



**PSMJ's Quarterly H.R. Report
for the A/E Industry
November 2022**

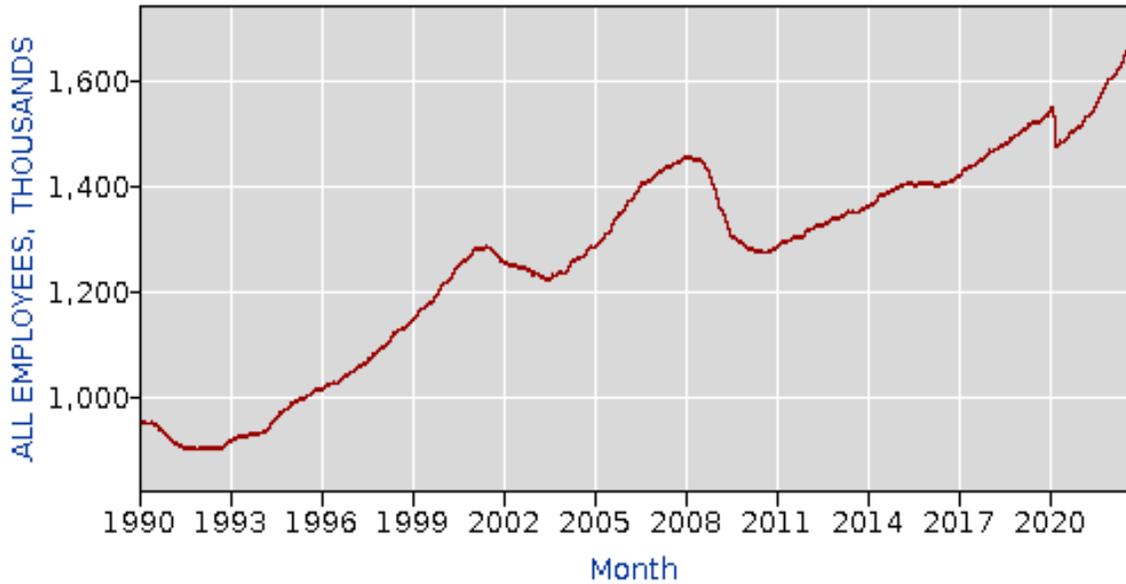
The background features a light gray wireframe of a modern building structure, consisting of various rectangular and triangular shapes that create a sense of depth and architectural complexity.

Part 1

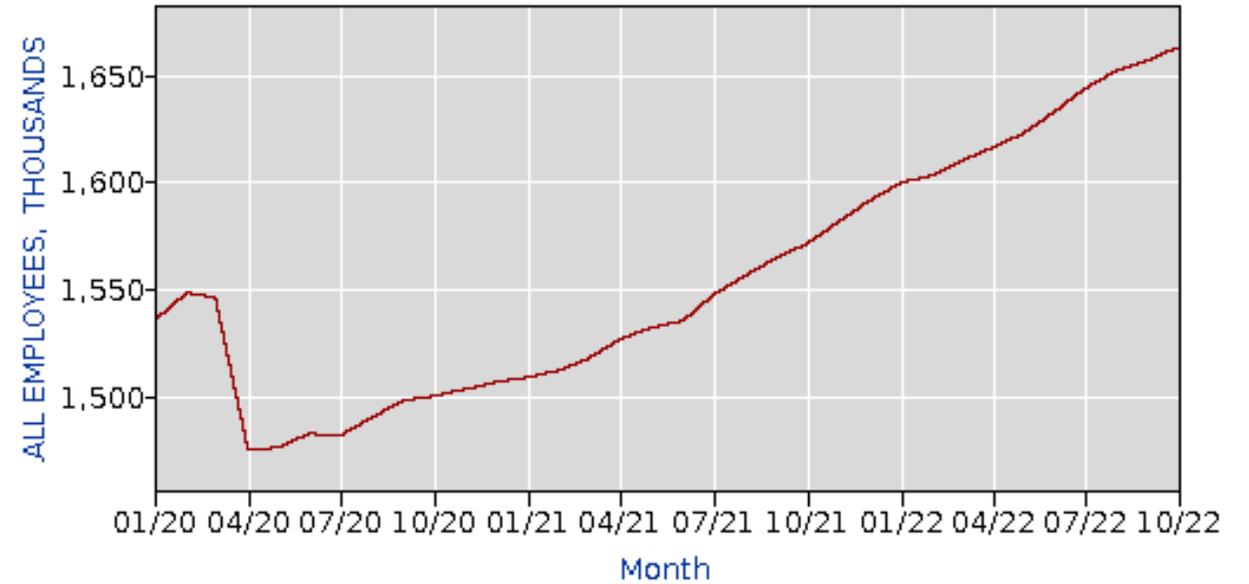
The Overall A/E Industry

Overall Employment

Since 1990, the A/E industry has almost doubled its total employment. However, our industry has seen dips in employment during every recession.

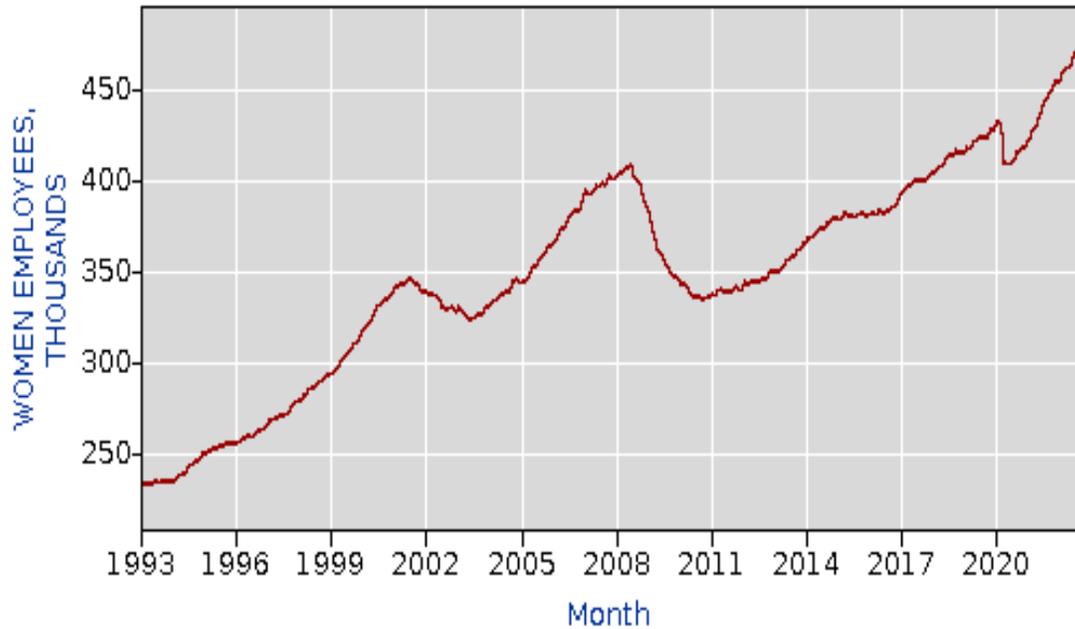


After a short dip during the Pandemic shut-down, the A/E industry has grown consistently and is now above 1.65 million total employees.

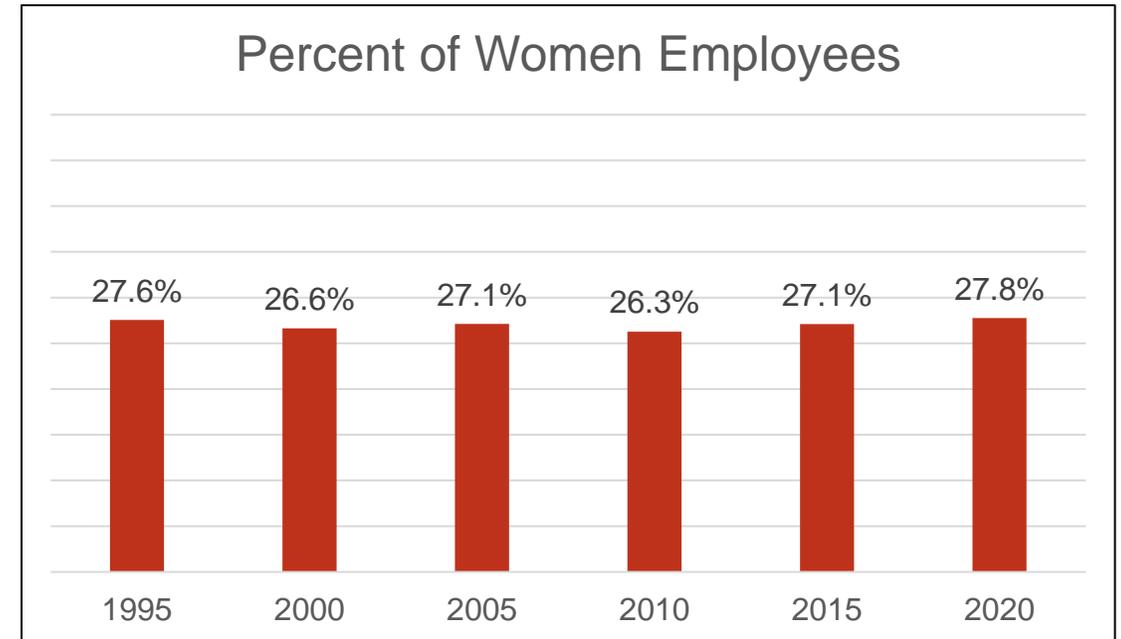


Women Employees

Over the past 30 years, the number of women in the A/E industry has almost doubled.

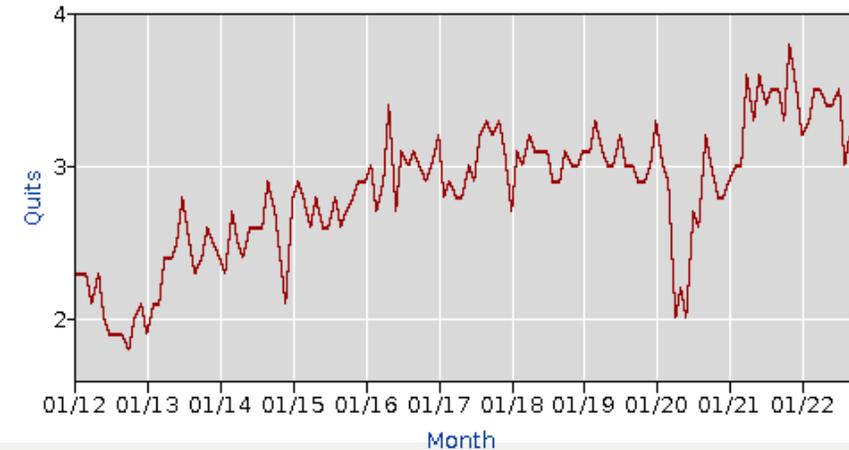
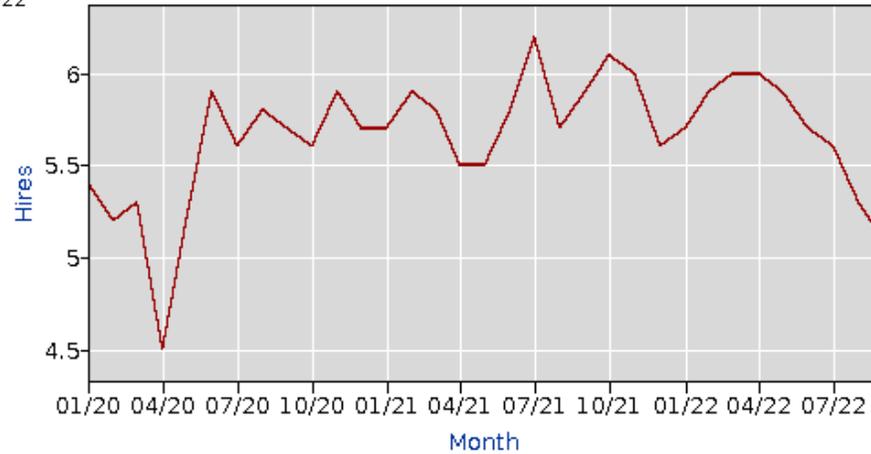
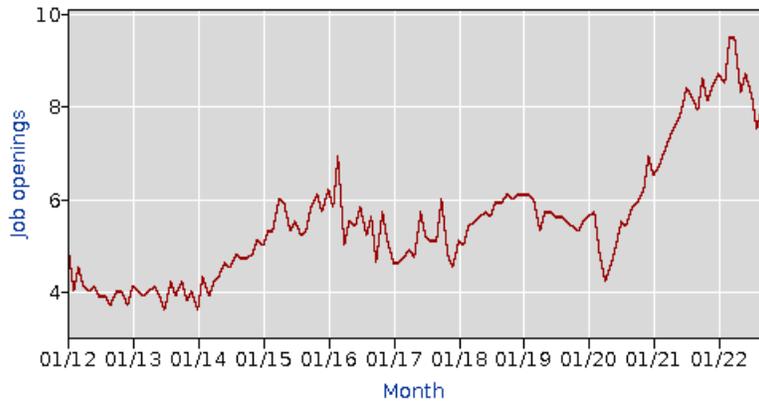


However, the percent of employees who are women has remained virtually the same since 1995.



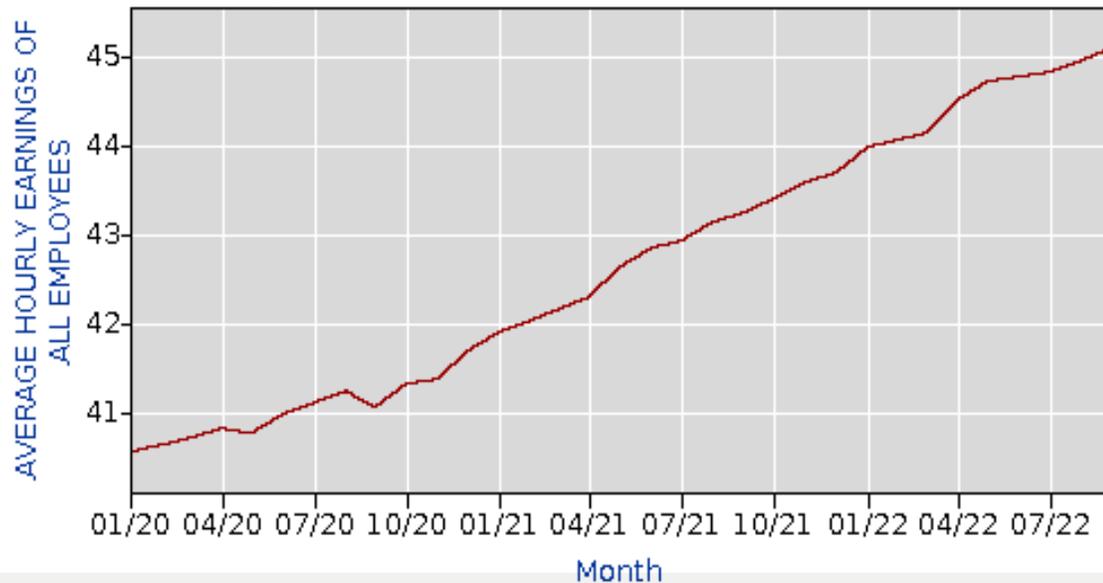
A/E Industry Labor Market

Since early 2022, when the Fed started raising interest rates, the tightness in the A/E labor market has eased. Job openings, hires and quits are all down.

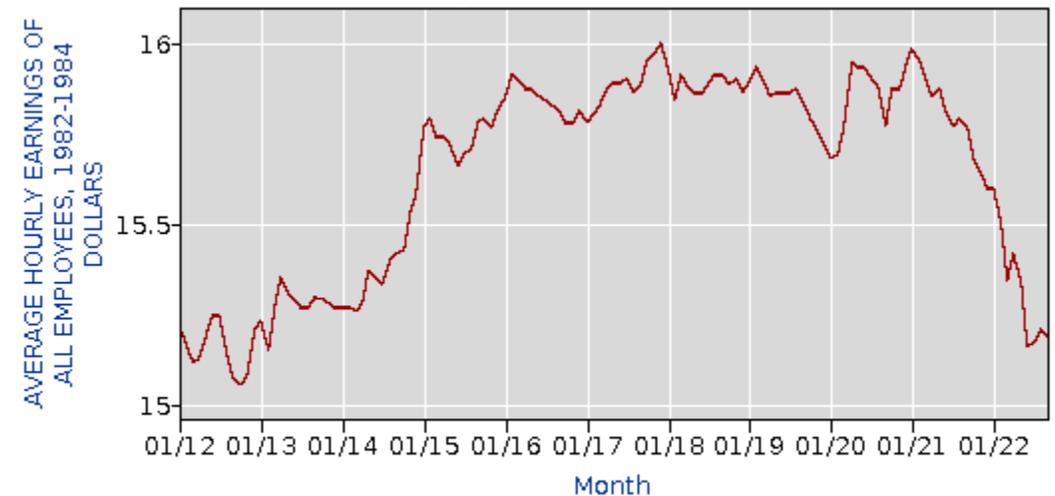


Wages

A/E wages took only a slight dip during the Pandemic shutdown and have grown steadily ever since. However, the rate of wage increases seems to be declining over the past few months in response to the Fed's efforts to cool down the economy. Over the past year, the average hourly wage has increased by 4.3%. (Keep in mind that this metric includes changes in the labor force. For example, if a 65-year-old retiree is replaced by a new grad, that reduces the average hourly earning result.)



When adjusted for inflation, wages have been declining since early 2021.





Part 2

Subsectors of the A/E Industry

Engineering Services

Engineering services represent the largest subsector of the A/E industry. Since a short dip resulting from the Pandemic, employment in this subsector has grown consistently.

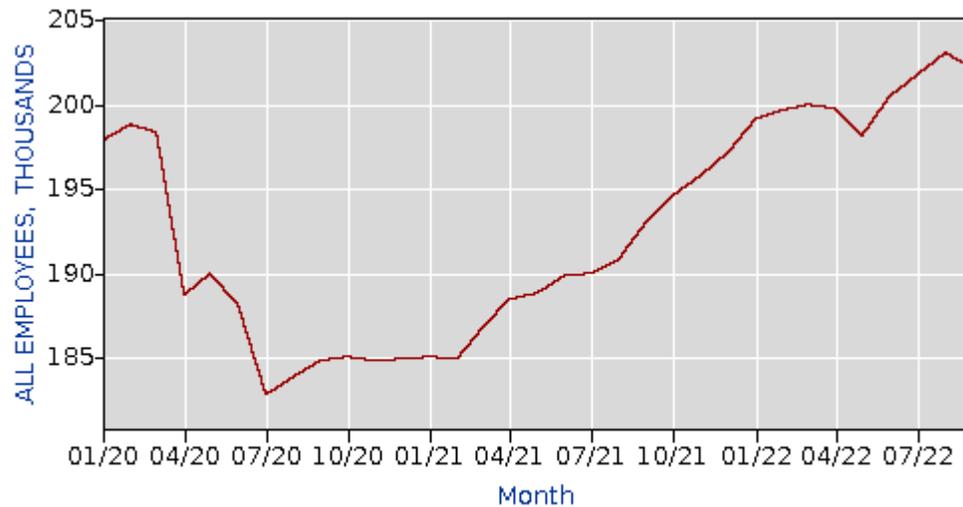


Wages increases seem to have levelled off since May of this year.

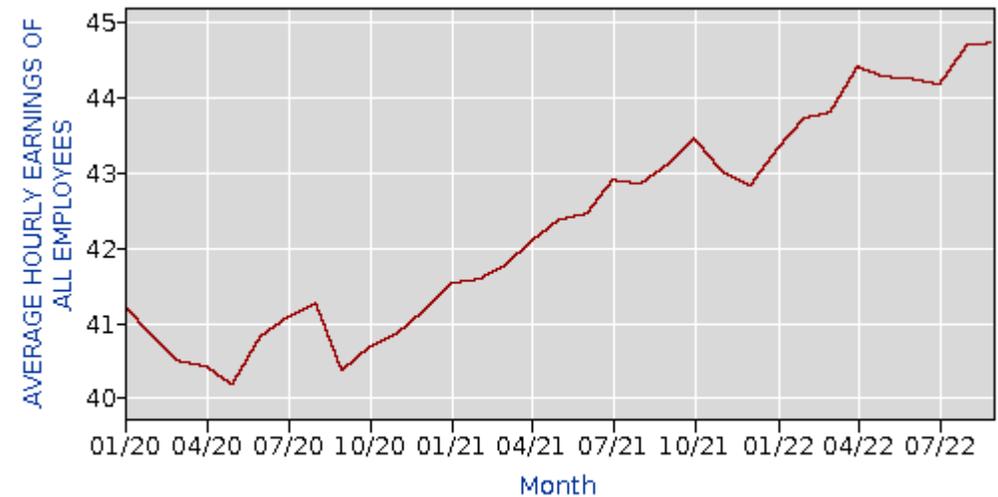


Architecture Services

Architecture employment took a long time to recover from the 2008 recession. They similarly have taken a long time to recover from the Pandemic.



Wages have increased steadily since the end of the Pandemic shutdown.



Landscape Architecture

L.A. employment has increased steadily since the end of the Pandemic shutdown and



Wages in this subsector have continued increasing at a steady pace.

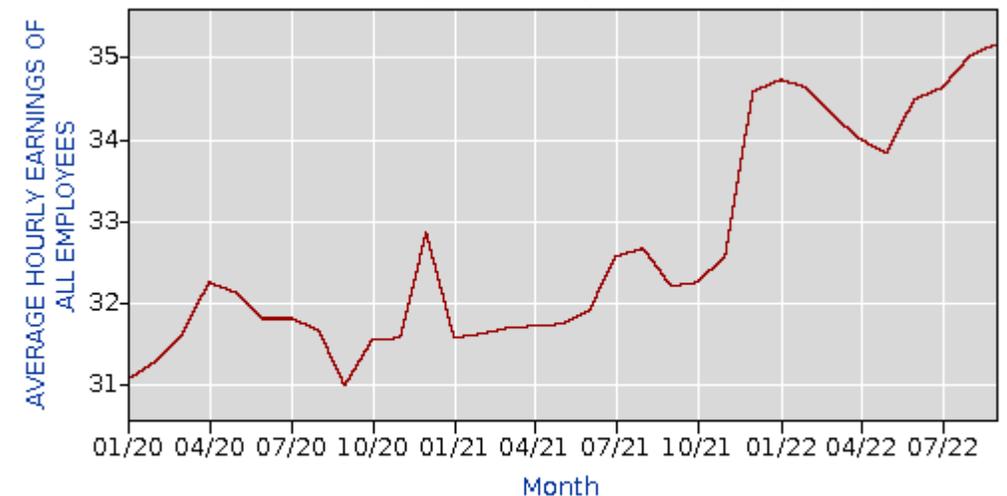


Building Inspection, Surveying & Mapping

Since a relatively short dip resulting from the Pandemic, employment in this subsector has been growing consistently.



Wages increases in this subsector have been increasing steadily over the past year.

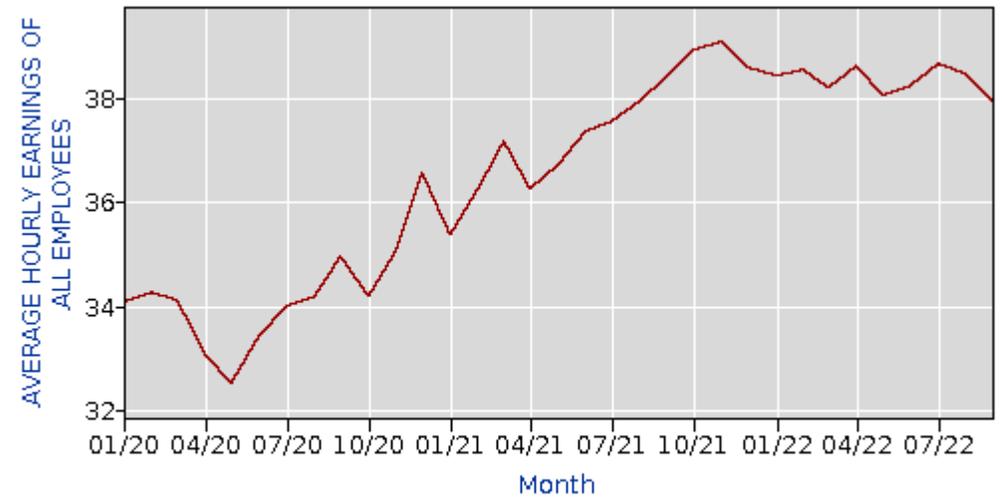


Interior Design Services

Employment in this subsector increased after the Pandemic shutdown but growth appears to be slowing since June of this year.

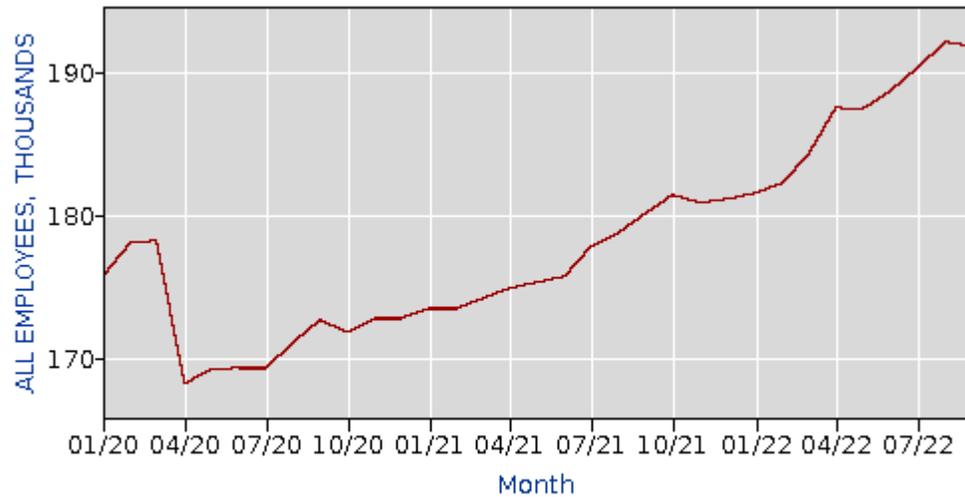


Wages increased rapidly following the Pandemic shutdown but have actually been dropping since November 2021.

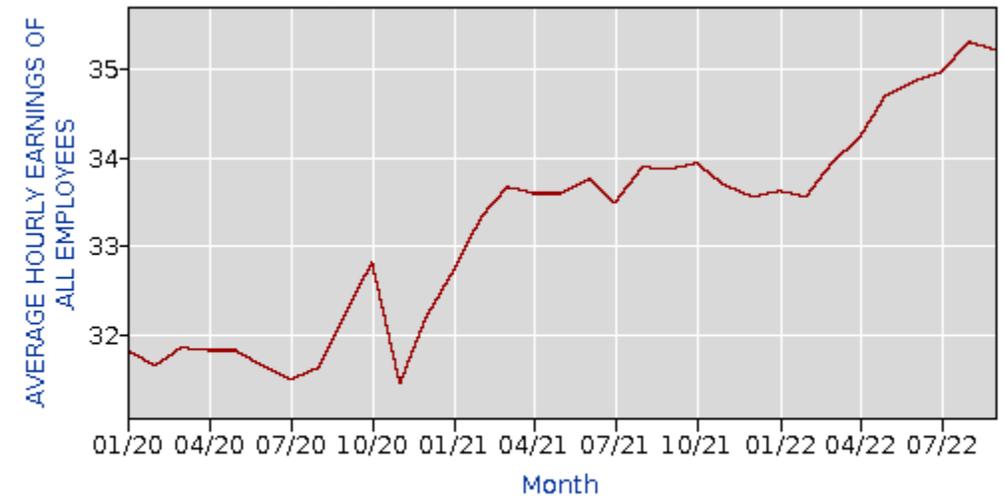


Testing Laboratories

Employment in this subsector increased after the Pandemic shutdown but growth may be slowing down.



Wages increased rapidly following the Pandemic shutdown but wage growth may be slowing down.





Part 3

What to do With This Information

PSMJ's Recommendations

1. Even though there has been some recent weakening in the A/E labor markets, don't ease off your recruitment and retention efforts. However, you can now be a bit pickier about who you hire and who you keep.
2. As wage increases seem to be moderating, you might be able to scale back on your planned increases for next year. Somewhere in the 4 to 5 percent range seems about right.
3. Don't just look at your average increase in a vacuum. Before you set next year's budget, make sure your current salary structure is competitive with other similar A/E firms. Also, make sure your average hourly rate is in line with other similar firms.
4. In planning for next year, be more aggressive in hiring and compensation if most of your firm's work is in the kinds of infrastructure that have received large federal funding. Be less aggressive if most of your work is in the private sector developer market.