Data DIGest

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Minority of metros add jobs in August; job openings plunge; additional tariffs take effect

Construction employment, not seasonally adjusted, rose from August 2024 to August 2025 **in** 177 (49%) of the 360 **metro areas** (including divisions of larger metros) for which the Bureau of Labor Statistics (BLS) posts construction employment data, fell in 125 (33%), and was unchanged in 58, according to an analysis AGC released on Wednesday. (For most metros, BLS posts only combined totals for mining, logging, and construction; AGC treats these totals as construction-only.) August was the first month since 2021 in which a minority of metros had job gains. For the sixth month in a row, the largest job gain was in the Arlington-Alexandria-Reston, Va.-W.Va. metro division (8,200 combined jobs or 9%). Next came the Washington, D.C.-Md. division (6,700 combined jobs, 14%), which also had the largest percentage gain, along with Kokomo, Ind. (300 combined jobs). The largest job loss occurred in New York City (-7,900 combined jobs, -5%), followed by Riverside-San Bernardino-Ontario, Calif. (-6,500 construction jobs, -6%); the Los Angeles-Long Beach-Glendale division (-6,000 combined jobs, -4%); and Baton Rouge, La. (-5,700 construction jobs, -11%). The largest percentage loss again occurred in Baton Rouge, followed by Lake Charles, La. (-9%, -1,000 construction jobs).

There were 188,000 **job openings in construction**, seasonally adjusted, at the end of August, a decrease of 116,000 or 38% year-over-year (y/y), BLS reported on Tuesday. The job openings rate (openings as a share of employment plus openings) fell from 3.6% to 2.2%, the lowest rate for any month since October 2015. **Hires** for the full month totaled 353,000, an increase of 18,000 (5.4%) y/y, while the hires rate (hires as a share of employment) moved up from 4.1% to 4.3%, which was nevertheless the second-lowest August hires rate in the 25-year history of the series. **Layoffs and discharges** rose 7.0% y/y, from 171,000 to 183,000, and the layoff rate (layoffs and discharges as a share of employment) rose for the third-straight year to 2.2%, the highest August rate since 2020. **Quits** increased by 15% y/y, from 127,000 to 146,000, and the **quits rate** (quits as a share of employment) rose from 1.5% to 1.8%. The low rates of hires and openings, along with the increase in the layoff rate, suggest contractors have less need for workers immediately.

Additional uncertainty and complexity regarding **tariffs** that affect construction inputs surfaced again this week. The President on September 25 announced several tariffs to take effect on October 1. However, they are currently scheduled to begin on October 14, with somewhat different rates or coverage. "The U.S. will implement new tariffs on wood imports as well as derivative products such as upholstered furniture and kitchen cabinets beginning October 14, per an executive order signed by President Donald Trump Monday," Supply Chain Dive reported on Tuesday. "Imports of softwood timber and lumber will face a 10% tariff rate, while upholstered wooden products, including couches, sofas and chairs, will incur a 25% duty. Kitchen cabinets and vanities, as well as parts used in manufacturing those products, will also be subject to a 25% levy, per the order. Starting January 1, the U.S. will raise the tariff for upholstered furniture to 30% while hiking the rate for kitchen cabinets, vanities and associated parts to 50%." In addition, a 25% tariff on medium- and heavy-duty trucks took effect on Wednesday, though Transport Topics reported on Thursday, "Details on how the levies would be imposed and collected were scant as of October 2." **Readers are invited to consult AGC's Tariff Resource Center for the latest details and to send information about project timing and materials price changes** to ken.simonson@agc.org.

The "ConstructConnect Project Stress Index (PSI), which tracks **delayed bid dates, on-hold projects, and abandonments** in preconstruction, closed August 2025 at 104.6, a 5.9% month-on-month decline led by a 12.2% drop in on-hold activity," data firm ConstructConnect reported on September 16. "Compared to August 2024, the PSI rose 19%, largely driven by an 88.2% increase in abandonment activity. Bid date delays and on-hold projects registered year-over-year declines of 7.1%. Abandonment activity rebounded from its 2024 low, with recent results signaling a normalization toward historically typical levels rather than a continuation of elevated stress conditions."

"**Economic activity in the services sector** was unchanged in September," the Institute for Supply Management (ISM) reported today. However, "ISM's Business Activity Index moved into contraction (though slight) in September for the first time in more than five years." **Construction respondents** were among seven sectors (out of 18) reporting contraction, along with decreases in business activity (5 sectors), new orders (6), inventories (5), imports (7), and order backlogs (8). Construction was among the sectors reporting no change in employment (4), faster supplier deliveries (5) and higher prices paid (15). **Items significant for construction reported up in price** include aluminum products (4 months in a row), copper products (2 months), and steel products (9). **Price declines** were reported for diesel fuel (7), lumber, and oriented strand board panels. Construction labor was the only **item listed in short supply**.