Memphis among country's fastest-growing construction job markets, but challenges loom ahead

By Jacob Steimer – Reporter, Memphis Business Journal Nov 29, 2017, 12:14pm

Memphis has one of the fastest-growing construction job markets in the country, according to a new analysis by the Associated General Contractors of America.

The metro area added 3,000 construction jobs this year, equaling a 13 percent increase. That percentage growth was more than double the growth experienced in Nashville and was only bested by seven of the 358 metro areas the association tracks.

Statewide, construction jobs grew by 4 percent, according to the analysis.

"We've really seen a boom [in Memphis]," said Ken Simonson, the association's chief economist.

Chris Woods Construction Co. site manager Don Sloansaid much of the industry's growth this year has come from a "snowball effect," where local companies have been investing more because they've become more confident in the local economy.

"I think there were a lot of firms [in recent years] out there wanting to do things, but they wanted to know when the right time was to pull the trigger," Sloan said.

While private investment drove the bulk of local construction in 2017, Sloan said he's confident city and county infrastructure projects will pick up in the next couple of years, leading to even more growth in the industry.

The dangers of fast growth, Sloan said, is that the local labor pool isn't keeping up.

"It seems schools are focused on getting everyone to go to college," said Sloan, who didn't attend college. "There are shortages in every part of the construction industry. ... We've got to bring back pride in building things."

The people who filled the 3,000 new construction jobs this year largely came from "dead-end" professions, Sloan said, many of whom had been in the industry prior to the 25 percent decline it experienced locally during the Great Recession. Sloan's hope is that the industry will be able to start attracting more people straight out of high school.

Simonson said 50 percent of construction firms nationwide are reporting having to raise pay to recruit workers.