

# Construction Workers: Settling In

Michael Carliner

Because of the nature of the construction process and the structure of construction industry, employment in the construction trades is less stable and secure than careers in most other occupations. This, in turn, is one of the barriers to attracting talented people into the construction industry.

Analysis of data from the Current Population Survey (CPS) reveals, however, that although workers in the construction trades are more likely to experience periods of unemployment, and more likely to change employers, than the average worker in other fields, the differences are small. Moreover, the differences between construction and other fields have narrowed substantially over the past decade. In 2002, more than 87 percent of wage and salary workers in the construction trades, and of all payroll employees in the construction industry, worked for only one employer (not counting simultaneous second jobs). Less than 5 percent faced multiple episodes of unemployment.

In 2001, the share of workers in the construction trades who were employed for all 52 weeks of the year (including paid time off) was 72 percent, not far below the 77 percent share for all workers. In the early 1990s, less than 60 percent of construction workers were employed for 52 weeks, and more than 20 percent worked for 2 or more firms in the course of a year.

Instability of construction worker employment reflects the characteristics of the people employed in the construction trades, as well as the nature of the work. Construction

trade workers are younger, on average, than workers in other industries. Only 30 percent of workers in the construction trades in March 2003 were age 45 or older, versus 38 percent for the overall civilian labor force. Moreover, 16 percent of construction trades workers were not U.S. citizens, compared to 9 percent of all workers.

## Nature of Construction Employment

Data on construction employment are not reported separately for residential and nonresidential construction, even though most workers tend to specialize in one type or the other. Residential construction probably accounts for slightly less than half of all on-site construction industry employment.

Construction trades occupations include skilled workers such as carpenters, electricians, painters, or plumbers, as well as working job-site supervisors. The government's system for classifying occupations was recently changed. The new grouping "construction and extraction occupations" includes construction laborers, previously counted in a separate category for less skilled workers, as well as some other previously-excluded groups. Use of the new category in the CPS for March 2003, resulted in a total labor force of 8.9 million, compared to 6.6 million for Construction Trades in March 2002.

Construction trades workers account for about two-thirds of all jobs in the construction industry. The other third of workers in the industry are in finance, sales, administration, and other off-site activities. About one-sixth of workers in the construc-

tion trades are employed in other industries, such as utilities.

Most construction trades workers employed in the construction industry do not work directly for general contractors or merchant builders, but instead work for special trade contractors, who serve as subcontractors for the builder or general contractor. The 1997 Census of Construction found that 2.7 million of 4.3 million construction workers reported as employees in the construction industry were employed by special trade contractors. Of the remainder, about 700,000 were employed by contractors involved in non-building construction such as roads or water and sewer systems.

About one-fifth of those working in construction are self-employed, including about 4 percent working for a corporation that they own. Some of the self-employed workers in construction have other workers as employees, but the majority are lone operators.<sup>1</sup> Among all civilian workers, about 10 percent are self-employed. The unincorporated self-employed share of construction workers has trended downward somewhat over the past decade.

## Worker Demographics

Table 1 shows some of the characteristics of detailed components of the construction worker occupation grouping, as well as broad categories of workers in other occupations, as reported in the 2000 Census. These categories are based on the new classification system.

Nearly all construction trades workers are male. In 2002, under the old occupational category system, only 2.4 percent of skilled construction trades workers and 3.9 percent of

**Table 1. Characteristics of Labor Force by Occupation**

| Occupation                       | All 1999 Workers (000s) |                  | Median Earnings 1999 | Median Age | Educ. Beyond High Sch. | Foreign-Born |              | Non-Citizen Hispanic | Female       | Full-time Year-round** |                 |
|----------------------------------|-------------------------|------------------|----------------------|------------|------------------------|--------------|--------------|----------------------|--------------|------------------------|-----------------|
|                                  | Total                   | Constr. Industry |                      |            |                        | Citizen      | Non-Citizen  |                      |              | Number                 | Median Earnings |
| <b>Managers (x Constr)</b>       | 19,769                  | 517              | 38,000               | 43         | 79.7%                  | 5.5%         | 4.5%         | 6.1%                 | 44.0%        | 14,084                 | 45,000          |
| <b>Construction manager</b>      | 731                     | 691              | 42,000               | 43         | 61.0%                  | 4.0%         | 4.5%         | 6.1%                 | 6.5%         | 536                    | 50,000          |
| <b>Professional</b>              | 31,365                  | 245              | 31,000               | 41         | 89.4%                  | 5.9%         | 5.5%         | 5.8%                 | 56.8%        | 16,675                 | 42,000          |
| <b>Service</b>                   | 27,385                  | 111              | 10,000               | 35         | 36.9%                  | 5.8%         | 10.6%        | 15.6%                | 57.9%        | 9,943                  | 21,000          |
| <b>Sales</b>                     | 19,507                  | 137              | 14,800               | 37         | 54.4%                  | 4.9%         | 5.8%         | 9.5%                 | 53.8%        | 9,123                  | 32,000          |
| <b>Office/administration</b>     | 25,995                  | 705              | 18,000               | 39         | 57.4%                  | 4.7%         | 4.4%         | 9.8%                 | 75.1%        | 13,366                 | 26,000          |
| <b>Farm, forest</b>              | 1,520                   | 5                | 9,000                | 36         | 17.8%                  | 6.0%         | 28.8%        | 39.0%                | 24.9%        | 487                    | 19,000          |
| <b>All construction occs.</b>    | <b>9,411</b>            | <b>7,847</b>     | <b>25,000</b>        | <b>37</b>  | <b>28.9%</b>           | <b>4.0%</b>  | <b>12.5%</b> | <b>18.1%</b>         | <b>3.3%</b>  | <b>4,953</b>           | <b>30,000</b>   |
| <b>All occs. ex. supervisors</b> | <b>8,317</b>            | <b>6,908</b>     | <b>24,000</b>        | <b>37</b>  | <b>27.4%</b>           | <b>4.0%</b>  | <b>13.4%</b> | <b>19.1%</b>         | <b>3.3%</b>  | <b>4,189</b>           | <b>30,000</b>   |
| <b>Skilled workers*</b>          | <b>6,543</b>            | <b>5,242</b>     | <b>25,000</b>        | <b>37</b>  | <b>29.1%</b>           | <b>3.8%</b>  | <b>11.3%</b> | <b>16.5%</b>         | <b>3.2%</b>  | <b>3,494</b>           | <b>30,000</b>   |
| <b>Construction</b>              |                         |                  |                      |            |                        |              |              |                      |              |                        |                 |
| Supervisor                       | 1,094                   | 939              | 35,000               | 42         | 40.4%                  | 3.7%         | 5.6%         | 10.3%                | 2.9%         | 764                    | 40,000          |
| Boilermaker                      | 29                      | 9                | 30,000               | 42         | 30.4%                  | 3.3%         | 5.7%         | 10.8%                | 5.4%         | 14                     | 40,000          |
| Brick mason                      | 266                     | 251              | 20,000               | 37         | 18.5%                  | 4.0%         | 14.7%        | 17.7%                | 1.0%         | 112                    | 30,000          |
| Carpenter                        | 1,728                   | 1,520            | 20,000               | 38         | 28.9%                  | 3.7%         | 11.5%        | 15.7%                | 2.0%         | 869                    | 28,000          |
| Carpet, floor                    | 267                     | 205              | 20,000               | 35         | 21.4%                  | 4.8%         | 14.9%        | 22.8%                | 3.0%         | 131                    | 29,300          |
| Cement, concrete                 | 117                     | 113              | 20,000               | 37         | 16.8%                  | 4.8%         | 16.3%        | 27.1%                | 1.3%         | 50                     | 26,900          |
| Laborer                          | 1,668                   | 1,572            | 15,000               | 33         | 21.3%                  | 4.7%         | 21.4%        | 28.8%                | 3.9%         | 659                    | 25,000          |
| Paving equipment operator        | 22                      | 21               | 20,800               | 36         | 14.7%                  | 0.8%         | 5.1%         | 9.1%                 | 4.2%         | 7                      | 25,000          |
| Pile driver                      | 2                       | 2                | 45,000               | 44         | 37.3%                  | 7.0%         | 3.8%         | 10.8%                | 3.2%         | 1                      | 55,000          |
| Op engineer                      | 437                     | 347              | 27,000               | 41         | 21.1%                  | 1.9%         | 3.9%         | 8.5%                 | 2.5%         | 247                    | 31,000          |
| Drywall                          | 243                     | 237              | 19,200               | 34         | 16.3%                  | 3.6%         | 22.7%        | 30.4%                | 3.0%         | 114                    | 25,500          |
| Electrician                      | 850                     | 550              | 30,500               | 39         | 48.0%                  | 4.4%         | 5.3%         | 8.9%                 | 2.4%         | 578                    | 37,000          |
| Glazier                          | 63                      | 28               | 26,000               | 35         | 24.2%                  | 2.8%         | 6.1%         | 15.8%                | 4.8%         | 44                     | 32,000          |
| Insulation                       | 47                      | 41               | 24,000               | 34         | 22.1%                  | 3.9%         | 15.7%        | 24.0%                | 3.9%         | 28                     | 25,600          |
| Painter                          | 744                     | 645              | 15,600               | 38         | 25.5%                  | 5.3%         | 20.0%        | 25.2%                | 7.9%         | 309                    | 25,000          |
| Paperhanger                      | 23                      | 20               | 15,000               | 45         | 42.1%                  | 1.6%         | 3.3%         | 4.9%                 | 37.3%        | 9                      | 28,000          |
| Pipe, plumber                    | 665                     | 496              | 28,000               | 39         | 31.2%                  | 3.4%         | 6.7%         | 12.7%                | 1.6%         | 418                    | 35,000          |
| Plaster, stucco                  | 54                      | 52               | 20,000               | 36         | 17.5%                  | 9.3%         | 27.4%        | 36.0%                | 2.0%         | 25                     | 26,000          |
| Rebar workers                    | 6                       | 5                | 25,000               | 35         | 10.6%                  | 1.9%         | 23.3%        | 30.4%                | 2.0%         | 4                      | 30,000          |
| Roofer                           | 304                     | 296              | 15,400               | 33         | 15.5%                  | 3.6%         | 19.9%        | 26.6%                | 1.7%         | 118                    | 23,000          |
| Sheet metal                      | 195                     | 106              | 28,800               | 38         | 34.6%                  | 3.1%         | 5.6%         | 11.6%                | 4.1%         | 128                    | 33,000          |
| Structural iron & steel          | 98                      | 76               | 30,000               | 38         | 28.5%                  | 1.9%         | 4.1%         | 8.0%                 | 2.0%         | 50                     | 35,400          |
| Helpers                          | 106                     | 94               | 10,000               | 27         | 18.2%                  | 3.1%         | 18.6%        | 27.7%                | 4.9%         | 35                     | 20,000          |
| Inspector                        | 95                      | 34               | 33,000               | 48         | 66.7%                  | 3.5%         | 2.2%         | 6.1%                 | 10.1%        | 64                     | 39,000          |
| Elevator installers              | 31                      | 27               | 45,000               | 40         | 40.2%                  | 5.8%         | 2.5%         | 6.5%                 | 1.6%         | 22                     | 53,000          |
| Fencer                           | 39                      | 32               | 15,000               | 33         | 20.4%                  | 4.2%         | 13.5%        | 22.3%                | 1.7%         | 18                     | 22,000          |
| Hazmat removal                   | 29                      | 4                | 23,000               | 36         | 34.3%                  | 3.5%         | 21.6%        | 29.5%                | 8.1%         | 16                     | 30,000          |
| Highway maintenance              | 118                     | 99               | 24,000               | 42         | 24.0%                  | 1.7%         | 4.8%         | 10.1%                | 4.4%         | 75                     | 28,600          |
| Rail                             | 16                      | 1                | 35,000               | 45         | 24.1%                  | 2.1%         | 5.2%         | 12.5%                | 2.9%         | 10                     | 39,200          |
| Septic & sewer                   | 11                      | 1                | 19,000               | 36         | 18.9%                  | 1.1%         | 1.6%         | 4.0%                 | 0.9%         | 6                      | 27,300          |
| Misc. construction               | 46                      | 25               | 20,000               | 34         | 25.3%                  | 3.9%         | 11.4%        | 20.9%                | 3.7%         | 26                     | 27,000          |
| <b>Extraction</b>                | 177                     | 26               | 27,000               | 39         | 24.7%                  | 1.5%         | 4.2%         | 11.9%                | 3.7%         | 102                    | 34,000          |
| <b>Install/Repair</b>            | 6,399                   | 534              | 28,000               | 40         | 40.9%                  | 4.6%         | 6.5%         | 11.6%                | 5.1%         | 4,354                  | 34,000          |
| <b>Production</b>                | 14,651                  | 297              | 20,000               | 40         | 29.3%                  | 7.1%         | 12.6%        | 17.2%                | 35.5%        | 8,655                  | 28,000          |
| <b>Transportation</b>            | 10,746                  | 370              | 18,000               | 39         | 28.7%                  | 4.3%         | 8.9%         | 14.8%                | 17.0%        | 5,322                  | 29,000          |
| <b>Military</b>                  | 434                     | -                | 22,000               | 27         | 62.9%                  | 2.9%         | 2.6%         | 10.4%                | 10.7%        | 298                    | 27,000          |
| <b>Total</b>                     | <b>150,934</b>          | <b>10,422</b>    | <b>23,900</b>        | <b>39</b>  | <b>57.1%</b>           | <b>5.4%</b>  | <b>7.3%</b>  | <b>11.0%</b>         | <b>46.8%</b> | <b>87,897</b>          | <b>32,000</b>   |

Source: 2000 Census 1% Public Use Microdata Sample

\* Skilled workers includes all construction workers except Supervisors, Laborers, and Helpers.

\*\* Full-time year-round workers are those who worked at least 50 weeks, 35 hours per week in 1999.

construction laborers were women. African-Americans were also underrepresented with only 6.5 percent of construction trades jobs, but their share of construction laborers was 9.7 percent, somewhat closer to the 10.9 percent African-American share of total employment in 2002.

While other minorities are underrepresented in construction occupations, the share of workers of Hispanic origin is large and has grown rapidly. The Bureau of Labor Statistics reported that 20.6 percent of construction trades and 33.3 percent of construction laborers were Hispanic/Latino in 2002. This was up from 16.4 percent and 27.7 percent, respectively, just two years earlier.

The Hispanic share of the total work force in 2002 was 12.2 percent. Of Hispanics in overall labor force, according to the 2000 Census, 48 percent were born in the U.S., and another 15 percent were naturalized citizens. Only 37 percent were not U.S. citizens. Among Hispanics in construction occupations working in the construction industry, however, more than 60 percent were non-citizens.

Non-citizen Hispanics, including those working in construction, were probably undercounted in the 2000 Census and in the Current Population Survey. While many of those non-citizens are legal permanent residents, others have more ambiguous or wholly-undocumented status.

There are few non-Hispanic immigrants in the construction work force. Although the majority of foreign-born workers in the U.S. labor force are not from Latin countries, Latinos represent more than 70 percent of foreign-born construction workers.

The construction trades include relatively few workers with extensive formal education. According to the CPS, less than 30 percent have gone

beyond a high school diploma, compared with 57 percent of all U.S. workers, and only 7 percent are college graduates, versus 28 percent of all workers. Construction workers may go through extensive training in their trades, but that knowledge may not be transferable to non-construction jobs, and the lack of credentials may limit their ability to pursue careers in other fields. On the other hand, construction trades offer opportunities to rapidly advance to supervisory positions or establish a separate business.

Given their lack of formal education and relative youth, workers in the construction trades don't do badly in terms of earnings. Year-round full-time construction trades workers earned a median of \$30,000 in 1999, according to the 2000 Census. That excludes laborers and supervisors, for whom median earnings were \$25,000 and \$40,000, respectively. The median for all year-round full-time workers was \$32,000.

### Job Stability

There are a variety of measures, mainly from the CPS and other surveys, that provide some indication of the stability and security of employment in construction occupations.

Table 2 shows various measures of job stability based on the CPS. As noted above, in recent years an increased share of construction workers remained with one employer and were employed year-round. A declining share of construction workers experienced periods of unemployment. The differences with the early 1990s, when construction was in a severe slump, are understandable. But even relative to the late 1990s, when construction activity was high and there were labor shortages, these statistics indicate

that job stability for construction workers has increased. These statistics are based on people who were in the labor force (including those who were unemployed) at the time of the survey, in March of the next year. If all people who worked at any time during the year were included, and the industry and occupations were based on work in the preceding year, than at the time of the survey, the survey job stability would look a little worse for both construction workers and all workers.

Occasionally, as a supplement to the CPS, wage and salary workers are asked how long they have worked for their current employer. In January 2002, the median tenure for construction trades workers was 3.3 years, and for construction laborers 2.3 years, compared to 3.7 years for all workers. In earlier years, construction trades workers also reported tenures slightly shorter than the overall median. In 1996, for example, the median for construction trades was 3.5 years, compared to 3.8 years for all workers.

Job tenure tends to be much longer for older workers than for younger ones, and that alone might explain much of the difference between construction trades and the overall average. The median periods that people in sales and service occupations have worked for their current employers are generally much shorter than for construction trades.

Another statistic, the separation rate by industry, based on a survey of employers, measures the monthly share of all workers leaving employers due to quits, layoffs, discharges, or other reasons. Those data present a less stable picture of construction, relative to other industries. For the first eight months of 2003, the construction industry separation rate averaged 5.6 percent, compared to a 3.4 percent average for all private

Table 2. Work Experience During Year

|   | 1991    | 1992    | 1993    | 1994    | 1995    | 1996    | 1997    | 1998    | 1999    | 2000    | 2001    | 2002    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Labor Force - Following March (Thous)</b>                            |         |         |         |         |         |         |         |         |         |         |         |         |
| Total Civilian  | 124,942 | 125,716 | 128,889 | 130,908 | 132,118 | 135,010 | 136,796 | 138,106 | 140,474 | 141,770 | 143,897 | 145,331 |
| Constr Industry   | 8,005   | 7,867   | 7,787   | 8,273   | 8,503   | 8,905   | 9,037   | 9,282   | 9,447   | 9,554   | 10,231  | 10,897  |
| Constr Trades   | 5,305   | 5,362   | 5,325   | 5,455   | 5,459   | 5,804   | 5,990   | 6,024   | 6,147   | 6,331   | 6,637   | 8,935   |
| Constr Laborers   | 878     | 783     | 805     | 958     | 890     | 959     | 954     | 1,108   | 1,079   | 1,085   | 1,249   | NA      |
| <b>Wage and Salary Workers with Single Primary Employer</b>             |         |         |         |         |         |         |         |         |         |         |         |         |
| Total Civilian  | 85.3%   | 85.5%   | 85.1%   | 83.8%   | 84.3%   | 84.4%   | 84.6%   | 84.2%   | 84.4%   | 84.6%   | 86.3%   | 87.6%   |
| Constr Industry   | 79.1%   | 80.1%   | 80.5%   | 80.8%   | 81.3%   | 82.8%   | 83.1%   | 82.8%   | 82.5%   | 85.2%   | 85.0%   | 87.6%   |
| Constr Trades   | 78.6%   | 79.2%   | 80.1%   | 80.4%   | 80.1%   | 82.4%   | 83.1%   | 83.6%   | 82.8%   | 86.4%   | 85.6%   | 87.2%   |
| Constr Laborers   | 75.2%   | 76.3%   | 73.4%   | 76.7%   | 79.4%   | 77.5%   | 74.1%   | 81.0%   | 78.0%   | 81.8%   | 80.3%   | NA      |
| <b>Wage and Salary Workers with 3 or More Primary Employers</b>         |         |         |         |         |         |         |         |         |         |         |         |         |
| Total Civilian  | 3.7%    | 3.6%    | 3.8%    | 4.0%    | 3.8%    | 3.7%    | 3.5%    | 3.6%    | 3.7%    | 3.6%    | 3.0%    | 2.6%    |
| Constr Industry   | 8.2%    | 7.2%    | 6.6%    | 7.0%    | 6.4%    | 5.5%    | 4.6%    | 5.9%    | 5.8%    | 4.4%    | 4.7%    | 3.8%    |
| Constr Trades   | 8.2%    | 8.3%    | 7.1%    | 7.5%    | 7.4%    | 6.0%    | 5.4%    | 6.2%    | 6.2%    | 4.8%    | 5.0%    | 4.1%    |
| Constr Laborers   | 11.7%   | 8.9%    | 8.2%    | 9.7%    | 9.5%    | 9.0%    | 8.6%    | 6.6%    | 8.8%    | 6.3%    | 6.8%    | NA      |
| <b>Experiencing One or More Periods Unemployed and Looking for Work</b> |         |         |         |         |         |         |         |         |         |         |         |         |
| Total Civilian  | 12.6%   | 12.5%   | 11.3%   | 10.5%   | 9.9%    | 9.2%    | 8.5%    | 7.5%    | 7.0%    | 6.6%    | 8.2%    | 8.3%    |
| Constr Industry   | 30.0%   | 28.8%   | 24.7%   | 21.7%   | 17.6%   | 18.7%   | 15.8%   | 13.4%   | 12.8%   | 11.8%   | 13.5%   | 13.4%   |
| Constr Trades   | 31.8%   | 30.8%   | 25.5%   | 22.2%   | 19.5%   | 17.5%   | 15.4%   | 12.8%   | 12.7%   | 11.6%   | 12.7%   | 15.0%   |
| Constr Laborers   | 37.2%   | 39.1%   | 36.3%   | 30.2%   | 25.1%   | 34.4%   | 24.8%   | 23.1%   | 18.9%   | 20.1%   | 22.2%   | NA      |
| <b>Experiencing Two or More Periods Unemployed and Looking for Work</b> |         |         |         |         |         |         |         |         |         |         |         |         |
| Total Civilian  | 4.1%    | 4.1%    | 3.6%    | 3.3%    | 3.0%    | 2.8%    | 2.7%    | 2.3%    | 2.0%    | 1.9%    | 2.1%    | 2.0%    |
| Constr Industry   | 14.4%   | 14.0%   | 11.9%   | 9.8%    | 7.4%    | 7.4%    | 7.0%    | 6.0%    | 5.5%    | 4.9%    | 5.4%    | 4.6%    |
| Constr Trades   | 15.1%   | 14.7%   | 12.6%   | 10.7%   | 9.2%    | 7.9%    | 7.3%    | 6.2%    | 5.6%    | 5.2%    | 5.2%    | 5.0%    |
| Constr Laborers   | 19.0%   | 19.5%   | 19.0%   | 12.2%   | 11.1%   | 13.4%   | 10.2%   | 10.8%   | 8.1%    | 8.4%    | 8.5%    | NA      |
| <b>Employed 52 Weeks</b>  |         |         |         |         |         |         |         |         |         |         |         |         |
| Total Civilian  | 69.8%   | 70.8%   | 71.8%   | 72.1%   | 73.2%   | 74.0%   | 75.0%   | 76.3%   | 76.6%   | 78.0%   | 77.1%   | 77.5%   |
| Constr Industry   | 51.5%   | 53.4%   | 57.3%   | 59.7%   | 64.3%   | 65.0%   | 65.7%   | 69.7%   | 71.5%   | 73.8%   | 71.4%   | 72.9%   |
| Constr Trades   | 50.1%   | 52.3%   | 55.9%   | 59.6%   | 61.1%   | 65.2%   | 66.1%   | 71.8%   | 72.3%   | 74.0%   | 72.2%   | 71.2%   |
| Constr Laborers   | 36.6%   | 38.4%   | 41.8%   | 45.0%   | 51.9%   | 44.9%   | 48.0%   | 55.4%   | 55.4%   | 61.0%   | 59.1%   | NA      |
| <b>Self-Employed</b>  |         |         |         |         |         |         |         |         |         |         |         |         |
| Total Civilian  | 10.6%   | 10.8%   | 11.5%   | 11.3%   | 10.8%   | 11.0%   | 10.5%   | 10.2%   | 10.1%   | 9.9%    | 9.7%    | 10.3%   |
| Constr Industry   | 21.8%   | 24.4%   | 25.9%   | 23.6%   | 23.2%   | 23.3%   | 23.4%   | 22.2%   | 22.5%   | 21.0%   | 19.9%   | 22.2%   |
| Constr Trades   | 22.0%   | 24.3%   | 24.8%   | 23.5%   | 22.2%   | 23.0%   | 23.3%   | 22.2%   | 22.6%   | 21.9%   | 21.6%   | 18.7%   |
| Constr Laborers   | 0.5%    | 0.3%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%    | NA      |

Source: Current Population Survey, Annual (March) Demographic Supplement, tabulated by NAHB

Note: Data for Construction Trades for 2002 based on new category for "Construction and Extraction Occupations" and includes laborers. Labor Force data, self-employment, industry and occupation based on current or most recent job as of survey in March of following year.

industries. The Job Opening and Labor Turnover Survey, from which those numbers came, is fairly new, and it is not clear why the rate for construction is so much higher than the average.

Employment in the construction industry grew during the first eight months of 2003, so the average monthly rate of new hires exceeded the average separation rate, at 6.4 percent. The average new hire rate for all private industries was reported as 3.5 percent, slightly above the

corresponding separation rate, even though there was no growth in total private industry employment over that period, according to the broader establishment survey of payroll employment.

The increase in the stability of employment in the construction trades over the past decade may be partly due to the current high level of construction activity. A slump in construction could widen the gap between construction trades and other occupations. Construction

activity itself, however, may be less volatile in the future than in the past. And the ties of workers to employers may remain more continuous, even apart from the effects of fluctuations in activity.

*Michael Carliner is a staff vice president with NAHB's Economics Group.*

<sup>1</sup> See Elliot Eisenberg, Self-Employment in Construction, Housing Economics, January 2001.