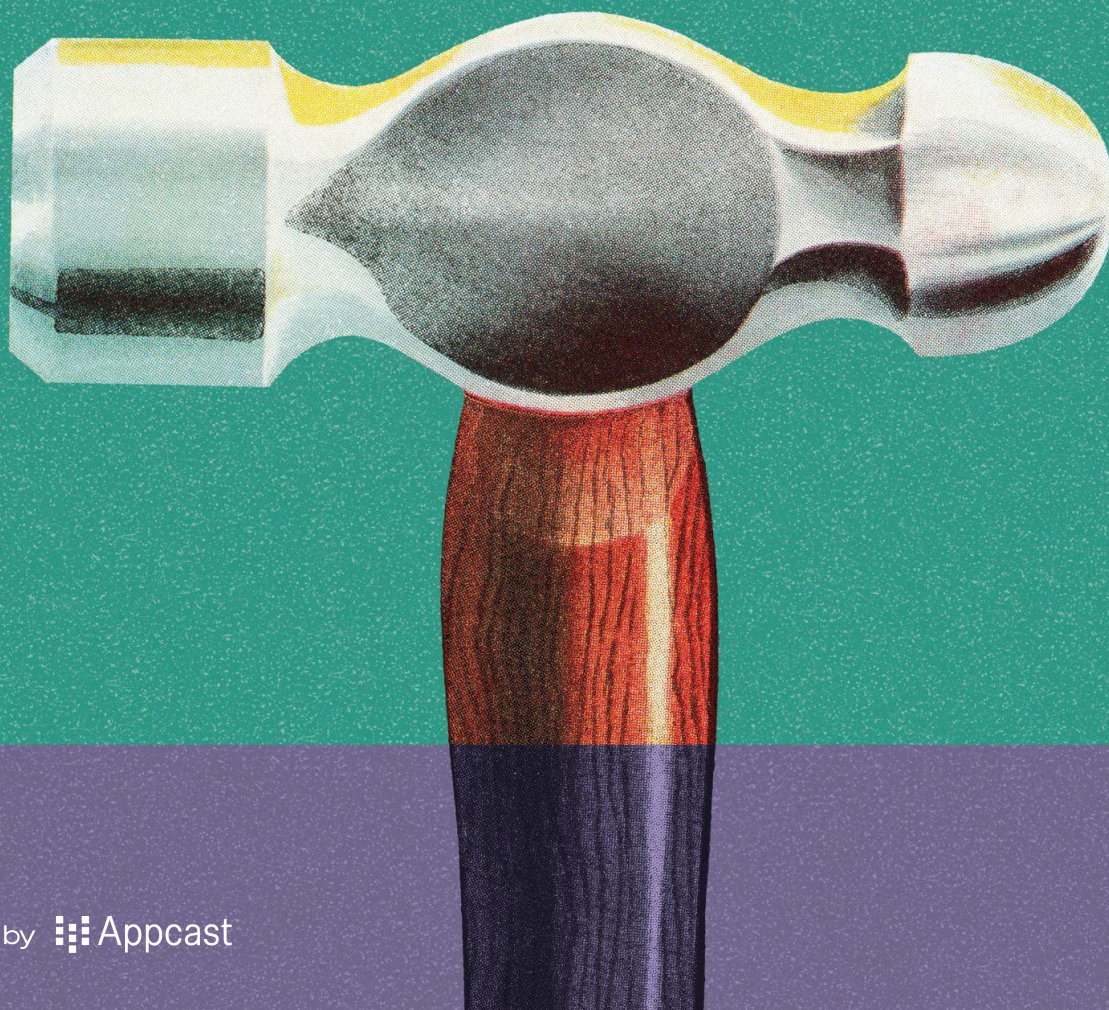


# Appcast Construction Snapshot

Cooling in the Housing Market Impacted Employment Gains



## Economy-wide breakdown:

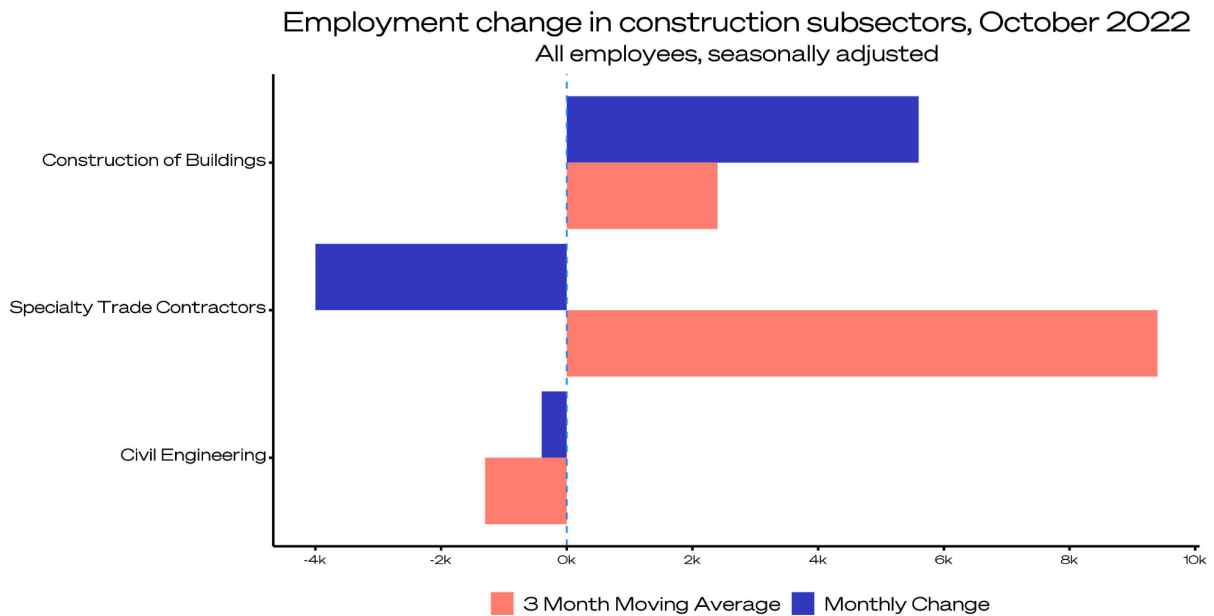
- The U.S. labor market continued to be a bright spot in an otherwise challenging economy last month. In October, the economy added 261,000 net new jobs. The unemployment rate increased slightly to 3.7% from a historically low 3.5%.
- Encouragingly, wage growth moderated once again last month – the Federal Reserve’s fears of a wage-price spiral are steadily abating. Average hourly earnings (3-month annualized rate) grew at just 4.3%.
- It was not all clear skies, however. Labor force participation disappointed yet again, with the prime-age participation rate declining to 82.5%. The labor force participation rate has yet to return to February 2020 levels.
- Shifting employment growth trends reflect shifts in consumer demand and the receding influence of the pandemic. Goods-producing sectors that ruled the recent recession recovery, like warehousing, are slowing. Now, as pandemic fears ease, healthcare is leading monthly gains.
- [Read our economy-wide breakdown of the October numbers.](#)



## Employment Trends in Construction

Employment in the construction sector barely budged in October, adding just 1,000 jobs. When compared to the monthly average of 15,500 jobs added per month this year, this was an obviously slow month for construction. Rapidly rising mortgage rates and declining demand for houses may have pierced labor demand last month – just as the Federal Reserve’s tightening policy intends.

Construction of buildings actually added 5,600 jobs in October. Specialty trade contractor employment – which is made up of companies that specialize in a specific type of construction, like iron workers or glazers – fell by 4,000 in October. After several strong months of growth, this reversal from specialty trade contractors was surprising. [As we noted in our previous report](#), this is a sharp reversal in employment trends.

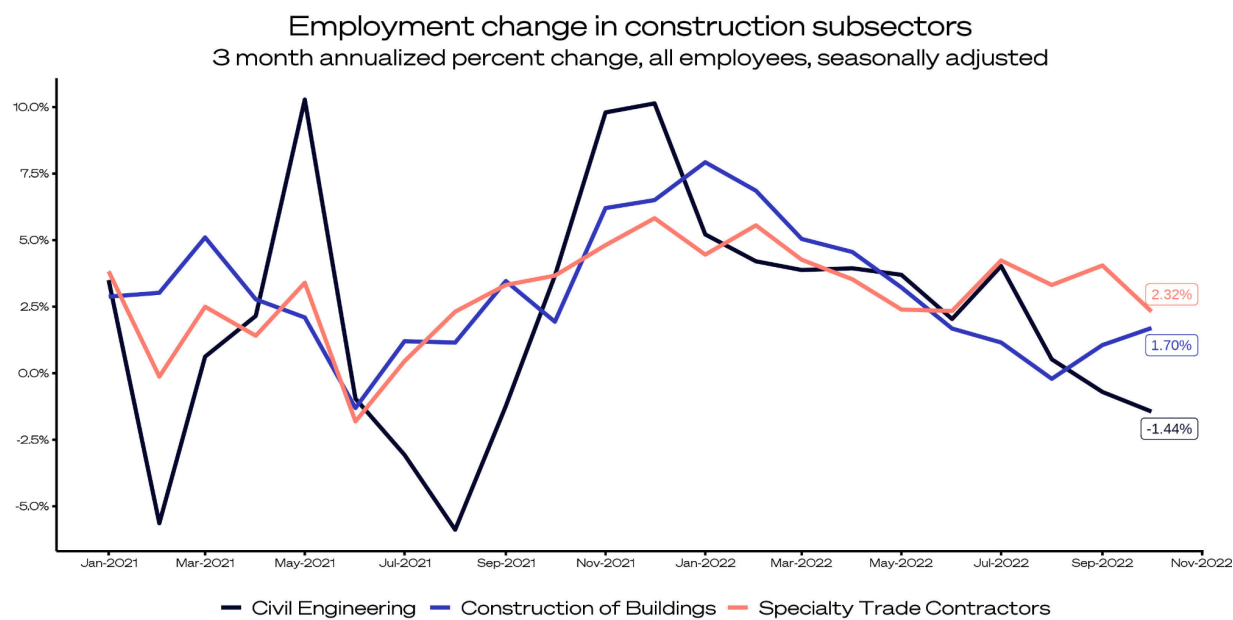


Source: Bureau of Labor Statistics; Created on Nov 07 2022

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# Employment Trends in Construction

Civil engineering growth continued to lose employment in October, now at -1.44%. Construction of building growth continued to rebound, now at 1.70%. Specialty trade contractor employment growth noticeably slowed.

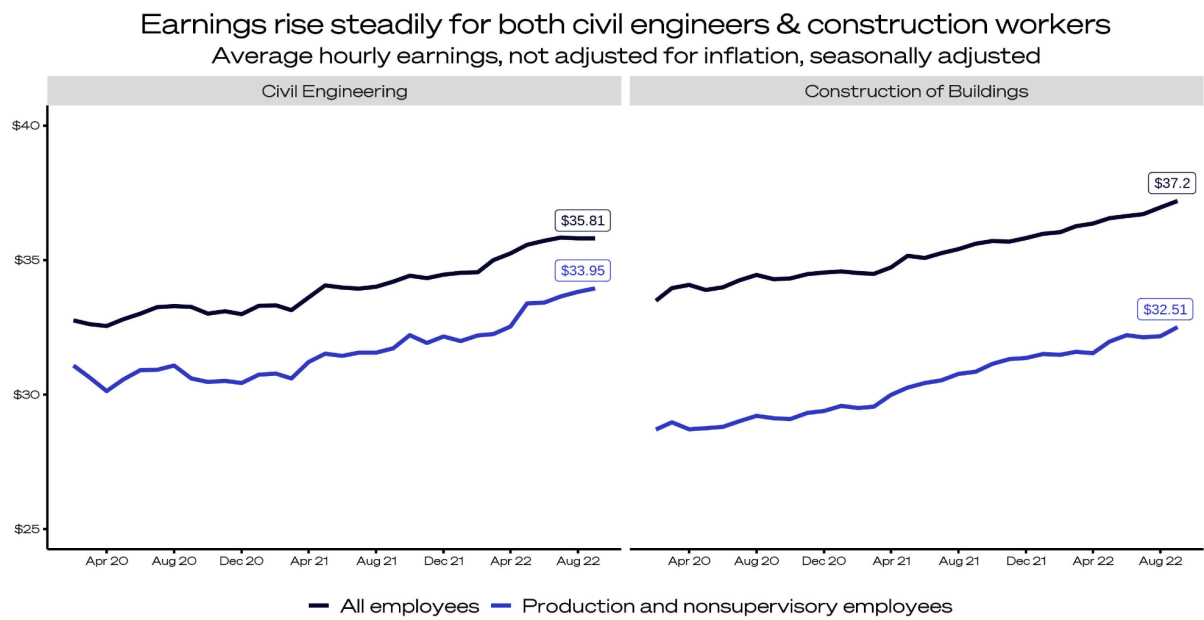


Source: Bureau of Labor Statistics; Created on Nov 07 2022



## Wage Trends in Construction

Nominal average hourly earnings increased for rank-and-file employees in both civil engineering and building construction, to \$33.95 and \$32.51, respectively. For all employees in civil engineering, wage growth seems to be leveling off, at \$35.81 in October. Employees in building construction, on the other hand, are making impressive gains.



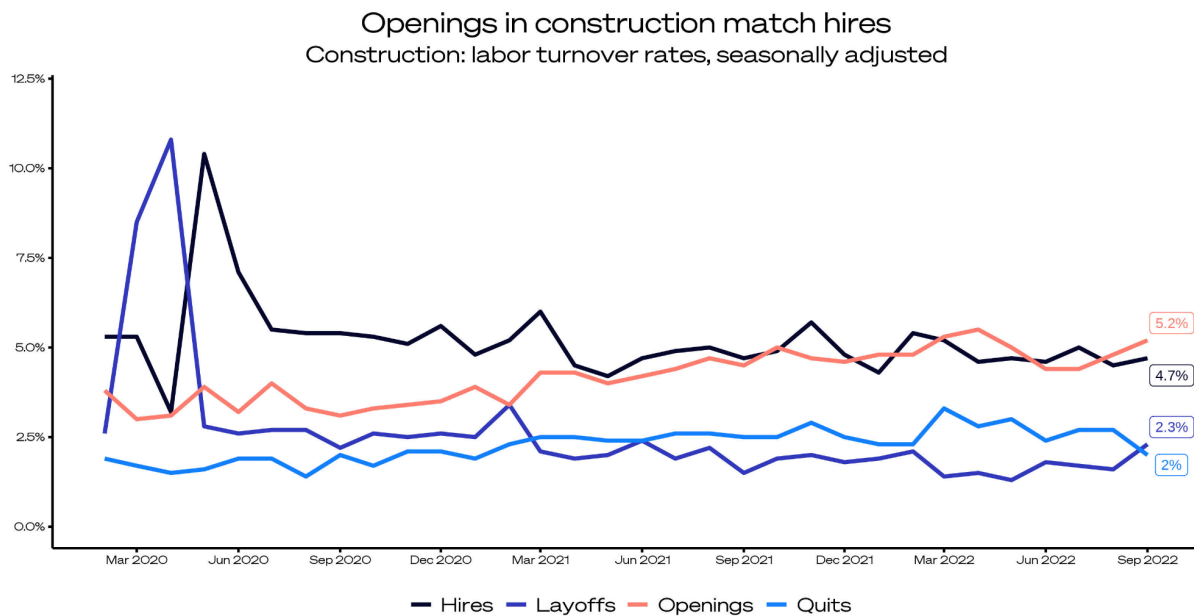
Source: Bureau of Labor Statistics; Created on Nov 07 2022



## Openings and Turnover Trends in Construction

Construction openings increased again in September, after moderating this summer. Demand in the sector remains elevated – despite the flailing housing market. Notably, the layoffs rate increased to 2.3%, much higher than the labor market’s rate of 0.9%. Employers may be feeling the impacts of rate hikes more acutely than the recent employment numbers suggest.

The declining quits rate suggests workers are feeling this power shift and are less empowered to make employment changes in this ever-changing economic environment.



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

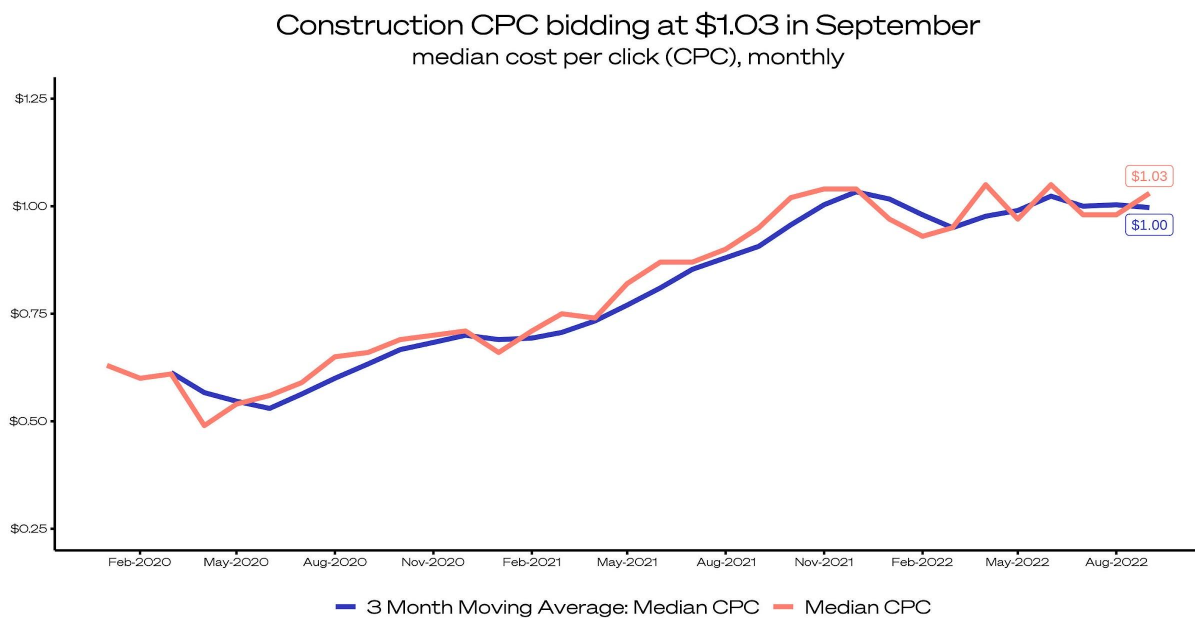
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## Recruitment Marketing Trends in Construction

Recruiting costs ticked up for construction in October, reflecting the stubbornly high demand. Median cost-per-click (CPC) increased slightly to \$1.03, while the moving average remained steady at \$1.00.

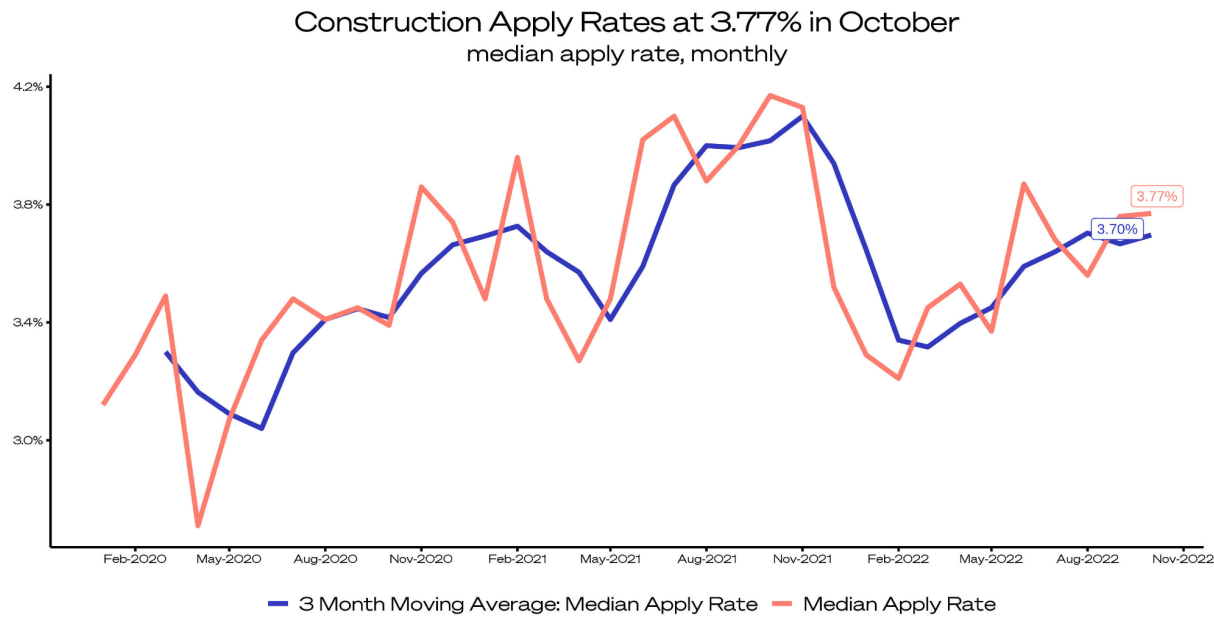
Cost-per-application (CPA) jumped to \$30.14, continuing a recent rebound from declining costs earlier in the year. Declining CPAs were the norm for 2022 but this large increase puts that trend in question.

Luckily, though, apply rates are climbing. This measure of job seeker interest increased slightly to 3.77% in October.

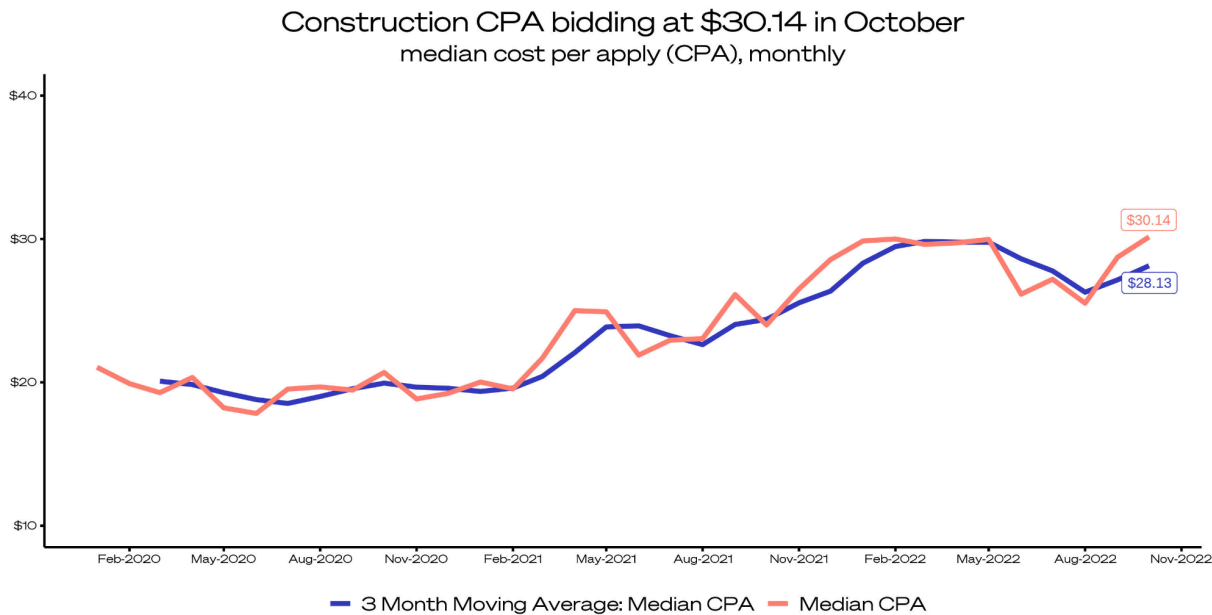


Source: Appcast; Created on Oct 10 2022





Source: Appcast; Created on Nov 07 2022



Source: Appcast; Created on Nov 07 2022



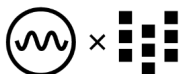


## **What does this mean for Construction?**

Construction's remarkable resilience may have reversed in October. However, the building construction sector continued to add jobs at a steady pace, suggesting that this slowdown is not entirely related to the slowing housing sector. Regardless, high inflation and interest rate hikes will continue to loom large over the sector. Impressive employment gains will be harder and harder to sustain as the Fed continues its pursuit of price stability. Demand in the sector remains high, though, with openings increasing. Recruitment competition remains high. Mortgage rates are above 7%, which is crushing housing demand. The impact of interest rates could not be more clear than the weakening growth for Construction labor.

# 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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