

Report: Builders plan to hire more in Q2

by Chris Newmarker

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Overall jobs outlook improving, says Manpower survey

The hiring outlook is brightening a bit for the construction industry and employers in general in Minnesota, according to the latest Manpower Employment Outlook Survey.

Among Minnesota employers recently surveyed by Milwaukee-based Manpower, 17 percent said they plan to hire in the second quarter of 2012, and 5 percent said they plan to decrease staff. In the Twin Cities area, the percentage planning to increase staff was 19 percent compared with more than 6 percent planning to lay off workers.

Nationwide, 18 percent of employers plan to hire, while 6 percent plan a decline in payrolls.

The Twin Cities and Minnesota survey results show an improvement in hiring expectations from previous quarters. And unlike in late 2011, when construction executives said they [planned to cut jobs](#), construction is among the sectors where job prospects appear best.

As the economy continues to show signs of improvement, it makes sense that companies would start building new facilities again — providing jobs for the construction sector, said Bob Bretwisch, Manpower's Twin Cities regional director.

"Sooner or later, it's going to catch up," Bretwisch said of construction jobs.

Besides construction, Manpower also found Minnesota job prospects in the following areas: durable goods manufacturing, non-durable goods manufacturing, transportation and utilities, wholesale and retail trade, professional and business services, education and health services, leisure and hospitality, other services and government. Employers in the information sector plan to reduce staffing levels, while the financial activities sector is expected to remain unchanged.

Around the Twin Cities, Bretwisch has found "temporary to hire" jobs are the fastest growing business segment for Manpower as more employers use the practice to test out prospective hires. Bretwisch also has seen worker shortages in certain areas including welding, computer-assisted manufacturing and call center staffing — with some qualified workers receiving multiple job offers.

The news of construction industry hiring plans is welcome for a sector that lost about 50,000 jobs in Minnesota during the Great Recession. The industry appears to have turned a corner in the state, [gaining 2,900 jobs](#) in the 12 months ended January 2012, according to the state Department of Employment and Economic Development. Construction employment is driven by growth in the specialty trades and multifamily building sectors.

Overall, Minnesota added 15,500 jobs in January, and the state's unemployment rate dropped a tenth of a percentage point, to 5.6 percent, well below the national rate of 8.3 percent.



More construction workers could soon be working, just like these workers on the job Friday on the Central Corridor light rail transit line, at Sixth and Cedar streets in downtown St. Paul, according to the latest Manpower Employment Outlook Survey. (Staff photo: Bill Klotz)

At the Minneapolis-based United Association Plumbers and Gasfitters Local Union No. 15, about 290 of the union's 1,500 members are unemployed, down from about 400 a year ago, said Bob Hansen, the local's business manager.

Hansen thinks opportunities for plumbers and gasfitters are improving at a "minimal amount," with jobs available at the roughly 500-room [Radisson Blu hotel project](#) at the Mall of America in Bloomington, at building projects at the University of Minnesota, and some apartment building projects.

"We could sure use the stadium to go" forward, Hansen said of the proposal to build a \$975 million Minnesota Vikings stadium next to the team's current Metrodome home. The proposal's fate in the state Legislature is uncertain.

Passage of a Vikings stadium financing package will indicate what people are thinking and feeling about the economy, said Dave Semerad, chief executive officer of the Associated General Contractors of Minnesota.

Another major source of construction hiring is the Central Corridor light rail transit line, which has [already provided jobs](#) for more than 2,200 workers. The LRT line between the downtowns of Minneapolis and St. Paul is slated to open in 2014.

The AGC's [membership surveys](#) indicate gradual hiring, but many construction company owners don't expect the industry to grow until 2013 or 2014.

Don Kohlenberger, president of Minnetonka-based Hightower Initiatives, consults with companies planning to expand facilities, as well as construction businesses. Kohlenberger has found hiring improving because companies with cash on hand are deciding now is the time to build. Construction companies are still charging less, and there is a sense of urgency because of the rising prices of building materials such as drywall.

The situation means construction businesses are hiring to meet the extra work, but there is also a risk of insolvency for construction companies because they aren't making profits off the new jobs, Kohlenberger said.

Minnesota employer outlook for second quarter, 2012

Increase staff levels: 17%

Decrease staff levels: 5%

Maintain staff levels: 75%

Don't know: 3%

Source: Manpower Employment Outlook Survey

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