Data DIGest

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Minority of metros add construction jobs in June; ConstructConnect reports uneven growth in starts

Construction employment, not seasonally adjusted, rose year-over-year (y/y) from June 2025 to June 2026 **in** 165 (46%) of the 360 **metro areas** (including divisions of larger metros) for which the Bureau of Labor Statistics (BLS) posts construction employment data, fell in 131 (36%), and was unchanged in 64, 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 (15,000 jobs or 6%), followed by St. Louis, Mo.-Ill. (12,600, 16%); Baton Rouge, La. (10,200, 22%); Minneapolis-St. Paul-Bloomington, Minn-Wis. (8,200, 8%); and Charlotte-Concord-Gastonia, N.C.-S.C. (7,600, 9%). The largest percentage gain occurred in Baton Rouge, followed by St. Louis; Mobile, Ala. (14%, 2,000 jobs); Davenport-Moline-Rock Island, Iowa-Ill. (14%, 1,500 jobs); and Amherst Town-Northampton, Mass. (12%,300). The largest decrease was in Riverside-San Bernardino-Ontario, Calif. (-5,300 jobs, -5%), followed by Portland-Vancouver-Hillsboro, Ore.-Wash. (-5,100, -6%) and the Atlanta-Silver Springs-Roswell metro division (-4,300, -4%). The largest percentage loss occurred in Lawton, Okla. (-12%, -200 jobs), followed by Niles, Mich. (-9%, -200 jobs) and 7% losses in four areas: Fairbanks-College, Alaska (-200 jobs); Medford, Ore. (-00); Longview, Texas (-1,000); and Longview-Kelso, Wash. (-300).

For the first six months of 2026 combined compared to January-June 2025, the **value of construction starts**, not seasonally adjusted, climbed 6.5% year-to-date (YTD), ConstructConnect reported on July 24. "Starting with the challenging news, total residential construction continues to contract for yet another year, at a YTD rate of 18.8%," Chief Economist Michael Guckes stated. "This is being offset by solid growth in heavy engineering/civil, which is up 9%, and especially nonresidential building (NRB), which is up 21.6%. However, the growth in NRB is less broad-based than might be desired, as spending in data centers and related categories—the 'data center ecosystem'—is driving most of this growth. YTD data center ecosystem growth is up 86.5%. Removing the impact of office spending, which includes data center construction, from NRB results gives a YTD change of negative 6.2%. This highlights the substantial weakening in YTD results since the end of the first quarter when NRB less office growth was 14.2%."

From 2015 to 2024, "the **number of children** declined in about two-thirds of the 38 U.S. cities with more than 500,000 residents," the Wall Street Journal reported on Tuesday. The Journal's analysis of Census Bureau data found that the number of children under 18 declined by 1.0% nationally and 6.0% in large cities, while the number of age 5 dropped by 7.2% and 15.4%, respectively. These trends suggest the **prospects for school construction** will worsen, especially in large cities, as the school-age population falls.

Construction industry **compensation** (wages, salaries, and benefits including required employer contributions) rose 0.6%, seasonally adjusted, in the second quarter (Q2) of 2026 and 3.2% over four quarters (vs. 3.9% from Q2 2024 to Q2 2025), BLS reported today. **Wages and salaries** increased by 0.2% in Q2 and 3.1% over four quarters (vs. 4.3% from Q2 2024 to Q2 2025). The latest increases were less than those in the overall private sector, where compensation rose 0.9% in Q2 and 3.4% over four quarters and wages rose 0.7% in Q2 and 3.4% over four quarters.

Inflation-adjusted gross domestic product (real GDP) rose 1.5% in Q2 at a seasonally adjusted annual rate, the Bureau of Economic Analysis reported on Thursday. Real private nonresidential structures investment fell 5.0% (commercial and health care, -1.4%; manufacturing structures, -17.2%; power and communication, -2.7%; other structures, -5.9%; and mining exploration, shafts, and wells, 10.1%), after falling 4.7% in Q1. Real residential fixed private investment in permanent site structures rose for the first time since Q1 2024, by 3.0% (single-family, 4.4%; multifamily -1.8%), after slumping 8.1% in Q1. Real government gross investment in structures slipped 0.7% (federal national defense structures, -12.5%; federal nondefense, 8.0%; state and local, -1.2%), after rising 1.3% in Q1. The price index for real private fixed structures investment rose at a 4.2% seasonally adjusted annual rate in Q2 (vs. 3.5% in Q1). The price index for real government gross investment in structures climbed 5.9% in Q2 (vs. 5.3% in Q1).

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, Chief Economist, AGC. Go here for Ken's PPT or more construction data