

Contractors add jobs in September; spending is mixed in August; hires, layoff rates hit new lows

Construction employment in September totaled 8,364,000, seasonally adjusted, up by 11,000 from August and by 109,000 (1.3%) year-over-year (y/y), according to AGC's analysis of data the Bureau of Labor Statistics (BLS) [posted](#) today. Nonresidential construction employment climbed by 16,100 for the month and 142,000 (2.9%) y/y. Residential construction employment declined by 4,900 in September and by 32,800 (-1.0%) y/y. The **unemployment rate** for jobseekers with recent construction experience was 3.5%, down from 3.8% a year earlier. **Labor costs** for construction firms outpaced other sectors: seasonally adjusted average hourly earnings (AHE) for production and nonsupervisory employees rose 3.3% y/y for the total private sector vs. 4.3% for construction (i.e., most craft and office workers). The industry's AHE for production workers in September was \$39.20 or 20.2% more than the overall private average of \$32.60.

Construction spending totaled \$2.20 trillion in August at a seasonally adjusted annual rate (but not adjusted for inflation), up 0.9% from an upwardly revised July rate but down 1.7% y/y, the Census Bureau [reported](#) on Thursday. Private residential construction rose 1.1% for the month but fell 4.8% y/y, with single-family down 3.5% y/y, multifamily down 0.6%, and residential improvements down 7.4%. (Data for improvements are often revised by large amounts in either direction.) Private nonresidential spending rose 1.0% in August but declined 1.0% y/y. Data-center construction soared 73% y/y; all other private nonresidential spending combined fell 5.9%. The largest private nonresidential segment—manufacturing construction—plunged 20% y/y. Private power construction climbed 9.7%. Commercial construction slipped 5.4% y/y (comprising warehouse, down 8.1%; retail, down 3.8%; and farm, up 0.5%). Private office construction (excluding data centers) slumped 9.4% y/y. (Census includes data-center construction in private office in press releases but breaks it out in an Excel file under Historical Value-Private.) Public construction spending rose 0.2% for the month and 2.5% y/y. Spending on the three largest segments rose y/y: highway and street construction, up 4.4%, public education, up 1.3%; and public transportation construction, up 4.4 %.

There were 251,000 **job openings** in construction, seasonally adjusted, at the end of August, an increase of 38,000 or 18% y/y, BLS [reported](#) on Tuesday. The job openings rate (openings as a share of employment plus openings) rose from 2.5% to 2.9%. **Hires** for the full month totaled 308,000, a decrease of 28,000 (8.3%) y/y, while the hires rate (hires as a share of employment) declined from 4.1% to 3.7%, the lowest August rate in the 26-year history of the series. **Layoffs and discharges** totaled 99,000, a drop of 83,000 (-46%) y/y; the rate fell from 2.2% to 1.2%, the fewest number and lowest rate of layoffs for any month. **Quits** ticked up by 2,000 (1.3%) y/y and the rate held steady at 1.8%.

Construction employment, not seasonally adjusted, rose y/y from August 2025 to August 2026 in 177 (49%) of the 360 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 126 (35%), and was unchanged in 57, 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 (14,100 jobs or 6%), followed by Baton Rouge, La. (13,300, 29%); St. Louis, Mo.-Ill. (11,200, 14%); and Columbus, Ohio (10,100 jobs, 16%). Baton Rouge had the largest percentage gain, followed by Columbus, Davenport-Moline-Rock Island, Iowa-Ill. (14%, 1,600 jobs); St. Louis and Shreveport-Bossier City, La. (12%, 1,100 jobs). The largest decrease was in the Atlanta-Sandy Springs-Roswell, Ga. metro division (-4,900 jobs, -4%), followed by Riverside-San Bernardino-Ontario, Calif. (-4,600 jobs, -4%); the Jersey City-White Plains, N.Y.-N.J. division (-4,300, -6%) and the Oakland-Fremont-Berkeley, Calif. metro division (-4,000 jobs, -5%). The steepest percentage loss occurred in Walla Walla, Wash. (-8%, -100 jobs), followed by Fairbanks-College, Alaska (-7%, -200 jobs) and seven areas with 6% losses.

Click [here](#) for AGC's five-part **webinar series**, “**Building the Future: The Data Center Construction Playbook**,” on Oct. 6-Nov. 4, 2026, 2-3:30 pm ET. AGC Chief Economist Ken Simonson will moderate the first webinar, “The State of Data Center Construction: Market Trends, Growth Opportunities, and What's Next,” with Dodge Chief Economist Eric Gaus and Brian Lewandowski, University of Colorado, Boulder, who has created a model for AGC that measures the in-state jobs and economic impact of several types of construction projects.

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