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The construction industry outlook is staying strong - by Michael McDonagh

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ASM CEO

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Construction outlook in Massachusetts remains positive despite all the talk about the disruption caused by COVID-19, particularly to traditional office construction. For subcontractors who are the ones providing the skilled trades, there are adjustments. There is a good chance we will not see the same level of demand for those traditional office spaces in the near term. When one door shuts (at least partially), another door opens. Instead of the traditional office development, warehouse and life science construction has taken center stage. For others, public construction has become a focus area. The economic vitality of our state has shown itself and contractors will continue to adjust to meet the demands. And if anyone needs proof of how the Massachusetts economy is coming back, just head out on a major highway in Greater Boston at 7AM any weekday morning and see the proof.

Safety Has Never Been So Important

Headlines from the last few weeks show a harsh reality of the dangers of the construction industry. On February 24th Jordan Romero and Carlos Guittierrez were killed in an accident on High St. in Boston. On March 2nd Christopher Stuck was killed when a stairway collapsed on him while also injuring a coworker. Another injury at a construction site in Needham made headlines on March 5th. These and other incidents are tremendously difficult to see happen, and we extend our sympathy to the victims' families. These incidents should not have to happen to show that safety is ultimately the most important aspect of any job.

For contractors, safety must be part of the culture, not just something that is discussed at a monthly meeting. To that end, several years ago, ASM formed an Alliance with OSHA and the Massachusetts Department of Labor Standards (formerly Division of Occupational Safety), to provide the latest in Safety information and resources to ASM members. Under the ASM-OSHA-DOL Alliance banner, ASM holds regular "Safety Roundtables" featuring presentations and informal discussion covering best practices for providing a safe working environment. This is

one step to keeping safety front and center.

Legislature Seeks Relief for Employers

Since the fall of last year ASM has urged the Legislature to address what we all saw as a catastrophic increase in unemployment insurance tax rates as a result of the pandemic. Estimates showed employers should expect a 60% increase. Construction employers cannot control when construction projects begin or end, and they cannot keep workers employed if there is nothing to build. They are at the mercy of the market – and often, at the mercy of the weather as well. Many, like roofers, are essentially seasonal, without qualifying as seasonal businesses. They are also subject to contracts that may require them to accelerate or demobilize at any time or require them to meet local residency requirements for the duration of a project.

This is the nature of the construction industry and construction companies pay a much higher unemployment insurance rate than other industries. COVID-19 has only exacerbated the problems because of the incredibly high number of layoffs that occurred when work was shut down. It is promising that legislation is moving and expected to pass in the Legislature to help employers. While this legislation may be a short-term fix, look for the issue to be studied closely in the coming months with more long-term solutions put on the table.

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