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## Employment, pay jump in February; most states add jobs in January; rebar prices rise again

Nonfarm payroll **employment** in February increased by 313,000, seasonally adjusted, from January and by 2,281,000 (1.6%) year-over-year (y/y) since February 2017, the Bureau of Labor Statistics (BLS) [reported](#) on Friday. The **unemployment rate** remained at a 17-year low of 4.1% for the fifth month in a row. **Construction employment** increased by 61,000 for the month and 254,000 (3.7%) y/y to 7,173,000, which was the highest total since June 2008 but still 7% below the April 2006 peak of 7,726,000. The January-February increase was the largest one-month gain since 2007; this might be due in part to unusual weather patterns, but gains of 40,000 in each of the latest four months suggest sustained strength. **Average hourly earnings** in construction increased 3.3% y/y to \$29.47, or 10.2% higher than the average for all private-sector employees (\$26.75, up 2.6% y/y). The **unemployment rate in construction**, not seasonally adjusted, fell to 7.8% (from 8.8% in February 2017), and the number of unemployed jobseekers with construction experience was 732,000 (down from 781,000). These were the lowest February figures in the 19-year history of both series. (Not-seasonally-adjusted data may be affected by normal weather and holiday patterns and thus should not be compared to levels in other months.) The reduction in construction unemployment over the year, 49,000, represents less than one-fifth of the increase in construction employment, implying that most of the employment gains are coming from other industries or new labor-force entrants, not industry veterans.

Seasonally adjusted **construction employment** rose in 35 states the District of Columbia y/y from January 2017 to January 2018 and declined in 15 states, an AGC [analysis](#) of Bureau of Labor Statistics (BLS) [data](#) released on Monday showed. The largest percentage gains were in West Virginia (14%, 4,300 jobs), followed by California (9.8%, 75,500), Nevada (9.7%, 7,800) and New Mexico (9.7%, 4,300). The most jobs again were added in California, Florida (28,600, 5.8%) and Texas (28,100, 4.0%). The steepest percentage losses occurred in North Dakota (-15.8%, -4,600), Iowa (-5.9%, -4,600 jobs), Nebraska (-3.1%, -1,600) and Missouri (-2.5%, -3,000). North Dakota and Iowa lost the most construction jobs, followed by Louisiana (-3,400, -2.3%) and Missouri. For the month, employment rose in 31 states and D.C., fell in 17, and was flat in Kansas and New York. California added the most jobs for the month (11,100 jobs, 1.3%), followed by Florida (5,100, 1.0%). New Mexico had the largest percentage gain for the month (3.0%, 1,400 jobs), followed by Alaska (2.5%, 400). Pennsylvania lost the most jobs for the month (-4,300, -1.7%), followed by Missouri (-2,400, -2.0%). Nebraska had the largest percentage loss for the month (-2.3%, -1,200), followed by Missouri and Pennsylvania. Abnormal winter weather may have affected monthly or y/y comparisons, particularly for northern states. (AGC's rankings are based on seasonally adjusted data, which in D.C., Nebraska and five other states is available only for construction, mining and logging combined.) BLS incorporated routine annual adjustments and new seasonal adjustment methodology that affected monthly totals for 2016 and 2017.

Commercial Metals Company sent an announcement on Monday that it was increasing **prices** immediately by \$50 per ton "for **reinforcing steel products** from our South Carolina mill." The reader who forwarded this reported, "3 increases this year totaling a 19% increase. And I don't think we're done yet. Plus supply is severely constricted. Rebar and wire mesh is very hard to come by." Readers are invited to forward price announcements to [simonsonk@agc.org](mailto:simonsonk@agc.org).

This announcement is separate from possible impacts of the **steel and aluminum tariffs** that President Trump announced last week. Details on what countries, products and dates the tariffs would apply to have not been clarified. Consultancy Trade Partnership Worldwide today [issued](#) a updated version of its March 5 policy brief that estimates **employment impacts** by industry and state from the announced tariffs on steel (at a 25% rate) and aluminum (10% rate). "Briefly, we find: The tariffs and retaliation would increase U.S. steel employment and non-ferrous metals (primarily aluminum) employment by 26,346 jobs, but cost a net of 495,136 jobs throughout the rest of the economy [including 66,000 in construction], for a total net loss of nearly 470,000 jobs; 18 jobs would be lost for every steel/aluminum job gained; [and] every state will experience a net loss of jobs." The new estimates assume imports from Canada, Mexico and Australia would be exempted but that affected countries would retaliate: "Our retaliation scenario involved further restricting U.S. exports to countries/areas that account for over 90 percent of affected imports....Clearly, a different set of countries choosing to retaliate and imposing retaliation on a different basket of goods, will yield [different] results".

"**Economic activity** expanded at a modest to moderate pace across the 12 Federal Reserve districts in January and February, ... with robust **construction activity** noted in three districts," the Federal Reserve [reported](#) on Wednesday in its latest "Beige Book." The report is a compilation of informal soundings of business conditions in each of the districts, which are referenced by the name of their headquarters cities. The summary includes these comments relevant to construction: "Several districts reported continued **worker shortages** across most sectors, with contacts often mentioning shortages in the **construction**, information technology, and manufacturing sectors...Four districts saw a marked increase in steel prices, due in part to a decline in foreign competition. Price growth for building materials such as lumber picked up, stemming from an uptick in construction activity." Short summaries for each district included these comments. Philadelphia district "construction and existing home sales changed little." Cleveland district "construction activity remained buoyant." Chicago district "construction and real estate activity grew slightly." Minneapolis district "commercial construction grew strongly, but residential construction was mixed."