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Construction adds 39,000 jobs in March; job openings set February record; execs' 2023 pay rose 5.6%

Construction employment, seasonally adjusted, totaled 8,211,000 in March, a gain of 39,000 from February and 270,000 (3.4%) 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 14,400 in March and 78,800 (2.4%) y/y. **Nonresidential construction employment** (at building, specialty trade, and heavy and civil engineering construction firms) increased by 24,600 for the month and 191,700 (4.1%) 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 \$35.42 per hour. The "premium" for nonsupervisory construction workers was 18.9% over the private sector average of \$29.79 but remains considerably below the average premium in 2000-2019 of 21.5%. The number of **unemployed jobseekers with construction experience** totaled 570,000, not seasonally adjusted, a decline of 28,000 (-4.7%) from March 2023.

There were 414,000 **job openings in construction**, not seasonally adjusted, at the end of February, the largest February total in the 25-year history of the series and a jump of 37,000 (9.8%) y/y, BLS [reported](#) on Tuesday. **Hires** for the full month totaled 347,000, up 11% y/y.

Construction executive pay increased by an average 5.6% in 2023, consultancy PAS [reported](#) on March 29. "Contractors are projecting a 2024 executive increase of 4.7%. Historically, predictions are about .3% to .5% low, so we expect the 2024...actual increase to grow by year-end. The actual 2023 increase compared to the 2023 projected increase was .9% higher, so it is possible we will see this same trend in 2024 (or not...). The 2024 Construction/- Construction **Management Staff Salary Survey** was recently completed with results indicating a 2023 actual pay increase of 5.0%. Most regions hovered around the 5% mark with the low of 4.7% reported in the Mid-Atlantic states and the high of 5.3% in the Southeastern states. The overall projected 2024 increase came in at 4.38% for middle managers and professionals. As with the executive increase numbers, we expect these...numbers to grow as the year progresses."

Construction employment, not seasonally adjusted, rose y/y from February 2023 to February 2024 in 227 (62%) of the 358 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 80 (22%), and was unchanged in 51, 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 Phoenix-Mesa-Scottsdale area again added the most jobs (7,300 construction jobs, 8%), followed by Fort Worth-Arlington, Texas (6,300 combined jobs, 8%). The steepest percentage gain occurred in Fairbanks, Alaska (23%, 500 construction jobs), followed by 20% gains in Danville, Ill. (100 combined jobs); Lawton, Okla. (300 combined jobs); and Saginaw, Mich. (600 combined jobs). The largest numerical losses again occurred in New York City (-9,800 combined jobs, -7%) and Minneapolis-St. Paul-Bloomington, Minn.-Wis. (-7,000 combined jobs, -9%). The steepest percentage losses again were in Decatur, Ill. (-24%, -900 combined jobs) and Augusta-Richmond County, Ga.-S.C. (-16%, -2,700 combined jobs).

Construction spending (not adjusted for inflation) totaled \$2.09 trillion in February at a seasonally adjusted annual rate, down 0.3% from January but up 11% y/y, the Census Bureau [reported](#) on Monday. However, without a deflator it is impossible to say how much of the gain is in units vs. price. **Private residential construction** rose 0.7% for the month and 6.3% y/y. Single-family homebuilding rose 1.4% (the 10th monthly gain in a row); multifamily construction spending declined 0.2%; and owner-occupied improvements edged up 0.2%. Of the 16 nonresidential segments in the Census release, all but one (transportation) declined for the month—possibly dragged down by severe weather—but all 16 rose y/y. **Private nonresidential construction** spending slid 0.7% for the month but climbed 13% y/y. The largest private nonresidential segment—manufacturing construction—fell 0.6% for the month (including computer/electronic/electrical, up 0.5%, and chemical and pharmaceutical, down 3.0%). Commercial construction skidded 1.7% (comprising warehouse, down 2.2%; retail, down 1.4%; and farm, down 0.1%). Power and energy construction fell 0.5%. Private office and data center construction dipped 0.1%. **Public construction** spending declined 1.2% for the month but rose 17% y/y. The largest public segment, highway and street construction, slumped 1.6% for the month; education spending decreased 1.8%.

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