

Input prices soar 11.9%, 'bid-price index' rises 5.4% in September; union settlements increase 4.9%

Input prices for new nonresidential construction jumped 11.9% year-over-year (y/y) from September 2025 to September 2026, the most in four years, according to producer price index (PPI) data the Bureau of Labor Statistics [posted](#) on Thursday. The **PPI for new nonresidential building construction**, a measure of what contractors report they would charge to construct five types of buildings, rose 5.4% y/y. AGC [posted](#) tables of construction-related PPIs. Strong global demand and tight supplies resulting from the Middle East conflicts drove the PPI for diesel fuel up 115% y/y and liquid asphalt up 18%. **Tariffs of up to 50%** imposed a year ago have pushed up metals prices. PPIs jumped 25% y/y for aluminum mill shapes; 28% for steel mill products and 30% for copper and brass mill shapes. Products that incorporate steel have also been affected: the index for precast concrete products, which have steel embedded in their shapes, increased 10.5% from a year earlier. **Readers are invited to submit reports regarding prices, allocations and other supply issues** to ken.simonson@agc.org and to view AGC's Tariff Resource [Center](#) for up-to-date, detailed news about relevant tariffs.

First-year increases in newly negotiated **settlements** [wages plus benefits] **"for union craft workers** in the construction industry averaged 4.9% from January through September of 2026," the Construction Labor Research Council (CLRC) [reported](#) on Thursday. While settlements averaged 4.6% in 2025, in 2026 "there was a pronounced drop in the percentage of smaller settlements—those that were 3.5% or less." Among seven regions, increases ranged from a low of 4.5% in the Northwest (vs. 5.6% in 2025) to 5.8% in the Northeast (vs. 4.2% in 2025, the lowest of any region). Among 16 crafts, increases ranged from 3.4% for roofers (vs. 4.1% in 2025) to 6.3% for carpenters (vs. 4.8% in 2025). "The average **total package increase** for union construction crafts **across all contract years** was 4.2%....According to CLRC projections, increases are expected to rise to approximately 4.3% by 2028. These figures reflect active settlements from both prior contract years (such as 2024 and 2025) and future years."

Economic activity varied across the 12 Federal Reserve districts, the Fed [reported](#) on Wednesday in its latest Beige Book, which covers information gathered from late August through Oct. 5. "Since the prior Beige Book, two...districts reported moderate growth in economic activity. Three districts reported modest growth, while four reported slight growth, and three reported no significant change....**Labor supply** was generally adequate to meet demand; however, **shortages persisted** for specialized, technical and **skilled trade workers**. Comments from individual districts, which are identified by the headquarters cities, include: "Construction slowed somewhat, with weakness attributed to earlier overbuilding—in the case of Boston—and prohibitive costs in the case of Providence." (Boston) "Wage growth remained steady and modest, though wages rose more strongly in the construction sector....Construction activity held steady after several months of strong growth." (New York) "Contacts reported continued construction activity by firms in the data center and related manufacturing spaces but little new activity elsewhere." (Philadelphia) "There were continued reports of data center construction driving up labor costs and drawing workers away from other industries." (Dallas) "...a large contractor in the Mountain West highlighting that competition from data center projects drove up pay for electricians and other skilled trades workers in the region." (San Francisco)

Several **construction trades** rank high among the projected growth rates for 124 skilled trades examined in a [report](#) issued Sept. 30 by the Alliance for America's Skilled Trades. Growth rates for 2025-2035 are projected to be 36% or 4,200 openings per year for solar photovoltaic installers; 11% (40,600 positions) for heating, air conditioning and refrigeration mechanics and installers; 10% (10,900 positions) for electrical power-line installers and repairers; and 9% (72,700 positions) for electricians. "Training programs produce just 55 workers for every 100 needed," the report states. "Only half of those who enroll in skilled trades training programs finish."

A quarterly survey of approximately 100 firms involved in power **transmission and distribution (T&D) engineering and construction** found third-quarter project activity was above expectations, while project growth, new project awards and backlog were at the highest levels in survey history, investment firm Stifel reported on Monday. "Activity was above expectations across all verticals, including distribution, transmission, gas distribution, and substation work."