Data Digest

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Construction jobs increase from year ago in 33 states; Housing starts fall; Construction salaries increase

Seasonally adjusted **construction employment** rose from June 2022 to June 2023 **in** 45 **states**, was flat in the District of Columbia**,** and fell in five states, according to AGC's analysis of data the Bureau of Labor Statistics (BLS) posted today. Texas added the most (30,500 jobs, 3.9%), followed by New York (10,100 jobs, 2.6%). Arkansas had the largest percentage gain (11.8%, 6,700 jobs), followed by Kentucky (8.0%, 6,600 jobs). Missouri lost the most jobs (-1,800 jobs, -1.3%), followed by Colorado (-1,500 jobs, -0.8%). North Dakota had the largest percentage loss (-1.9%, -500 jobs), followed by Vermont (-1.9%, -300 jobs). For the month, construction employment rose in 33 states, flat in 2 states and fell in 15 states and D.C. Texas added the most jobs (11,000 jobs, 1.4%), followed by and California (6,000 jobs, 0.7%). The largest percentage gain occurred in South Dakota (4.3%, 1,100 jobs), followed by Mississippi (4.1%, 1,900 jobs). Virginia lost the most construction jobs in June (-3,200 jobs, -1.5%), followed by North Carolina (-2,900 jobs, -1.2%). Iowa had the largest percentage loss for the month (-2.0%, -1,700 jobs), followed by the District of Columbia (-1.9%, -300 jobs). (For D.C., Delaware, and Hawaii, which have few mining or logging jobs, BLS posts combined totals with construction; AGC treats the changes as all from construction.)

Housing starts (units) in June fell 8.0% from May at a seasonally adjusted annual rate, following an exceptionally large 16% jump from April to May, Census Bureau reported on Wednesday. Starts declined 8.1% year-over-year (y/y). Single-family starts fell 7.0% for the month and 7.4% y/y. Multifamily (five or more units) starts fell 12% and 11%, respectively. **Residential permits** slid 3.7% for the month and 15% y/y. Single-family permits rose for the fifth-straight month, by 2.2% from May and 23% since bottoming out in January, suggesting a possible upturn in construction, although the rate remained 2.7% below the June 2022 rate. Multifamily permits sank 14% from May to an annual rate of 467,000, down 33% y/y and the lowest rate since October 2020. While there were 977,000 multifamily units under construction—the most in the 54-year history of the series—the drop in starts and permits suggest multifamily spending may soon shrink.

The "first year of **new settlements** reached from January through June of 2023 (2023-Q2) **for union craft workers** in the construction industry had an average increase of 4.4%," the Construction Labor Research Council reported on July 14. Settlements, "based on the total package (wages, fringe benefits, and other employer payments),…grew by 0.5% from 2022 to 2023-Q2 and by 1.6% from 2020 to 2023-Q2, a steep rate of growth. Increases have risen more in the past year and a half than during the nine-year span from 2010-2019….CLRC projects future new settlements to average approximately 4.7% by 2025." Among 14 crafts, laborers had the largest increase, 5.2%; glaziers had the smallest, 2.9%.

"The median **salary for construction workers**, at $58,000, is already higher than the median of about $49,000 for all U.S. industries, according to ADP data," ADP Research Institute reported on Monday. "In June, the median salary for construction workers was up 5% [y/y], outpacing the 3.8% growth [overall]. New construction hires—those who started at a new job within the last three months—had an average starting salary of $43,680, up 2.5% [y/y]. That's higher than the $35,360 average for industries overall," unchanged y/y. [For] construction workers for whom we have a year's worth of pay data…, those who stayed in the same job over the past year received a pay bump of just more than 6%, in line with other industries. But we found that these in-demand workers can boost their pay a lot by switching employers. **Job changers in construction** saw their pay rise by 14.6% [y/y], a bigger increase than the 11.2% [increase for] job changers overall."

The **Architecture Billings** Index (ABI) registered a score of 50.1, seasonally adjusted in June, down from 51.0 in May, the American Institute of Architects (AIA) reported on Wednesday. The ABI is derived from the share of responding architecture firms that report a gain in billings over the previous month less the share reporting a decline in billings, presented on a 0-to-100 scale. Thus, any score above 50 means more firms reported increased billings than decreased billings compared to the month before. AIA calls the index "a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months." Readings for practice specialties (based on three-month averages) varied: institutional, 55.4 (up from 53.5 in May and the third consecutive reading above 50); mixed practice, 48.8 (down from 50.1); commercial/industrial, 47.8 (down from 49.7 and the first reading above 50 since July); and residential (mainly multifamily), 47.4 (up from 44.4). The **new design contracts** index rose to 52.7 from 52.3.

Contractors are invited to fill out the 2023 Autodesk/AGC Workforce Survey. Results will be posted in late August.