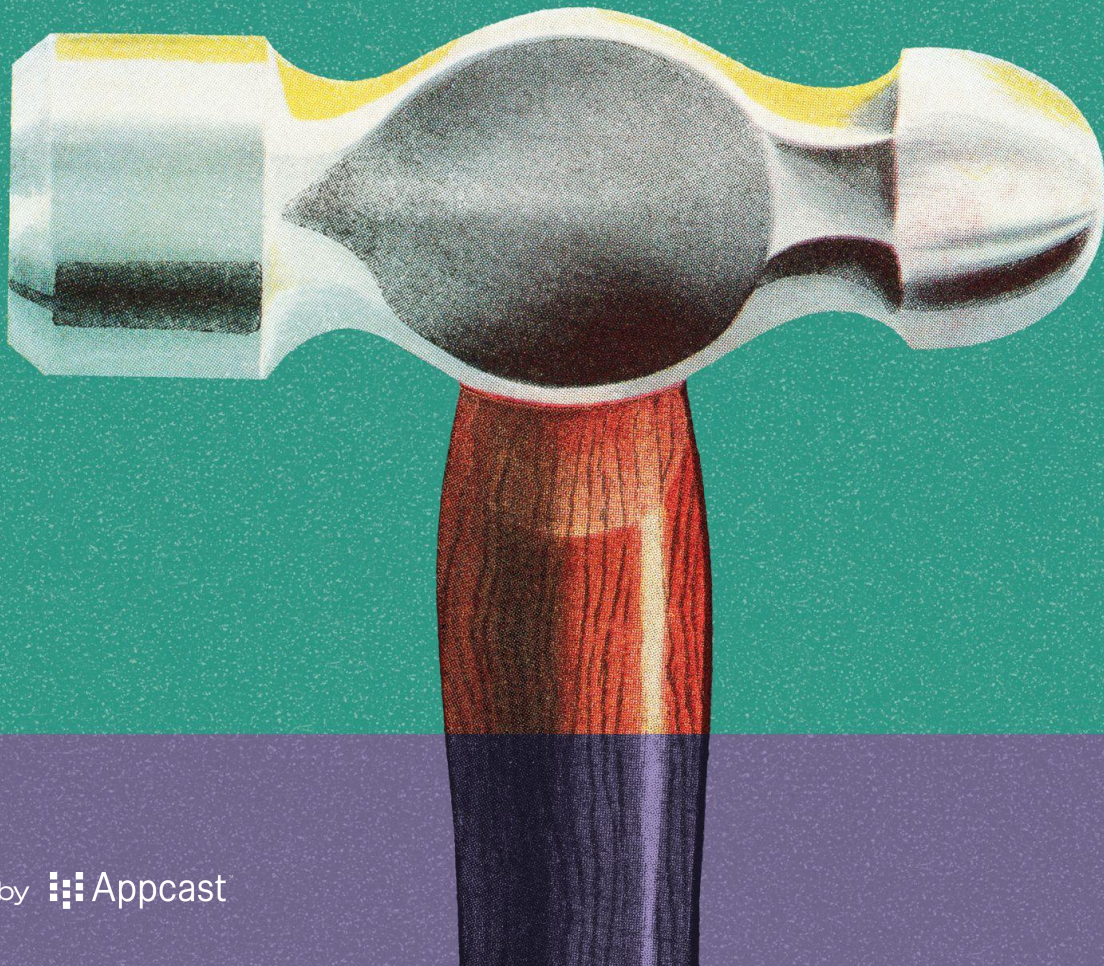


Appcast Construction Snapshot

Comfortable Gains and Softening Labor
Market Conditions



Economy-wide breakdown

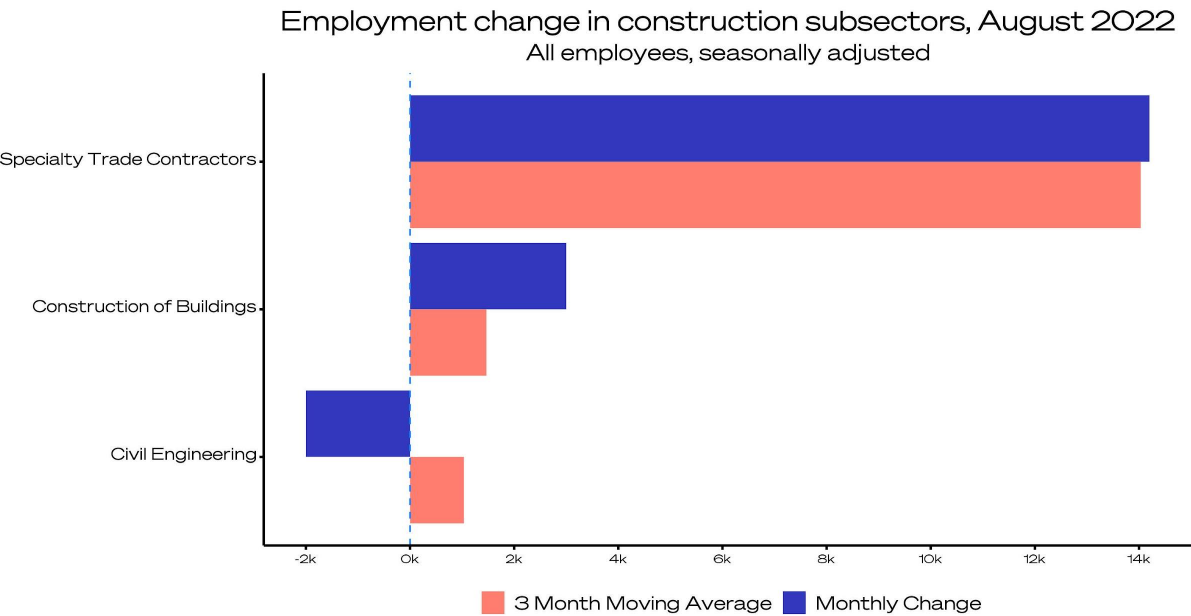
- The U.S. economy added 315,000 net new jobs in August 2022. The unemployment rate rose slightly to 3.7% from a historically low 3.5% – but for *good* reasons. Labor force participation among prime-age workers rose in August to its highest point since February 2020.
- The Fed should be thrilled with the August jobs report. In addition to strong hiring and a rise in the labor force, growth in average hourly earnings slowed, easing fears of a wage-price spiral. Its hope for a “soft-landing” remains alive.
- Every major industry posted job gains in August. Healthcare and Professional and Business Services were especially strong, reflecting the continued shift to services-providing employment from goods-providing. This month’s gains bring the three-month moving average to 400,000 – nowhere near a recession.
- [Read our economy-wide breakdown of the August numbers.](#)



Employment Trends in Construction

[Despite a decline in new home starts](#), construction gained a modest 16,000 net new jobs in August. This month's growth was led by speciality trade contractors, which added 14,200 jobs.

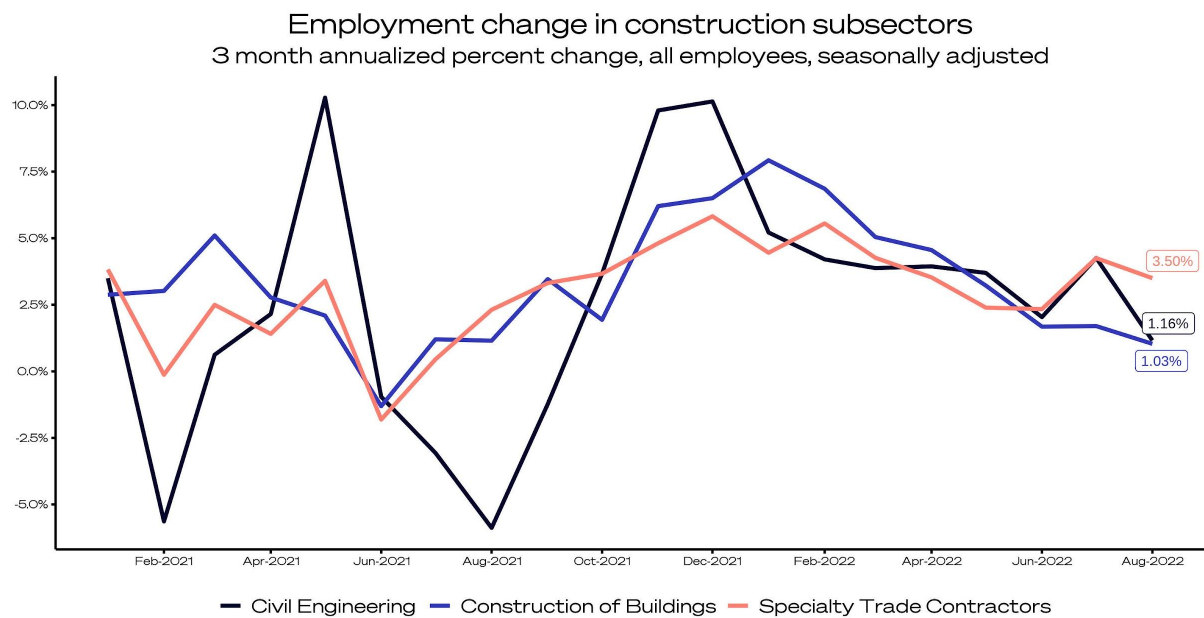
Construction of buildings and speciality trade contractors both posted employment gains in August, while heavy and civil engineering construction lost 2,000. The residential subcategories of both construction of buildings and speciality trade contractors continued to post growth in August, despite higher interest rates.



Source: Bureau of Labor Statistics; Created on Sep 08 2022



Employment Trends in Construction

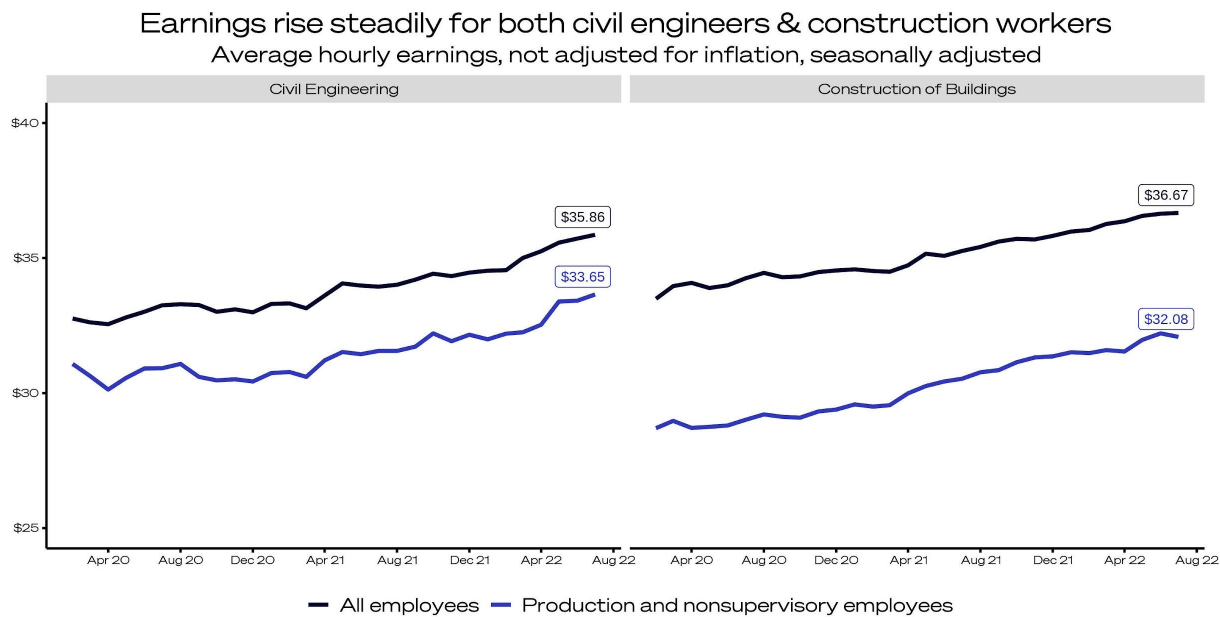


Source: Bureau of Labor Statistics; Created on Sep 08 2022



Wage Trends in Construction

Nominal average hourly earnings remained elevated for both civil engineering employees and building construction workers in August. For rank-and-file civil engineering employees, wages increased slightly to \$33.65. For those same level employees in construction of buildings wage growth faltered slightly, falling to \$32.08. Both groups are experiencing nominal wages far higher than pre-COVID measures.

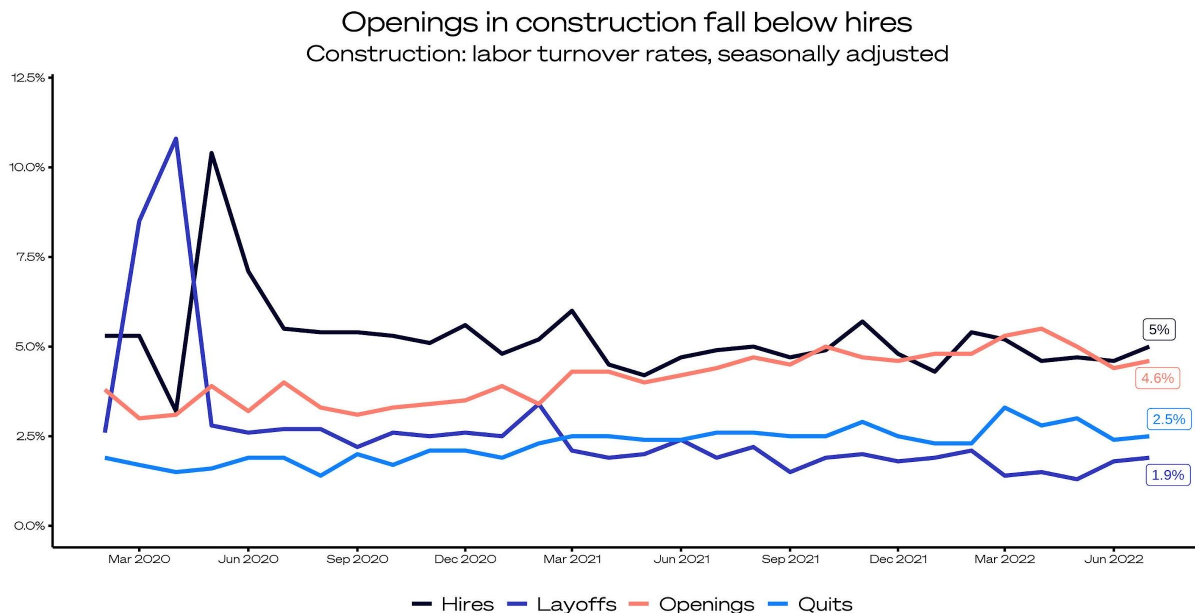


Source: Bureau of Labor Statistics; Created on Sep 07 2022



Openings and Turnover Trends in Construction

Construction's labor market is considerably slack compared to economy-wide trends. Construction is currently the only industry in which hires eclipse openings, a trend that continued in July from June. The quits rate was steady in July after a fall in June, indicating that the power is shifting from workers to employers. Elevated layoffs suggest the same. Tight labor market conditions are certainly softening in this sector.



Source: Bureau of Labor Statistics; Created on Sep 07 2022

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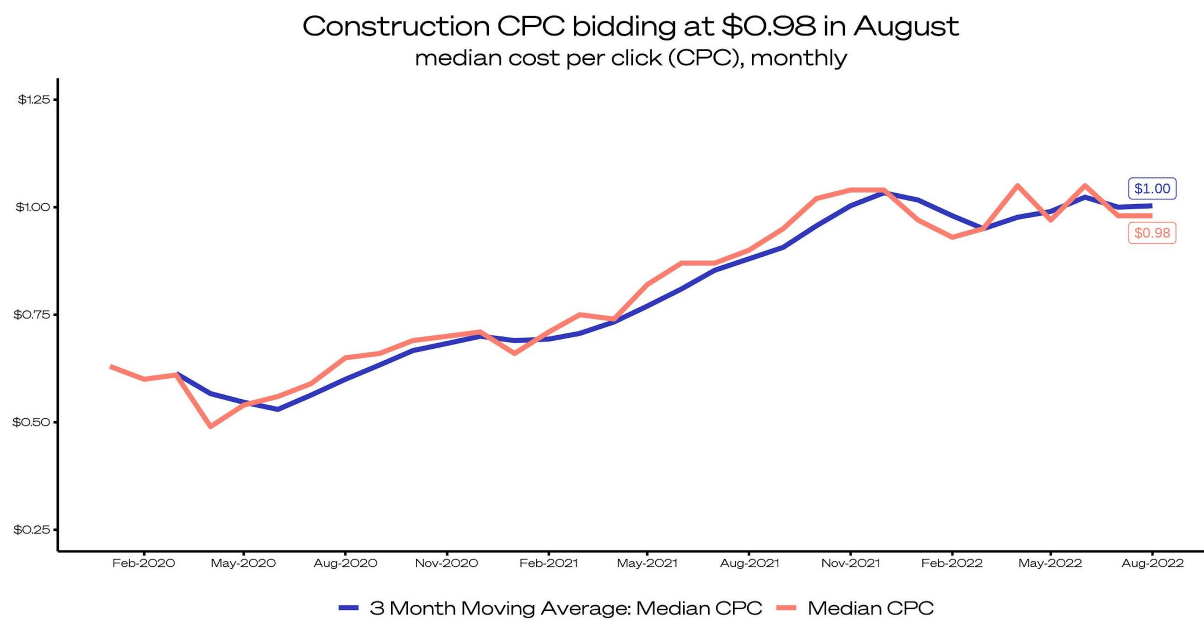


Recruitment Marketing Trends in Construction

Recruitment marketing trends continue to moderate at a high level for construction in August. Recruiting has become more expensive in the past two years, but softening labor market conditions for construction could be spilling into these costs.

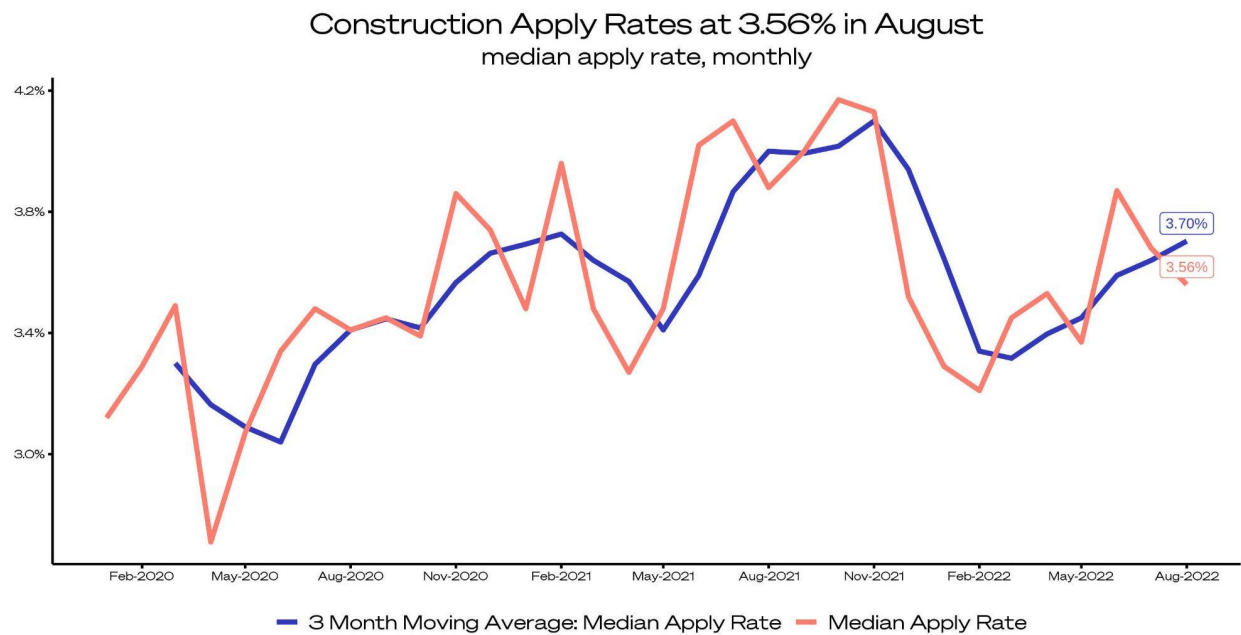
Cost per click (CPC) was unchanged in August at \$0.98, and the moving average settled at \$1.00. Cost per apply (CPA) continued to trend downwards to \$25.52. CPA may have hit its peak in Q1: smoothed trends show early signs of declines.

Apply rates in the industry dropped to 3.56% in August, but has been trending upwards for the better part of 2022. Job seekers are becoming more motivated to apply, a trend that is sure to continue as more slack is introduced to the jobs market.

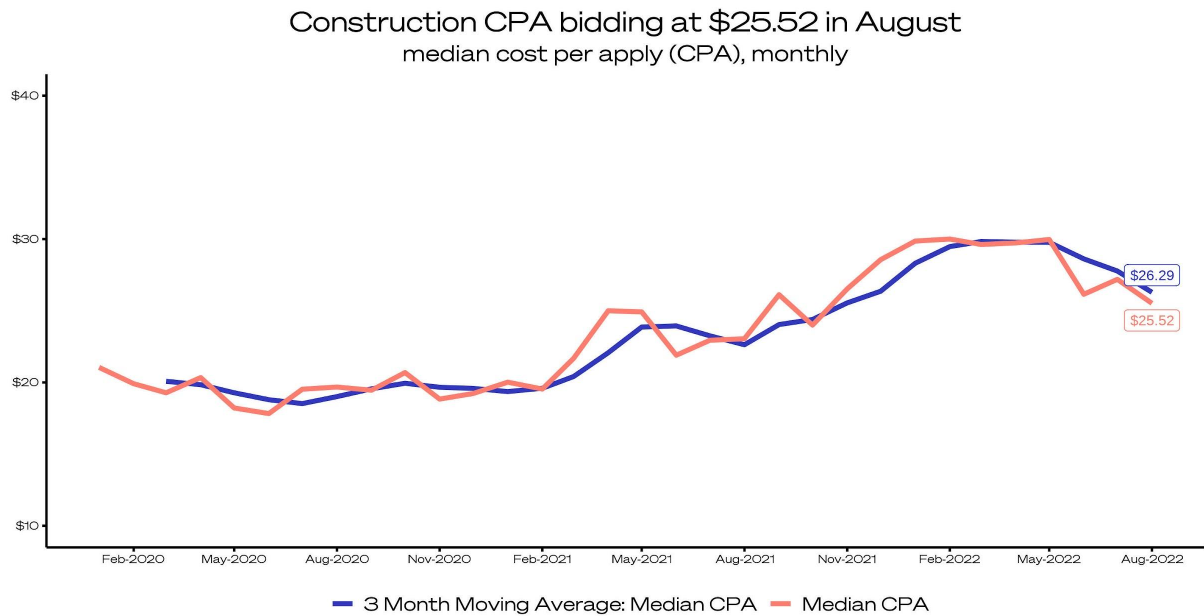


Source: Appcast; Created on Sep 08 2022





Source: Appcast; Created on Sep 08 2022



Source: Appcast; Created on Sep 08 2022



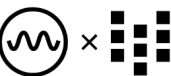
What does this mean for Construction?

Recruiting costs remain stubbornly elevated for construction, but as more slack is introduced to the market, these trends could reverse. Relative slack in the form of decreased openings and increased layoffs is a sign that conditions have begun to depressurize. Continued increase of interest rates may further impact labor demand, as housing starts may continue to decrease. Construction is in a comfortable spot compared to other sectors: steady employment gains and moderating turnover trends may soon transform the recruitment market.



Thank you

Why Recruitonomics?



Recruitonomics is a hub for data-driven research, powered by Appcast, that aims to make sense of our evolving world of work. Combining labor economics and recruitment best practices, Recruitonomics seeks to bring clarity to the chaos of a changing economic landscape.

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