

Data Digest

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Construction employment rises in October, unemployment dips; September openings, spending rise

Construction employment, seasonally adjusted, totaled 8,033,000 in October, a gain of 23,000 from September and 219,000 (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 1.9% increase in total nonfarm payroll employment. **Residential construction employment** (at residential building and specialty contractors) rose by 13,700 in October and 55,600 (1.7%) y/y. **Nonresidential construction employment** (at building, specialty trade, and heavy and civil engineering construction firms) increased by 8,400 for the month and 163,300 (3.6%) y/y. Seasonally adjusted **average hourly earnings** for production and nonsupervisory employees in construction (craft and office) rose 5.4% y/y to \$34.64 per hour. The "premium" for nonsupervisory construction workers rose to 18.7% over the private sector average of \$29.19, still considerably below the average premium in 2000-2019 of 21.5%. The number of **unemployed jobseekers with construction experience** dipped by 5,000 y/y to 414,000, not seasonally adjusted, and the unemployment rate for such workers edged down to 4.0 from 4.1% in October 2022.

There were 438,000 **job openings in construction**, not seasonally adjusted, at the end of September, the highest September total in the 23-year history of the series and up 2.4% from the September 2022 total of 438,000, BLS [reported](#) on Wednesday. **Hires** for the full month totaled 294,000, a decrease of 65,000 (-18%) y/y. The huge excess of openings over hires (134,000 or 45%) suggests that the steep drop in hires reflects a dearth of jobseekers, not lack of demand.

Construction spending (not adjusted for inflation) totaled \$1.997 trillion in September at a seasonally adjusted annual rate, up 0.4% from the upwardly revised August rate and up 8.7% y/y, the Census Bureau [reported](#) on Wednesday. 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 1.3% (the fifth monthly gain in a row), multifamily construction spending down 0.1% (following 13 consecutive monthly increases), and owner-occupied improvements up 0.2%. **Private nonresidential construction** spending inched up 0.1% for the month. The largest private nonresidential segment (based on the seasonally adjusted September rate)—manufacturing construction—slipped 0.4% (but with gains of 0.3% for computer/electronic/electrical and 0.5% for chemical and pharmaceutical plants). Commercial construction rose 0.6% (consisting of warehouse, up 0.9%; retail, up 0.1%; and farm, down 0.1%). Power rose 0.4% (with electric power up 0.8% and oil and gas field structures and pipelines down 1.4%). Private office and data center construction was virtually unchanged. **Public construction** spending rose 0.4%. The largest public segment, highway and street construction, fell 0.2%. Public education edged 1.9%. Public transportation construction was nearly unchanged.

Construction employment, not seasonally adjusted, rose y/y from September 2022 in 212 (59%) of the 358 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 78 (22%), and was unchanged in 68, according to an [analysis](#) AGC released on Tuesday. (AGC treats as construction-only the totals for metros in which BLS reports only combined totals for mining, logging, and construction.) The top two metros for jobs added were again the Dallas-Plano-Irving division (17,300 combined jobs or 11%) and New York City (15,200 combined jobs, 10%), followed by Baton Rouge La. (9,000 construction jobs, 19%) and Portland-Vancouver-Hillsboro, Ore.-Wash. (8,700 construction jobs, 11%). The largest percentage gain again occurred in Baton Rouge, followed by Corvallis, Ore. (13%, 200 combined jobs) and 11% gains in Portland-Vancouver-Hillsboro, Dallas-Plano-Irving, and Fayetteville-Springdale-Rogers, Ark.-Mo. (1,600 combined jobs). The largest loss again occurred in Houston-The Woodlands-Sugar Land (-8,800 construction jobs, -4%), followed by the Miami-Miami Beach-Kendall division (-4,700 construction jobs, -9%), St. Louis, Mo.-Ill. (-4,500 combined jobs, -6%), and the Nassau County-Suffolk County, N.Y. division (-4,100 combined jobs, -5%). Kankakee, Ill. again experienced the largest percentage job loss (-13%, -200 combined jobs), followed by Bay City, Mich. (12%, -200 combined jobs).

Economists Ken Simonson (AGC), Kermit Baker (AIA), and Alex Carrick and Michael Guckes (ConstructConnect) will present their views on the **construction and design outlook** in a [webinar](#) on Wednesday, November 8, 2-3:30 pm ET.

Data Digest is a weekly summary of economic news. Sign up [here](#). Editor: Ken.Simonson@agc.org, Chief Economist, AGC. Go here for [Ken's PPT](#) or more [construction data](#).

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