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March 2025

Washington & U.S. Construction Trends & Outlook

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Construction employment increased 3.5% in WA vs. 2.4% in the US in 2024

38 states & DC up & 10 states down, & 2 unchanged Dec. 2023-Dec. 2024

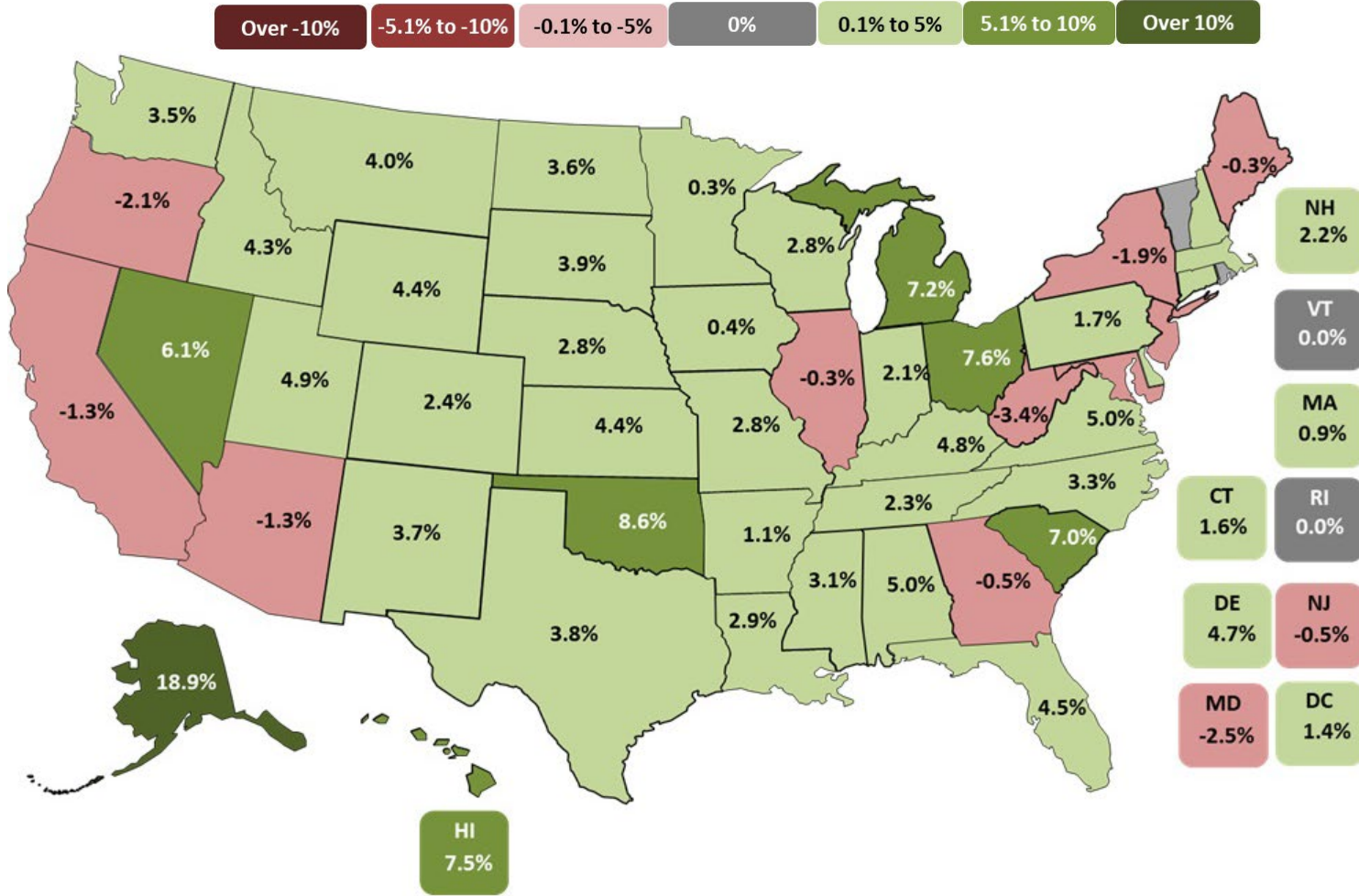


Top 5

AK	19%
OK	8.6%
OH	7.6%
HI	7.5%
MI	7.2%

Bottom 5

WV	-3.4%
MD	-2.5%
OR	-2.1%
NY	-1.9%
AZ	-1.3%



Construction employment increased in each metro area

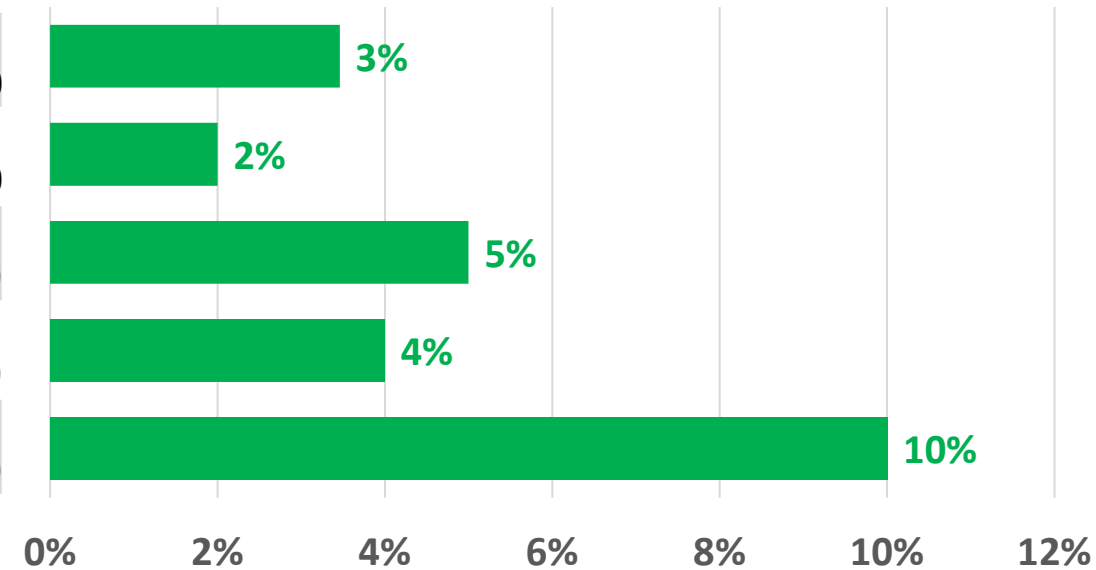
December 2024 level and % change from December 2023, not seasonally adjusted



December 2024:

Washington (seasonally adjusted)	235,900
Seattle-Bellevue-Everett Metro Division	103,000
Tacoma-Lakewood Metro Division	26,100
Spokane-Spokane Valley*	17,200
Kennewick-Richland*	11,500

% change from December 2023:



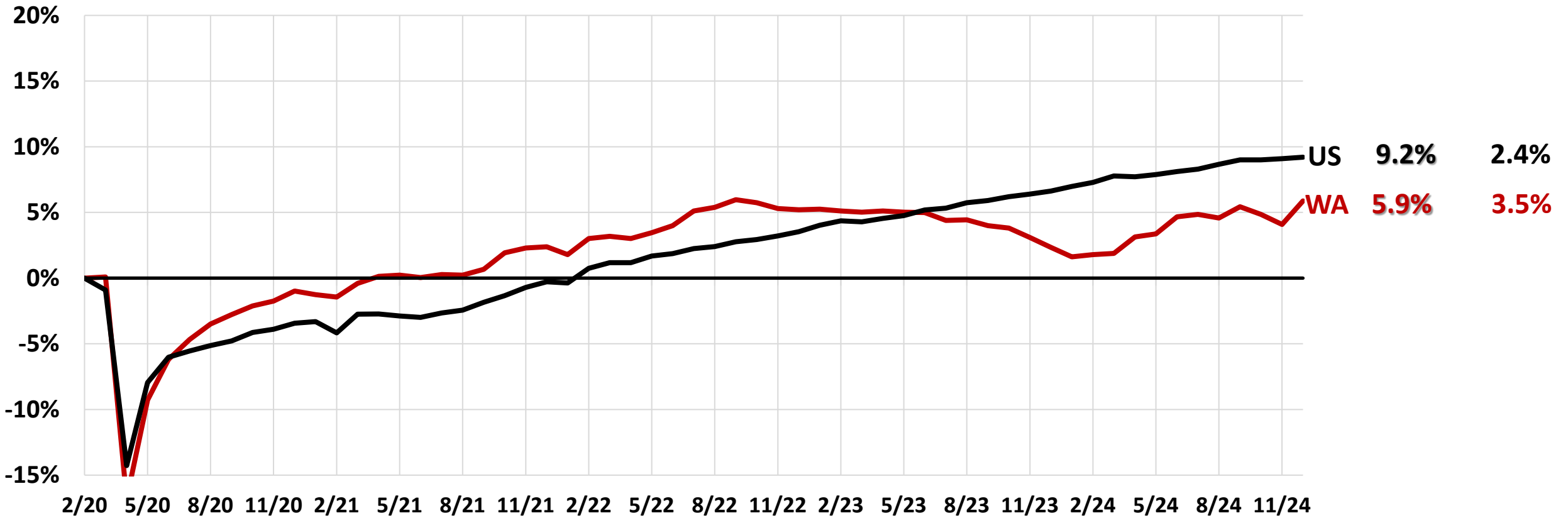
...but WA construction employment has lagged the US since Feb 2020

Cumulative change, Feb. 2020-Dec. 2024, seasonally adjusted



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% change
Feb. 2020- Dec. 2023-
Dec. 2024: Dec. 2024:

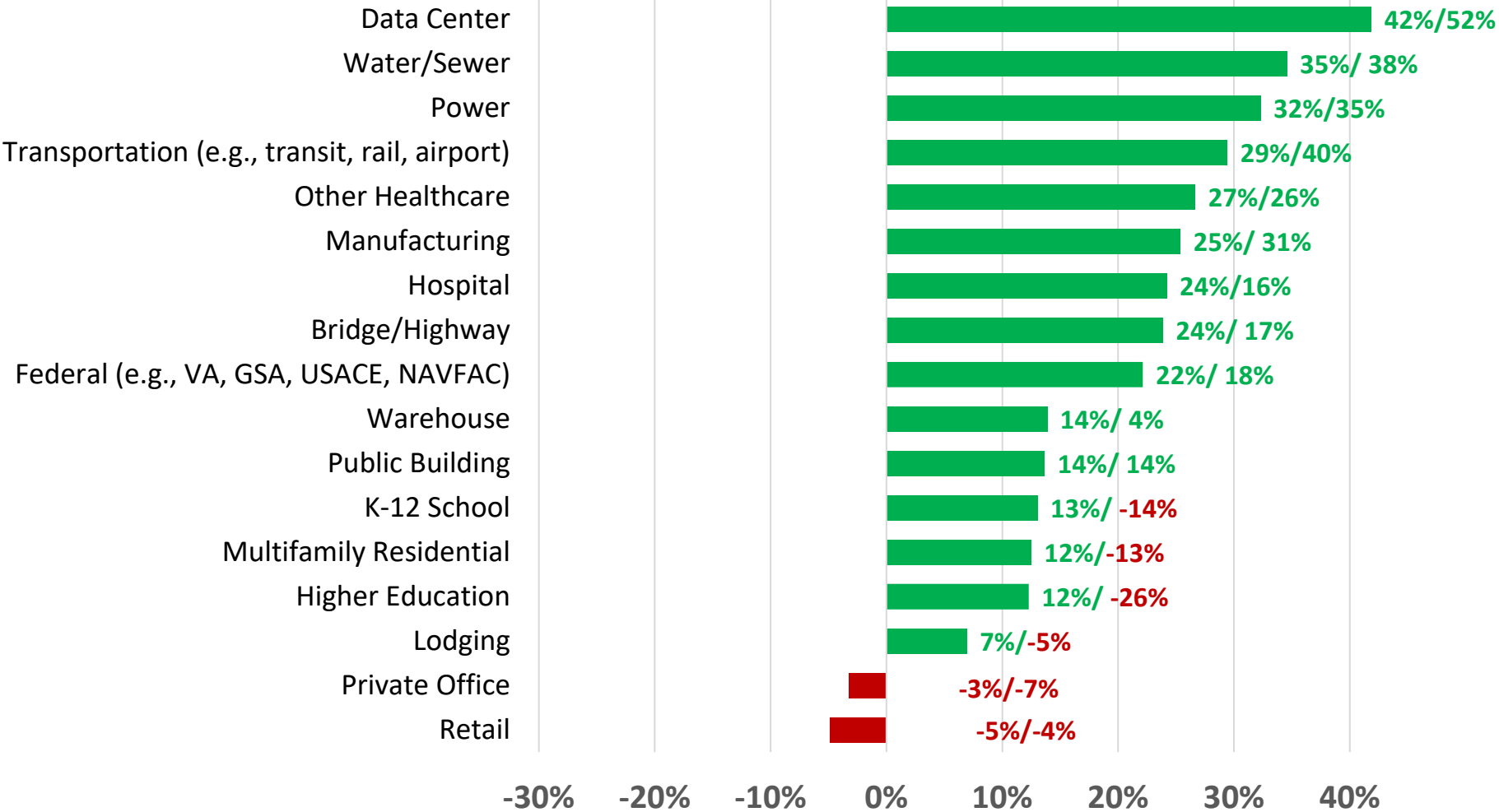


Contractors are optimistic on net* about prospects for most project types

* Net = % expecting higher \$ value - % expecting lower \$ value of projects available to bid on



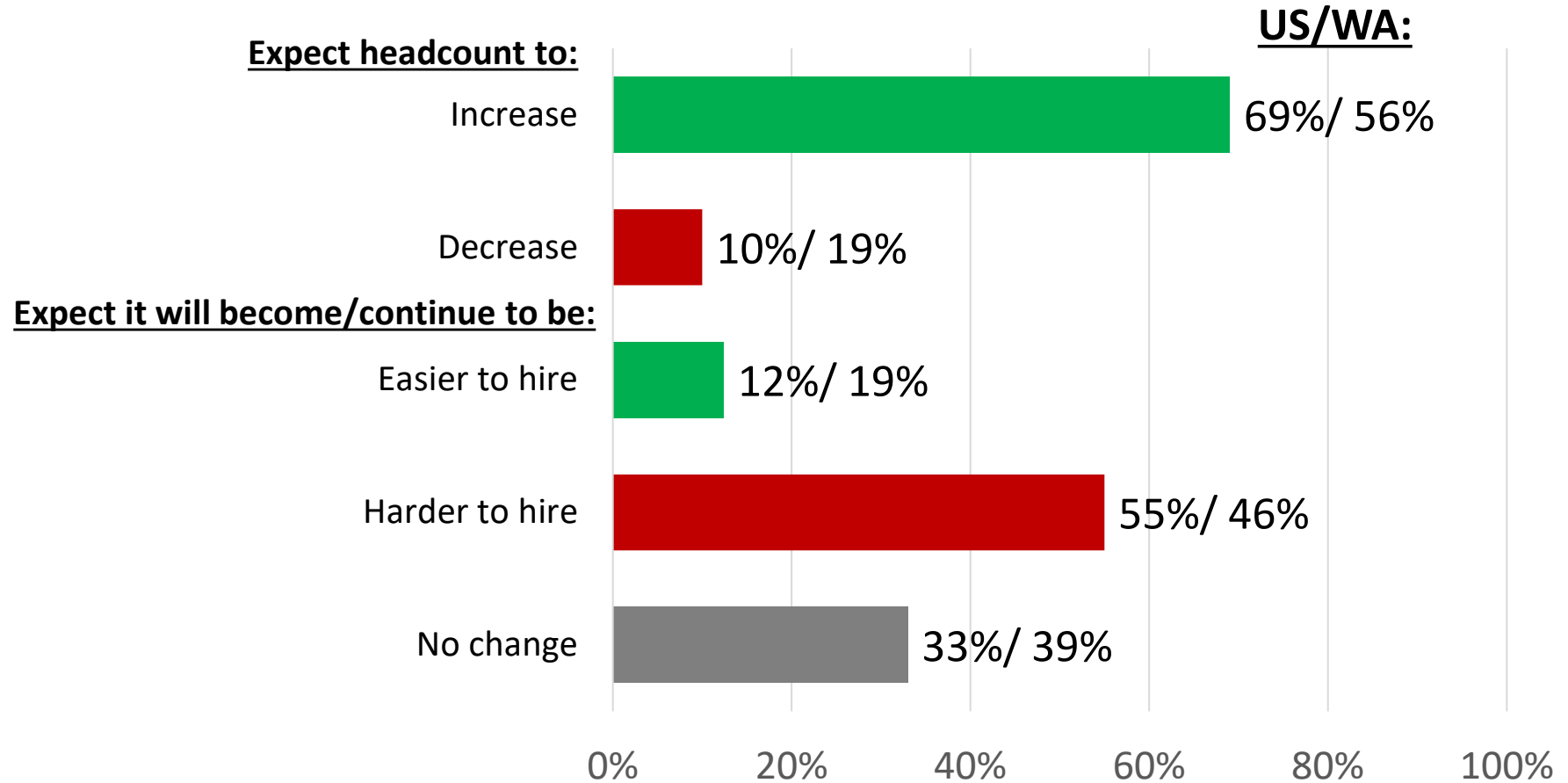
US/WA:



Contractors expect their headcount will increase, BUT hiring hourly craft workers will be as hard or harder than in 2024



% of respondents who:





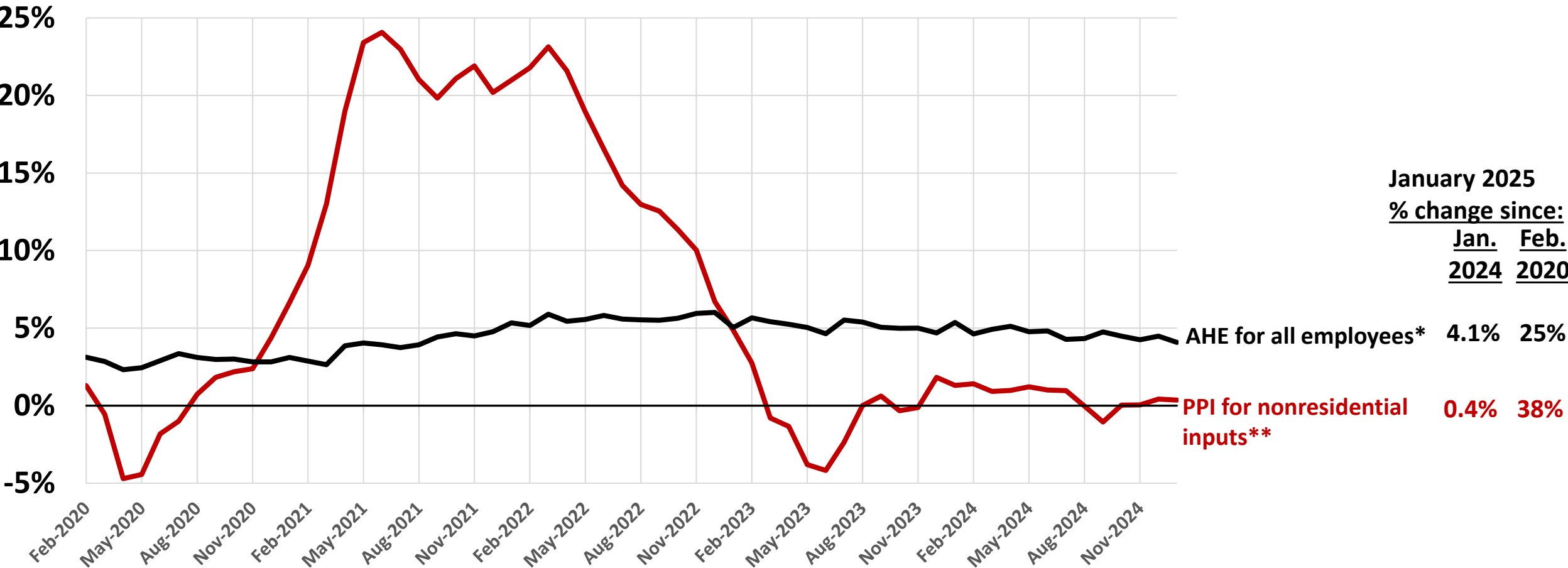
Construction wage trends in 2024: 4.5-5.2%; continued large premium compared to total private sector

- First-year union settlements rose 5.2% in the NW (WA, OR, ID, AK) vs. 4.7% in the US
- Average hourly earnings rose 4.5% for all construction employees vs. 4.1% for total private sector
- Average hourly earnings for production & nonsupervisory employees (Jan. 2025):
 - Nonresidential building construction firms: \$39.23, 27% more than total private sector
 - Heavy & civil engineering construction firms: \$38.37, 25% more than total private sector

Wages have risen 4-6% since 2021; materials costs have been volatile



Year-over-year change in **producer price index (PPI) for nonresidential inputs** and average hourly earnings (AHE) for construction, Feb. 2020–Jan. 2025



*Seasonally adjusted (SA)

**Not seasonally adjusted (BLS does not post SA data for this series)



Price changes for construction inputs as of January 2025

producer price indexes (PPIs), 1 - & 12-mo. change (not seasonally adjusted)

January 2025 change from:
Dec. 2024 Jan. 2024 Feb. 2020
(1 month) (12 months) (59 months)

Overall input costs were flat in 2024 but have outpaced the CPI since 2020

PPI for inputs to new nonresidential construction	0.8%	0.4%	38%
Consumer Price Index (CPI)	0.7%	3.0%	23%

...and some input prices remain volatile

Copper and brass mill shapes	1.9%	12%	71%
Steel mill products	0.2%	-17%	43%
Diesel fuel	3.6%	-6.6%	58%

Tariff announcements & dates affecting construction (as of March 7)



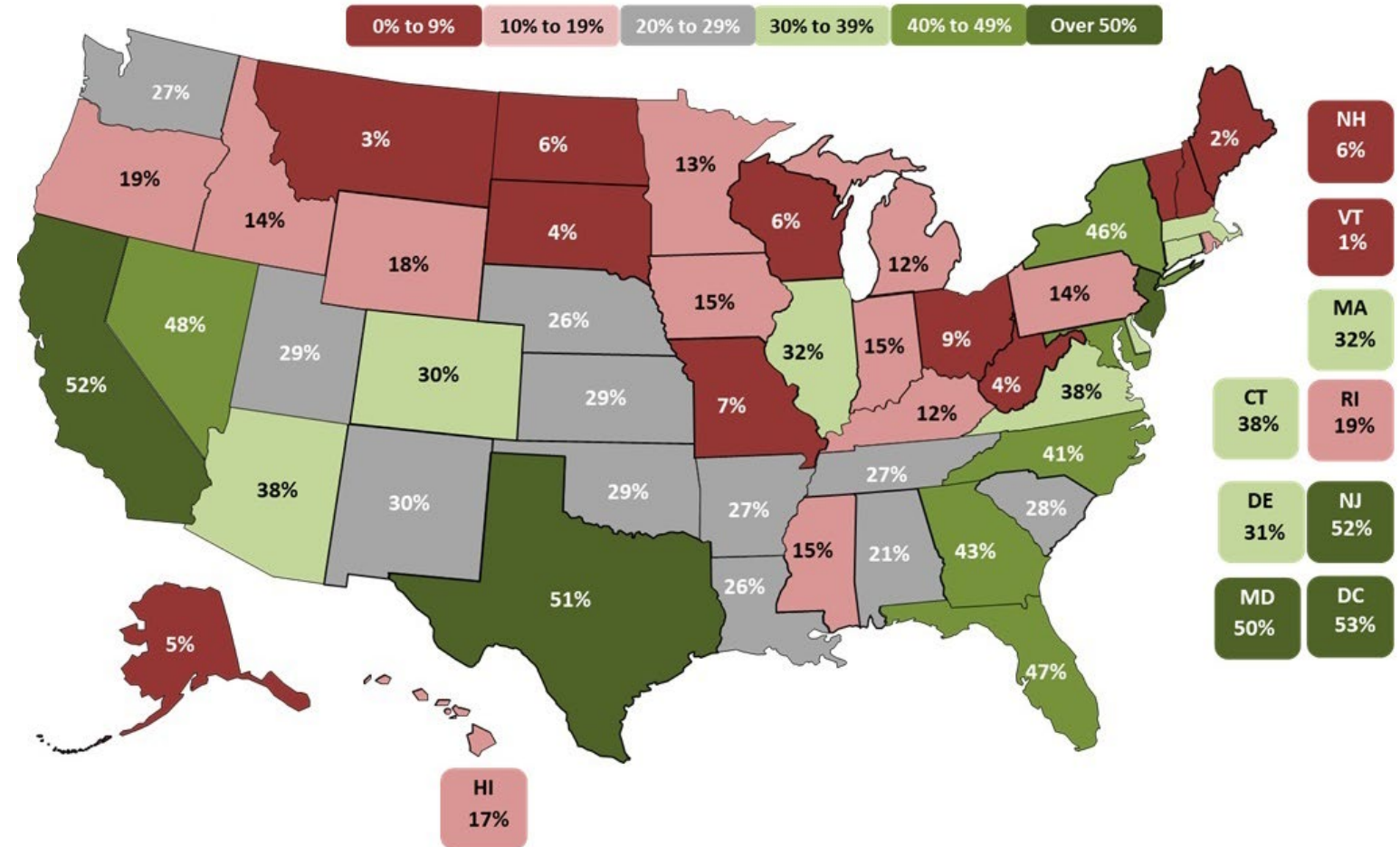
- **China** 10% tariff Feb. 4; additional 10% March 4
- **Canada, Mexico** 25% tariff March 4; partially suspended March 6 until April 2
- **Steel & aluminum** 25% tariff announced for March 12
- **Copper** pending investigation by Department of Commerce
- **Lumber** possible 25% in April; possible higher tariffs on Canadian lumber
- **Cars & trucks** possible 25% tariffs in April
- **“Reciprocal”** tariffs to match taxes on US firms: study due April 2
- **Fee on Chinese ships calling on U.S. ports** threatened; no details yet

Immigrants in construction trades: WA 27%, US 34% (immigrants in all industries: 18% of US workforce)



Share of construction trade workers that are foreign born by state, 2023

Alabama/AL	21%	Missouri/MO	7%
Alaska/AK	5%	Montana/MT	3%
Arizona/AZ	38%	Nebraska/NE	26%
Arkansas/AR	27%	Nevada/NV	48%
California/CA	52%	New Hampshire/NH	6%
Colorado/CO	30%	New Jersey/NJ	52%
Connecticut/CT	38%	New Mexico/NM	30%
Delaware/DE	31%	New York/NY	46%
District of Columbia/DC	53%	North Carolina/NC	41%
Florida/FL	47%	North Dakota/ND	6%
Georgia/GA	43%	Ohio/OH	9%
Hawaii/HI	17%	Oklahoma/OK	29%
Idaho/ID	14%	Oregon/OR	19%
Illinois/IL	32%	Pennsylvania/PA	14%
Indiana/IN	15%	Rhode Island/RI	19%
Iowa/IA	15%	South Carolina/SC	28%
Kansas/KS	29%	South Dakota/SD	4%
Kentucky/KY	12%	Tennessee/TN	27%
Louisiana/LA	26%	Texas/TX	51%
Maine/ME	2%	Utah/UT	29%
Maryland/MD	50%	Vermont/VT	1%
Massachusetts/MA	32%	Virginia/VA	38%
Michigan/MI	12%	Washington/WA	27%
Minnesota/MN	13%	West Virginia/WV	4%
Mississippi/MS	15%	Wisconsin/WI	6%
		Wyoming/WY	18%

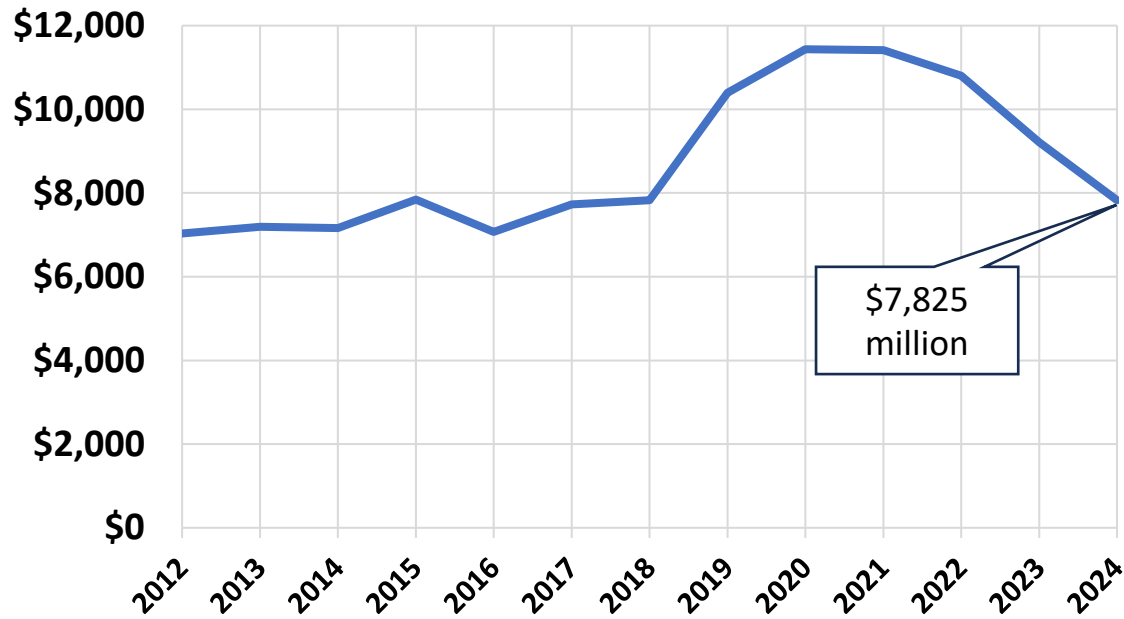


Transit construction spending fell 15% in 2024 to a 7-year low

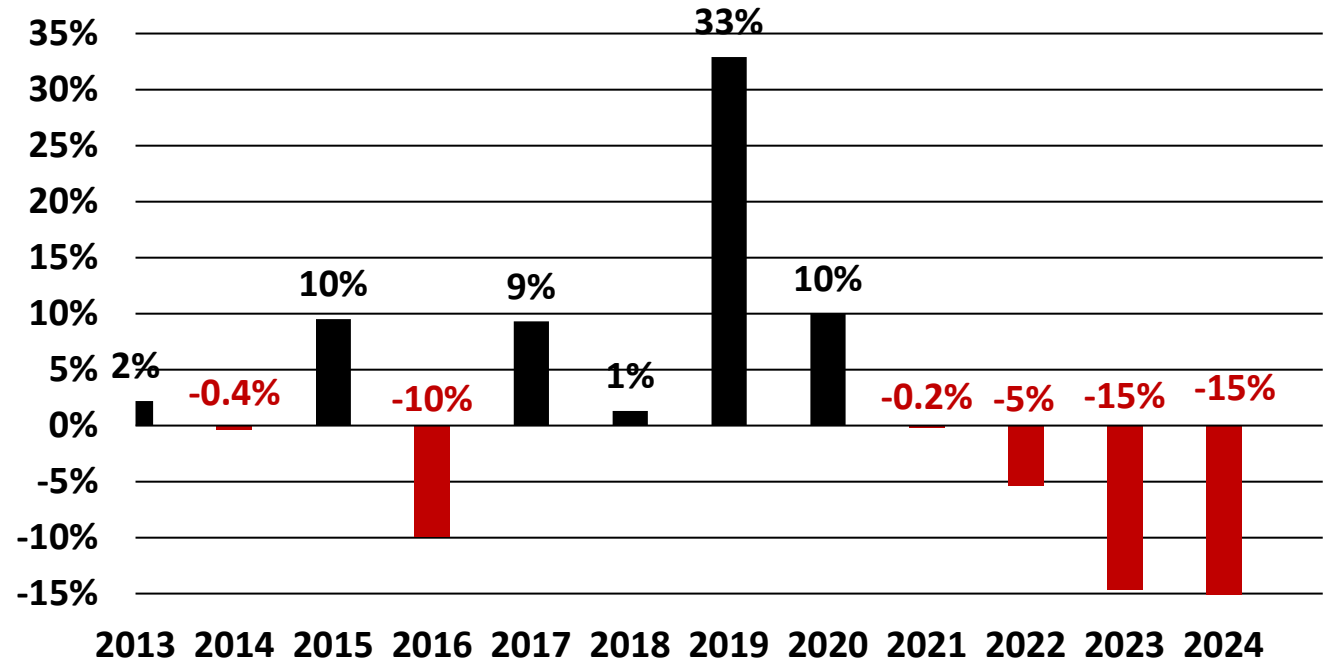
Annual value of mass transit construction put in place 2012 - 2024



Millions of current dollars (not adjusted for inflation)



Year-over-year % change, seasonally adjusted annual rate



Medium-term outlook for construction



- Economic growth will continue but policy uncertainty has risen:
 - higher tariffs will raise costs, invite retaliation, may disrupt supply chains
 - harsh immigration/deportation actions will worsen construction labor shortages
 - expectation of larger deficits may push interest rates higher
 - less support for renewables may slow solar and EV related projects
 - however, lessened federal regulatory hurdles may help projects start sooner
- Single-family: gradual pickup but vulnerable to higher mortgage rates
- Multifamily, warehouse, office: declines likely through 2025 given high costs, weak demand
- Data center, power, infrastructure: strong growth; mfg construction: slower growth
- Materials costs: up 1-3%; lead times: few problems except electrical gear
- Labor costs: up 4-5%; availability remains the #1 challenge for many contractors
- BUT costs could rise much more, depending on tariffs and immigration policies

AGC economic resources

(email ken.simonson@agc.org)

- *Data DIGest*: weekly email summary of construction economic news ([subscribe](https://marketplace.agc.org/Store/ItemDetail?iProductCode=4401&OrderLineId=901649fd-c733-4103-93e0-a251778cd084): <https://marketplace.agc.org/Store/ItemDetail?iProductCode=4401&OrderLineId=901649fd-c733-4103-93e0-a251778cd084>)
- AGC [Tariff Resource Center](http://www.agc.org/tariff-resources-contractors) for Contractors: www.agc.org/tariff-resources-contractors
- AGC/Sage 2025 Outlook [Survey](http://www.agc.org/2025-construction-hiring-and-business-outlook): www.agc.org/2025-construction-hiring-and-business-outlook
- State and metro data, [fact sheets](http://www.agc.org/learn/construction-data): www.agc.org/learn/construction-data
- Monthly [press releases](http://www.agc.org/newsroom): construction spending; producer price indexes; national, state, metro employment with rankings: www.agc.org/newsroom
- Construction impact model: www.agc.org/agc-construction-impact-model
- ConsensusDocs [Price Escalation Resource Center](http://www.consensusdocs.org/price-escalation-clause/): www.consensusdocs.org/price-escalation-clause/



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PPI for inputs rises in April but dips over 12 months; pay in construction tops U.S. median by 18%

Prices show mixed trends in April

The producer price index (PPI) for material and service inputs to new nonresidential construction rose 0.5% from March to April but declined 1.1% year-over-year (y/y), according to Bureau of Labor Statistics (BLS) data posted on Thursday.

[Read more](#)

Construction pay tops U.S. median by 18%

"Half of payroll workers in construction earn more than \$54,540," 18% more than the U.S. median wage of \$46,310, "and the top 25% make at least \$77,030," 4.5% higher than the U.S. top quartile base of \$73,460, the National Association of Home Builders reported on Tuesday, based on its analysis of May 2022 Occupational Employment and Wage Statistics posted by BLS...

[Read more](#)

Child counts decline in 35 states

In a trend with implications for school and other construction, "Thirty-five states have fewer children than they did five years ago, a situation caused by declining birth rates nationwide, but also by young families migrating across state borders in search of cheaper housing," Stateline reported on Thursday...

[Read more](#)

Results from RICS-AACE construction survey

Firms reporting declining profit margins outnumbered firms reporting rising margins by 27 percentage points (a net balance reading of -27%) in the first quarter (Q1) 2023 RICS-AACE USA Construction Monitor, covering 60 responses between March 8 and April 21 and posted by RICS on Monday...

[Read more](#)

AGC Highway safety survey closes tonight

Highway contractors are invited to complete AGC's annual highway work zone safety survey by tonight, May 12. Responses will be kept confidential.

[Read more](#)

Census of Construction reminder

The Census Bureau reminded firms in all industries, "The due date for responding to the 2022 Economic Census has passed, but it's not too late to respond..."

[Read more](#)

