

Employment, prices rise in September; Dodge, ConstructConnect report jump in starts in October

Construction employment, seasonally adjusted, totaled 8,305,000 in September, an increase of 19,000 from the downwardly revised August total and up 38,000 (0.5%) year-over-year (y/y), according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) on November 20. Residential construction employment (at residential building and specialty contractors) increased by 3,100 from August but fell by 44,900 (-1.3%) y/y. Nonresidential construction employment (at building, specialty trade, and heavy and civil engineering construction firms) rose by 16,300 for the month and 83,500 (1.7%) y/y. Seasonally adjusted average hourly earnings for production and nonsupervisory employees (craft and office) in construction rose 4.0% y/y to \$37.64 per hour, outpacing the 3.8% rise for the overall private sector. The unemployment rate for workers with construction experience was 3.8%, not seasonally adjusted.

Input prices for new nonresidential construction rose 0.2% in September, not seasonally adjusted, and 3.2% y/y, according to producer price index (PPI) data BLS [posted](#) on November 25. The y/y change was the largest since January 2023. In contrast, the **PPI for new nonresidential building construction**, a measure of what contractors say they would charge to construct a new building, was flat for the month and rose only 0.8% y/y. AGC [posted](#) tables and a [chart](#) of PPI changes relevant to construction. There were notable y/y increases in the PPIs for aluminum mill shapes (26%), steel mill products (12%), and diesel fuel (8.2%). Note that PPIs do not include foreign producers' selling prices and may not fully reflect tariff impacts. **Readers are invited to consult AGC's Tariff Resource Center for the latest details and to send information about project timing, materials price changes, and supply chains to ken.simonson@agc.org.**

Total **construction starts** soared 21% from September to October at a seasonally adjusted annual rate, Dodge Construction Network [reported](#) on November 21. "Nonresidential building starts rose by 17.9%, residential starts declined 15.4%, and nonbuilding starts expanded 59.4% over the month. On a year-to-date [YTD] basis through October, total construction starts were up 5.9% from last year." **Residential starts** were down 5.1% YTD, with single family starts down 12% and multifamily starts up 11%. **Nonbuilding starts** were 20% higher YTD, with highways and bridges up 4.1%, miscellaneous nonbuilding up 54%, utilities up 48%, and environmental public works up 0.6%. **Nonresidential building starts** were up 5.6% YTD, with commercial and industrial starts up 14% and institutional starts down 2.2%.

The **value of construction starts**, not seasonally adjusted, climbed 14% y/y in October and 5.7% YTD in the first 10 months of 2025 compared to January-October 2024, ConstructConnect [reported](#) on Monday. Nonresidential building starts rose 1.7% y/y but climbed 13.5% YTD, with commercial up 7.8% YTD, institutional down 5.8%, and industrial (manufacturing) up 87%. Engineering (civil) starts jumped 65% y/y and 9.1% YTD, with roads up 5.5% YTD, water and sewage treatment up 6.8%, bridges up 9.1%, airports up 14%, and miscellaneous (power, etc.) up 17%. Residential starts fell 10% y/y and 7.4% YTD, with single-family down 8.8% YTD and apartments down 4.9%.

Construction spending (not adjusted for inflation) totaled \$2.21 trillion at a seasonally adjusted annual rate in August, up 0.2% from July but down 1.6% y/y, the Census Bureau [reported](#) on November 17. **Private residential construction** climbed 0.8% for the month but slipped 2.0% y/y. Single-family homebuilding slid 0.4% for the month, multifamily construction rose 0.2%, and owner-occupied improvements climbed 2.3%. **Private nonresidential spending** fell 0.3% for the month and 4.0% y/y. The largest private nonresidential segment—manufacturing construction—declined for the seventh month in a row, by 1.0% for the month and 8.5% y/y. Commercial construction fell 1.7% for the month (comprising warehouse, 0.8%; retail, -0.8%; and farm, -0.8%). Private "office" construction slipped 1.7% in August (comprising data centers, 0.1%, and other, -0.7%). **Public construction spending** flat for the month and up 2.7% y/y. The three largest public segments diverged: highway and street dipped 0.2%, educational rose 0.6%, and sewage and waste disposal fell 0.4%.

"Despite rising costs, aggressive schedules, and unpredictable market conditions, U.S. **biopharmaceutical** companies are proceeding with substantial **investments in manufacturing**," DPR Construction [posted](#) in its latest quarterly trends blog. "While the eastern United States remains the primary investment region, emerging opportunities in the western half of the country are becoming increasingly apparent." Pharma companies have announced over \$370 billion of investments over the next five years, including spending for research, development, and production as well as construction.

Contractors are invited to **complete the AGC/Sage 2026 Construction Hiring and Business Outlook [survey](#). The survey will close on Friday, December 12** and results will be released in early January.

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](#).

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