



AGC
THE CONSTRUCTION
ASSOCIATION

Data Digest

WWW.AGC.ORG

Vol. 24, No. 17 April 30-May 3, 2024

Construction adds 9,000 employees in April; spending dips in March; quarterly wages accelerate

Construction employment, seasonally adjusted, totaled 8,219,000 in April, a gain of 9,000 from March and 258,000 (3.2%) year-over-year (y/y), according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. The y/y growth rate outpaced the 1.8% increase in total nonfarm payroll employment. **Residential construction employment** (at residential building and specialty contractors) rose by 1,100 in April and 75,600 (2.3%) y/y. **Nonresidential construction employment** (at building, specialty trade, and heavy and civil engineering construction firms) increased by 7,800 for the month and 181,700 (3.9%) y/y. Seasonally adjusted **average hourly earnings (AHE)** for production and nonsupervisory employees in construction (i.e., most craft and office workers) rose 4.6% y/y to \$35.47 per hour. The "premium" for nonsupervisory construction workers was 18.9% over the private sector average of \$29.83 but remains considerably below the average premium in 2000-2019 of 21.5%. The number of **unemployed jobseekers with construction experience** totaled 555,000, not seasonally adjusted, an increase of 131,000 (31%) from April 2023.

Construction spending (not adjusted for inflation) totaled \$2.08 trillion in March at a seasonally adjusted annual rate, down 0.2% from February but up 9.6% y/y, the Census Bureau [reported](#) on Wednesday, as declines in private categories outweighed a gain in public spending. **Private residential construction** fell 0.7% for the month but increased 4.4% y/y. Single-family homebuilding slipped 0.2% from February, following 10-straight monthly gains; multifamily construction spending declined 0.6%; and owner-occupied improvements slid 1.6%. **Private nonresidential construction** spending dipped 0.2% for the month but climbed 11% y/y. The largest private nonresidential segment—manufacturing construction—rose 0.1% for the month (with computer/electronic/electrical up 1.0% and chemical and pharmaceutical up 2.8%). Commercial construction fell 0.6% (comprising warehouse, up 0.6%; retail, down 2.5%; and farm, up 1.0%). Power and energy construction fell 0.9%. Private office and data center construction rose 0.2%. **Public construction** spending increased 0.8% for the month and 18% y/y. The largest public segment, highway and street construction, increased 0.9% for the month; education spending increased 1.0%; and transportation facilities declined 0.7%.

Construction industry **wages and salaries** rose 1.2%, seasonally adjusted, in the first quarter (Q1) of 2024, up from 1.1% in Q4 2023, BLS [reported](#) on Tuesday. The Q1 increase topped the 1.1% rise for the overall private sector (up from 1.0% in Q4). From Q1 2023 to Q1 2024 wages rose 4.2% in construction vs. 4.3% overall, not seasonally adjusted. **Construction employment**, not seasonally adjusted, rose y/y from March 2023 to March 2024 in 234 (65%) of the 358 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 81 (23%), and was unchanged in 43, according to an [analysis](#) AGC released on Tuesday. (For most metros, BLS reports only combined totals for mining, logging, and construction; AGC treats these totals as construction-only.) The largest number of construction jobs (7,300 each) were added in Riverside-San Bernardino-Ontario, Calif. (6%) and Baton Rouge (13%), followed by the Fort Worth-Arlington, Texas division (5,700 combined jobs, 7%). The steepest percentage gain again occurred in Fairbanks, Alaska (27%, 600 construction jobs), followed by Redding, Calif. (24%, 900 combined jobs). The largest numerical losses again occurred in New York City (-7,500 combined jobs, -5%) and Minneapolis-St. Paul-Bloomington, Minn.-Wis. (-5,700 combined jobs, -7%). The steepest percentage losses again were in Decatur, Ill. (-26%, -1,000 combined jobs) and Augusta-Richmond County, Ga.-S.C. (-14%, -2,300 combined jobs).

Construction AHE levels and growth rates vary considerably **by state**. "In Massachusetts, AHE in construction approached \$49 [not seasonally adjusted] per hour in February, and 10 additional states reported hourly rates exceeding \$41," the National Association of Home Builders [posted](#) on Thursday. "The bottom 10 states, with the AHE at or below \$32 per hour, include seven states in the South....Four states reported an annual increase in hourly rates between 8% and 9%—Idaho, Wisconsin, Iowa, and Utah—by far outpacing the national average growth of construction wages of 5%."

There were 295,000 **job openings in construction**, not seasonally adjusted, at the end of March, a decline of 23,000 (-7.2%) y/y, BLS [reported](#) on Wednesday. **Hires** for the full month totaled 360,000, down 17% y/y. Layoffs totaled 103,000, down 58% y/y. While the decrease in openings and hires may suggest cooling demand, the steep decline in layoffs indicates contractors expect to need current workers in the near future. Many firms still report difficulty filling positions.

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](#).

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