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Construction adds 15,000 jobs in June; DMI rises; openings and hires rates, spending slide in May

Construction employment, seasonally adjusted, totaled 8,324,000 in June, a gain of 15,000 from May and 121,000 (1.5%) year-over-year (y/y), according to AGC's analysis of data the Bureau of Labor Statistics (BLS) posted on July 6. **Residential construction employment** (at residential building and specialty contractors) rose by 5,500 in June but slipped by 1,400 over 12 months. **Nonresidential construction employment** (at building, specialty trade, and heavy and civil engineering construction firms) increased by 9,200 for the month and 123,200 (2.5%) y/y. Seasonally adjusted **average hourly earnings** for production and nonsupervisory employees (craft and office) in construction rose 4.6% y/y to $37.20 per hour, outpacing the 3.9% rise for the overall private sector. The **unemployment rate** for workers with construction experience was 3.4%, not seasonally adjusted, the second-lowest May rate in series history dating back to 2000.

The Dodge Momentum Index (DMI)—"a monthly measure of the **value of nonresidential building projects going into planning**, shown to lead construction spending for nonresidential buildings by a full year"—rose 6.8% in June from a downwardly revised May reading, Dodge Construction Network reported on Thursday. Commercial planning rose 7.3%, while institutional planning increased 5.7%. "Warehouse activity gained substantive momentum in June, and data center planning levels remain robust. On the institutional side, large recreational projects propped up the month-over-month gain, while healthcare planning momentum continued to accelerate. In June, the DMI was up 20% [y/y]. The commercial segment was up 11%...and the institutional segment was up 46% after a weak June last year. If all data center projects between 2023 and 2025 are excluded, commercial planning would be up 12% [y/y] and the entire DMI would be up 23%."

There were 245,000 **job openings in construction**, seasonally adjusted, at the end of May, down 35% y/y, BLS reported on July 1. The job openings rate (openings as a share of employment plus openings) fell to 2.9%, the lowest May rate since 2017. **Hires** for the full month totaled 361,000, down 7.4% y/y, while the hires rate (hires as a share of employment) fell from 4.8% to 4.3%, matching the lowest May rate in the 25-year history of the series. The steep declines in openings and hires suggest contractors have become more cautious about expanding as spending slows more slowly or declines. The layoff rate (layoffs as a share of employment) edged up from 1.9% in May 2024 to a still-low 2.0%.

Construction employment, not seasonally adjusted, rose y/y from May 2024 to May 2025 **in** 180 (50%) of the 360 **metro areas** (including divisions of larger metros) for which BLS posts construction employment data, fell in 121 (34%), and was unchanged in 59, according an analysis AGC released on Tuesday. (For most metros, BLS posts only combined totals for mining, logging, and construction; AGC treats these totals as construction-only.) For the third month in a row, the largest job gain was in Arlington-Alexandria-Reston, Va.-W.Va. (8,000 combined jobs or 9%), followed by Cincinnati, Ohio-Ky.-Ind. (5,400 combined jobs, 10%); Washington, D.C.-Md. (4,900 combined jobs, 10%); and Boise, Idaho (4,700 combined jobs, 13%). Las Cruces, N.M. again posted the largest percentage gain (17%, 700 combined jobs), followed by New Orleans-Metairie (15%, 3,600 construction jobs). Riverside-San Bernardino-Ontario, Calif. experienced the largest loss (-6,200 construction jobs, -5%), followed by the Los Angeles-Long Beach-Glendale division (-5,100 construction jobs, -3%). The largest percentage loss was in Niles, Mich. (-13%, -300 combined jobs), followed by Elizabethtown, Ky. (-9%, -200 combined jobs).

Construction spending (not adjusted for inflation) totaled $2.14 trillion in May at a seasonally adjusted annual rate, down 0.3% from April and down 3.5% y/y, the Census Bureau reported on July 1. The y/y decrease was the largest since 2019. Private **residential construction** fell 0.5% for the month and 6.7% y/y. Single-family homebuilding slid 1.8% for the month, multifamily construction was flat, but owner-occupied improvements climbed 0.9%. **Private nonresidential construction** spending fell 0.4% for the month and 3.9% y/y. The largest private nonresidential segment— manufacturing construction—declined for the fourth month in a row, by 0.1% for the month and 3.8% y/y. Commercial construction fell 0.8% for the month (comprising warehouse, -0.3%; retail, -0.9%; and farm, -1.0%). Private "office" construction dipped 0.2% in May (comprising data centers, 0.9%, and other, -1.0%). **Public construction** spending inched up 0.1% for the month and rose 3.3% y/y. The three largest public segments were mixed for the month: highway and street construction, -0.3%; educational, 0.2%; and transportation structures, 0.6%.

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.