

Data Digest

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May construction employment rose in 64% of metros; cost increases remain 'problematic,' says RLB

Construction employment, not seasonally adjusted, rose from May 2022 in 230 (64%) of the 358 metro areas (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 79 (22%), and was unchanged in 49, according to an [analysis](#) AGC released on Wednesday. (AGC treats as construction-only the totals for metros in which BLS reports only combined totals for mining, logging, and construction.) The Dallas-Plano-Irving division added the most jobs (11,600 combined jobs or 8%), followed by New York City (9,600 combined jobs, 7%) and Columbus, Ohio (6,100 combined jobs, 13%). The largest percentage gain was in Hanford-Corcoran, Calif. (18%, 200 combined jobs), followed by Danville, Ill. (17%, 100 combined jobs); Corvallis, Ore. (14%, 200 combined jobs) and Midland, Texas (14%, 4,900 combined jobs). The largest loss occurred in Houston-The Woodlands-Sugar Land, Texas (-5,400 construction jobs, -2%), followed by St. Louis, Mo.-Ill. (-5,100 combined jobs, -7%); the Los Angeles-Long Beach Glendale division (-4,700 construction jobs, -3%); and the Miami-Miami Beach-Kendall, Fla. division (-3,900 construction jobs, -7%). Monroe, Mich. experienced the largest percentage job loss (-16%, -400 combined jobs), followed by the Elgin, Ill. division (-9%, -1,400 construction jobs) and Anchorage, Alaska (-8%, -900 construction jobs).

"Nationally, **construction cost escalation** remains problematic, and in the most recent quarter, rose from 1.35% in the January quarter to 1.55% in the [January 1-April 1, 2023] quarter," Julian Anderson, president, North America, for construction consultancy Rider Levett Bucknall, [wrote](#) in RLB's Quarterly Construction Cost Report. Costs are based on RLB's calculations for 12 U.S. cities. "However, the year-over-year rate fell from 8.11% to 7.22%, a sign of an overall downward trend....Chicago, Denver, and Las Vegas all experienced increases above the quarterly national average during Q2 2023. Locations below the national average included Boston, Honolulu, Los Angeles, New York, Phoenix, Portland, San Francisco, Seattle, and Washington, D.C."

Contractors "are projecting 2023 **construction staff wages** to increase an average of 4.42% (excludes 0% projections), reported by over 360 companies," construction compensation consultant PAS [reported](#) on Wednesday in its [Construction/Construction Management Staff Salary Survey](#). "2023 staff pay predictions are increasing each month and will exceed 5% by fall. For pay increase comparison - according to WorldatWork, across all industries exempt professionals saw 2022 increases of 4.2% with initial projected 2023 increases of 4.2%."

The White House on Monday announced the awarding of \$42.5 billion to states to spend on **broadband internet** through the Infrastructure Investment and Jobs Act. "Texas topped the list of future recipients with \$3.3 billion of funding. California, the most populous state, is slated to receive \$1.9 billion, the [Wall Street Journal](#) reported on Tuesday. "The program will also steer large sums toward states and territories with sparser population centers, such as Alaska, Montana and West Virginia. Funds are expected to start flowing to states and territories early next year and could fund shovel-ready projects as soon as mid-2024, administration officials said. They also touted the spending plan's potential to sustain high-paying jobs in areas such as construction and manufacturing, citing expanding production of fiber-optic cables in places such as Hickory, N.C."

"In the first two years of the pandemic, one in four workers who moved long-distance was working remotely in a new home—a previously unheard-of scale of **remote migration**," the Upshot column of the [New York Times](#) [reported](#) on June 17. For "New York, San Francisco, Washington, and Los Angeles, significantly more remote workers left than arrived. By contrast, Austin, Denver, Dallas, and Nashville all attracted a net influx of people working from home....In general, remote-work migration has affected two kinds of places in particular: major metros where the local economy is geared toward the types of jobs that can be done from home, and smaller vacation hubs that promise people who can live anywhere a high quality of life....This second group includes communities in and around Ocean City, N.J.; Cape Cod, Mass.; and the Salisbury, Md., metro, home to Maryland and Delaware beach towns popular with vacationers from the Washington area."