

Construction employment rises in March; changes in metal tariffs may raise costs; job openings fall

Construction employment in March totaled 8,330,000, seasonally adjusted, a gain of 26,000 from February and 57,000 (0.7%) year-over-year (y/y), according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. Residential construction employment rose by 14,300 in March (up by 3,100 at residential building firms and 11,200 at specialty contractors) but declined by 29,300 (-0.9%) y/y. Nonresidential construction employment climbed by 12,200 for the month (up by 4,500 at building firms, 3,900 at specialty trade contractors, and 3,800 at heavy and civil engineering construction firms) and 86,400 (1.7%) y/y. **Labor costs** for construction firms outpaced other sectors: seasonally adjusted **average hourly earnings** (AHE) for production and nonsupervisory employees rose 3.4% y/y for the total private sector and 5.0% for construction (i.e., most craft and office workers). The industry's AHE for production workers in March was \$38.62 or 20.4% more than the overall private average of \$32.72.

"The Trump administration said Thursday it would reshape its **tariffs on steel, aluminum and copper products**, altering duties on finished products to help simplify compliance," the [Wall Street Journal](#) [reported](#) today. "The net effect of the changes could effectively raise costs for many imports. Under a presidential proclamation issued Thursday, finished products made with imported steel, aluminum, and copper will be tariffed at 25%. The 25% tariff will apply to the entire value of a finished product—known as a derivative product—containing steel, aluminum, or copper. That will replace the current 50% duty, which only applies to the value of the metal used in a product. The 50% tariff will remain in place for commodity-grade steel, aluminum, and copper products—goods that are mostly made of the respective metals. Some goods could be reclassified as commodity products if they are made almost entirely of the metals. Additionally, products that don't contain a significant amount of steel, aluminum, or copper—less than 15% by weight—won't receive a levy under the metals tariff regime. Instead, those products will be subject to President Trump's separate, 10% global minimum tariff. **Readers are invited to send information about prices and lead times to ken.simonson@agc.org.**

There were 202,000 **job openings in construction**, seasonally adjusted, at the end of February, the lowest February level since 2017 and a decline of 53,000 or -21% y/y, the Bureau of Labor Statistics (BLS) [reported](#) on Wednesday. The job openings rate (openings as a share of employment plus openings) fell from 3.0% to 2.4%, the lowest February rate since 2014. **Hires** for the full month totaled 274,000, a drop of 74,000 (-21%) y/y, while the hires rate (hires as a share of employment) fell from 4.2% to 3.3%, the lowest February readings in the 26-year history of the series. **Layoffs** and discharges edged up by 2.7% y/y, from 148,000 to 152,000, while the layoff rate (layoffs and discharges as a share of employment) held at 1.8%, matching 2025 and 2022 as the lowest layoff rates yet. **Quits** plunged by 29% y/y, from 173,000 to 122,000, and the quits rate (quits as a share of employment) fell from 2.1% to 1.5%. Low layoffs and fewer voluntary quits suggest contractors are holding on to workers even as their immediate demand for hiring shrinks.

The **pay increase for construction executives in 2025** came in at 4.5%, construction compensation consultancy PAS [reported](#) on Wednesday, based on its annual survey. "Contractors are projecting a 2026 executive increase of 4.0%. Historically, predictions are about .3% to .5% low, but, it 'feels' like it might be a stretch for the 2026 actual year-end increase to hit the low end of this pattern. For comparison, WorldatWork reported an actual 3.6% average increase for all executives in 2025 and projected an increase of 3.6% in 2026. [PAS's] 2026 Construction/Construction Management Staff Salary Survey was recently completed with results indicating an overall 2025 actual pay increase of 4.4%. and an overall projected increase of 3.9% for 2026, with noticeable differences between regions and types of construction.

According to the National Association of Home Builders' Home Building Geography Index (HBGI), "**multifamily construction** showed growth in all [seven population density delineated geographies in the United States] for the first time [since the first quarter of 2023] as it continued to strengthen given the affordability challenges facing for-sale construction," NAHB [posted](#) on Monday. The "largest gains for multifamily construction occurred in [low-density, low-population counties that form micropolitan areas, typically centered around small towns with 10,000–50,000 residents, growing 14.0% from 2024 as a whole to 2025]. This was followed by small metro outlying counties, which grew 11.6%. The lowest growth was in large metro outlying counties at 1.9%."