

# Data Digest

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## Construction employment rises by 23,000 in February; January job openings surge; DMI is mixed

**Construction employment**, seasonally adjusted, totaled 8,162,000 in February, a gain of 23,000 from January and 215,000 (2.7%) 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 1.8% increase in total nonfarm payroll employment. **Residential construction employment** (at residential building and specialty contractors) dipped by 1,200 in February but rose by 56,800 (1.7%) y/y. **Nonresidential construction employment** (at building, specialty trade, and heavy and civil engineering construction firms) increased by 24,200 for the month and 158,500 (3.4%) y/y. Seasonally adjusted **average hourly earnings** for production and nonsupervisory employees in construction (i.e., most craft and office workers) rose 4.9% y/y to \$35.21 per hour. The "premium" for nonsupervisory construction workers was 18.5% over the private sector average of \$29.71 but remains considerably below the average premium in 2000-2019 of 21.5%. The number of **unemployed jobseekers with construction experience** totaled 711,000, not seasonally adjusted, an increase of 3,000 (0.4%) from February 2023, and the unemployment rate for such workers rose to 7.0% from 6.6% a year earlier.

There were 407,000 **job openings in construction**, not seasonally adjusted, at the end of January, a jump of 115,000 (41%) y/y, BLS [reported](#) on Wednesday. **Hires** for the full month totaled 352,000, down 1.4% y/y. The large excess of openings over hires suggests contractors wanted to hire more than twice as many workers as they were able to find.

The Dodge Momentum Index (DMI) declined 1.4% in February from January and 1% y/y, Dodge Construction Network [reported](#) on Thursday. The index is "a monthly measure of the initial report for **nonresidential building projects in planning**, shown to lead construction spending for nonresidential buildings by a full year." The commercial component slumped 2.3% for the month and 10% y/y; the institutional component increased 0.1% for the month and 27% y/y.

"**Economic activity in the services sector** expanded in February for the 14th consecutive month," the Institute for Supply Management (ISM) reported on Tuesday. Construction was listed first among 14 sectors (out of 18) that reported growth and was among sectors reporting an increase in business activity (13 sectors), new orders (13), prices paid (13), employment (6), and order backlogs (5). Construction was one of five sectors that reported faster supplier deliveries. **Items** significant for construction reported **up in price** include construction contractors (2 months in a row); heating, ventilation and air conditioning products; and insulation. **Price declines** were reported for aluminum products, copper products (2 months), and polyvinyl chloride (PVC) products. **Items listed in short supply** include construction contractors (2), electrical components (2), and transformers (8).

"**Economic activity** increased slightly, on balance, since early January, with eight [out of 12] districts reporting slight to modest growth in activity, three others reporting no change, and one district noting a slight softening," the Federal Reserve [reported](#) on Wednesday in its latest Beige Book, which "characterizes regional economic conditions and prospects based on a variety of mostly qualitative information, gathered directly from each district's sources....**Commercial real estate activity** was weak, particularly for office space, although there were reports of robust demand for new data centers, industrial and manufacturing spaces, and large infrastructure projects....Businesses generally found it easier to fill open positions and to find qualified applicants, although **difficulties** persisted **attracting workers** for highly skilled positions, **including** health-care professionals, **engineers, and skilled trades specialists** such as welders and mechanics....The **cost of** many manufacturing and **construction inputs**, such as steel, cement, paper, and fuel, reportedly fell in recent weeks."

"Almost all markets are seeing an uptick in [**data center**] **construction** in response to accelerating demand," real estate consultancy CLL [posted](#) in a research report on February 28. "Salt Lake City is experiencing the fastest acceleration in construction, with more than twice as much capacity under construction as is currently existing. Low power and gas costs, combined with growing importance as a technology hub, are driving increased interest from users and developers. [In addition, e]xisting data centers are being expanded both horizontally and vertically....In Dallas-Fort Worth, DataBank is building a [three-story data center.] In Northern Virginia, Aligned Data Centers is developing a...four-story data center."

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