

## Construction employment increases in June; May construction spending, hiring trail May 2025 rates

**Construction employment** in June totaled 8,331,000, seasonally adjusted, up by 11,000 from May and by 64,000 (0.8%) year-over-year (y/y), according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) on July 2. Nonresidential construction employment climbed by 19,000 for the month (up by 3,200 at building firms, 14,100 at specialty trade contractors, and 2,600 at heavy and civil engineering construction firms) and 98,600 (2.0%) y/y. Residential construction employment declined by 8,600 in June (down by 2,900 at residential building firms and 5,700 at specialty trade contractors) and shrank by 48,800 (-1.5%) 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 vs. 4.8% for construction (i.e., most craft and office workers). The industry's AHE for production workers in June was \$39.06 or 20.6% more than the overall private average.

**Construction spending** (not adjusted for inflation) totaled \$2.21 trillion in May, up 0.1% from April total but down 1.5% y/y, the Census Bureau [reported](#) on July 1. Private residential construction rose 0.3% for the month and 1.8% y/y, with single-family down 4.0% y/y, multifamily up 3.3%, and residential improvements up 8.1%. (Data for improvements are often revised by large amounts in either direction.) Private nonresidential spending fell 0.3% in May and 6.6% y/y. Data center construction rose 0.6% for the month and 23% y/y; all other private nonresidential spending combined fell 0.4% and 8.5%, respectively. The largest private nonresidential segment—manufacturing construction—declined by 1.3% for the month and 22% y/y. Private power construction dipped 0.1% in May but rose 2.3% y/y. Commercial construction slipped 0.3% for the month and 5.5% y/y (comprising warehouse, down 8.5% y/y; retail, down 3.7%; and farm, up 0.6%). Private office construction (excluding data centers) declined 0.2% in May and 12% y/y. (Census includes data center construction in private office in press releases but breaks it out in an Excel file under Historical Value-Private.) Public construction spending rose 0.5% for the month and 0.3% y/y. Spending on the three largest segments was mixed y/y: highway and street construction rose 2.9%, public education fell 2.9%, and public transportation construction rose 3.0%.

The Dodge Momentum Index (DMI)—“a monthly measure based on the three-month moving **value of nonresidential building projects going into planning**, shown to lead construction spending for nonresidential buildings by a full year to 18 months”—fell 1.9% in May from an upwardly revised April reading, Dodge Construction Network [reported](#) on Monday. Commercial planning fell 6.9%, while institutional planning rose 11%. “Within the commercial [subindex], slowing data center planning momentum drove this month’s decline. Meanwhile, planning activity for traditional office buildings, warehouses, retail stores and hotels improved. On the institutional side, healthcare planning continued to accelerate in May, alongside recreational, government and religious building activity. Educational planning slowed down for the second consecutive month.” The DMI was up 22% y/y, as were both subindexes. “When removing data centers, the commercial segment would be up 7.6%” y/y.

“**Economic activity in the services sector** continued to expand in June” for the 24th month in a row, the Institute for Supply Management (ISM) [reported](#) on Monday. Out of 18 sectors total, **construction respondents** were among 16 reporting increases in prices paid and employment (9), along with slower supplier deliveries (14), a decrease in business activity (4), new orders (4), order backlogs (7) and inventories (7). **Items** significant for construction **reported up in price** include aluminum (4 months in a row); aluminum products; copper (7 months); diesel fuel (4 months in a row but also reported **down in price**); heating, ventilation, and air conditioning equipment (2); lumber; plywood; oriented strand board; and steel products (3). Construction-related **items reported in short supply** include steel products and wire and cable.

The average **flatbed truck rate** in June was \$3.69 per mile, a new all-time high, according to DAT Freight & Analysis, the [Wall Street Journal](#)’s Logistics Report reported today. Construction equipment is often hauled on flatbed trucks. In June, an AGC member reported dump truck rates had soared in western New York as data center projects drew drivers away. Readers are invited to report about cost changes, supply chains and equipment or worker availability to [ken.simonson@agc.org](mailto:ken.simonson@agc.org)

Contractor readers are invited to complete the 2026 **AGC/NCCER Workforce Survey** by Friday, August 14. Results will be released the week of August 31.

Data Digest is a weekly summary of economic news. Sign up [here](#). Editor: [Ken.Simonson@agc.org](mailto:Ken.Simonson@agc.org), Chief Economist, AGC. Go here for [Ken’s PPT](#) or more [construction data](#). © 2026 Associated General Contractors of America. License granted for limited use with attribution under Creative Commons Attribution-No Derivatives 4.0 International (CC BY-ND 4.0) license: <https://creativecommons.org/licenses/by-nd/4.0/>. Warranties disclaimed. Conditions apply.