Data DIGest

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Data-center demand, immigration crackdown add to tight labor market, AGC-NCCER survey finds

Demand for workers on data centers is contributing to construction workforce shortages while immigration enforcement impacts labor availability, according to the 2026 AGC of America-NCCER Workforce Survey, which AGC posted on Thursday and which drew 1,830 responses from member firms between July 8 and August 14. Of the 802 who responded to this question, 28% reported working on a data center project during the past year; 60% of those respondents reported their firm added workers, compared to 36% of firms that did no data center work. But for both types of firms, 87%-90% of firms reported difficulty filling open salaried or hourly craft positions. Larger firms are more likely to have increased headcount by at least 5%: 79% of firms performing more than $500 million of work annually did so, along with 54% of firms performing $50.1-$500 million but only 30% of firms performing $50 million or less. Besides revenue sizes and data-center work, results are broken out by region and 18 states, four project types, and union vs. open-shop firms.

Construction employment in August totaled 8,359,000, seasonally adjusted, up by 22,000 from July and by 120,000 (1.5%) 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 10,400 for the month and 139,800 (2.8%) y/y. Residential construction employment rose by 10,700 in August but fell by 19,800 (-0.6%) y/y. The **unemployment rate** for jobseekers with recent construction experience was 3.1%, the lowest for any month in the 26-year history of the data. **Labor costs** for construction firms outpaced other sectors: seasonally adjusted average hourly earnings (AHE) for production and nonsupervisory employees rose 3.3% 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 August was $39.36 or 21.0% more than the overall private average.

Construction spending (not adjusted for inflation) totaled $2.16 trillion in July, down 0.5% from June and down 3.8% y/y, the Census Bureau reported on Tuesday. Private residential construction slid 1.3% for the month and 7.3% y/y, with single-family down 6.5% y/y, multifamily down 0.9%, and residential improvements down 10%. (Data for improvements are often revised by large amounts in either direction.) Private nonresidential spending rose 0.4% in July but declined 3.3% y/y. Data-center construction soared 57% y/y; all other private nonresidential spending combined fell 7.3%. The largest private nonresidential segment—manufacturing construction—plunged 22% y/y. Private power construction climbed 6.5%. Commercial construction slipped 5.3% y/y (comprising warehouse, down 9.1%; retail, down 2.6%; and farm, up 1.0%). Private office construction (excluding data centers) slumped 11% 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 1.7% y/y. Spending on the three largest segments rose y/y: highway and street construction, up 4.5%, public education, up 0.4%; and public transportation construction, up 2.3 %.

There were 326,000 **job openings** in construction, seasonally adjusted, at the end of July, an increase of 21,000 or 6.9% y/y, BLS reported on Tuesday. The job openings rate (openings as a share of employment plus openings) rose from 3.6% to 3.8%. **Hires** for the full month totaled 366,000, an increase of 33,000 (9.9%) y/y, while the hires rate (hires as a share of employment) rose from 4.0% to 4.4%. **Layoffs and discharges** totaled 158,000, a drop of 42,000 (-21%) y/y; the rate fell from 2.4% to 1.9%. **Quits** jumped by 57,000 (57%) y/y and the rate rose from 1.2% to 1.9%.

Construction employment, not seasonally adjusted, rose y/y from July 2025 to July 2026 **in** 173 (48%) of the 360 **metro areas** (including divisions of larger metros) for which BLS posts construction employment data, fell in 127 (36%), and was unchanged in 60, 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 (13,100 jobs or 5%), followed by Baton Rouge, La. (12,400, 27%); St. Louis, Mo.-Ill. (11,400, 14%); and Columbus, Ohio (8,500 jobs, 14%). Baton Rouge had the largest percentage gain, followed by Davenport-Moline-Rock Island, Iowa-Ill. (15%, 1,700 jobs); Columbus; and St. Louis. The largest decrease was in Riverside-San Bernardino-Ontario, Calif. (-6,100 jobs, -5%), followed by the Oakland-Fremont-Berkeley, Calif. metro division (-4,400 jobs, -6%) and Pittsburgh, Pa. (-3,800 jobs, -6%). Lawton, Okla. had the steepest percentage loss (-12%, -200 jobs), followed by Niles, Mich. (-9%, -200 jobs) and two areas with 7% losses: Lake Havasu City-Kingman, Ariz (-400 jobs) and Walla Walla, Wash. (-100 jobs).

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