

Only 42% of metros add construction jobs in May; year-to-date starts rise 6%, ConstructConnect says

Construction employment, not seasonally adjusted, rose year-over-year (y/y) from May 2025 to May 2026 in 152 (42%) of the 360 **metro areas** (including divisions of larger metros) for which the Bureau of Labor Statistics (BLS) [posts](#) construction employment data, fell in 161 (45%), and was unchanged in 47, according to an analysis AGC [released](#) on Thursday. (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 (12,100 jobs or 5%), followed by St. Louis, Mo.-Ill. (10,500, 13%) and Baton Rouge, La. (8,400, 18%). The largest percentage gain occurred in Baton Rouge, followed by 13% increases in Mobile, Ala. (1,800 jobs); Davenport-Moline-Rock Island, Iowa-Ill. (1,400 jobs); and St. Louis. The largest decrease was in Riverside-San Bernardino-Ontario, Calif. (-6,100 jobs, -5%), followed by Portland-Vancouver-Hillsboro, Ore.-Wash. (-5,200, -7%) and Sacramento-Roseville-Folsom, Calif. (-4,400, -6%). The largest percentage loss occurred in Lawton, Okla. (-21%, -400 jobs), followed by Monroe, Mich. (-9%, -200 jobs) and Niles, Mich. (-9%, -200 jobs).

For the first five months of 2026 combined compared to January-May 2025, the **value of construction starts**, not seasonally adjusted, climbed 6.4% year-to-date (YTD), ConstructConnect [reported](#) on Friday. **Nonresidential building starts** jumped 19% YTD, with commercial up 74% (led by a 244% leap in combined office and data center starts), institutional up 16% and industrial (manufacturing) down 61%. **Engineering (civil) starts** rose 15% YTD, with roads up 2.2%, water and sewage treatment up 19%, bridges up 12%, electric power infrastructure up 2.7% and airports down 36%. **Residential starts** slumped 20% YTD, with single-family down 23.5% and apartments down 15.5%. “Despite the lack of headlines, opportunities abound for those not involved with data centers or megaprojects,” Chief Economist Michael Guckes stated. Several subcategories “have experienced explosive growth thus far in the year that are outside of the data center “ecosystem” of work—which, in addition to the data centers themselves, includes construction related to power generation, power infrastructure, and water, sewage and treatment. Outside of this ecosystem, the fastest-growing” subcategories YTD are military spending, up 62%; hospitals and clinics, up 31%; and shopping, up 16%.

The **Architecture Billings Index (ABI)** slipped to 44.5 in May, seasonally adjusted, from 48.3 in April, the American Institute of Architects [reported](#) on Wednesday. The index is “a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months.” The ABI is derived from the share of responding architecture firms that report a gain in billings from the previous month less the share reporting a decline, on a 0-to-100 scale. Scores below 50 indicate decreasing business conditions. Subindexes (based on three-month moving averages) varied for practice specializations: multifamily residential, 49.2 (down from 51.5 in April); institutional, 46.9 (down from 51.1); commercial/industrial, 45.5 (down from 48.9); and mixed practices, 44.1 (up from 42.5). “The uncertainty created by the Iran conflict, and substantially higher energy costs, weighed on architect billings,” said Chief Economist Richard Branch. “Higher interest rates, rapidly rising material costs, and continued labor shortages all contributed to softer demand.”

“Based on our survey data, contractors are projecting 2026 **construction staff wages** to increase an average of 3.94% (excludes 0% projections), reported by 335 companies in this 44th edition of the Construction/Construction Management Staff Salary Survey,” construction consultancy PAS [reported](#) on Monday. “Typically, projected increases [as of February are 0.3%-0.5%] higher by year end, so there is a chance pay will end the year slightly higher....For pay increase comparison—according to WorldatWork, across all industries, exempt professionals saw 2025 increases of 3.6% with initial projected 2026 increases of 3.6%.” Increases in 2025 among surveyed firms averaged 4.4% for construction staff and 3.6% for all exempt salaried employees.

“Between April 1, 2020, and July 1, 2025, the South grew by 6.0%, nearly double the nation’s 3.1% **population growth**,” the Census Bureau [reported](#) on Thursday. “It was the only region to see population growth in all five age groups, outpacing the other regions within each age group.” Of particular interest to contractors looking for **potential job entrants**, “the Northeast was the only region to lose young adult (18-24) population (-2.1%).” This age group increased by 2.1% nationally, 0.8% in the West, 1.9% in the Midwest and 5.0% in the South.