



AGC
THE CONSTRUCTION
ASSOCIATION

Data Digest

WWW.AGC.ORG

Vol. 25, No. 4

Jan. 20-Feb. 18, 2025

Input costs rise 0.8% in January; employment inches up; December job openings and hires plunge

Input prices for new nonresidential construction rose 0.8% from December to January, the largest monthly gain in a year, according producer price index (PPI) data the Bureau of Labor Statistics (BLS) [posted](#) on Thursday. PPIs are based on prices as of the 11th of the month, before President Trump took office or announced new tariffs. Outsized one-month increases occurred in the PPIs for asphalt paving mixtures and blocks, 15%; diesel fuel, 3.6%; cement, 2.0%; and copper and brass mill shapes, 1.9%. The **PPI for new nonresidential building construction**—a measure of prices that contractors say they would bid to erect a fixed set of buildings—rose 0.3% for the month. As it does each January, BLS adjusted the relative importance weights for inputs. AGC posted [tables](#) of construction PPIs. A reader sent a list of price increases announced by suppliers of wallboard, insulation, roofing, and copper products. **Readers are invited to send information regarding materials costs** to ken.simonson@agc.org.

Construction employment, seasonally adjusted, totaled 8,291,000 in January, a gain of 4,000 from December and 178,000 (2.2%) year-over-year (y/y), according to AGC's [analysis](#) of data BLS [posted](#) on February 7. The y/y growth rate outpaced the 1.3% increase in total nonfarm payroll employment. **Residential construction employment** (at residential building and specialty contractors) dipped by 200 in January but climbed by 40,100 (1.2%) y/y. **Nonresidential construction employment** (at building, specialty trade, and heavy and civil engineering construction firms) increased by 4,400 for the month and 137,800 (3.3%) y/y. Seasonally adjusted **average hourly earnings** for production and nonsupervisory employees (craft and office) in construction rose 3.8% y/y to \$36.54 per hour. That amounted to a "premium" of 18.5% over the private sector average of \$30.84 for production workers. The number of **unemployed jobseekers with construction experience** totaled 669,000, not seasonally adjusted, a drop of 30,000 (-4.3%) from January 2024, and the unemployment rate for such workers slipped from 6.9% to 6.5%.

There were 217,000 **job openings in construction**, seasonally adjusted, at the end of December, down 50% y/y, BLS [reported](#) on February 4. **Hires** for the full month totaled 301,000, down 16% y/y. The steep declines in openings and hires suggests contractors have become more cautious about expanding. But **layoffs** also fell, by 15% y/y, suggesting firms are keeping current workers. **Quits** totaled 117,000, down 21% y/y to the lowest December total since 2013.

Construction spending (not adjusted for inflation) totaled \$2.19 trillion in December at a seasonally adjusted annual rate, up 0.5% from November and up 4.3% y/y, the Census Bureau [reported](#) on February 3. Full-year spending rose 6.5% from 2023. **Private residential construction** rose 1.5% for the month, 6.0% y/y, and 5.9% for the full year. Single-family homebuilding rose 1.0% for the month, multifamily construction spending fell 0.3%, and owner-occupied improvements rose 2.6%. **Private nonresidential construction** spending rose 0.1% for the month, 2.3% y/y, and 5.3% for the full year. The largest private nonresidential segment—manufacturing construction—was flat for the month (including computer/electronic/electrical, down 0.7%, and chemical and pharmaceutical, up 1.7%). Commercial construction fell 0.3% (comprising warehouse, down 1.0%; retail, up 0.6%; and farm, down 0.2%). Power construction rose 0.3%. Private "office" construction increased 0.2% (comprising data centers, up 0.9%, and other, up 1.2%). **Public construction** spending fell 0.5% for the month but rose 4.1% y/y and 9.3% for the full year. Among the largest public segments, highway and street construction rose 4.1% for the month, educational construction slid 0.6%, and transportation construction slumped 1.3%.

Construction industry **wages and salaries** rose 0.6%, seasonally adjusted, in the fourth quarter (Q4) of 2024, down from 1.5% in Q3, BLS [reported](#) on January 31. From Q4 2023 to Q4 2024 construction wages rose 2.4% vs. 3.0% in 2023.

The "first year of **new settlements** reached in 2024 for union craft workers in the construction industry had an average increase of 4.7%, the same as in 2023," the Construction Labor Research Council (CLRC) [reported](#) on January 31. "The most common percentage (the mode) moved up to 4.1-4.5% from 3.6-4.0% in 2022...the fastest growing range was...6.6% or higher. In 2024, almost 15% were in this category." Among CLRC's seven regions, increases ranged narrowly from 5.2% (Northwest and South) to 4.0% (New England). Among 15 crafts, increases ranged from 6.0% (pipefitters/plumbers) to 3.4% (ironworkers).

The number of **union members in construction** firms declined from 954,000 (10.7% of industry employment) in 2023 to 916,000 (10.3%) in 2024, BLS [reported](#) on January 22. Total **employees represented by unions** (including nonmembers whose jobs are covered by a union contract) fell from 1,017,000 (11.4% of employment) to 994,000 (11.2%).

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