

Input prices accelerate; 57% of metros added jobs in January; Beige Book finds mixed economy

Input prices for new nonresidential construction rose 1.7% in March and 4.4% year over year (y/y), the largest one-month increase in four years, driven by a near-record jump in the price of diesel fuel and ongoing increases in metals prices, according to producer price index (PPI) data the Bureau of Labor Statistics (BLS) [posted](#) on Wednesday. AGC [posted](#) tables and charts of construction-related PPIs. Prices used to calculate PPIs are collected on the 13th of each month and thus reflected the impact of only the first two weeks of the Middle East conflict. The diesel fuel PPI soared 37.8% in March and 51.2% y/y. The only larger one-month rise was a 39.7% jump during the Gulf War in 1990. The indexes for three key metals used in construction continued to post outsized increases, driven by tariffs as well as the conflict. The index for aluminum mill shapes rose 1.2% for the month and 34.1% y/y. The PPI for copper and brass mill shapes climbed 0.5% and 21.3%, respectively. The index for steel mill products increased 2.1% and 15.4%, respectively. While crude-oil futures dropped sharply on Friday morning, they remain considerably higher than before the start of the Iran war. Readers are invited to send information about project timing, materials price changes, and supply chains to ken.simonson@agc.org and to view AGC's Tariff Resource [Center](#) for up-to-date, detailed information about relevant tariffs.

Construction employment, not seasonally adjusted, rose y/y from January 2025 to January 2026 in 205 (57%) of the 360 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 110 (31%), and was unchanged in 45, according to an analysis AGC [released](#) on Wednesday. (For most metros, BLS posts only combined totals for mining, logging, and construction; AGC treats these totals as construction-only.) Houston-Pasadena-The Woodlands, Texas added the most construction jobs (16,000 jobs or 7%), followed by St. Louis, Mo.-Ill. (9,000, 13%); Kansas City, Mo.-Kans. (7,500, 13%); the Dallas-Plano-Irving, Texas metropolitan division. (6,600, 4%); and Austin-Round Rock-San Marcos, Texas (5,900, 7%). The largest percentage gain—20%—occurred in Bloomington, Ill. (500 jobs) and Bloomington, Ind. (600 jobs), followed by Huntington-Ashland, W. Va-Ky-Ohio (19%, 1,500); Terre Haute, Ind. (18%, 700); and Eau Claire, Wis. (17%, 600). The largest decrease occurred in Riverside-San Bernardino-Ontario, Calif. (-5,300 jobs, -5%), followed by declines of 4,100 jobs in Portland-Vancouver-Hillsboro, Ore.-Wash. (-5%) and New York City (-3%). The largest percentage loss occurred in Houma-Bayou Cane-Thibodaux, La. (-14%, -900 jobs), followed by Lawton, Okla. (-12%, -200) and Albuquerque, N.M. (-9%, -2,400).

“Overall **economic activity** increased at a slight to modest pace in eight of the 12 Federal Reserve districts, while two districts reported little change and two districts reported slight to modest declines,” the Fed [reported](#) on Wednesday in its latest Beige Book, which covers information gathered from late February to April 6. “The conflict in the Middle East was cited as a major source of uncertainty that complicated decision-making around hiring, pricing, and capital investment, with many firms adopting a wait-and-see posture....**Commercial real estate** markets improved, with strength in industrial properties, especially data center projects. **Office markets** saw solid demand for Class A space but weaker demand for lower-tier properties....Many districts reported that labor availability had improved, although **difficulty finding** some skilled **workers**, especially **in the skilled trades**, persisted....Some districts noted continued **wage pressures** for some roles in health care and the skilled trades....**Energy and fuel costs** rose sharply in all districts, attributed to the Middle East conflict, leading to higher freight and shipping costs and higher prices for plastics, fertilizers, and other petroleum-based products. Input cost pressures beyond energy-related increases were also widespread. Several districts reported **rising prices for metals due to tariffs, such as steel, copper, and aluminum.**”

Highway contractor readers are encouraged to fill out the 2026 AGC/HCSS **Highway Work Zone Awareness Survey** by **May 8**. The survey collects information on the frequency, severity, and impacts of work zone crashes, along with potential solutions. AGC will use the results to support a national media and public education campaign launching ahead of Memorial Day to encourage safer driving during the busy summer travel season. The data will also help strengthen advocacy efforts for tougher work zone safety laws and enforcement. Results will be released the week of May 18.