Contractors are tasked with navigating new issues, regulations and industry trends, as the world around us is constantly evolving at a rapid pace. Utilizing CNA claim data, Risk Outlooks evaluate emerging trends to provide guidance for real-time, actionable risk management solutions.

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The Great Recession has impacted all types of businesses in many different ways. When it comes to employment, no industry was impacted quite like the construction industry. The U.S. Bureau of Labor Statistics reported that over 25% of construction jobs were lost between January 2008 and January 2010 (Figure 1).1

As the economy continues to recover, we seem to have a new problem. Many of the workers that lost their jobs did not wait around for things to come back. “Unemployed construction workers have left the industry, either to go back to school, retire or maybe leave the country. They’re no longer sitting at home waiting for a contractor to call them,” said Ken Simonson, chief economist for Associated General Contractors. He calls them the “1 million missing men.”2 John Tatum, Senior Vice President, CNA Construction adds, “we have seen a substantial number of skilled construction workers leaving the industry for jobs in other sectors of the economy, where they can put their skills to use right away. For example, well-trained crane operators are in high demand in the oil and gas sector with the “fracking” boom taking place in various shale regions around the country.”

Construction organizations will have to find new talent as industry demand continues to grow, and companies are faced with the need to ramp up employees to effectively bid on larger projects. With a shortage of experienced construction workers looking for employment, companies will likely have to find workers who are new to the industry. Mike Bellaman, Executive Director of the Associated Builders & Contractors states, “contractors have to develop, articulate and deliver on a compelling employee value proposition that will attract new and retain existing talent. The competition for talent going forward will be fierce. A company that can convince a candidate that he or she can realize their career dreams in their shop will win.” These new employees will require more training and ramp up time than workers with prior experience – and they will be more prone to jobsite injury.

Furthermore, research indicates that higher injury rates are associated among younger workers, typically during the first year of employment.3,4 Similarly, injury rates are associated with a worker’s experience, which is also correlated with age and length of employment.5
Length of Employment

Based on CNA claim data, length of employment may be a risk factor for construction claim prevalence and should be scrutinized closely in construction business review. Our claim frequency data indicates that 41.2% of all construction claims in 2013 involved employees with less than one year of employment (Figure 2). From 2006 to 2009, the construction claim frequency involving employees with less than one year of work experience dropped from 51.6% to 36.4%; however, since post-recovery, this prevalence has increased almost four percent.

Employee Age

While research indicates that age is a risk factor for construction injury, CNA data show that injuries among younger workers are relatively stable. Our claim data indicates that the prevalence of injuries among workers under 25 years of age has remained relatively stable since 2009, at around 12% of total number of construction claims (Figure 3). While the number remains stable, this group will be observed in future accident years as employee age may correlate with the worker’s experience and length of employment, driving higher claim frequencies.

Having a strong employee orientation and training program can significantly help onboard new workers quicker. The faster a company gets employees working at full capacity safely, the more efficient and cost effective the organization will become. Contractors who are committed to workplace safety should evaluate these trends and adapt their current procedures in order to curb injuries associated with a worker’s experience, age and length of employment in advance.

CNA offers valuable risk control resources to help properly train construction crews, including classroom and web-based training, informative bulletins and exposure guides. Our risk control consultants work to find ways to mitigate the emerging industry hazards to help safeguard workers and ensure that a company will be productive and profitable.

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