AGC THE CONSTRUCTION ASSOCIATION

Data DIGest

Vol. 26, No. 27 July 11-17, 2026

Nonresidential input prices fall in June but climb 7% year-over-year; union settlements rise by 4.9%

Input prices for new nonresidential construction declined 0.5% in June, pulled down by an 18% plunge in **diesel fuel prices**, according to producer price index (PPI) data the Bureau of Labor Statistics (BLS) posted on Wednesday. AGC posted tables and charts of construction-related PPIs. Prices used to calculate PPIs are collected on the 13th of each month. Despite the one-month decreases, the PPI for diesel fuel was 66% higher than in June 2025 and the inputs PPI was up 8.4%. **Tariffs of up to 50%** imposed a year ago have pushed up metals prices. The index for aluminum mill shapes rose 52% year-over-year (y/y); copper and brass mill shapes, 26%; and steel mill products, 17%. Readers are invited to send information about project timing, materials price changes, and supply chains to ken.simonson@agc.org and to view AGC's Tariff Resource Center for up-to-date, detailed information about relevant tariffs.

"First-year increases in newly negotiated **settlements** [wages plus benefits] **for union craft workers** in the construction industry averaged 4.9% during the first half of 2026, [an] increase of 0.2 percentage points following three consecutive years in which average increases remained within the 4.5 to 4.7% range," the Construction Labor Research Council (CLRC) reported on Wednesday. "Because the year is still in progress and CLRC continues to collect settlement data, the final annual average may ultimately increase or decrease by several tenths of a percentage point….Settlements falling in the 4.6–5.0% range were the most common…, accounting for nearly one-third of all pay increases." Among seven regions, increases ranged from 4.3% in the Northwest (vs. 5.6% in 2025, the highest of any region) to 5.8% in the Northeast (vs. 4.4%, the lowest in 2025). Among 15 crafts, increases ranged from 2.9% for roofers (vs. 4.1% in 2025) to 7.0% for carpenters (vs. 4.8% in 2025). "The average **total package increase** for union construction crafts **across all contract years** was 4.1%....According to CLRC projections, increases are expected to rise to approximately 4.3% by 2028. These figures reflect active settlements from both prior contract years (such as 2024 and 2025) and future years."

"**Construction job-changers have out-earned every sector** since August 2023 (the only exception being February and March 2026, when pay for job-changers in natural resources spiked temporarily)," ADP Research reported on Tuesday. Y/y pay "for job-changers in June 2026 was up 12.9% (median $59,100 vs. $43,200 for all switchers)….Construction hiring has outpaced overall job growth since at least 2014, according to [BLS] data. Construction has struggled to attract new people, and older workers have carried the business for years, ADP data shows. With salaries growing and labor supply slowing, construction workers are in high demand, with even private-sector companies outside of the industry creating apprenticeships and training programs to fill the talent gap. There's early evidence that these efforts are luring new workers. The percentage of **new hires** in the construction industry—that is, workers hired in the past three months—has been on the rise. From 2019 to 2025 new hires were 3.6% of employment, ADP data shows. So far this year, the share of new hires in the industry averaged a full percentage point higher at 4.6%."

Investment firm Stifel's second-quarter **survey of** 105 **electrical and mechanical contractors** found, "1) overall project activity improved sequentially to the strongest point since survey inception, 2) data centers remain an area of significant relative strength, 3) there continues to be a notable gap in performance amongst contractors with and without data center exposure, 4) manufacturing and healthcare also exhibited relative strength, 5) office, commercial, lodging and amusement remain areas of relative weakness, 6) profitability of jobs appears to have improved sequentially, 7) labor availability continues to tighten, and 8) by region, the South continues to see relative strength while the Northeast also saw notable improvement. Survey commentary centered around tailwinds from data center activity and tightening availability of labor."

Housing starts (units) in June rebounded by 19% after plunging 15% from May, the Census Bureau reported today. Year-to-date (YTD) starts in the first six months of 2026 combined were up 0.5% from January-June 2025. Single-family starts declined 0.2% for the month and 5.3% YTD. Multifamily (five or more units) starts soared by 76% after tumbling 41% in May and were up 19% YTD. **Residential permits** declined 3.0% from May and 2.0% YTD. Single-family permits were down 2.4% and 4.3%, respectively. Multifamily permits slid 4.9% for the month but climbed 4.1% YTD.

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.