CHIPS and Science Act of 2022, which have allocated funds for projects such as electric vehicle charging stations, microchip factories, broadband, and clean energy. Projects of this scale attract investments in advanced technology. Expect them to draw talent into the industry due to their scale, expected social impact, and attractive conditions.



2. Prefabrication and modular construction

Thanks to growing project scale and the hunt for efficiencies, projects are increasingly making use of prefabrication and modular construction. This is transforming roles from on-site construction laborer roles—where weather conditions and safety hazards are perpetual difficulties—to more appealing design roles and less labor-intensive installation roles.



3. Drones, robots, automation, and the Internet of Things (IoT)

Increasingly, construction companies are using drones to survey construction sites, plan and design projects, and conduct inventory assessments. They are adopting new construction robots that can demolish old structures or follow CAD drawings and BIM models to plan projects, lay bricks, and paint walls. They are also using connected devices and sensors to monitor operations and speed up decision-making. These developments are improving efficiency and safety while also fueling a generation of exciting new jobs for project managers, drone operators, and data scientists.



Industry Snapshot

Fastest-growing job titles

Based on change in job postings, 2022 to 2023

Demand for these roles rose between 2022 and 2023:



Field Surveyor



Civil Engineering Project Manager



Certified Flagger



Installation Coordinator



Residential Plumbing Technician

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023; roles with over 100 postings.

Top-performing job titles

Based on average # of clicks per posting

Job seekers on ZipRecruiter express the highest interest in these roles:



Architectural Drafter



Rig Welder



Home Inspector



Carpenter



Electrician

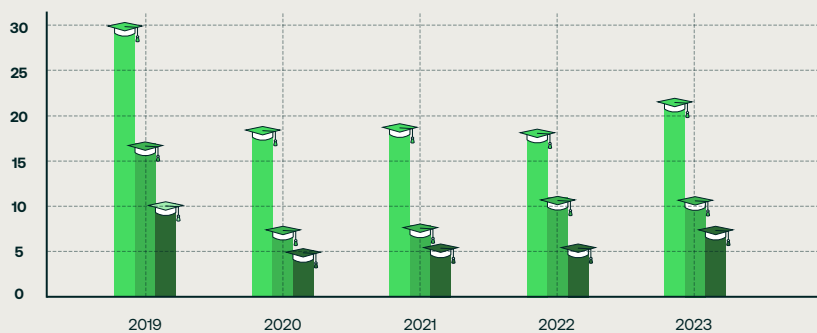
Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; roles with over 100 postings.

Evolving job requirements

81% of construction employers say they use skills-based hiring, and 57% say they have discarded degree requirements for certain roles in the past year. Job posting data suggests that employers initially relaxed their educational requirements during the pandemic for construction roles, but have since partially reinstated them.

Percentage of Job Postings

- High School/GED
- Bachelor's Degree
- Graduate or Professional Degree



Source: ZipRecruiter, Inc., internal data, Jan. 1, 2019 - Oct. 24, 2023.

Top-performing markets

Based on average # of applies per posting

Job seekers in construction on ZipRecruiter express greatest interest in these markets:



New York, NY



San Ramon, CA



Wider Los Angeles, CA



Spring, TX



Folsom, CA



Biloxi, MS

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2023 - Oct. 24, 2023; markets and roles with over 100 postings.

“Construction 2.0”: On the Brink of a Tech-Driven Transformation

Tech skeptics often fear that automation and digitalization will cost jobs. But in recent years, the construction sub-industries with the fastest productivity growth, like industrial and multi-family construction, have also experienced the fastest employment growth—largely because some projects must have high labor productivity to earn positive returns. Construction companies are increasingly adopting productivity-enhancing tech to create more—and higher-quality—jobs in the process.

Promising technologies include:



Building information modeling (BIM)/virtual construction



3D printing



Collision avoidance systems



Digital twinning



Drones



Wearable technologies for worker safety

Women in Construction: A Key to Bridging Talent Shortages and Skills Gaps

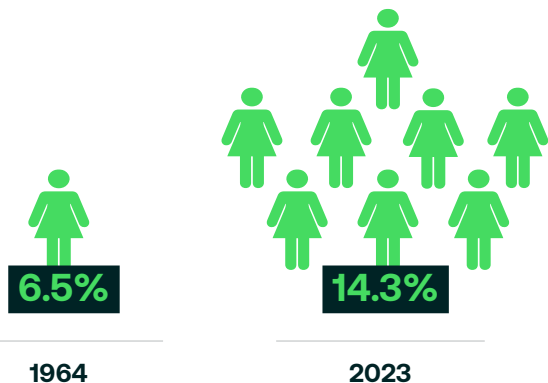
Women hold only 14.3% of all construction jobs. Recent technological advances have coincided with increases in the share of women working in the industry, and the entry of more women could be part of the solution to labor shortages. To expand their talent pools, industry organizations have recently accelerated efforts to recruit women into skilled trades training programs. These programs are likely to have a snowball effect as more women rise up the ranks, becoming mentors and role models to women following them.



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, Dec. 8, 2023.

Women in construction

% of construction payroll jobs held by women



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, Dec. 8, 2023.

Attracting the Workforce of Tomorrow

What workers want

Job seekers like construction for the career growth opportunities and satisfaction of building something tangible, but wish the roles were less physically demanding.



Career advancement



Purpose and significance



Opportunities to learn new things



Work that is not physically demanding



Job security

Source: ZipRecruiter Q3 2023 Job Seeker Confidence Survey.



2024 spotlight: sustainable construction

Increased global investment in low-carbon, sustainable construction is generating a new ecosystem of green startups focused on net-zero energy building. In fact, venture capital investment in green construction increased tenfold between 2021 and 2022.¹ Demand for solar panels, bio-building materials, electric vehicle charging stations in home, and lower-carbon construction methods is higher than ever."

Sustainable construction jobs projected to grow

Rising demand for green buildings is generating growing demand for a wide range of roles:

- Environmental Compliance Engineer
- Vehicle Charging Installation Technician
- Sustainability Home Designer
- Building Performance Analyst



ZipTips

In many parts of the country, there are plenty of candidates for entry-level construction laborer roles, but experienced professionals in the skilled trades are in very short supply. To attract and retain top talent, ZipRecruiter recommends:

1. Remove barriers to entry

Educate potential candidates about the skilled trades and associated high-paying job opportunities. Offer apprenticeships, mentorship programs, and subsidies for licensing fees or continuing education.

2. Promote diversity

Actively recruit candidates from untapped and overlooked talent pools. For example, build a welcoming environment and highlight its inclusiveness to prospective candidates who are wary of entering such a disproportionately male field.

3. Invest in retaining top talent

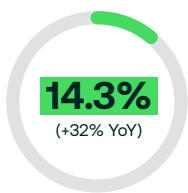
Create incentives for talented employees to become mentors and managers. Improve worksite conditions so that employees aren't in uncomfortable or unsafe environments—that could include everything from wearable safety equipment to anti-bullying/inclusion practices. Use mobile scheduling tools that give workers flexibility and scheduling autonomy.

Trending benefits

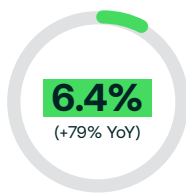
Mentions of benefits in job postings on ZipRecruiter



Paid time off



Retirement benefits



Tuition assistance

Source: ZipRecruiter, Inc., internal data, Jan. 1, 2022 - Oct. 24, 2023.

¹ Williams, Lara, "Green construction: A sector to watch in 2023," Investment Monitor, Dec. 9, 2022.