

# Data Digest

WWW.AGC.ORG

Supported by:



Vol. 23, No. 29 August 7-18, 2023

## Employment rises in 45 states in latest 12 months; July producer prices moderate; Dodge starts leap

Seasonally adjusted **construction employment** rose from July 2022 to July 2023 in 45 states and the District of Columbia, fell in four states, and was unchanged in Vermont, according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. Texas added the most construction jobs (25,200 jobs, 3.2%), followed by California (13,800, 1.5%). Arkansas had the largest percentage gain (10.1%, 5,800 jobs), followed by Wyoming (7.6%, 1,600 jobs). Colorado lost the most jobs (-3,000, -1.6%), followed by Missouri (-1,200, -0.9%). The largest percentage loss, -1.6%, was in Colorado and North Dakota (-400 jobs). Construction employment rose in July in 27 states and D.C., fell in 22 states, and was flat in New Mexico. Texas added the most jobs (4,700, 0.6%), followed by Florida (4,000, 0.7%). Nebraska had the largest percentage gain (3.1%, 1,900 jobs), followed by Alaska (2.5%, 400 jobs). Washington lost the most construction jobs in July (-2,500 jobs, -1.0%), followed by Pennsylvania (-1,000, -0.4%), Louisiana (-1,000, -0.7%) and Maine (-900, -2.7%). Maine had the largest percentage loss, followed by Washington. (For D.C., Delaware, and Hawaii, which have few mining or logging jobs, BLS posts combined totals with construction; AGC treats the changes as all from construction.)

The **producer price index (PPI) for new nonresidential building construction**—a measure of the price that contractors say they would bid to build a fixed set of buildings—declined 1.4% for the month and rose 3.8% year-over-year (y/y), according to BLS data [posted](#) on August 11. AGC [posted](#) tables of construction PPIs. The y/y increase was the least since June 2021 and a steep deceleration from the 11% y/y rise in June. Changes in **PPIs for new, repair, and maintenance work by subcontractors** were mixed: roofing contractors (0.2% for the month and 12.2% y/y), plumbing contractors (0.2% and 6.5%, respectively), electrical contractors (-0.2% and 4.5%), and concrete contractors (-2.7% and -1.2%). The **PPI for material and service inputs to new nonresidential construction** rose 0.2% from June to July but decreased 2.3% y/y. Fuel and metals prices logged especially sharp monthly and y/y declines. The index for diesel fuel tumbled 8.4% in June and 45% y/y; steel mill products, -7.6% and -21%; and aluminum mill shapes, -1.4% and -7.8%. In addition, the PPI for lumber and plywood rose 1.6% for the month but fell 17% y/y, while the index for truck transportation of freight fell 0.2% and 12%, respectively. In contrast, the PPI for cement jumped 1.7% and 12.6%. Readers are invited to send information on price and supply-chain changes to [ken.simonson@agc.org](mailto:ken.simonson@agc.org).

**Total construction starts** in current dollars jumped 17% from June to July, Dodge Construction Network [reported](#) on Wednesday. “**Nonbuilding starts** drove the increase, rising 38%, due to the start of a singular large LNG facility. **Residential starts** rose 20%, while **nonresidential building starts** lost 6%. Year-to-date through July 2023, total construction starts were 7% below that of 2022. Residential and nonresidential starts were down 21% and 7% respectively; however, nonbuilding starts were up 20% on a year-to-date basis.”

**Housing starts** (units) in July increased 3.9% from June and 5.9% y/y at a seasonally adjusted annual rate, the Census Bureau [reported](#) on Wednesday. Single-family starts rose 6.7% and 9.5%, respectively. Multifamily (five or more units) starts were unchanged from June and up 0.4% y/y. **Residential permits** rose 0.1% for the month but fell 13% y/y. Single-family permits rose for the sixth-straight month, by 0.6% from June, 1.3% y/y, and 24% since bottoming out in January. Multifamily permits dipped 0.2% from June to an annual rate of 464,000, down 32% y/y and the lowest rate since October 2020. There were 986,000 multifamily units under construction—the most in the 54-year history of the series.

“Confidence in the **market for new multifamily housing** was in positive territory for the second quarter” (Q2), the National Association of Home Builders (NAHB) [reported](#) on Thursday, based on its quarterly survey. “The survey asks multifamily builders to rate the current conditions as ‘good,’ ‘fair,’ or ‘poor’ for multifamily starts in markets where they are active. [A reading] above 50 indicates that more respondents report conditions are good than report conditions are poor.” Q2 readings were 64 for garden/low-rise units, 47 for mid/high-rise units, 55 for subsidized units, and 45 for built-for-sale units.

“The average length of **time to complete construction of a multifamily building**, after obtaining authorization, was 19.8 months,” according to Census’s 2022 Survey of Construction, NAHB [reported](#) on August 7. “The permit-to-completion time in 2022 was 2.3 months longer than in 2021, as supply-chain issues and the ongoing skilled labor shortage challenged the industry.” Completion time has risen for nine years in a row from a low of 12.0 months in 2013.

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](#).

© 2023 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.