

### Construction Industry Profile

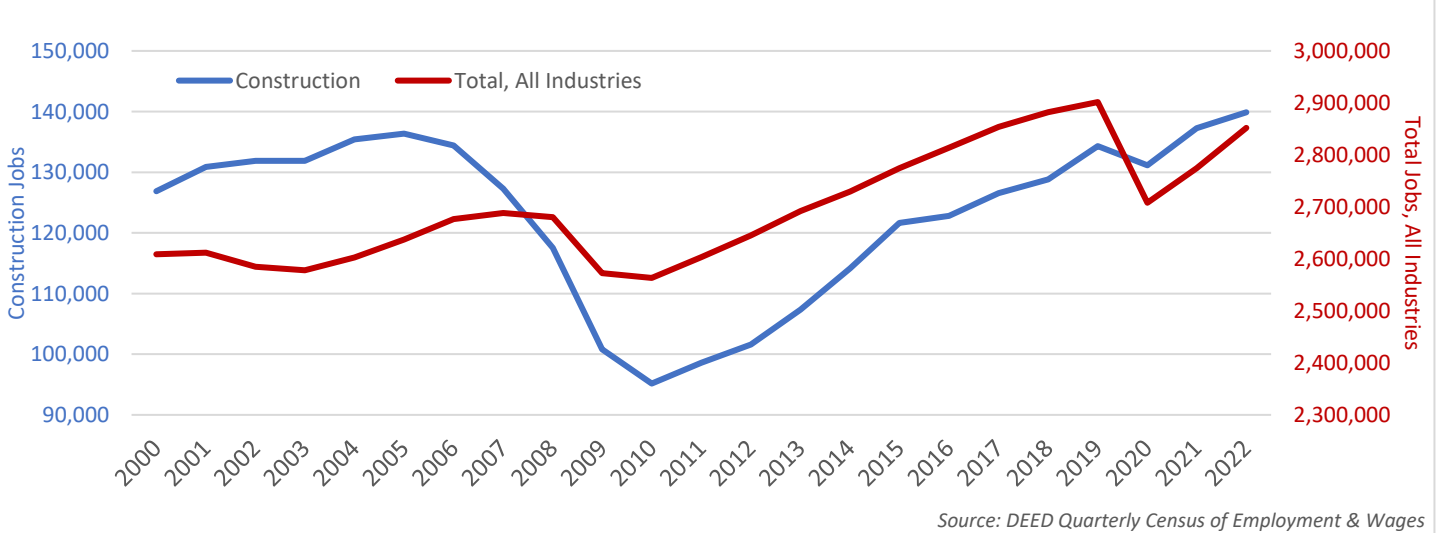
With nearly 140,000 jobs at about 18,000 employer establishments, Construction is the 8<sup>th</sup> largest employing industry in Minnesota, and has the 4<sup>th</sup> largest number of establishments. With average annual wages of just under \$80,000, wages are about \$10,000 above the total of all industries, but are highest in subsectors like Heavy & Civil Engineering Construction and Nonresidential Building Construction.

Unlike most other industries, Construction fared extremely well during the Pandemic Recession, and has kept pace with the economy overall in the past year. Construction employment is up +4.1% from 2019, compared to the total of all industries, which is still down -1.7%, despite rising +2.8% in the past year (see Table 1 and Figure 1).

Table 1. Employment Trends in the Construction Industry, 2022	Number of Establishments	Annual Data 2022		Avg. Annual Wage	Change in Jobs, 2021-2022		Change in Jobs, 2019-2022	
		Number of Jobs	Total Payroll		Number	Percent	Number	Percent
NAICS Industry Title								
<b>Total, All Industries</b>	<b>199,603</b>	<b>2,851,778</b>	<b>\$198,839,398,672</b>	<b>\$69,725</b>	<b>+77,490</b>	<b>+2.8%</b>	<b>-49,854</b>	<b>-1.7%</b>
<b>Construction</b>	<b>18,013</b>	<b>139,879</b>	<b>\$11,160,533,104</b>	<b>\$79,787</b>	<b>+2,600</b>	<b>+1.9%</b>	<b>+5,570</b>	<b>+4.1%</b>
<b>Construction of Buildings</b>	<b>5,119</b>	<b>29,933</b>	<b>\$2,549,943,526</b>	<b>\$85,188</b>	<b>+1,247</b>	<b>+4.3%</b>	<b>+1,050</b>	<b>+3.6%</b>
Residential Building Construction	4,018	15,446	\$1,045,139,030	\$67,664	+719	+4.9%	+2,121	+15.9%
Nonresidential Building Construction	1,101	14,487	\$1,504,804,496	\$103,873	+528	+3.8%	-1,071	-6.9%
<b>Heavy &amp; Civil Engineering Construction</b>	<b>1,374</b>	<b>24,589</b>	<b>\$2,313,079,102</b>	<b>\$94,070</b>	<b>-1,628</b>	<b>-6.2%</b>	<b>+974</b>	<b>+4.1%</b>
Utility System Construction	543	7,784	\$689,353,843	\$88,560	-1,721	-18.1%	+82	+1.1%
Land Subdivision	62	256	\$25,258,129	\$98,665	+19	+8.0%	-18	-6.6%
Highway, Street, & Bridge Const.	505	14,906	\$1,443,486,861	\$96,839	-20	-0.1%	+398	+2.7%
Other Heavy & Civil Eng. Construction	265	1,642	\$154,980,269	\$94,385	+94	+6.1%	+512	+45.3%
<b>Specialty Trade Contractors</b>	<b>11,520</b>	<b>85,357</b>	<b>\$6,297,510,476</b>	<b>\$73,778</b>	<b>+2,982</b>	<b>+3.6%</b>	<b>+3,546</b>	<b>+4.3%</b>
Foundation, Structure, & Building Exterior Contractors	2,301	15,519	\$1,094,158,135	\$70,504	+650	+4.4%	+537	+3.6%
Building Equipment Contractors	3,642	39,965	\$3,169,145,598	\$79,298	+1,431	+3.7%	+1,727	+4.5%
Building Finishing Contractors	2,734	16,026	\$1,027,594,285	\$64,120	+178	+1.1%	+334	+2.1%
Other Specialty Trade Contractors	2,843	13,846	\$1,006,612,458	\$72,701	+723	+5.5%	+948	+7.3%

*Source: DEED Quarterly Census of Employment & Wages*

**Figure 1. Minnesota Employment Trends, 2000-2022**



In addition to employer establishments, there are also nearly 40,000 self-employed firms in Construction in Minnesota. Moving forward, Construction is projected to see more job growth (+5,500 jobs, +4.5%) over the next 10 years as the recovery continues. However, this also varies by sector, with areas like Heavy & Civil Engineering Construction expected to see the fastest growth, and Construction of Buildings and Specialty Trade Contractors projected to see more measured growth.

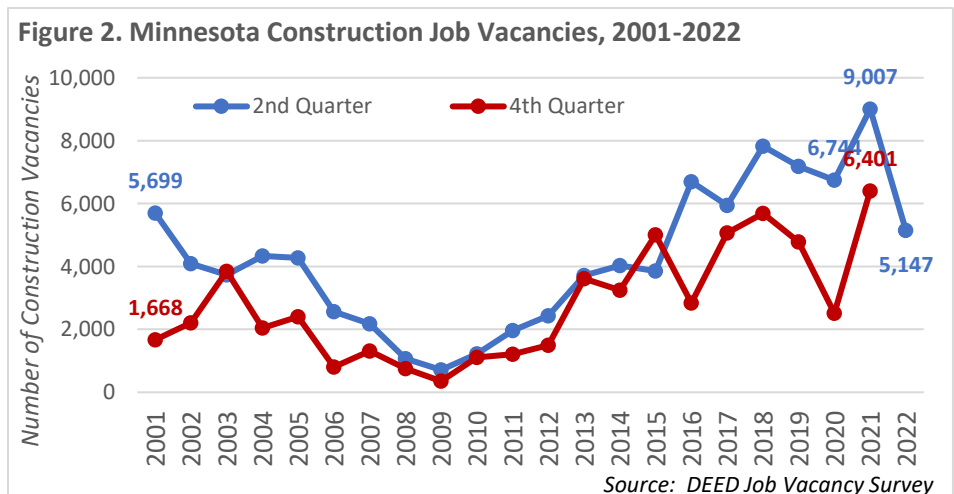
Most construction occupations can be started with a high school diploma an on-the-job training, with only 5 of the top 25 requiring postsecondary education. In general, the more defined and technical the skills, the higher the wage in these occupations, though rising demand has also helped push wages higher (see Table 2).

Table 2. Top 25 Occupations in the Construction Industry							
SOC Code	SOC Occupational Title	Current Demand Rank	Current Demand Indicator	Median Annual Wage	2020-2030 Percent Growth	2020-2030 Total Growth	Typical Educational Requirement
472061	<a href="#">Construction Laborers</a>	68	★★★★★	\$49,861	+7.1%	+18,272	<a href="#">High school or equiv.</a>
472031	<a href="#">Carpenters</a>	67	★★★★★	\$61,164	+1.3%	+21,414	<a href="#">High school or equiv.</a>
471011	<a href="#">First-Line Supervisors of Construction Trades &amp; Extraction Workers</a>	93	★★★★★	\$89,205	+4.9%	+8,214	<a href="#">High school or equiv.</a>
472111	<a href="#">Electricians</a>	76	★★★★★	\$74,451	+8.1%	+11,760	<a href="#">Postsecondary award</a>
472152	<a href="#">Plumbers, Pipefitters, &amp; Steamfitters</a>	97	★★★★★	\$78,640	+4.7%	+12,082	<a href="#">High school or equiv.</a>
499021	<a href="#">Heating, Air Conditioning, &amp; Refrigeration (HVAC) Mechanics &amp; Installers</a>	124	★★★★☆	\$69,446	+3.2%	+3,988	<a href="#">Postsecondary award</a>
472073	<a href="#">Construction Equipment Operators</a>	99	★★★★★	\$77,364	+4.6%	+10,098	<a href="#">High school or equiv.</a>
439061	<a href="#">Office Clerks, General</a>	57	★★★★★	\$45,119	-3.3%	+53,694	<a href="#">High school or equiv.</a>
119021	<a href="#">Construction Managers</a>	115	★★★★★	\$100,690	+12.0%	+7,246	<a href="#">Bachelor's degree</a>
111021	<a href="#">General &amp; Operations Managers</a>	21	★★★★★	\$90,481	+6.9%	+38,082	<a href="#">Bachelor's degree</a>
472051	<a href="#">Cement Masons &amp; Concrete Finishers</a>	144	★★★★☆	\$64,470	+0.6%	+3,488	<a href="#">High school or equiv.</a>
472141	<a href="#">Painters, Construction &amp; Maintenance</a>	176	★★★★☆	\$53,023	+3.8%	+5,839	<a href="#">High school or equiv.</a>
131198	<a href="#">Project Management Specialists</a>	71	★★★★★	\$75,953	+5.2%	+26,037	<a href="#">Bachelor's degree</a>
131051	<a href="#">Cost Estimators</a>	173	★★★★☆	\$74,847	+0.1%	+3,423	<a href="#">High school or equiv.</a>
436014	<a href="#">Secretaries &amp; Administrative Assistants</a>	18	★★★★★	\$48,270	-9.4%	+32,990	<a href="#">High school or equiv.</a>
472181	<a href="#">Roofers</a>	210	★★★★☆	\$60,090	+5.8%	+1,926	<a href="#">High school or equiv.</a>
433031	<a href="#">Bookkeeping, Accounting, &amp; Auditing Clerks</a>	30	★★★★★	\$49,179	-4.4%	+29,343	<a href="#">High school or equiv.</a>
533032	<a href="#">Heavy &amp; Tractor-Trailer Truck Drivers</a>	9	★★★★★	\$58,460	+4.1%	+43,441	<a href="#">High school or equiv.</a>
413091	<a href="#">Sales Representatives of Services</a>	44	★★★★★	\$73,268	+7.0%	+25,514	<a href="#">High school or equiv.</a>
472081	<a href="#">Drywall &amp; Ceiling Tile Installers</a>	394	★★★☆☆	\$62,259	+3.7%	+1,276	<a href="#">High school or equiv.</a>
472211	<a href="#">Sheet Metal Workers</a>	177	★★★★☆	\$62,693	+4.1%	+3,037	<a href="#">High school or equiv.</a>
472221	<a href="#">Structural Iron &amp; Steel Workers</a>	317	★★★★☆	\$80,950	+6.2%	+1,135	<a href="#">High school or equiv.</a>
491011	<a href="#">First-Line Supervisors of Mechanics, Installers &amp; Repairers</a>	108	★★★★★	\$78,597	+3.0%	+6,908	<a href="#">High school or equiv.</a>
472021	<a href="#">Brickmasons &amp; Blockmasons</a>	305	★★★☆☆	\$79,637	-5.2%	+1,537	<a href="#">High school or equiv.</a>
514121	<a href="#">Welders, Cutters, Solderers, &amp; Brazers</a>	62	★★★★★	\$52,075	+7.7%	+11,233	<a href="#">High school or equiv.</a>

*Source: DEED Occupations in Demand*

The recent rise in Construction employment has led to an increased number of [job vacancies](#) across the state. The 9,000 job vacancies reported by Construction employers in the second quarter of 2021 was the highest number ever recorded, and total vacancies have hovered around 6,000 vacancies since 2017 before dropping to about 5,150 vacancies in 2022.

This shows the tremendous levels of demand for Construction workers following the pandemic, with the number of vacancies in 2022 more than 6 times higher than the low point in 2009 during the Great Recession (see Figure 2). The median wage offer for these vacancies increased to \$23.50 per hour in the second quarter of 2022, up nearly \$2 per hour compared to the same survey in the second quarter of 2019, and up nearly \$3.50 from the second quarter of 2021 when vacancies peaked.



Less than one-fifth (17%) of the Construction vacancies required postsecondary education but just over half (52%) required a certificate or license, compared to 32% and 38% of all vacancies, respectively. Construction employers continue to place a high premium on related work experience, especially in comparison to other industries, with nearly two-thirds (65%) requiring at least 1 year of work experience. Just 2% of the openings were part-time, as compared to 37% of vacancies across all industries (see Table 3).

**Table 3. Minnesota Job Vacancy Survey, 2nd Quarter 2022**

NAICS Industry Title	Number of Job Vacancies	Median Wage Offer	Percent Part-time	Percent Requiring Postsecondary Education	Percent Requiring 1+ Years Work Exp.	Percent Requiring Certificate or License
Total, All Industries	184,588	\$18.32	37%	32%	47%	38%
Construction	5,147	\$23.50	2%	17%	65%	52%

Source: DEED [Job Vacancy Survey](#)

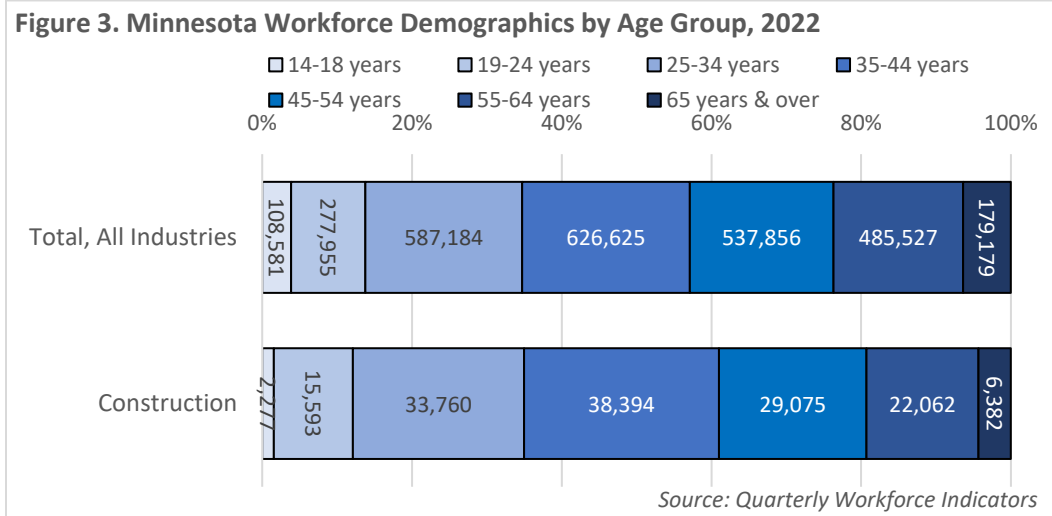
The largest number of vacancies were for Construction & Extraction occupations, including Construction Laborers, Construction Equipment Operators, and Carpenters, as well as management, engineering, production, and maintenance and repair occupations such as Truck Drivers, Welders, Civil Engineers, Cost Estimators, and HVAC mechanics. The median wage offer for these positions ranged from \$16.50 an hour up to more than \$38 per hour (see Table 4).

**Table 4. Minnesota Construction Job Vacancy Survey, 2nd Quarter 2022**

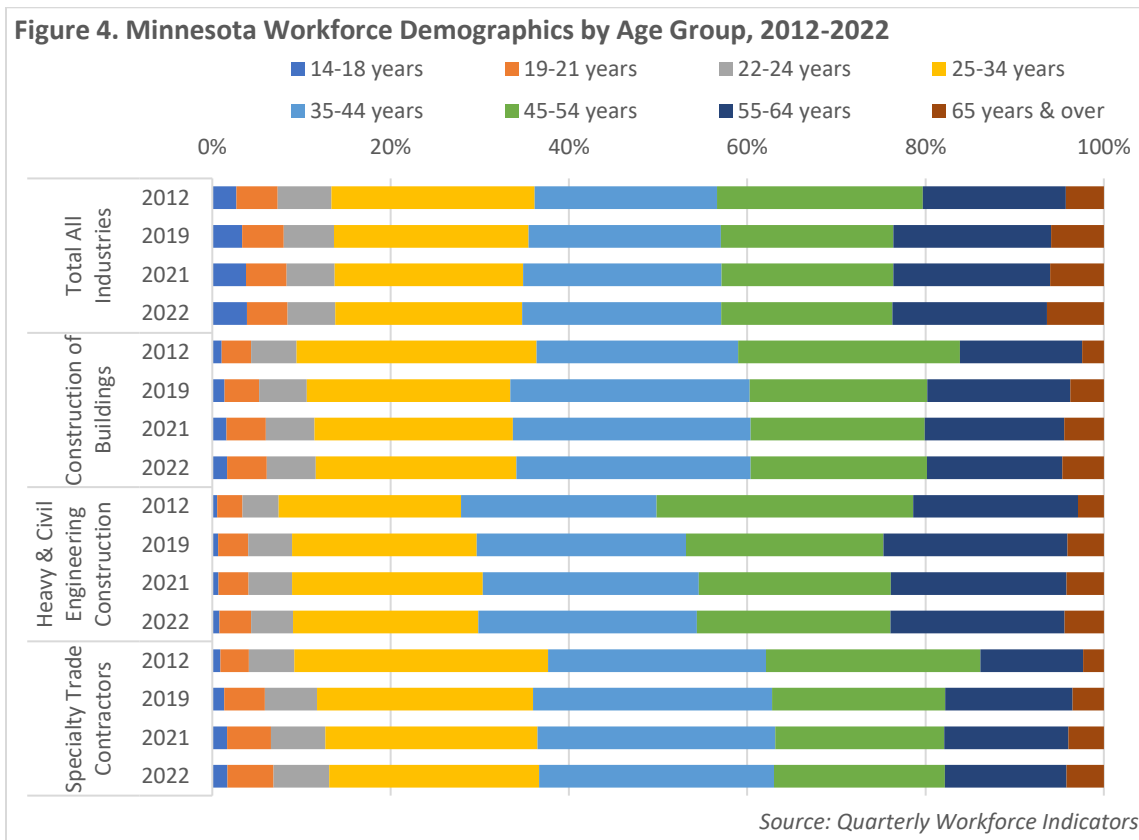
SOC Code	SOC Occupational Title	Number of Vacancies	Median Wage Offer	Percent Part-time	Percent Requiring Postsecondary Education	Percent Requiring Work Experience
0	Total, All Occupations	184,588	\$18.32	37%	32%	47%
470000	Construction & Extraction Occupations	4,289	\$21.77	1%	14%	57%
533032	Heavy & Tractor-Trailer Truck Drivers	2,417	\$23.56	3%	1%	68%
499071	Maintenance & Repair Workers, General	1,668	\$19.93	15%	31%	55%
472061	Construction Laborers	1,042	\$16.81	1%	4%	43%
472073	Operating Engineers & Construction Equip. Operators	735	\$38.23	0%	2%	81%
514121	Welders, Cutters, Solderers, & Brazers	699	\$19.95	0%	11%	56%
472031	Carpenters	610	\$22.47	2%	36%	88%
471011	First-Line Supervisors of Construction Trades Workers	343	\$26.40	0%	28%	96%
472051	Cement Masons & Concrete Finishers	264	\$22.49	0%	12%	33%
119021	Construction Managers	253	\$38.16	2%	83%	100%
172051	Civil Engineers	226	\$33.89	0%	100%	94%
491011	First-Line Supervisors of Mechanics, Installers & Repairers	206	\$20.52	28%	18%	71%
173011	Architectural & Civil Drafters	173	\$24.47	1%	84%	76%
474051	Highway Maintenance Workers	172	\$16.56	5%	4%	53%
472152	Plumbers, Pipefitters, & Steamfitters	148	\$23.01	7%	12%	48%
499021	Heating, Air Conditioning, & Refrigeration Mechanics	138	\$20.00	12%	22%	49%
472111	Electricians	133	\$25.36	8%	77%	52%
514122	Welding, Soldering, & Brazing Machine Setters	132	\$20.85	1%	32%	80%
131051	Cost Estimators	100	\$28.18	1%	45%	79%
171022	Surveyors	96	\$21.81	0%	100%	99%
475081	Helpers--Extraction Workers	96	\$20.94	0%	0%	0%
173022	Civil Engineering Technologists & Technicians	81	\$24.79	0%	63%	82%
472071	Paving, Surfacing, & Tamping Equipment Operators	80	\$17.69	0%	0%	12%
512041	Structural Metal Fabricators & Fitters	59	\$17.79	0%	10%	32%
474011	Construction & Building Inspectors	56	\$26.44	0%	65%	89%

Source: DEED [Job Vacancy Survey](#)

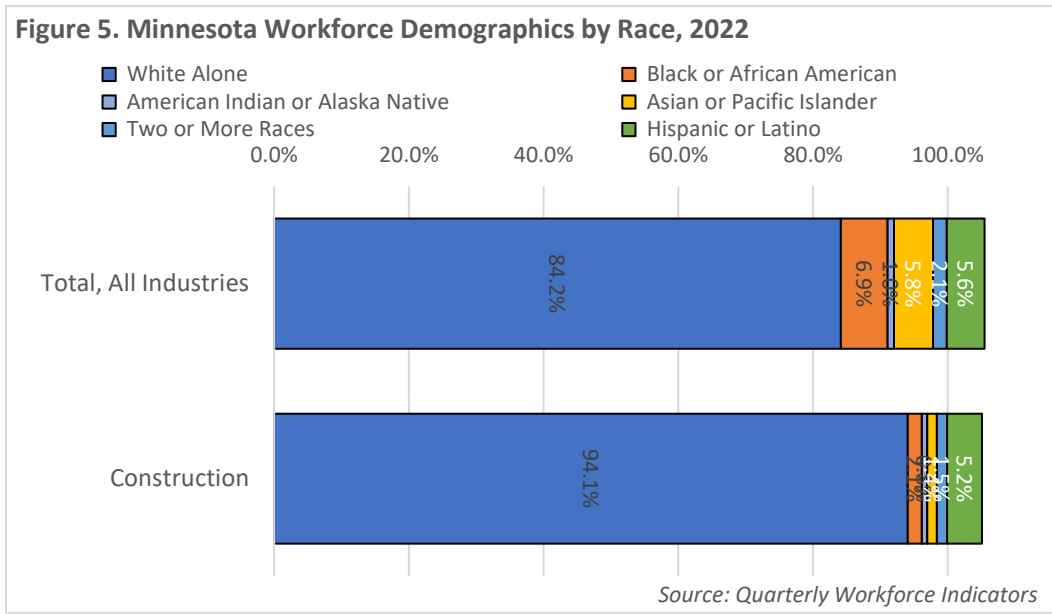
New graduates and other jobseekers will be important in filling the workforce pipeline in the Construction industry. Not surprisingly, the Construction industry relies more heavily on younger workers, with nearly 80% (79.2%) of workers between 19 and 54 years of age, compared to 72.4% across all industries. Because of work experience and safety requirements, just 1.5% of all workers in Construction are under 18 years of age, compared to 3.9% across all industries; and because of physical requirements, just 19.3% of jobs are held by workers aged 55 years and over, compared to 23.7% across all industries (see Figure 3).



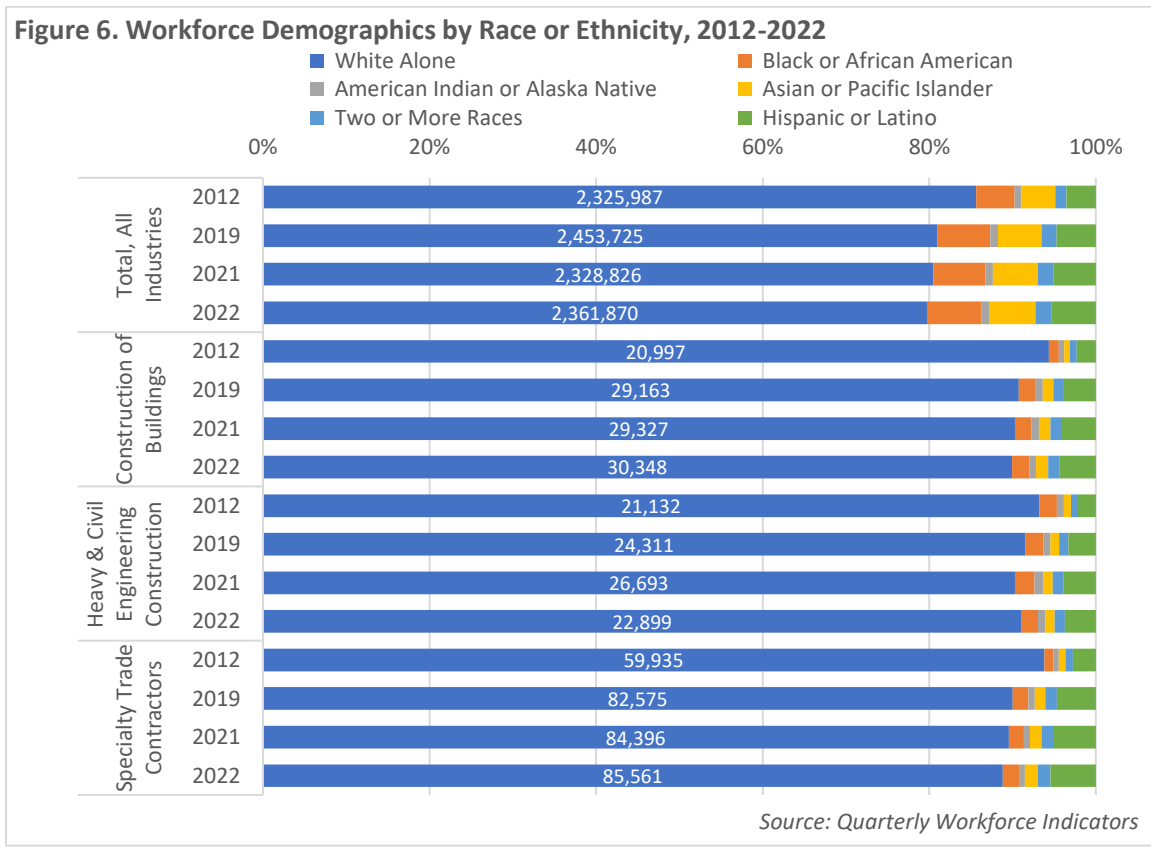
The workforce overall and the Construction workforce have been aging over the past decade. In 2012, about 16% of the Construction workforce was 55 years or older, compared to 20.3% across all industries. By 2019, 19.5% of the Construction workforce was 55 or older, still below the 23.6% rate across all industries. However, Heavy & Civil Engineering Construction was older, with 24.7% of the workforce aged 55 and over in 2019 (see Figure 4).



Further demographic data from Quarterly Workforce Indicators shows that the Construction industry is relatively non-diverse, but has become more racially diverse over time. Across all industries, 84.2% of jobs are held by workers identifying as white alone, compared to 94.1% in Construction, making it one of the least racially diverse industries in the state. However, Construction has a similar concentration of Hispanic or Latino workers (see Figure 5).



The racial diversity of the workforce has changed over time, with the number of Construction workers identifying as white alone increasing by 36% from 2012 to 2022, compared to a 143% increase in the number of jobholders of other race or other ethnic groups. The fastest growth occurred for Hispanic or Latino, Asian, and workers of Two or More Races, which all increased more than 140% over the past 10 years (see Figure 6).



Finally, Construction is a male-dominated industry, with males holding nearly 85% of total jobs, compared to a nearly 50-50 split across all industries (see Figure 7 and 8). In the face of tight labor markets, Construction employers will need to continue to tap into new labor pools by age, race, and gender in order to attract the talent they need to grow and replace existing workers in the future.

