

# Data Digest

WWW.AGC.ORG

Supported by:



Vol. 23, No. 36 Oct. 2-6, 2023

## September construction employment, hourly wages climb; August job openings hold, spending rises

**Construction employment**, seasonally adjusted, totaled 8,014,000 in September, a gain of 11,000 from August and 217,000 (2.8%) year-over-year (y/y), according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. The y/y growth rate outpaced the 2.1% increase in total nonfarm payroll employment. **Residential construction employment** (at residential building and specialty contractors) rose by 12,600 in September and 55,300 (1.7%) y/y. **Nonresidential construction employment** (at building, specialty trade, and heavy and civil engineering construction firms) dipped by 1,300 for the month but increased by 161,600 (3.5%) y/y. Seasonally adjusted **average hourly earnings** for production and nonsupervisory employees in construction (craft and office) rose 5.5% y/y to \$34.54 per hour. The "premium" for nonsupervisory construction workers rose to 18.9% over the private sector average of \$29.06, still considerably below the average premium in 2000-2019 of 21.5%. The number of **unemployed jobseekers with construction experience** rose from 346,000, not seasonally adjusted, in September 2022 to 392,000 and the unemployment rate for such workers rose from 3.4% to a still-low 3.8%.

There were 360,000 **job openings in construction**, not seasonally adjusted, at the end of August, nearly matching the August 2022 total of 362,000, BLS [reported](#) on Tuesday in its monthly Job Openings and Labor Turnover Survey (JOLTS) release. **Hires** for the full month totaled 361,000, a decrease of 27,000 (-7.0%) y/y. The relative stability of these numbers, as well as the increase in construction spending (see below), suggests that the slight drop in nonresidential employment in September is more likely a reflection of the difficulty in filling positions than a weakening of demand.

**Construction spending** (not adjusted for inflation) totaled \$1.98 trillion in August at a seasonally adjusted annual rate, up 0.5% from July and up 5.5% y/y, the Census Bureau [reported](#) on Monday. However, without a deflator, it is impossible to say how much of the y/y gain is in units vs. price. **Private residential construction** increased 0.6% for the month, with single-family homebuilding up 1.7% (the fourth monthly gain in a row), multifamily construction spending up 0.2%, and owner-occupied improvements up 0.3%. **Private nonresidential construction** spending rose 0.3% for the month. The largest private nonresidential segment (based on the seasonally adjusted August rate)—manufacturing construction—rose 1.2% (including computer/electronic/electrical, up 1.9%, and chemical and pharmaceutical, up 1.0%). Commercial construction fell 0.9% (consisting of warehouse, down 1.2%; retail, down 1.6%; and farm, up 3.2%). Power rose 0.4% (with electric power up 0.8% and oil and gas field structures and pipelines down 3.0%). Private office and data center construction increased 0.2%. **Public construction** spending rose 0.6%. The largest public segment, highway and street construction, climbed 0.4%. Public education edged up 0.2%. Public transportation construction rose 1.3%.

**Construction employment**, not seasonally adjusted, rose from August 2022 in 223 (62%) 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 56, 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 top three metros for jobs added were again the Dallas-Plano-Irving division (15,100 combined jobs or 10%), New York City (11,000 combined jobs, 8%), and Portland-Vancouver-Hillsboro, Ore.-Wash. (9,200 construction jobs, 11%). The largest percentage gain was in Baton Rouge, La. (16%, 7,100 construction jobs), followed by 11% gains in Portland-Vancouver-Hillsboro; Wilmington, Del.-Md.-N.J. (2,000 combined jobs); Middlesex-Monmouth-Ocean, N.J. (4,800 combined jobs); and Cheyenne, Wyo. (400 combined jobs). The largest loss occurred in Houston-The Woodlands-Sugar Land (6,800 construction jobs, -3%), followed by Nassau County-Suffolk County, N.Y. (-5,200 combined jobs, -6%) and the Miami-Miami Beach-Kendall division (-4,400 construction jobs, -8%). Kankakee, Ill. again experienced the largest percentage job loss (-13%, -200 combined jobs), followed by Binghamton, N.Y. (-9%, -400 combined jobs); Pittsfield, Mass. (-9%, -200 combined jobs); and Miami-Miami Beach-Kendall.