

Industry insights from 900
construction employers
and tradespeople.

VANCOUVER ISLAND/COAST
MAINLAND/SOUTHWEST
THOMPSON-OKANAGAN
KOOTENAY
CARIBOO
NORTH COAST
NECHAKO
NORTHEAST

2016 BC CONSTRUCTION INDUSTRY SURVEY

REALITY CHEQUE

TRADES WAGES & SALARIES SPECIAL EDITION

PRESENTED BY:



Do you know what your competitors are paying their skilled tradespeople?



If you've been paying attention – and I know you have – you know that the competition for skilled workers in BC can be intense. Supply is often tight. Our data tells us that 94% of BC's construction employers are planning to hire this year.

// Manley McLachlan, President (BCCA)

The new Buildforce report predicts a skilled trades shortage of approximately 15,000 workers over the next 8 years.

Economics 101 says when there's not enough supply prices go up. But do they? If you're a construction employer putting a project or operational budget together, margins are small and salary increases might not be on the cards.

With the changes in global oil prices Alberta's workforce is shifting westward, which is good news for BC's shortages. But don't be complacent: we're still facing too many retirements to keep our skilled labour pool at appropriate levels.

BCCA, CLR, PCA, and Construction Business Magazine teamed up on behalf of the construction sector. We surveyed our combined membership and subscriber base to get the facts on trades wages and salaries. An impressive 900 respondents – all of them BC construction employers or skilled workers – answered straightforward questions about compensation and work. The big picture results are published here, and a more comprehensive regional breakdown of salary data can be found at www.bccasn.com

We hope you will find this information helpful to your skilled workforce planning.

Sincerely, Manley McLachlan
BCCA President



The BC Construction Association represents roughly 2,000 organizations active in the province's industrial, commercial and institutional construction sectors. Working to foster an economic and political climate which will promote growth, competition and success for our industry, the BCCA is your provincial advocate and provider of strong support programs to support BC construction businesses of all sizes.



Construction Business Magazine provides an important vehicle for the exchange of knowledge and ideas in western Canada's construction sector: information critical to the public and private sectors as BC gears up in this new economy.



Construction Labour Relations Association of BC was established in 1969 with the objective of bringing labour relations stability and security to contractors in BC's unionized construction sector. Today, CLR continues to provide a unified voice that is essential to negotiating the most favourable agreements for its members and the industry.



Progressive Contractors Association of Canada represents and supports progressive unionized employers in Canada's construction industry. PCA provides advocacy, labour-management advice, networking opportunities, and organizational services to its member community.

SKILLED TRADES EMPLOYMENT PROGRAM



Of particular relevance to the skilled workforce issue is the Skilled Trades Employment Program (STEP). There are 12 STEP offices across BC ready to help construction employers source the skilled workers they need. Contact STEP today via the website: www.stepbc.ca

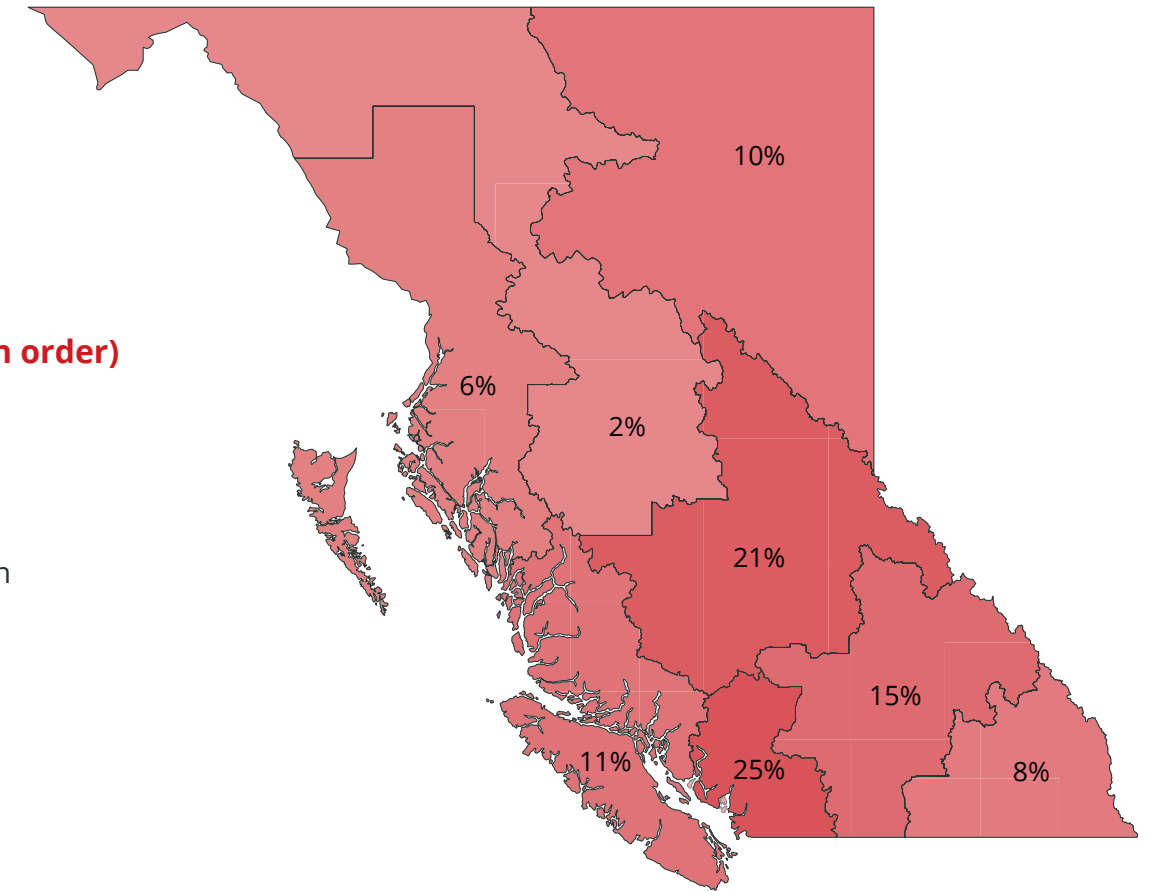


Whatever your company size, BCCA has a benefits package that will work for you. EB is a not-for-profit plan governed by the BCCA Employee Benefit Trust, a volunteer body of industry leaders.

RESPONDENT OVERVIEW

SURVEY RESPONDENTS provided information from all seven development regions of British Columbia. Employers made up **55%** of respondents, and tradespeople **45%**.

Location of Respondents' Head Offices



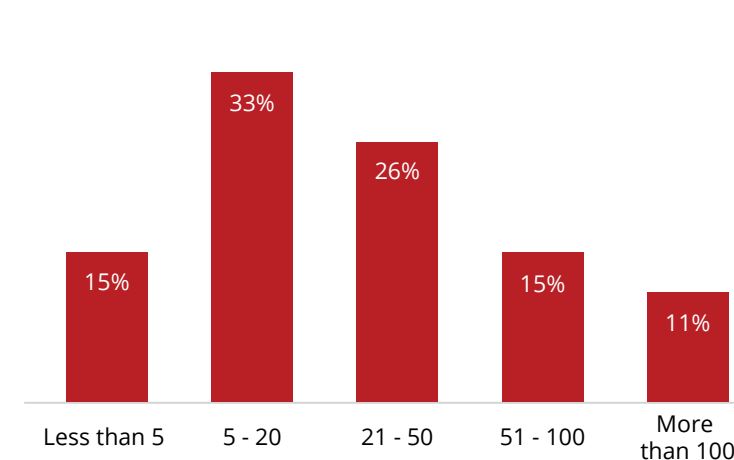
Union and Non-Union

23% of respondents worked in a unionized environment, while **77%** were non-union.

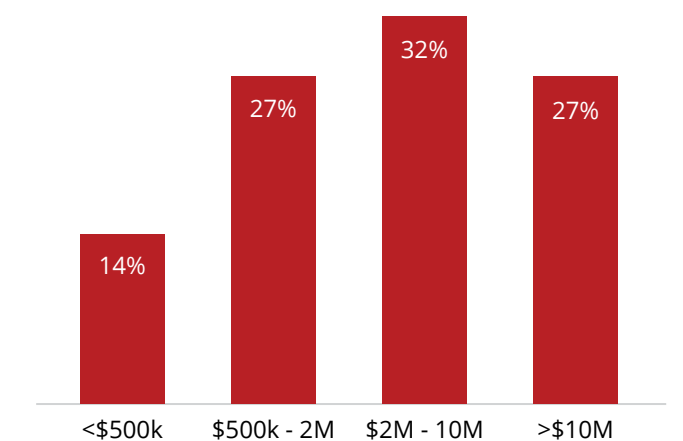
Top Trades Employed (in order)

- Carpentry
- Electrical
- Plumbing
- Welding
- Heavy Equipment Operation
- Roofing
- Construction Craft Work
- Metal Fabrication
- Glazing
- Cabinet Making
- Sheet Metal Work
- Painting
- Mechanical

Company Size by Employee



Company Size by Annual Revenue





SKILLED TRADESPEOPLE



EMPLOYERS

Skilled workers are the backbone of the industry, and tight supply is making it a worker's market. With skills gap forecasts still hovering around 15,000 people, employers need to focus on retaining the talent they have. Surprisingly, survey results show that small employers are doing the best job keeping their workers despite offering lower wages and fewer benefits.

Size isn't everything and neither is money. Employees from the largest employers are the most likely to leave their job due to wages. Successful retention requires a personal strategy for engaging talent to stay for reasons other than pay. (In our survey, a small employer is defined as having less than 5 employees, medium companies hire 5-99 employees, and large companies have 100 or more.)

Most Respondents are

- Male** (85%)
- Apprentices** (63%)
- Journeypersons** (26%)
- Happy with wages** (85%)

They work

- Full Time** (93%)
- Year-Round** (77%)
- Open Shop** (83%)
- Overtime** (60%)

Most Respondents are

- Medium Size** (60%)
- Open Shop** (72%)
- \$0.5 - 10M** (26%)
- Working in 2+ Region**

They hire

- Apprentices** (95%)
- Journeypersons** (92%)

And pay

- More \$ than last year** (50%)

71% of female respondents were apprentices and 7% were journeypersons. Women are entering the construction workforce and willing to start as apprentices to learn a trade. This is an important source of supply for all employers.

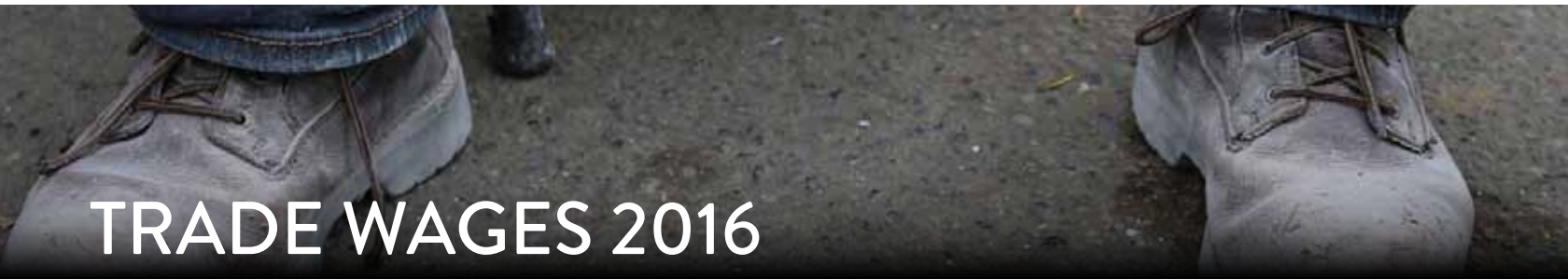
A high percentage of non-unionized employers in all size categories offer health benefits and training supports. This shows that BC employers are investing in their workers as they compete to attract and retain workers.

| Entry Level Worker Motivated and Career Focused | Apprentice Working Hard and Moving Up | Journeyperson Maxing Out |
|--|---|---|
| 88% feel they are fairly compensated for their work 28% are in the process of getting their credentials <p>Most Likely To... Switch employers</p> | 44% received a raise in the past year 94% are working full time <p>Most Likely To... Switch trades</p> | 30% received a raise in the past year 97% are working full time <p>Most Likely To... Switch regions for work</p> |

| Small Companies Retention Leaders | Medium Companies Apprenticeship Champions | Large Companies Big Spenders |
|---|--|--|
| 15% less likely to hire apprentices & journeypersons than larger companies 15% never require credentials <p>Most Likely To... Keep their skilled workers</p> | 89% offer benefits 99% offer full time work <p>Most Likely To... Support apprenticeship</p> | 69% offered raises last year 80% are paying for overtime <p>Most Likely To... Lose employees due to pay</p> |

Employers can help retention by showing the wage potential with successive years of experience.

BC Employers are hiring workers from Alberta, with large companies leading the way at 75% and medium companies not far behind at 40%.



TRADE WAGES 2016

Employers of all sizes agree: unrealistic wage expectations can be an occupational hazard. Nearly 40% say some workers could use a "Reality Cheque". Here it is:

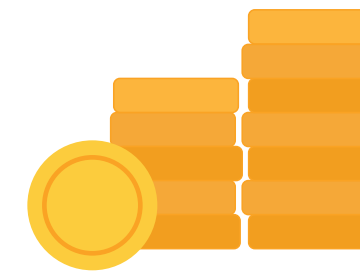
| | < 1 Yr Exp | 2-5 Yrs Exp | 5-10 Yrs Exp | > 10 Yrs Exp |
|-----------------------------|------------|-------------|--------------|--------------|
| Asphalt Paving | \$20.83 | \$23.50 | \$31.50 | \$32.83 |
| Boilermaker | \$24.50 | \$29.00 | \$38.00 | \$39.00 |
| Bricklayer/Mason | \$18.83 | \$28.83 | \$33.50 | \$31.00 |
| Cabinet Maker | \$15.40 | \$18.77 | \$24.80 | \$28.08 |
| Carpenter | \$17.16 | \$21.94 | \$27.73 | \$31.69 |
| Concrete Finisher | \$17.00 | \$25.00 | \$29.50 | \$35.90 |
| Const. Craft Worker | \$18.79 | \$20.50 | \$27.75 | \$32.71 |
| Diesel Engine Mech. | \$23.00 | \$28.75 | \$32.59 | \$33.28 |
| Drywall Finisher | \$20.50 | \$25.50 | \$30.50 | \$34.50 |
| Electrician | \$18.26 | \$26.10 | \$33.10 | \$36.74 |
| Floor Covering Installer | \$23.50 | \$27.65 | \$38.17 | \$35.65 |
| Glaziers | \$16.32 | \$22.05 | \$26.68 | \$29.32 |
| HEO | \$21.24 | \$25.72 | \$28.89 | \$32.81 |
| Horticulturist | \$13.50 | \$17.50 | \$20.50 | \$25.00 |
| Millwright | \$22.90 | \$26.50 | \$31.83 | \$35.83 |
| Instrumentation & Ctrl Tech | \$19.25 | \$28.90 | \$34.00 | \$35.75 |
| Insulator | \$16.50 | \$26.17 | \$28.50 | \$26.50 |
| Ironworker - Generalist | \$20.50 | \$21.83 | \$24.83 | \$41.33 |
| Ironworker - Reinforcing | \$18.50 | \$28.00 | \$36.17 | \$38.50 |
| Lather | \$18.50 | \$23.83 | \$32.17 | \$33.83 |
| Log Builder | \$17.00 | \$17.50 | \$21.83 | \$23.17 |
| Logistics & Distribution | \$18.25 | \$25.50 | \$44.50 | \$35.50 |
| Metal Fabricator | \$19.50 | \$24.50 | \$29.50 | \$31.96 |
| Painter & Decorator | \$16.17 | \$20.83 | \$25.94 | \$29.38 |
| Parts & Warehouse | \$19.75 | \$23.64 | \$27.00 | \$31.00 |
| Petro Equip Installer | \$16.50 | \$20.00 | \$27.50 | \$29.00 |
| Plumber | \$16.98 | \$24.89 | \$31.57 | \$34.50 |
| Refridge & AC Mech | \$19.17 | \$34.00 | \$41.83 | \$44.50 |
| Residential Building Worker | \$20.50 | \$22.00 | \$24.00 | \$26.50 |
| Roofer | \$17.17 | \$21.23 | \$26.90 | \$30.58 |
| Sheet Metal Worker | \$16.25 | \$24.50 | \$32.38 | \$35.40 |
| Steamfitter/Pipefitter | \$21.70 | \$27.17 | \$37.10 | \$41.10 |
| Tilesetter | \$18.25 | \$26.25 | \$30.00 | \$35.50 |
| Welder | \$18.58 | \$24.54 | \$28.98 | \$32.24 |

Wages in this table reflect information provided by survey respondents. It is meant to be used as a guideline only. Statistical relevance of each category will vary, dependant on number of survey respondents contributing.

IF YOU REMEMBER ANYTHING...

1. RETENTION IS ABOUT MORE THAN JUST MONEY

Benefits & Company Culture



The amount you pay your tradespeople is one way employers stay competitive and retain top talent - but it's about more than that. The highest paid respondents were most likely to change jobs. Small employers have the retention advantage.

2. EXPERIENCED PEOPLE ARE YOUR MOST VALUABLE ASSETS

Make sure you retain your top talent

Skilled workers with more than 10 years of experience are much more mobile than other workers. These experienced workers understand their value and are making sure they get their dues.



3. LOOKING TO NEW TALENT POOLS IS GOOD BUSINESS

The women are gearing up and Albertans are coming home



Women are apprenticing. Their training is supported and funded. They want to work. British Columbians are moving home from Alberta and they have the experience that BC employers need.

The culture shift is underway.

CONTRIBUTORS



Manley McLachlan
President, BCCA

"Just because it seems obvious doesn't mean you're doing it. Take some time to digest this information. Success depends on it."



Clyde Scollan
President, CLRA-BC

"Review your wages against the averages, know where you stand, and then step forward."



Keri Miller
Member Services, PCA

"Understanding what motivates this unique workforce is the key to a strong sector and a strong economy."



Krista Bax
Executive Director, APGST

"All data tells a story. Use it to your competitive advantage and to build the best team you can."

BC CONSTRUCTION STAT PACK

JANUARY 2016

215,000 ↑

Number of employees in BC's construction sector

13% increase from 2011

\$56,170 ↑

Average annual salary of a BC construction industry worker

1% increase from 2014

3.4%

5.8% (All Sectors)

3.4%

Unemployment in BC's construction sector

45% lower than BC average

15,000

Number of construction jobs in BC that will be unfilled due to labour shortages by 2024

41% decrease from 2014

2/3 

Workers in BC's skilled trades are over the age of 45

No change since 2014

45% 

of employers hired a worker that came directly from working in Alberta's oil and gas sector

New statistic

1/70

BC high school students goes directly into construction trades

15% increase from 2014

92% 

BC construction companies with less than 20 employees

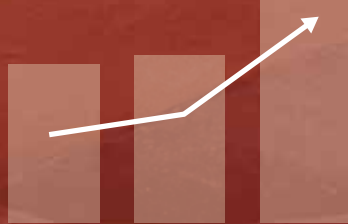
1% decrease from 2014

94% 

BC construction companies planning to hire in 2015

No change since 2014


Last 3 Years



\$296B ↑


Available capital cost of proposed construction projects in BC

\$26B increase from 2014

\$81.7B ↑ 

Value of current construction projects in BC

Consistent with 2015

\$16.5B ↑ 

8.1%

Contribution by the construction industry to BC's GDP

\$1B increase from 2014



British Columbia Construction Association

For more insight, visit us at www.bccassn.com