

## CONSTRUCTION CONTRACTORS BOARD

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### Memorandum

**To:** Joint Ways and Means Subcommittee on General Government  
Senator Jeff Golden and Representative Greg Smith, Co-Chairs

**From:** Chris Huntington – Administrator, Construction Contractors Board

**Date:** February 11, 2021

**Subject:** 2021-2023 Budget Hearing Follow up questions

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#### Question/Request

During CCB's 2021-2023 budget hearing, Representative Hayden made a request on behalf of the committee for information related to relative size of Oregon's construction businesses by number of employees. The stated purpose for the request was to assist the committee in assessing the impact on "small business" of various regulatory proposals.

#### Background

State and federal programs use a variety of standards to classify "small business," with little uniformity. The most common definitions use either "number of employees" or "annual receipts," but other standards exist.

As was noted in the hearing, CCB does not collect detailed information on number of employees or on annual receipts as part of the contractor licensing process. The following information was obtained through the Oregon Employment Department (*Full spreadsheet attached – Data is from first quarter 2020*).

<u>Oregon Construction Non-employer Establishments:</u>	<b>Total:</b>	<b>22,437</b>
<u>Oregon Construction Establishments by # of Employees:</u>	<b>Total:</b>	<b>14,774</b>
	<b>1-10:</b>	<b>9,206</b>
	<b>1-20:</b>	<b>10,521</b>
	<b>1-49:</b>	<b>11,278</b>

#### Notes:

- Data for number of employees in each category is contained in the attached spreadsheet.
- The "Zero Workers" column includes establishments that may have retained employees for short durations or seasonal work that "average out" to zero for purposes of employment data.
- The total number of non-employer construction establishments and construction establishments with employees is 37,211. This is below the agency's stated number of approximately 41,000 licensees. There are two likely contributors to this discrepancy:
  - Some construction firms hold both a commercial and a residential endorsement, which shows in our system as two licensees, but would show up in Employment Department data as a single "establishment."
  - There is likely some data "lag" in the non-employer data, as it is based on U.S. Census bureau data, which is not as updated as the Oregon employment data.

**Oregon**  
**Size of Establishment by Industry Sector, First Quarter 2020, Statewide**  
**Number of establishments, March employment and total wages (in thousands)**

Industry Sector	Total	Size of establishment								
		0 workers	1 to 4 workers	5 to 9 workers	10 to 19 workers	20 to 49 workers	50 to 99 workers	100 to 249 workers	250 to 499 workers	500 plus workers
<b>Statewide</b>										
Establishments .....	155,440	25,359	72,564	24,426	16,694	11,088	3,097	1,635	401	176
Employment, March .....	1,656,689	-	136,929	162,218	226,199	331,537	210,024	244,532	135,259	209,991
Wages, quarterly (000) .....	23,588,444	139,030	1,697,073	1,726,167	2,481,636	3,877,327	2,851,745	3,514,005	2,141,986	5,159,476
% of establishments.....		16.3	46.7	15.7	10.7	7.1	2.0	1.1	0.3	0.1
% of employment.....		0.0	8.3	9.8	13.7	20.0	12.7	14.8	8.2	12.7
% of wages.....		0.6	7.2	7.3	10.5	16.4	12.1	14.9	9.1	21.9
<b>23 Construction</b>										
Establishments .....	14,774	3,186	6,941	2,265	1,315	757	194	91	16	9
Employment, March .....	107,994	-	14,419	14,933	17,677	22,485	12,936	13,672	5,210	6,662
Wages, quarterly (000) .....	1,701,926	11,339	138,803	158,347	233,909	348,250	234,481	297,140	123,113	156,543
% of sector establishments.....		21.6	47.0	15.3	8.9	5.1	1.3	0.6	0.1	0.1
% of sector employment.....		0.0	13.4	13.8	16.4	20.8	12.0	12.7	4.8	6.2
% of sector wages.....		0.7	8.2	9.3	13.7	20.5	13.8	17.5	7.2	9.2

An establishment is a single location company or each separate physical location of a multiple location company (i.e., each store in a chain of stores).

## 2018 Construction Nonemployers in Oregon

<b>Legal Form of Organization</b>	<b>Establishments</b>	<b>Receipts</b>
<b>All</b>	<b>22,437</b>	<b>\$1,769,986,000</b>
C-Corporations and other corporate legal forms of organization	176	\$28,714,000
S-Corporations	914	\$138,542,000
Sole Proprietorships	19,950	\$1,354,040,000
Partnerships	1,397	\$248,690,000

*Source: U.S. Census Bureau Nonemployer Statistics*