

How Much Has COVID-19 Hurt Phoenix And Arizona Construction Jobs?

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A new report says the Valley has the fourth-largest loss of construction jobs due to COVID-19. The data [released Wednesday by the Associated General Contractors of America](#) analyzed work hours among all 50 states and 358 metro areas.

Between June 2019 and June 2020, the construction workforce in the Phoenix metro area is down 2%, or 2,600 jobs. It's the largest annual drop since 2010.

David Martin, president of the Arizona Chapter of Associated General Contractors, said the Arizona Department of Transportation told his group gas tax revenue is down 17%.

"Similar decreases in revenue occurred in diesel tax and also the vehicle license tax. That led to an approximately \$90 million reduction in the construction program," he said. "Well, obviously, if you reduce the construction revenue, you reduce construction projects and you reduce construction jobs."

He said his group will meet with Phoenix along with Maricopa and Pima counties to how revenue loss will impact their public infrastructure plans.

Tom Dunn, president of Arizona Builders Alliance, said some municipalities have cut budgets and reduced staffing in their planning and development departments which can slow the approval process for construction projects.

"In Tucson, we've done a lot of effort with the city to find, bring out solutions to that because they laid off about-I don't know what the number exactly, what the percentage was, but they laid off about 25 workers that helped our members in Tucson get projects through and it's a huge challenge."

On the private sector side, Dan Puente employs more than 300 people at Tempe-based D-P Electric.

"The two sectors that have been impacted the most are hospitality and new offices and we did in fact lose about, I would say, \$10-15 million in backlog that we had," he said.

Puente said they were able to replace that money by focusing on medical and manufacturing projects.

According to the Associated General Contractors report, Yuma lost 500 construction jobs and Flagstaff lost 400 over the last year. Three Arizona markets added construction jobs: Tucson with 500, Prescott with 200 and Sierra Vista-Douglas with 100.

Nationwide, [225 of the 358 metro areas lost construction jobs](#).

"It's troubling to see construction employment lagging year-ago levels in most locations, in spite of a strong rebound in May and June," Ken Simonson, the association's chief economist, said in a prepared statement. "Those gains were not enough to erase the huge losses in March and April. Many indicators since the employment data were collected in mid-June suggest construction employment will soon decline, or stagnate at best, in much of the country."

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