PCEA

Professional Costruction Estimators Association

Orlando, FL

WELCOME

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Don Rolfe

Balfour Beatty Construction

PCEA Orlando, Chapter President

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UPCOMING EVENTS

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Visit our Website
www.pcea-orlando.org

- **PCEA Bourbon Tasting**
  September 9, 2021 – 7–9 PM
  Bitters & Bottles Cocktail Lounge,
  861 N. Orange Avenue, Orlando, FL 32801

- **PCEA Steak on the Lake**
  September 23, 2021 – 4–7 PM
  Orange County Sportsman Club, Orlando

- **PCEA Monthly Meeting**
  October 26, 2021 – 5:30 PM
  Citrus Club, 285 S. Orange Avenue #1800, Orlando

  Attendees must register in advance.
  Limit 50 people no exceptions.

An evening of whisky tasting with the Makers Mark Distillery
We will have a Makers Diplomat from the distillery joining us to discuss each sample

4 samples to include: **Makers Mark Straight, Makers Mark 46, Makers Mark Cask Strength** and **Makers Mark 101**

A signature cocktail and appetizers will be included with the admission price

PCEA ANNUAL STEAK ON THE LAKE

SEPTEMBER 23, 2021
4–7 PM

ORANGE COUNTY SPORTSMAN CLUB
9020 KILGORE RD, ORLANDO

Members must register to attend event
Walk-ins will not be accepted
Due to limited capacity this is a
Members Only Event this year

REGISTER TODAY!

5 STRATEGIES FOR TODAY'S *(AND TOMORROW'S)* LABOR SHORTAGE

Help wanted signs are popping up everywhere, many offering $1,000 or more in signing bonuses. Restaurants and stores are limiting hours and posting signs about long wait times. Earlier this spring, the U.S. Labor Department reported 9.3 million job openings, an all-time record.

The worker shortage is affecting the service industry more than most other sectors right now, but construction companies are no strangers to the challenges presented by a tight job market. What can we learn from what's happening today? Here are five suggestions for dealing with a labor shortage.

1. Expand your criteria. Your ideal operator may be a seasoned pro with 15 years of experience across a variety of machine types, but is that really realistic right now? Be open to candidates with less experience who show a willingness to learn on the job. (Here are five skills to consider that aren't time behind the controls.) The investment you make in training them now could pay off later.

2. Look in-house. Before you post a job externally, consider your own internal candidate pool. Have any of your employees expressed interest in learning a new skill? Do some workers exhibit potential in areas beyond their current responsibilities? It may be easier to promote from within for a more skilled job, then advertise externally for an entry-level position.

3. Get flexible. Take a lesson from the service industry and consider perks or benefits you haven't offered before. Would a signing bonus set you apart in crowded job market? You can always make it contingent on a specific length of time worked. What about a more flexible work schedule — say four shifts of 10 hours versus five shifts of eight — or additional vacation time? A work-from-home option, even if it's just one or two days a week, might appeal to back-office employees.

4. Recruit where others aren't. When everyone's targeting the same pool of workers, it makes sense to look elsewhere. Older workers often are overlooked in job searches, but they can bring experience and leadership skills to your organization. Women aren't always top of mind for typical construction jobs, but they've proven they can do the work as well as or better than their male counterparts. (Check out this all-female crew in the paving industry.) You may also want to consider tapping into the temp/freelance market or enlisting a staffing agency to help you find workers.

5. Do a culture check. In a workers' market, there's little reason for employees to stay in jobs where they're treated poorly. If your employees are leaving, maybe it's time to ask why. Are you paying fairly compared to the rest of the market? Are your benefits up to snuff? Is your commitment to worker safety clear? Do you listen to employee feedback and take action on their concerns? Find out where you need to improve to make your company an "employer of choice."

Given the challenges of finding skilled employees — especially equipment operators — in the construction industry, these aren't just short-term tips to help you get through today's labor shortage. They're long-term strategies you can use to give your organization a permanent head start in the recruiting race.

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JOB OPENINGS, HIRES RATES SLIP IN MAY; DODGE MOMENTUM INDEX DECLINES IN JUNE BUT REMAINS ELEVATED

There were 299,000 job openings in construction, seasonally adjusted, at the end of May, the Bureau of Labor Statistics (BLS) reported on Wednesday in its latest Job Openings and Labor Turnover Survey (JOLTS) release. That was a 6.4% increase from a year earlier. However, as a share of filled and unfilled jobs, the job openings rate of 3.9% matched the year-earlier rate and fell short of the rates in April (4.5%) and March (4.3%). Hires in May totaled 311,000 or 4.2% of the employment total for the month—the lowest May hires rate in the 21-year history of the series. The declines in the hires and job openings rates are consistent with BLS' employment report on July 2 that seasonally adjusted construction employment dropped by 22,000 in May and 7,000 in June. Layoffs and discharges totaled 157,000 or a rate of 2.1%, tying the lowest May rate in series history and suggesting that contractors are not aggressively downsizing.

"Following six months of consecutive gains, the Dodge Momentum Index fell [5% in June] from the revised May reading," Dodge Data & Analytics reported on Thursday. The index "is a monthly measure of the first (or initial) report for nonresidential building projects in planning, which have been shown to lead construction spending for nonresidential buildings by a full year….The decline in June was the result of losses in both institutional planning, which fell 7%, and commercial planning, which lost 4%. Uncertain demand for some building types (such as retail and hotels), higher material prices, and continued labor shortages are weighing down new project planning. Even with June's decline, however, the Momentum Index remains near a 13-year high and well above last year. Compared to a year earlier, both commercial and institutional planning were significantly higher than in June 2020 (39% and 46%, respectively). Overall, the Momentum Index was 41% higher….June's retreat in planning activity is another sign that the recovery from the pandemic-led recession will be nonlinear. The current level of the Momentum Index and its underlying components, however, continue to signal that a more broad-based recovery in nonresidential construction starts will occur in 2022."

Lumber futures prices tumbled 58% from a record close of $1,686 on May 7 to $716 on June 30 before rebounding to close on Thursday at $774.60. "In contrast, prices paid by builders since late May have declined by a fraction of that impact," National Association of Home Builders economist David Logan explained in an "Eye on Housing" article on Tuesday. "As the price declines began grabbing headlines, however, the price of lumber packages quoted to builders held at record highs. In economics jargon, prices paid by builders—or 'street' prices—were 'sticky.' This dynamic is primarily due to dealers' inventory carrying costs and potentially large differences between the price at which inventory is bought and sold…. Wholesalers tend to be 'trigger happy' when prices skyrocket. As the cost of their inventory is low relative to cash prices during these periods, they will quote at or near current market prices. The environment is one in which wholesalers are assured to buy low and sell high. However, wholesalers cannot predict when a bull market is going to end and buy their lumber according to how likely they believe it will last. As different buyers may have different forecasts, disparities in purchasing behavior can arise. A wholesaler that assumes lumber prices will keep rising for two months will buy more inventory than one assuming the run will last for two weeks. Retailers generally have less buying power than wholesalers have selling power. In such a scenario, the retailer (e.g., lumberyard) is said to be a 'price taker.' As a result, their inventory costs tend to increase in step with market prices. These higher costs are passed on to builders in order to maintain positive operating margins. Thus, lumber retailers are less likely than wholesalers to realize outsized profits when prices are rising."

"On average, pricing [for aggregates] is up 3-6%, depending upon the market and product mix," investment research firm Thompson Research Group (TRG) reported on Thursday. There "are additional pricing actions in the works for [the second half of 2021. For cement, a] price increase in the range of 6-9% was implemented across most markets in April. A second price increase of roughly the same magnitude is being implemented in July/August.