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NEARLY ONE IN FOUR CONSTRUCTION WORKERS ARE UNEMPLOYED AS INDUSTRY LOSES ANOTHER 53,000 JOBS IN DECEMBER

With Construction Unemployment Now at 22.7 Percent, No Time to Single Out Construction Industry For Higher Health Care Costs and Penalties, Trade Group Says

Deteriorating demand for construction services continued to drag on the economy as new federal figures show another 53,000 construction workers lost their jobs in December and the industry's unemployment rate climbed to 22.7 percent. The new employment data underscores the need to rethink health care legislation that singles out small construction firms for new mandates and fees, the Associated General Contractors of America noted.

"If it wasn't for construction, our economic picture would actually be getting slightly better," said the association's chief economist, Ken Simonson. "Unfortunately, construction layoffs are dragging down the broader employment picture."

Simonson noted that outside of construction, nonfarm payroll employment rose by 31,000, seasonally adjusted, in November and shrank by just 32,000 in December. Construction, however, lost 80,000 more jobs in both months, he added, while the industry's unemployment rate, not seasonally adjusted, is now more than double the all-industry rate.

According to the new federal employment figures, over 2 million construction workers are currently unemployed and 934,000 construction workers lost their jobs during the past 12 months alone. Simonson added that construction employment declined by 0.9 percent between November and December and 13.7 percent between December 2008 and 2009.

The construction economist said falling demand for nonresidential construction in particular was driving the sector's job losses, with 34,900 nonresidential jobs lost in December. He noted that federal figures released earlier this week indicate that construction spending declined by \$137 billion between November 2008 and 2009 to a six-year low.

Association officials urged Congress to reconsider provisions in the Senate-passed health care legislation that exclude small construction firms from measures designed to protect small businesses from costly new provisions. Small businesses employing between 5 and 49 people are not required to pay fines for employees without health care insurance. However, a last minute amendment added to the Senate bill requires small construction firms to pay the fines.

"It is hard to understand the sense in singling out construction for higher health care costs and penalties when the industry's unemployment rate is nearly double that of any others'," said Stephen Sandherr, the association's chief executive officer. "For the vast majority of small construction firms that already provide comprehensive health care, the Senate provision will increase reporting costs, making it harder to retain and add staff."

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