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U.S. & Minnesota Construction Outlook: What's in the Mix for '26?

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US & MN Construction Employment

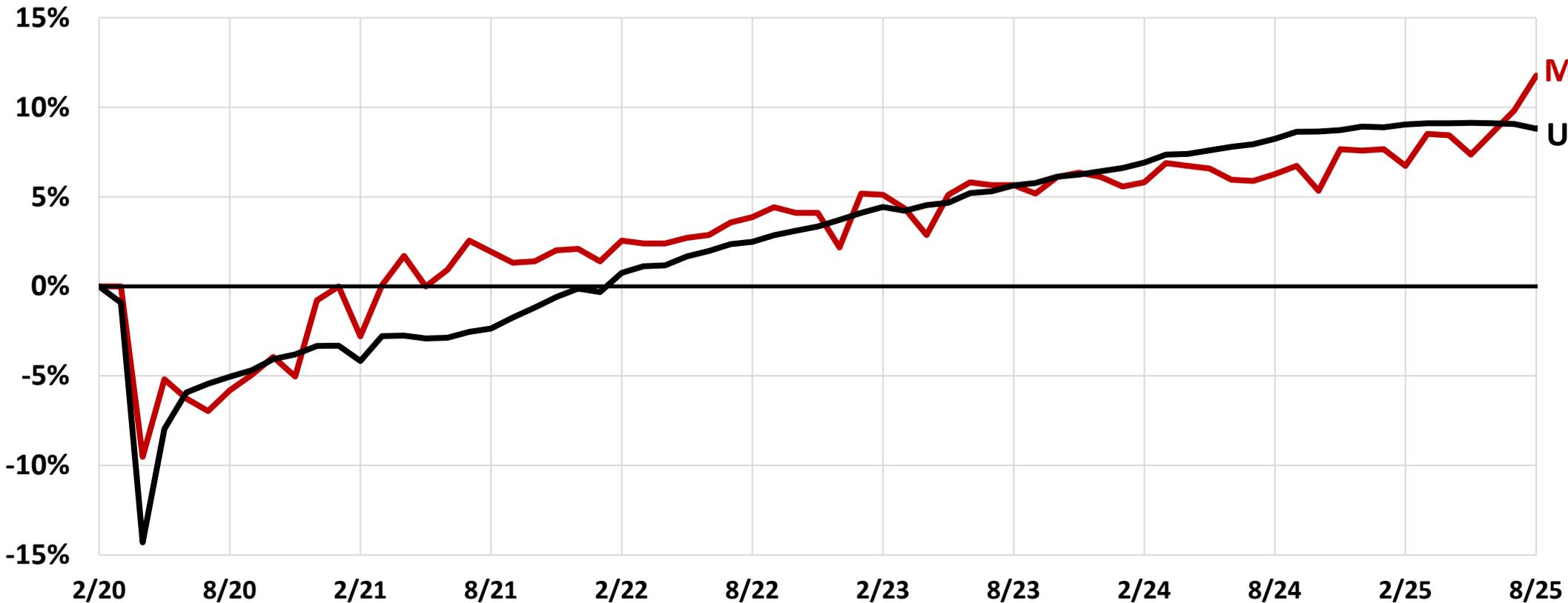
Cumulative change, Feb. 2020- Nov. 2025, seasonally adjusted



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% change
Feb. 2020- Nov. 2024-
Nov. 2025: Nov. 2025:

MN 16% 7.8%
US 9.3% 0.5%



Source: Bureau of Labor Statistics, www.bls.gov/sae.

Minnesota Metro Construction Employment

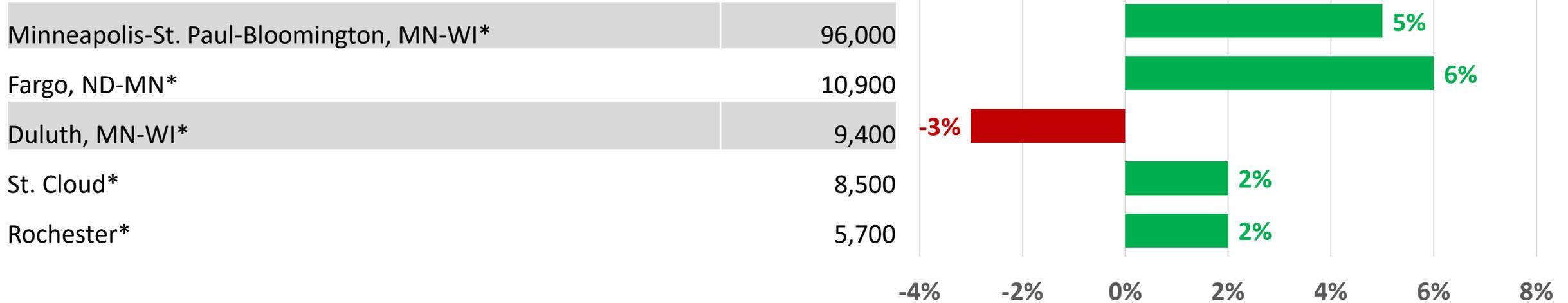
Nov. 2024 – Nov. 2025, not seasonally adjusted



Metros:

Nov. 2025:

% change from Nov. 2024:





Construction Job Growth Is Uneven Across States

32 states & DC **up** & 17 states **down** & 1 state unchanged Nov. 2024-Nov. 2025 (U.S.: **up 0.7%**)

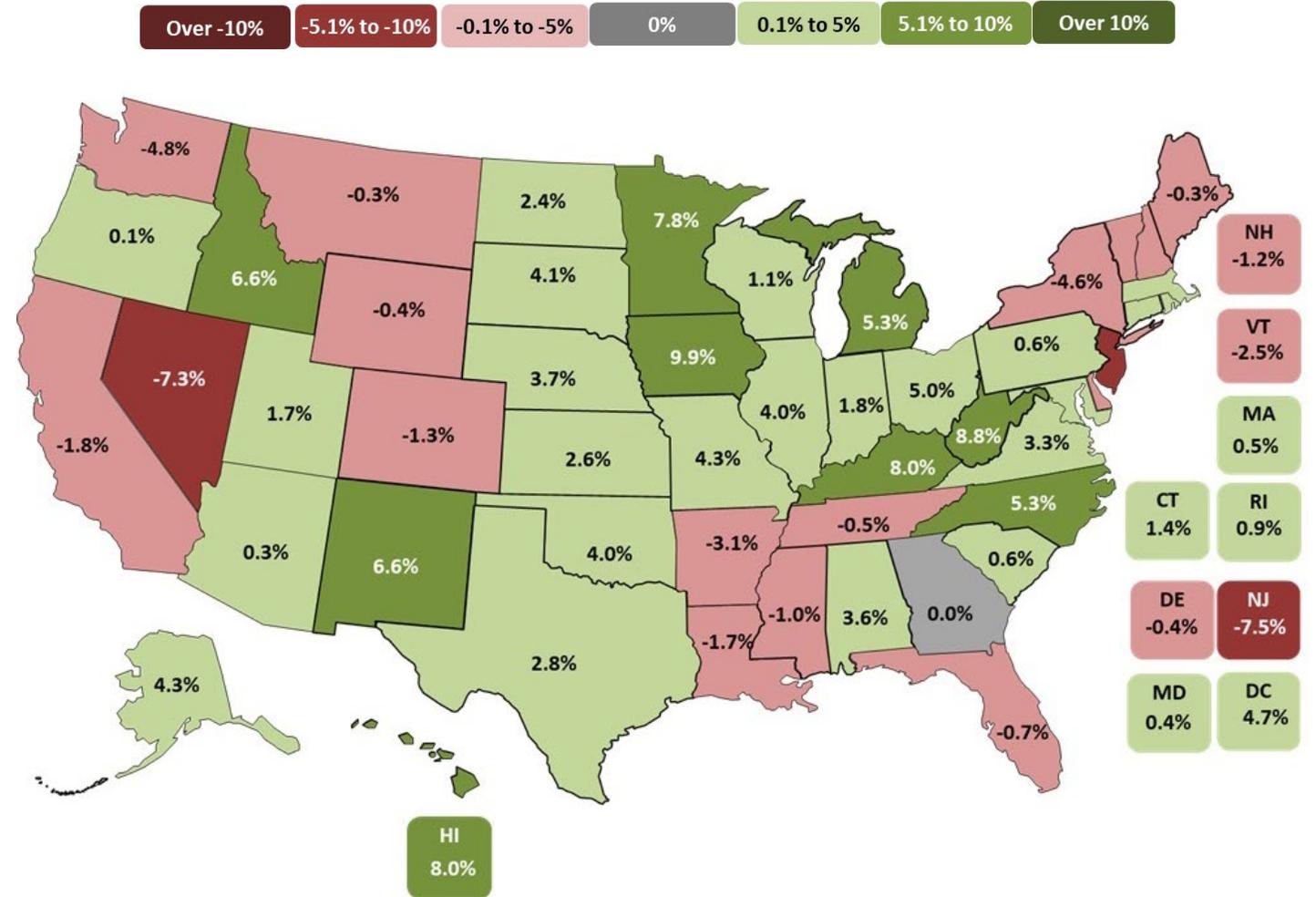
188 metros (52%) **up**, 122 (34%) **down**, 50 unchanged

Top 5

IA	9.9%
WV	8.8%
HI	8.0%
KY	8.0%
MN	7.8%

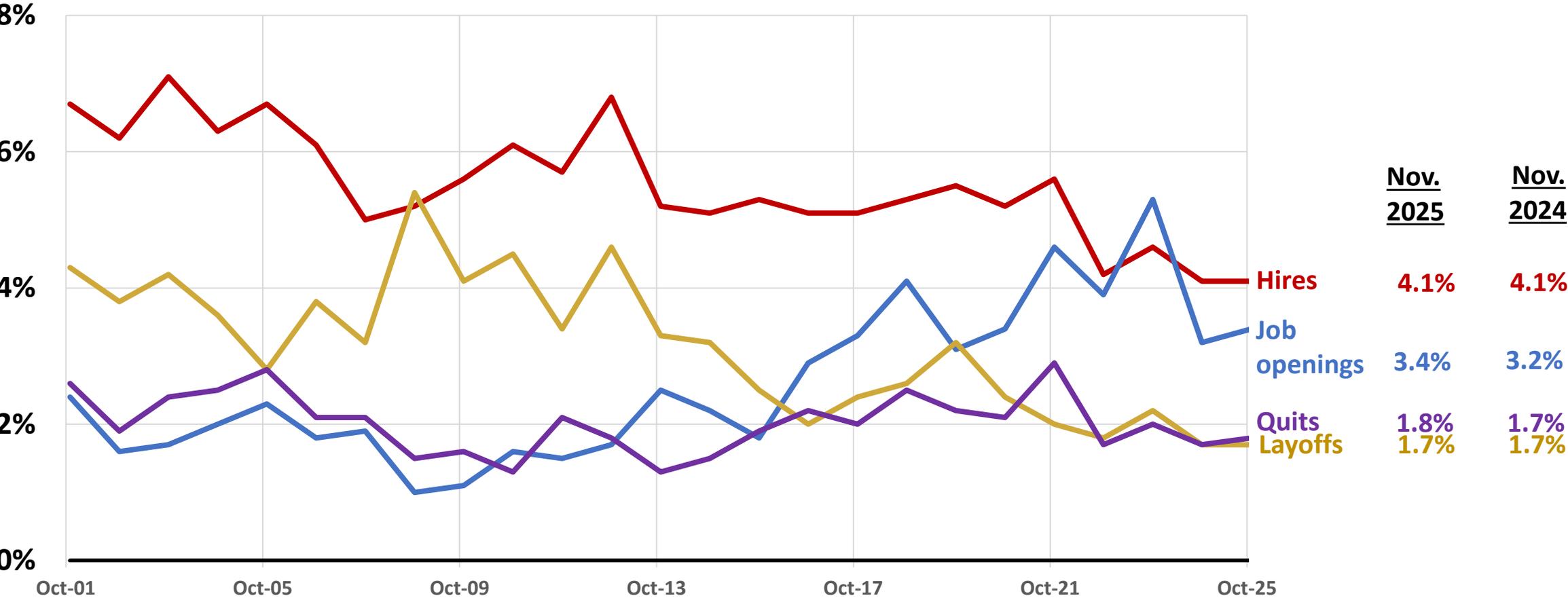
Bottom 5

NJ	-7.5%
NV	-7.3%
WA	-4.8%
NY	-4.6%
AR	-3.1%



Uptick in openings, steady hires rate signal demand for workers

Construction job openings, hires, quits, and layoffs as % of Nov. employment, 2001-25





Spending trends: mix of increases and **decreases**

current dollars, seasonally adjusted annual rate (billion \$), Aug. 2024-Aug. 2025

\$2,169B **Total -1.6%**: \$915B Residential -2% (Private single-family -1%; multi -7%; improvements -1%); public 3%

\$1,242B Nonresidential -2% (private -4%, public 2%)

Nonresidential segments (in descending order of August 2025 spending; combined new & renovation spending)

\$220B **Mfg. -8%** (computer/electronic -16%; chemical 5%; transportation equipment -9%; food/beverage/tobacco -4%)

\$156B **Power 1%** (electric 0.3%; oil/gas fields & pipelines 6%)

\$144B **Highway and street -0.9%**

\$138B **Education -2%** (primary/secondary -6%; higher ed 2%)

\$121B **Commercial -8%** (warehouse -12%; retail -7%; farm -2%)

\$105B **Office** including data centers 0.2% (data centers 26%; other private office -15%; public office 0.2%)

\$70B **Health care 0.9%** (hospital 2%; medical building -9%; special care 21%)

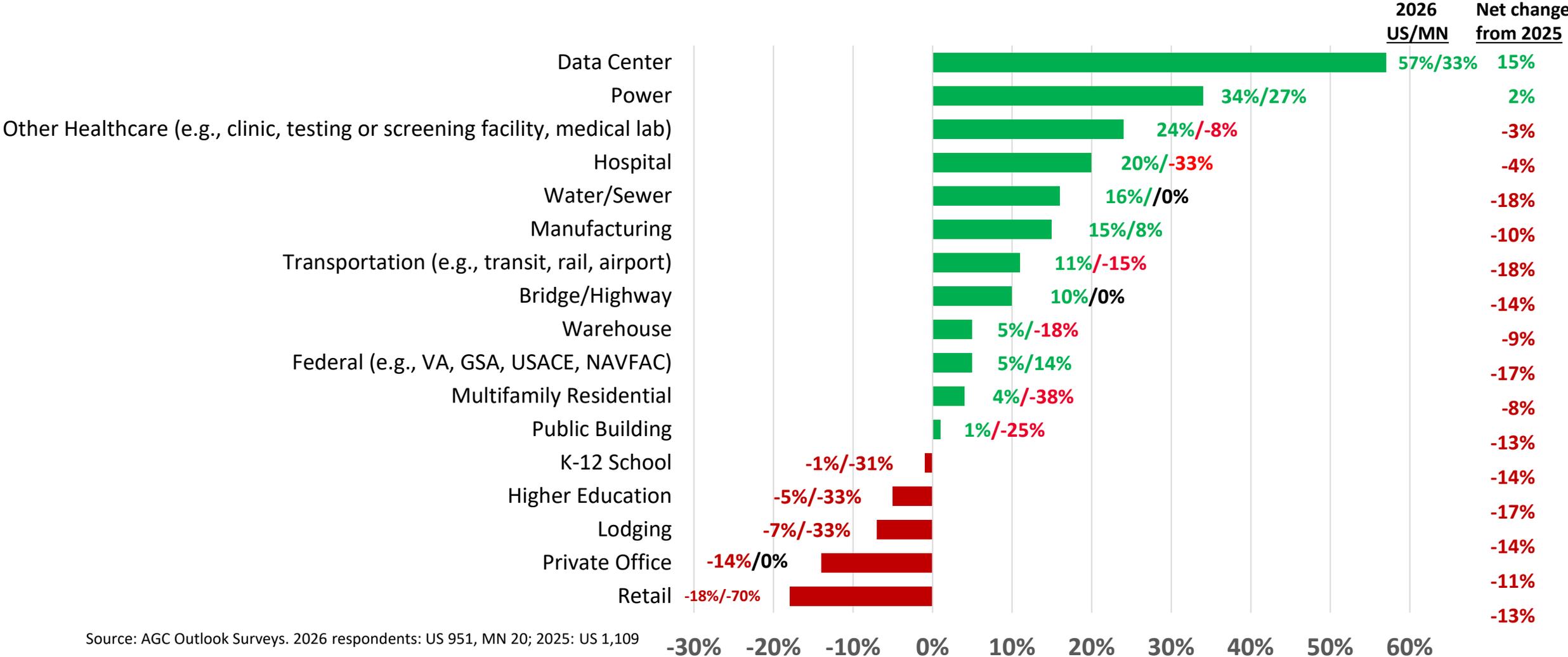
\$69B **Transportation 5%** (air 6%; private rail/truck -4%; transit -3%)

\$221B **Other 4%**:

Sewage/waste 8%; Amuse/recreation 1%; Water supply 3%; Communication 0.8%; **Lodging -2%**; Public safety 3%; Conserv/dev 9%; Relig 21%

Contractors have generally lower expectations for 2026 than in 2025

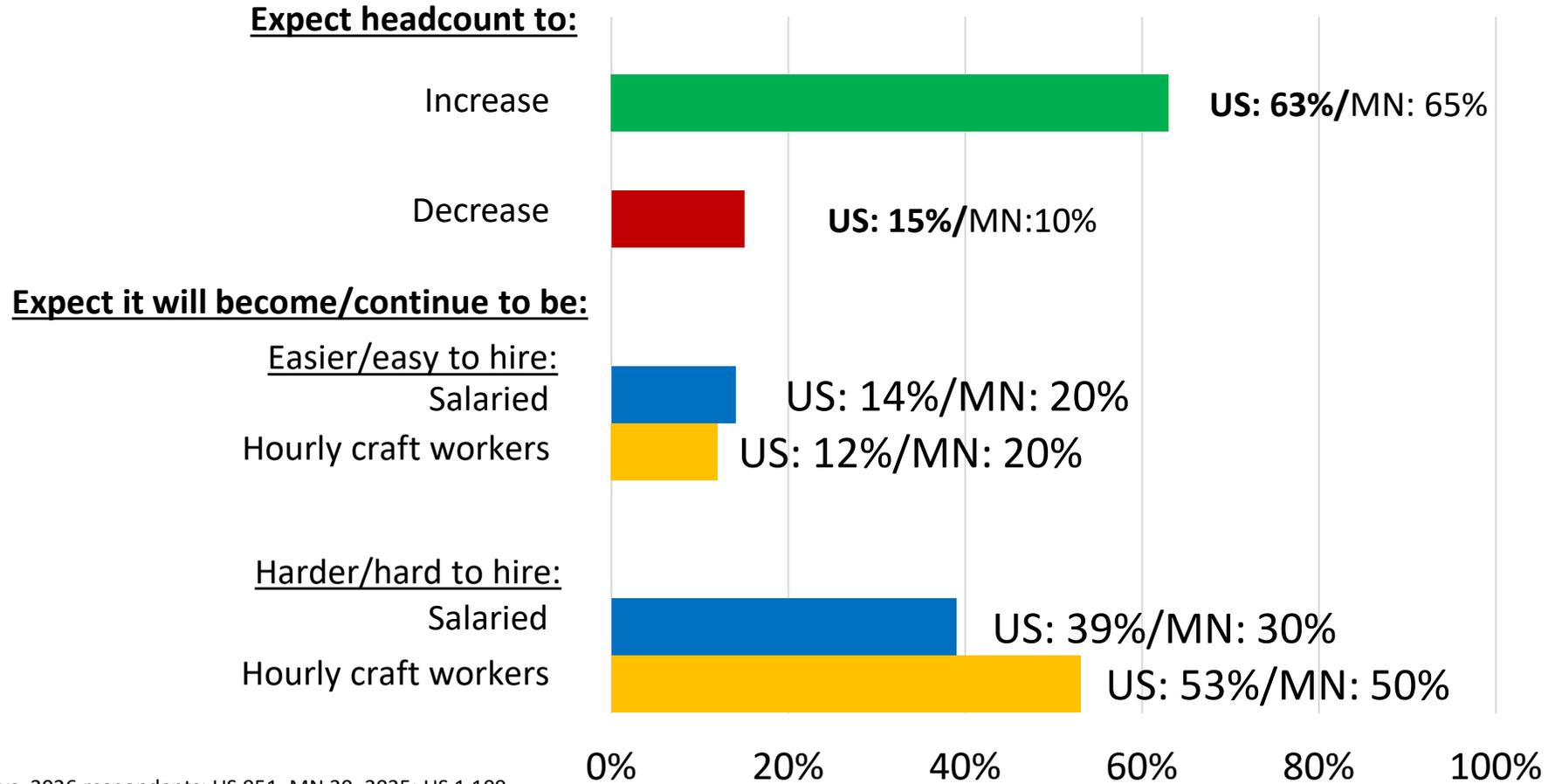
Net % expecting **higher** value - % expecting **lower** value of available projects than in previous year



Source: AGC Outlook Surveys. 2026 respondents: US 951, MN 20; 2025: US 1,109

Fewer firms than a year ago expect to add employees

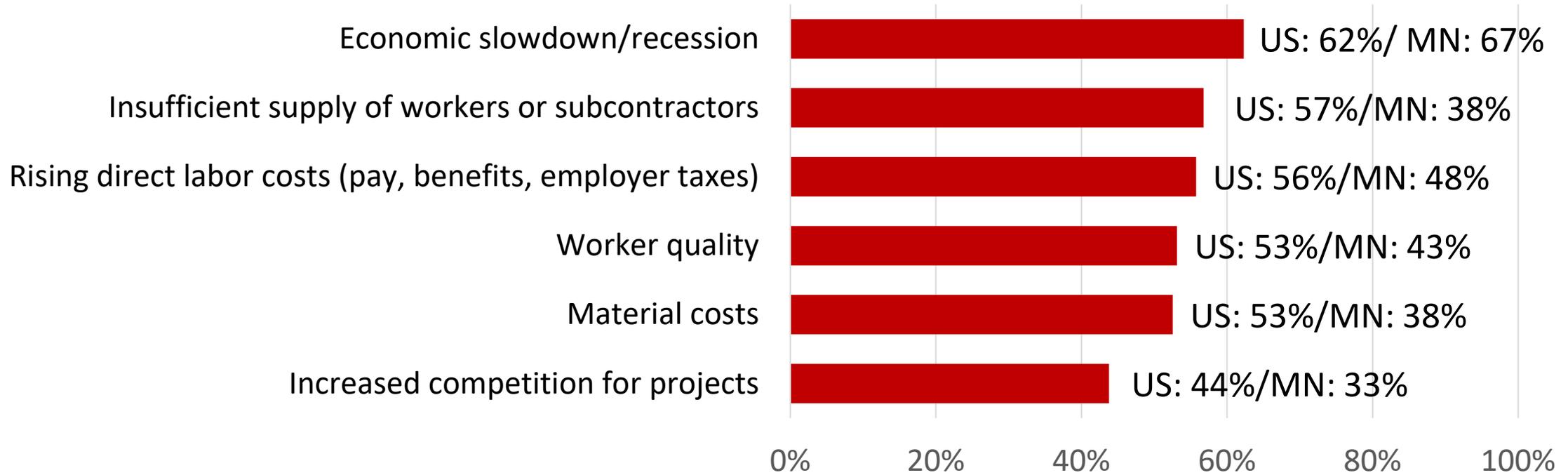
% of respondents who:



Source: AGC Outlook Surveys. 2026 respondents: US 951, MN 20; 2025: US 1,109

Firms' major concerns for 2026

% of respondents who listed as a major concern:





Price changes for construction inputs as of September 2025

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

September 2025 change from:
Aug. 2025 Sep. 2024 Feb. 2020
(1 month) (12 months) (67 months)

Overall input costs are rising again and have outpaced the CPI since 2020

PPI for inputs to new nonresidential construction	0.2%	3.2%	42%
Consumer price index (CPI)	0.3%	3.0%	26%

...and some input prices remain volatile

Steel mill products	-1.5%	13%	63%
Aluminum mill shapes	1.7%	26%	58%
Copper and brass mill shapes	-4.5%	3.2%	70%
Construction machinery and equipment	0.3%	4.4%	36%

Construction pay increases continue to outpace the private sector



- [BLS](#): Average hourly earnings for production and nonsupervisory employees (Dec. 2024-Dec. 2025):
Construction 4.5% Private sector 3.8%
- [BLS](#): Wages and salaries (employment cost index, Q4 2024-Q4 2025):
Construction 4.1% Private sector 3.8%
- [CLRC](#): First-year settlements for construction union contracts: 4.7% (through Sep. 2025)
- [PAS](#): Construction firm wage increases for support staff: 4.0% (Oct. 2025)

Tariff announcements & dates affecting construction (as of Jan. 13)

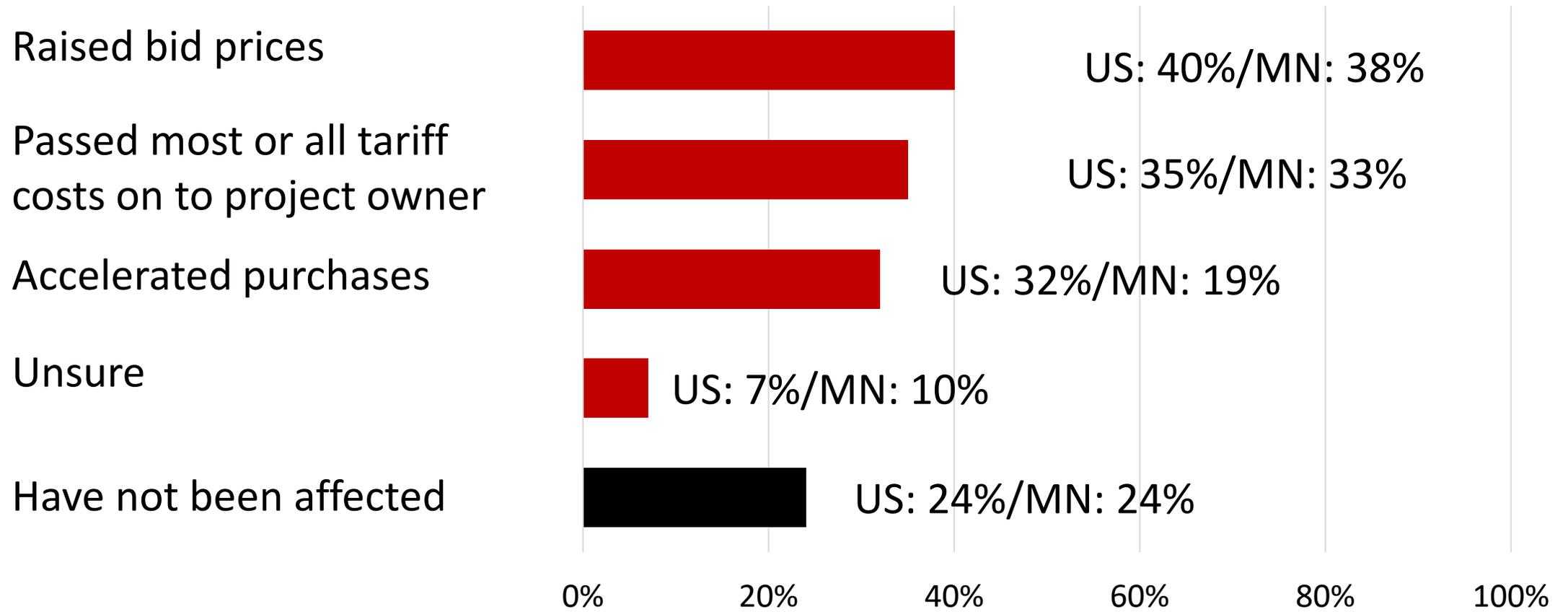
(more at AGC [Tariff Resource Center](http://www.agc.org/tariff-resources-contractors): www.agc.org/tariff-resources-contractors)



- **10% “baseline” tariff on nearly all imports**
- **Additional country-specific “reciprocal” tariffs on Aug. 7**
- **China 30%: 10% tariff Feb. 4; changed to 20% March 4; 54% April 5, 145% April 9, reduced to 30% May 12 under “truce” until Nov. 10; truce extended for a year Oct. 30**
- **Canada: 35% on Aug. 1 if not covered by USMCA; higher rate threatened on Oct. 24; 10% on energy, “critical minerals”**
- **Mexico: 25% if not covered by USMCA; 30% threatened but date not certain**
- **EU: 15% on Aug. 1**
- **Japan, South Korea: 15% on Aug. 7**
- **Brazil: 50% on Aug. 1**
- **Steel & aluminum: 25% on March 12; 50% on June 4**
- **Copper: 50% on Aug. 7 for copper products, not unprocessed copper**
- **Lumber: 10% on Oct. 1; duties on Canadian lumber raised from 14.5% to 35% in early August**
- **Cars & light trucks: 25%; medium and heavy trucks: 25% on Nov. 1; lower rate for parts, USMCA**
- **Fee on Chinese ships calling on U.S. ports: began on Oct. 14; suspended as of Nov. 10**

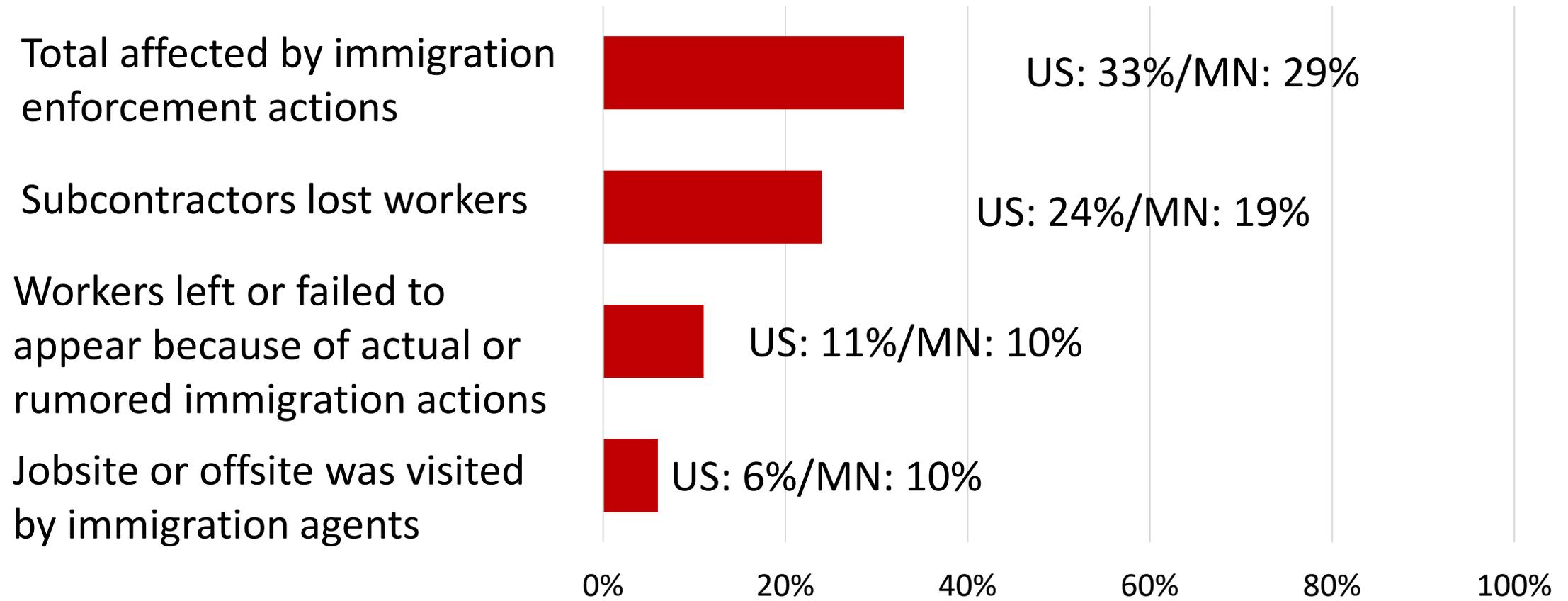
Actions taken in response to actual or proposed tariffs

(% of firms - some respondents reported multiple actions):



Immigration enforcement affected rising share of firms in past 6 months

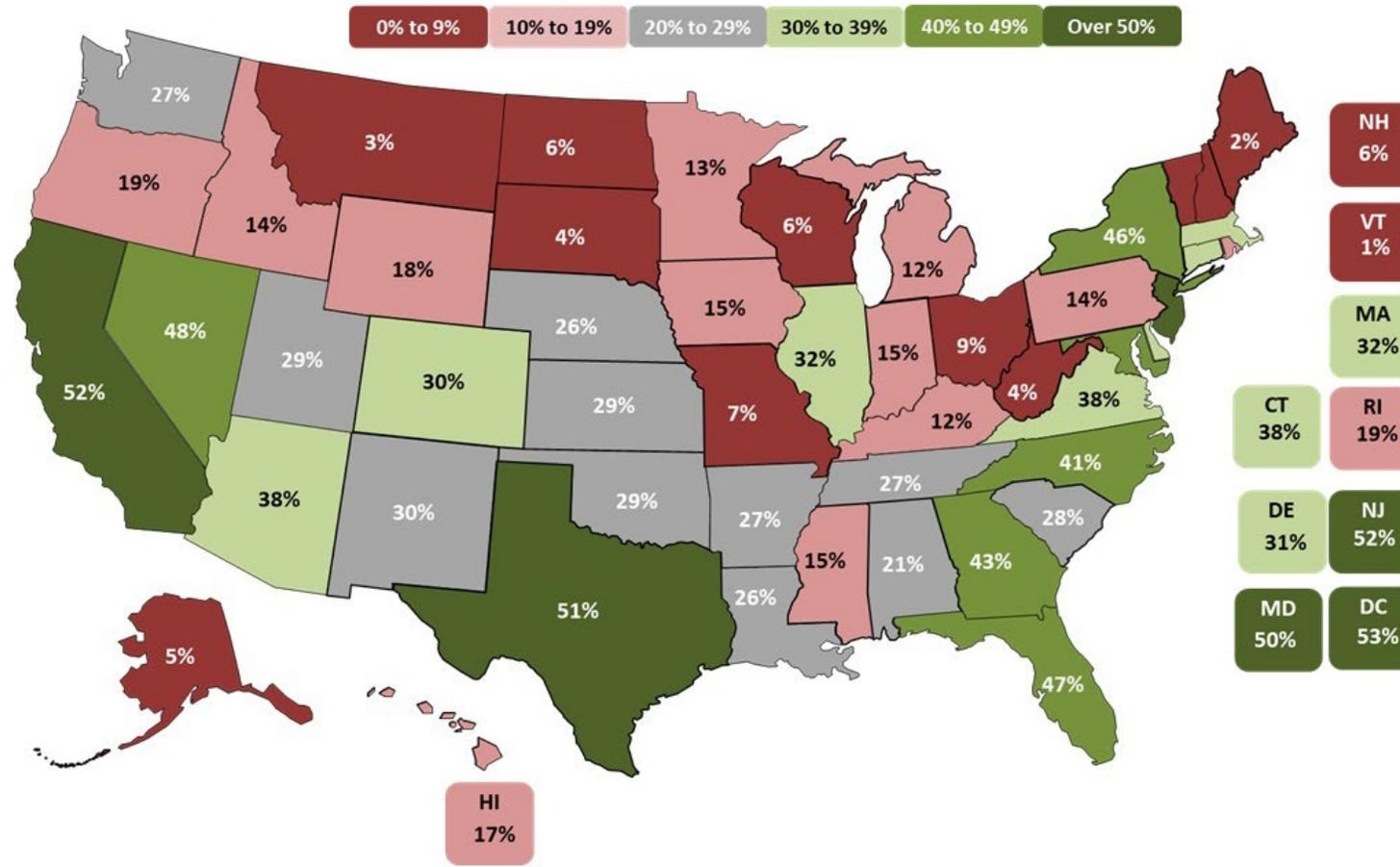
(% of firms - some respondents reported multiple types of effects):



Construction trades rely heavily on immigrants (34% vs. 18% for all workers); impact varies greatly by state (1-53%)



Share of construction trade workers who are foreign born by state, 2024





Foreign-born share of construction trade workers varies greatly by trade

<u>Occupation</u>	<u>Foreign born</u>	<u>Occupation</u>	<u>Foreign born</u>
Plasterers & Stucco Masons	61%	Pipelayers	26%
Drywall Installers, Ceiling Tile Installers, & Tapers	61%	Plumbers, Pipefitters, & Steamfitters	18%
Roofers	52%	Glaziers	18%
Painters & Paperhangers	51%	Solar Photovoltaic Installers	17%
Carpet, Floor, & Tile Installers and Finishers	45%	Sheet Metal Workers	17%
Construction Laborers	43%	Boilermakers	16%
Insulation Workers	34%	Electricians	16%
Carpenters	32%	Structural Iron & Steel Workers	15%
Cement Masons, Concrete Finishers, Terrazzo Workers	31%	Construction Equipment Operators	15%

Likely policy impacts on construction



- 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
- OBBBA adds certainty about corporate taxes; may lead to speedup of some investments

Medium-term outlook: growing risk of decline



- Economic growth is close to stalling; risks of inflation and recession are high
- Single-family: gradual pickup if mortgage rates don't spike; multifamily close to bottoming out
- Warehouse, office: declines likely throughout 2026 given high costs, weak demand
- Data center, power, infrastructure, specialty health care: best bets for growth
- Mfg. construction: canceled & deferred projects likely to outweigh new starts
- Materials costs: up 2-4%, much more if tariffs last; lead times: few problems except electrical gear
- Labor costs: up 4-5%; ICE actions make availability a challenge

AGC economic resources

(email ken.simonson@agc.org)

- *Data DIGest*: weekly email summary of construction economic news ([subscribe](#))
- AGC [Tariff Resource Center](#)
- AGC/Sage Construction Hiring and Business Outlook [Survey](#)
- State and metro data, [fact sheets](#)
- Monthly [press releases](#): construction spending; producer price indexes; national, state, metro employment with rankings
- Construction impact model: www.agc.org/agc-construction-impact-model
- ConsensusDocs [Price Escalation Resource Center](#)



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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](#)

