

Missouri Economy Indicators Construction Trends

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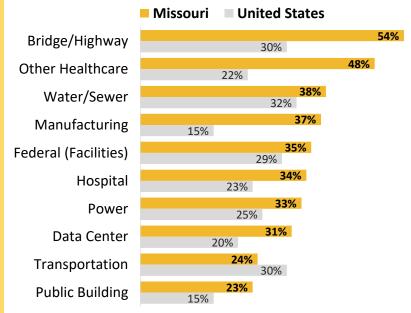
The demand for construction services is on the rise in Missouri, yet many contractors struggle to find qualified workers. Across various federal infrastructure initiatives—such as the Bipartisan Infrastructure Law—Missouri is slated to receive more than \$11 billion in the coming years. Although much of this funding has yet to be spent, it is earmarked for infrastructure projects that require a substantial construction workforce. More than 80% of these initiatives directly fund infrastructure for transportation, energy and efficiency, broadband, and water or wastewater. In response to the increasing demand, Missouri contractors have been hiring aggressively – and the possibility of even greater workforce needs loom on the horizon.

Missouri Contractor Concerns

A <u>survey</u> conducted by the Associated General Contractors (AGC) revealed that in 2024, the primary concerns of Missouri construction firms were rising labor costs (77%) and financing expenses (73%). The worker shortage in Missouri (70%) was the third concern, surpassing the national average (56%). Despite this worry, 80% of Missouri contractors hoped to hire employees in 2024, compared to the national average (69%).

Missouri's commercial contractors believed bridge/highway, other healthcare and water/sewer projects would grow in value in 2024. Of the top 10 expansion categories, only transportation was lower in expected value gains compared to U.S. respondents.

Net Percentage of Contractors Expecting Dollars to Expand in 2024, by Project Category



Source: MU Extension graphic using AGC survey data. Net figure is the percentage of respondents expecting expansion minus those expecting contraction.

In 2023, over 180,000 Missourians found employment in the construction sector. Of these roles, approximately two-thirds (117,000) were in specialty trades such as equipment, foundation, roofing and flooring. Residential building contractors employed 23,314 workers (13%) to construct single and multifamily housing. Nonresidential contractors, specializing in commercial and industrial buildings, employed 19,338 workers (11%). Heavy and civil engineering firms contributed to the workforce, employing 20,346 workers (11%), specializing in constructing and maintaining bridges, highways and utility systems.

Over the past five years, construction employment in Missouri has risen by 12%, outpacing the state's overall job growth rate (2.3%) and even surpassing the national construction job growth rate (8%).

Notably, Missouri's heavy and civil engineering sector, along with equipment contracting, experienced significant growth compared to national averages. Missouri engineering firms added nearly 4,500 jobs over five years, a 28% increase compared to the national growth rate of 6%, with most gains attributed to utility system construction. Equipment contractors, including electrical and plumbing services firms, saw a 16% increase, adding 6,500 jobs over the same period, while the national growth rate stood at 11%.

Missouri is expected to gain 2.3% in total jobs between 2023 and 2025, but construction occupations are growing faster (3%) and pay substantially more than the average occupation. Three of the top five in-demand construction occupations—carpenters, electricians, and plumbers—are traditionally trained through apprenticeship programs. With more than a thousand annual job openings, investing in

Missouri Construction Jobs by Activity and 5-Year Growth Trends

		2018-23	2018-23
	2023	Missouri	U.S.
	Missouri	Job %	Job %
Description	Jobs	Change	Change
Residential Building Const.	23,314	11%	15%
Nonresidential Building Const.	19,338	8%	5%
Heavy & Civil Engineering Const.	20,346	28%	6%
Specialty Trade: Equip. Contractors	48,150	16%	11%
Specialty Trade: Other Contractors	69,021	7%	5%
Total Construction	180,169	12%	8%

Source: MU Extension graphic using Lightcast payroll job and selfemployment estimates for Missouri and the U.S.

Missouri Construction Occupation Demand

	2023-25 % Job	Median	Annual Job
Occupation	Chg.	Wage	Openings
All Occupations	2.3%	\$45K	381,659
All Construction Occupations	3.0%	\$58K	13,123
Carpenters	2.8%	\$59K	2,260
Construction Laborers	2.9%	\$49K	2,069
Electricians	4.5%	\$65K	1,420
Const. First-Line Supervisors	3.1%	\$83K	1,006
Plumbers and Pipefitters	3.4%	\$64K	988

Source: MU Extension graphic using MERIC projections. Top growing construction occupations with at least 500 annual job openings.

training workers for these top occupations will help contractors meet the rising demand for construction services while providing individuals with lucrative employment opportunities.

Additional Notes and Resources

- Missouri is a national leader in apprenticeship programs for construction and other fields. Find where apprenticeships are offered and who is hiring at <u>Missouri Apprentice Connect</u>.
- The MU Career Accelerator offers online and in-person <u>construction management</u> training for individuals looking to advance in their careers. Topics include contracting, project and risk management, and costing.
- The Missouri Economic Research and Information Center's (MERIC) <u>occupational projections</u> provide job demand data for more than 700 occupations. <u>Construction career pathway</u> information outlines the different jobs and skills typically found in the construction sector.

All Missouri Economy Indicators briefs in this series are available at <u>http://muext.us/MissouriEconomyIndicators</u>

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