

An aerial, high-angle photograph of a construction site, likely a large-scale urban development project. The image shows a complex network of steel reinforcement bars (rebar) laid out on a concrete slab. Several construction workers in safety gear (hard hats, high-visibility vests) are visible, working on the site. The overall scene is one of active construction, with various materials and equipment scattered around. The image is darkened to serve as a background for the text.

MEMBER ORGANIZATION SURVEY



PREPARED BY HOUSING FIRST MINNESOTA



INTRODUCTION

In September 2018, Project Build Minnesota's member associations surveyed their member-firms to assess how the industry-wide labor crisis is affecting construction firms in Minnesota, as well as to establish a baseline for future surveys and projects.

The survey was distributed to members via email on behalf of each separate member organization. Responses were collected through the online platform Survey Money.



SUMMARY

According to the survey, 88 percent of firms associated with Project Build Minnesota report having experienced a labor shortage in the past 12 months, with 63 percent of respondents reporting the labor shortage has caused their firm to turn away business as there was not labor available to complete the project.

Eighty-eight percent of respondents reported the labor crisis has resulted in delays, whether project or product.

In addition to the lack of available labor, 72 percent of respondents reported that new, entry-level employees come to their firm less prepared than they did a decade ago. Eighteen percent reported they find new, entry-level employees as prepared as a decade ago, only one respondent reported percent finding new employees more prepared than they were a decade ago slightly more than half-a-percent of respondents.

FINDINGS

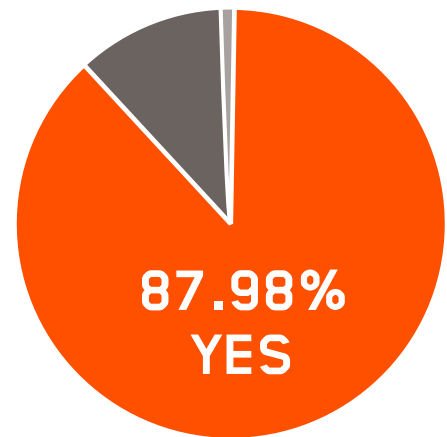
Not all respondents answered the demographic questions.
Percentages were added to the nearest tenth of a percent
and percentages may not always equal 100.

// Q1 //

**IN THE PAST 12 MONTHS, HAS YOUR COMPANY
EXPERIENCED A LABOR SHORTAGE?**

RESPONSE	NUMBER	PERCENT
YES	205	87.98%
NO	26	11.16%
NOT SURE	2	0.86%

233 Total Responses



	RESIDENTIAL	COMMERCIAL	BOTH RESIDENTIAL & COMMERCIAL	GENERAL CONTRACTOR OR BUILDER	SUBCONTRACTOR OR TRADE PARTNER	SUPPLIER
YES	87 90.63%	25 95.60%	39 84.78%	72 88.89%	57 93.44%	84 84.38%
NO	9 9.38%	2 7.40%	7 2.17%	9 11.11%	4 6.56%	5 15.63%
NOT SURE	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
TOTAL	96	27	46	81	61	32

//Q2//

**OVER THE PAST 12 MONTHS, ON AVERAGE,
HOW UNDERSTAFFED HAS YOUR COMPANY
BEEN (TO THE NEAREST PERCENTAGE POINT)?**

Respondents reported a low of 0 percent, meaning appropriately staffed, to as high as 95 percent. **The average response was 17.31 percent overall**, 18.82 percent for residential construction firms, 14.78 percent for commercial and 18.32 percent for firms engaged in both residential and commercial construction.

For the type of firm, subcontractors reported being the least understaffed at 18.19 percent, with **suppliers and vendors reporting the highest at 19.02 percent** with general contractors in the middle at 18.29 percent.

This question was an open field. When a range was given, the middle of the range was used in the calculation of each demographics' average.



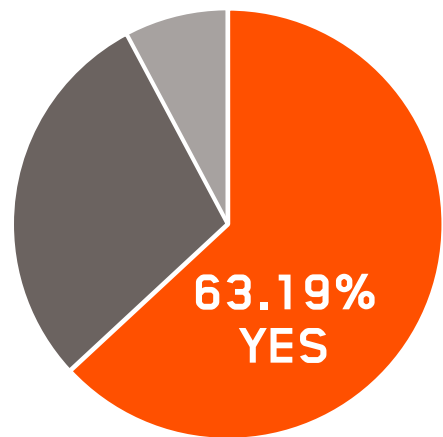
**ON AVERAGE, RESPONDENTS REPORTED
BEING 17.31 PERCENT UNDERSTAFFED.**

//Q3//

**IN THE PAST 12 MONTHS, HAVE YOU HAD
TO TURN AWAY BUSINESS DUE TO THE
LACK OF LABOR?**

RESPONSE	NUMBER	PERCENT
YES	103	63.19%
NO	46	28.22%
NOT SURE	14	8.59%

163 Total Responses



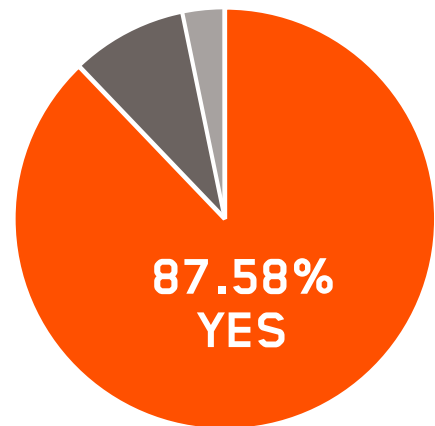
	RESIDENTIAL	COMMERCIAL	BOTH RESIDENTIAL & COMMERCIAL	GENERAL CONTRACTOR OR BUILDER	SUBCONTRACTOR OR TRADE PARTNER	SUPPLIER
YES	49 56.98%	16 64.00%	30 76.93%	39 54.17%	46 80.70%	14 53.85%
NO	27 31.03%	9 36.00%	7 17.95%	29 20.27%	6 10.53%	8 30.77%
NOT SURE	10 11.63%	0 0.00%	2 5.13%	4 5.56%	5 8.77%	4 15.38%
TOTAL	86	25	39	72	57	32

//Q4//

**IN THE PAST 12 MONTHS, HAVE ANY
PROJECTS OR DELIVERIES BEEN DELAYED
DUE TO THE LABOR SHORTAGE?**

RESPONSE	NUMBER	PERCENT
YES	141	87.58%
NO	15	9.32%
NOT SURE	5	3.11%

161 Total Responses



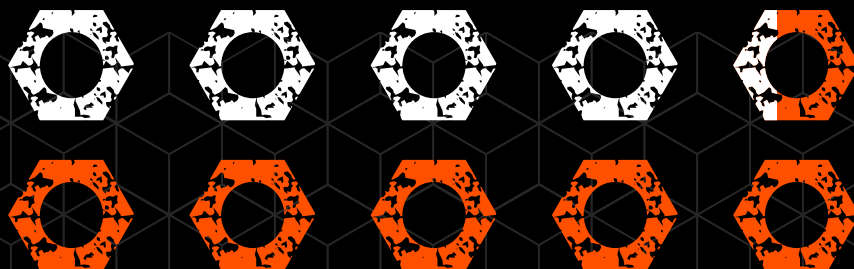
	RESIDENTIAL	COMMERCIAL	BOTH RESIDENTIAL & COMMERCIAL	GENERAL CONTRACTOR OR BUILDER	SUBCONTRACTOR OR TRADE PARTNER	SUPPLIER
YES	82 94.25%	21 84.00%	31 83.78%	67 94.37%	49 87.50%	21 88.89%
NO	4 6.60%	3 12.00%	4 10.81%	6 8.45%	4 7.14%	2 7.41%
NOT SURE	1 1.15%	1 4.00%	2 5.41%	1 1.41%	3 5.36%	1 3.70%
TOTAL	87	25	37	74	56	27

//Q5//

**IN THE PAST 12 MONTHS, WHAT PERCENTAGE
OF YOUR PROJECTS/DELIVERIES HAVE BEEN
DELAYED DUE TO THE LABOR SHORTAGE?**

Responses ranged from zero reported delays to several respondents reporting every project or deliver delayed. Across sectors, firms engaged in residential construction reported the highest delays, with an average response of **42.88 percent of all projects or deliveries delayed due to labor shortage**. For commercial construction, 40.32 percent of projects were delayed with firms engaged in both residential and commercial construction reporting only 29.19% of projects were delayed.

General contractors reported an average of 44.82 percent projects being delayed due to the shortage of available labor. Subcontractors experienced the least delays due to the lack of available labor, 25.29 percent, with suppliers and vendors slightly higher as 28.28 percent.



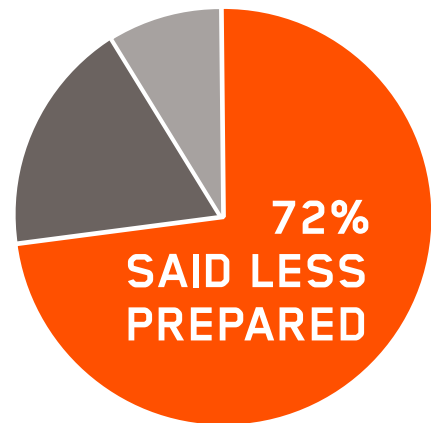
**RESIDENTIAL CONSTRUCTION FIRMS REPORTED
AN AVERAGE OF 42.88% OF ALL PROJECTS
DELAYED DUE TO LABOR SHORTAGE.**

//Q6//

**DO YOU FEEL YOUR NEW ENTRY-LEVEL EMPLOYEES
ARE AS PREPARED WITH THE SKILLS THEY NEED
AS THEY WERE A DECADE AGO?**

RESPONSE	NUMBER	PERCENT
LESS PREPARED	126	72.00%
ABOUT THE SAME	32	18.29%
NOT SURE	16	9.14%
MORE PREPARED	1	0.57%

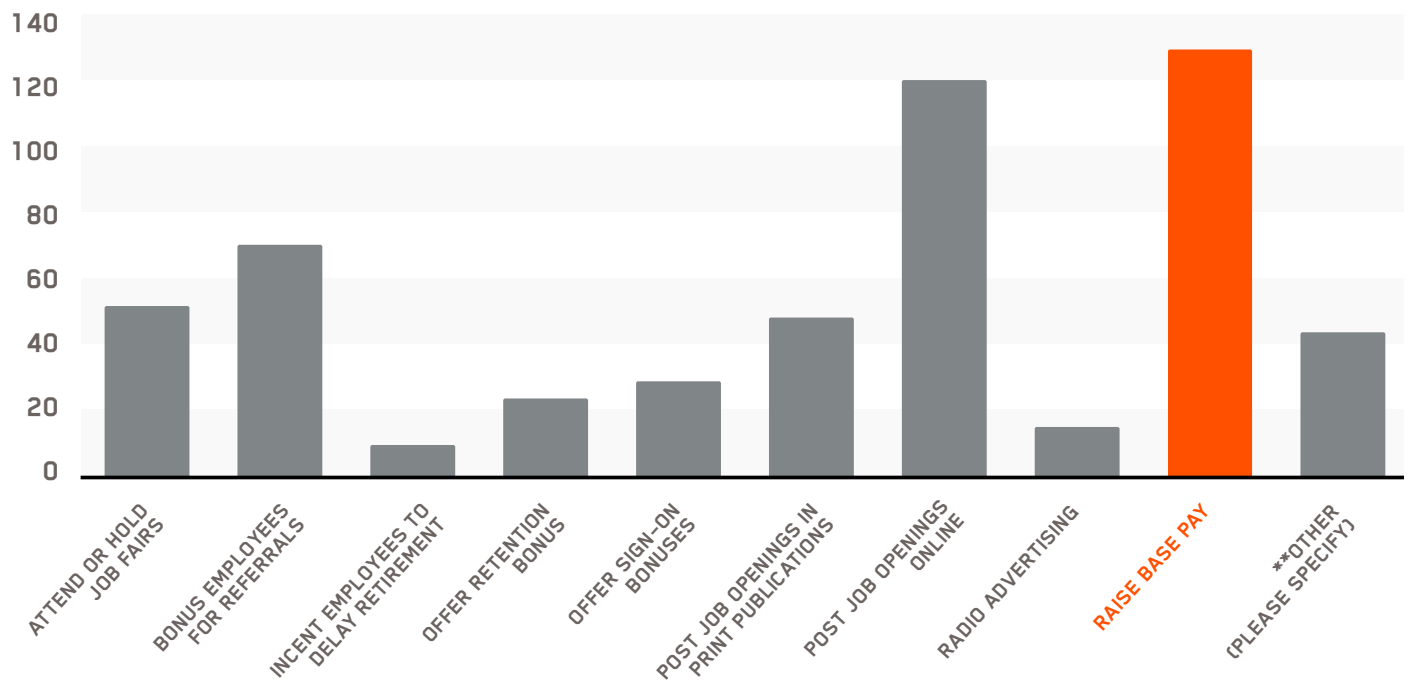
175 Total Responses



	RESIDENTIAL		COMMERCIAL		BOTH RESIDENTIAL & COMMERCIAL		GENERAL CONTRACTOR OR BUILDER		SUBCONTRACTOR OR TRADE PARTNER		SUPPLIER	
LESS PREPARED	51	68.92%	23	85.19%	23	63.89%	57	70.37%	50	83.33%	19	59.38%
ABOUT THE SAME	14	18.92%	3	11.11%	7	19.44%	15	18.52%	8	13.33%	8	25.00%
NOT SURE	9	12.16%	0	0.00%	6	16.67%	9	11.11%	1	1.67%	5	16.63%
MORE PREPARED	0	0.00%	1	3.70%	0	0.00%	0	0.00%	1	1.67%	0	0.00%
TOTAL	74		26		36		81		60		32	

//Q7//

**WHAT NEW STEPS HAS YOUR COMPANY TAKEN IN
AN ATTEMPT TO SOLVE ANY LABOR SHORTAGE FOR
YOUR COMPANY (CHECK ALL THAT APPLY).**



OPTION	NUMBER	PERCENT
ATTEND OR HOLD JOB FAIRS	55	32.93%
BONUS EMPLOYEES FOR REFERRALS	71	42.51%
INCENT EMPLOYEES TO DELAY RETIREMENT	7	4.19%
OFFER RETENTION BONUS	22	13.17%
OFFER SIGN-ON BONUSES	26	15.57%
POST JOB OPENINGS IN PRINT PUBLICATIONS	48	28.74%
POST JOB OPENINGS ONLINE	120	71.86%
RADIO ADVERTISING	16	9.58%
RAISE BASE PAY	132	79.04%
OTHER (PLEASE SPECIFY)	46	27.54%

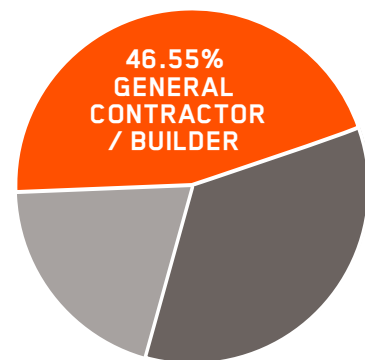
**"Other" responses included offering or strengthening employee benefits, recruit employees without experience and pay for or offer training, recruiting from high schools, offering internships that transition to full-time employment, project-specific bonuses, per diems for employees recruited from further away, work with temp agencies, offer gas money or other transportation assistance, billboard advertising, and increase use of subcontractors.

DEMOGRAPHIC QUESTIONS

WHICH BEST DESCRIBES YOUR BUSINESS?

RESPONSE	NUMBER	PERCENT
GENERAL CONTRACTOR / BUILDER	81	46.55%
TRADE PARTNER / SUBCONTRACTOR	61	35.06%
SUPPLIER / VENDOR / ETC.	32	18.39%

171 Total Responses

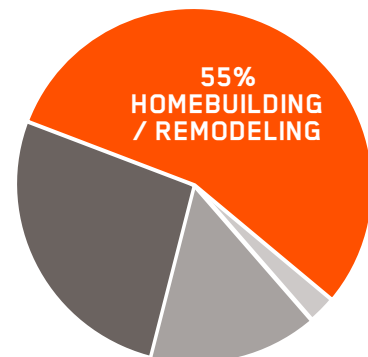


WHICH TYPE OF CONSTRUCTION BEST DESCRIBES THE MAJORITY OF YOUR COMPANY'S INCOME?

Note: For suppliers, indicate which sector provides the greatest source of income.

RESPONSE	NUMBER	PERCENT
HOMEBUILDING / REMODELING	96	55.17%
BOTH RESIDENTIAL & COMMERCIAL	27	12.52%
COMMERCIAL CONSTRUCTION	46	26.00%
N/A	5	2.87%

174 Total Responses



WHICH AREA BEST REPRESENTS WHERE YOUR COMPANY OPERATES IN MINNESOTA?

RESPONSE	NUMBER	PERCENT
STATEWIDE	40	22.99%
ALEXANDRIA AREA	0	0.00%
BEMIDJI-GRAND RAPIDS AREA	2	1.15%
BRAINERD LAKES AREA	7	4.02%
DULUTH-ARROWHEAD AREA	7	4.02%
EAST CENTRAL MINNESOTA	1	0.57%
MANKATO AREA	0	0.00%
NORTH WEST MINNESOTA (Faro-Moorhead, east Grandforks)	3	1.72%
ROCHESTER AREA	3	1.72%
SOUTH CENTRAL MINNESOTA	1	0.57%
SOUTHWEST MINNESOTA	2	1.15%
ST. CLOUD AREA	11	6.32%
TWIN CITIES METRO AREA	93	53.45%
WEST CENTRAL MINNESOTA	4	2.30%

174 Total Responses

