

Construction employment increases in May; April job openings expand but hiring slips year-over-year

Construction employment in May totaled 8,337,000, seasonally adjusted, up by 17,000 from April and by 68,000 (0.6%) year-over-year (y/y), according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. Nonresidential construction employment climbed by 15,700 for the month (up by 1,700 at building firms, 11,400 at specialty trade contractors and 2,600 at heavy and civil engineering construction firms) and 101,500 (2.1%) y/y. Residential construction employment rose by 900 in May (down by 1,700 at residential building firms and up by 2,600 at specialty contractors) but shrank by 33,300 (-1.0%) y/y. **Labor costs** for construction firms outpaced other sectors: seasonally adjusted **average hourly earnings** (AHE) for production and nonsupervisory employees rose 3.6% y/y for the total private sector vs. 5.0% for construction (i.e., most craft and office workers). The industry's AHE for production workers in May was \$38.97 or 20.6% more than the overall private average.

There were 259,000 **job openings in construction**, seasonally adjusted, at the end of April, an increase of 52,000 or 25% y/y, BLS [reported](#) on Tuesday. The job openings rate (openings as a share of employment plus openings) rose from 2.4% to 3.0%. **Hires** for the full month totaled 323,000, a decline of 26,000 (-7.4%) y/y, while the hires rate (hires as a share of employment) fell from 4.2% to 3.9%. **Layoffs** and discharges fell by 47,000 (-27%) y/y, from 175,000 to 128,000, while **quits** fell by 11,000 (-7.1%) y/y, from 156,000 to 145,000, and the rate edged down from 1.9% to 1.7%.

Construction employment, not seasonally adjusted, rose y/y from April 2025 to April 2026 in 192 (53%) of the 360 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 117 (33%), and was unchanged in 51, 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.) Houston-Pasadena-The Woodlands, Texas added the most construction jobs (8,900 jobs or 4%), followed by St. Louis, Mo.-Ill. (7,300, 9%); and Baton Rouge, La. (6,500, 13%). The largest percentage gain—17%—occurred in Davenport-Moline-Rock Island, Iowa-Ill. (1,700 jobs), followed by 13% increases in Baton Rouge; Kankakee, Ill. (200); and Eau Claire, Wis. (500). The largest decrease was in the Los Angeles-Long Beach-Glendale division (-5,000 jobs, -3%), followed by Sacramento-Roseville-Folsom, Calif. (-4,700, -6%) and Riverside-San Bernardino-Ontario, Calif. (-4,500, -4%). The largest percentage loss occurred in Lawton, Okla. (-26%, -500 jobs), followed by Fairbanks-College, Alaska (-500, -18%) and Monroe, Mich. (-200, -9%).

Construction spending (not adjusted for inflation) totaled \$2.17 trillion at a seasonally adjusted annual rate in April, up 0.4% from an upwardly revised March total and up 0.9% y/y, the Census Bureau [reported](#) on Monday. Private **residential construction** increased by 0.8% and 1.7% y/y, respectively, with single-family down 2.9% y/y, multifamily up 1.1%, and residential improvements up 8%. (Data for improvements are often revised by large amounts in either direction.) **Private nonresidential spending** fell 0.2% for the month and 2.1% y/y. Data center construction rose 1.9% for the month and 28% y/y; all other private nonresidential spending fell 0.3% and 3.7%, respectively. The largest private nonresidential segment—manufacturing construction—declined for the 14th month in a row, by 1.2% for the month and 18% y/y. Private power construction rose 0.6% and 6.0%, respectively. Commercial construction slipped 0.7% for the month but rose 1.5% y/y (comprising warehouse, down 1.6% y/y; retail, up 5.9%; and farm, down 1.3%). Private office construction (excluding data centers) was flat in April and down 5.5% y/y. (Census includes data centers in office construction in its press release but breaks them out in an Excel file under Historical Data). **Public construction spending** rose 0.4% for the month and 3.7% y/y. Spending on the three largest public segments rose y/y: highway and street construction, up 3.9% y/y; public education, up 1.2%; and public transportation construction, up 2.4%.

“**Economic activity** increased at a slight to moderate pace for 10 of the 12 Federal Reserve Districts, while one District reported a slight decline and one reported no change,” the Fed [reported](#) on Wednesday in its latest [Beige Book](#), which covers information gathered from early April to May 27. **Construction-related comments** from several districts, which are referenced by their headquarters cities, were similar to San Francisco's: “Although slow otherwise, construction activity remained steady for infrastructure, defense, health care, and data centers.” But Philadelphia reported: “Nonresidential construction activity again recorded slight declines this period.”