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# Data Digest

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## Input costs rise 0.5% in February; tariffs start to hit; job openings, hires, layoffs shrink in January

**Input prices for new nonresidential construction** rose 0.5% February, not seasonally adjusted, following a revised 0.7% increase in January, according producer price index (PPI) data the Bureau of Labor Statistics (BLS) [posted](#) on Thursday. Outsized one-month increases occurred in the PPIs for steel mill products, 2.7%; diesel fuel, 2.3%; copper and brass mill shapes, 1.8%; lumber and plywood, 1.7%; and aluminum mill shapes, 1.0%. The **PPI for new nonresidential building construction**—a measure of prices that contractors say they would bid to erect a fixed set of buildings—dipped 0.1%, following an increase of 0.3% in January. The fact that input costs have outstripped bid prices for two months implies that contractors have not been able to pass along the cost increases enough to maintain profit margins. AGC [posted](#) tables of PPI changes relevant to construction.

PPIs are based on prices as of the 11th of the month. Since then, the Trump administration has imposed **tariffs** of 10% on all imports from China (effective March 4, following earlier 10% tariffs on February 4); 25% on many items from Canada and Mexico (March 4, 10% on oil and gas); and 25% on all steel and aluminum (March 12). Even before the steel tariffs took effect, mills have raised the price for hot-rolled coil by roughly 50% since January to \$950 per ton, an increase that is likely to be passed along, at least partially, in the cost of construction steel products. **Readers are invited to send information regarding materials costs** to [ken.simonson@agc.org](mailto:ken.simonson@agc.org) and to [view AGC's Tariff Resource Center](#).

There were 236,000 **job openings in construction**, seasonally adjusted, at the end of January, down 42% year-over-year (y/y), BLS [reported](#) on Tuesday. **Hires** for the full month totaled 353,000, down 5.1% y/y. The steep declines in openings and hires suggest contractors have become more cautious about expanding. But **layoffs** also fell, by 14% y/y, suggesting firms are keeping current workers.

A total of 38,400 **multifamily building permits** were issued in January, 1.2% fewer than in January 2024, following a y/y increase of 0.7% in December, the Census Bureau [reported](#) on February 19. Permits had declined y/y for 21 months in a row before December, and the minimal changes in the past two months suggest multifamily starts may soon bottom out. There were y/y increases in permits in 22 states, while 27 states and the District of Columbia registered decreases, the National Association of Home Builders [posted](#) today. Among the top three states for multifamily permits in January 2025, Florida experienced an increase of 48%; Texas, a decline of 23%; and New York, a loss of 19%.

**Salaries for construction executives** [surveyed](#) in November and December by PAS increased by average of 5.2% (excluding firms reporting no increase) in 2024, following increases of 5.6% in 2023 and 5.5% in 2022. Respondents anticipate an average increase of 4.4% in 2025. “However, Jeff Robinson, president of PAS, notes that firms tend to underestimate salary forecasts by 0.3% to 0.5%,” [Engineering News-Record reported](#) on March 3. “He expects that annual increases could land around 4.7% this year.”

“**Population growth in U.S. metro areas** as a whole was faster between 2023 and 2024 than in the previous year and outpaced that of the nation,” Census [reported](#) on Thursday. “Between 2023 and 2024, the number of people living in a U.S. metro area increased by...around 1.1%,” compared to less than 1% for non-metro areas and up from 0.9% in 2023. “Some metro areas that experienced population declines earlier in the decade, such as New York-Newark-Jersey City, NY-NJ, Washington-Arlington-Alexandria, DC-VA-MD-WV, and San Francisco-Oakland-Fremont, CA, experienced population gains from 2023 to 2024....Large **counties** (those with populations over 100,000 in 2024) grew on average by 1.1%, up from 1.0% in 2023. Conversely, among the 737 smallest counties with populations below 10,000, the average annual decrease was 0.2% in 2024, compared to a 0.1% decrease from 2022 to 2023....Nine of the 10 largest-gaining counties were located in large metro areas in the South and West.” Population growth is an important determinant of demand for numerous categories of construction and a source of construction labor. These figures suggest the exodus to more rural areas during the pandemic has partially reversed. However, many areas with population gains are vulnerable to harsher immigration or deportation policies: “‘Increasingly, population growth in metro areas is being shaped by **international migration**,’ said Kristie Wilder, a demographer in the Census Bureau’s Population Division. ‘While births continue to contribute to overall growth, rising net international migration is offsetting the ongoing net domestic outmigration we see in many of these areas.’....In the 2,054 counties that grew last year, growth largely stemmed from international migration, as natural decrease (more deaths than births) remained prevalent in many parts of the country.”

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

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