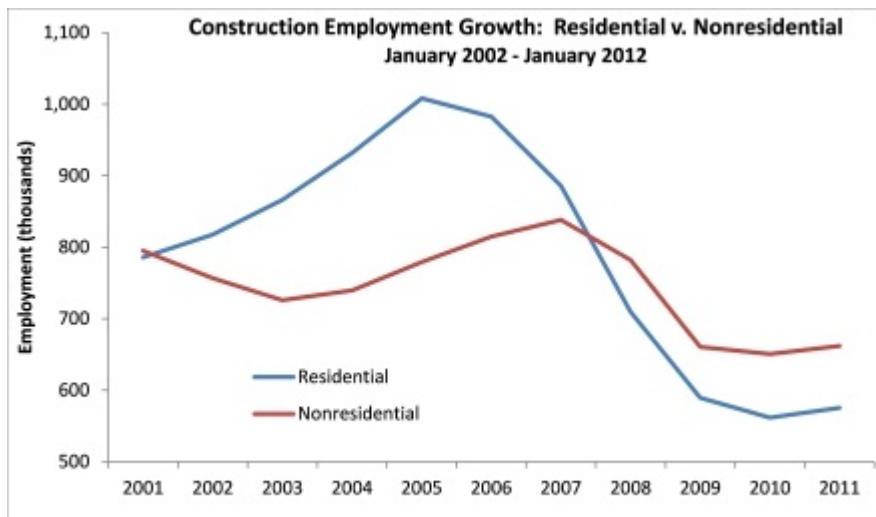




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## Construction Industry Unemployment Rises to 17.7 Percent in January

"Economic momentum appears to have returned to a level sustained before the soft patch of economic activity emerged early last year." —ABC Chief Economist Anirban Basu.



Source: Bureau of Labor Statistics

Despite the addition of 21,000 jobs in January, the nation's construction industry unemployment rate jumped to 17.7 percent, up from 16 percent the previous month, according to the Feb. 3 jobs report by the U.S. Labor Department. However, construction employment is up by 116,000 jobs, or 2.1 percent, compared to January 2011, and is down from the 22.5 percent rate posted the same time last year.

The nonresidential building construction sector added 6,000 jobs in January and has added 12,000 jobs year over year, or 1.8 percent, as January employment levels stood at 662,000. The residential building construction sector added 3,000 jobs for the month and has added 14,000 jobs, or 2.4 percent, year over year as January employment levels stood at 575,000.

Nonresidential specialty trade contractors added 10,000 jobs in January and have added 42,000 jobs, or 2.1 percent, during the past twelve months. Residential trade contractor employment increased by 4,000 jobs in January, and is up by 28,000 jobs, or 1.9 percent, from the same time last year. In contrast, heavy and civil engineering construction employment slipped by 1,000 jobs for the month but has added 21,000 jobs, or 2.6 percent, year over year.

Across all industries, the nation added 243,000 jobs as the private sector expanded by 257,000 jobs and the public sector shrank by 14,000 jobs. Year over year, the nation has added 1,953,000 jobs, or 1.5 percent to job totals. The unemployment rate fell to 8.3 percent in January, down from a revised 8.5 percent last December.

## Analysis

“Today’s employment report was substantially better than consensus estimates, both for construction and the overall economy,” said Associated Builders and Contractors Chief Economist Anirban Basu.

“It was anticipated that the construction industry would add roughly 0.1 percent to jobs totals,” Basu said. “This pace of growth would have been in line with the past year. Surprisingly, construction employment expanded 0.4 percent for the month, and is now up 2.1 percent for the year.

“Clearly, the recovery in private construction has been accelerating,” said Basu. “Job growth was particularly rapid in the manufacturing, commercial, and power categories, a reflection of rising private momentum.

“However, the impact of strained public finances also continues to be apparent, including the trend of diminished employment in the heavy and civil engineering categories, which declined 1.4 percent for the month,” Basu said.

“The U.S. economic momentum appears to have returned to a level sustained before the soft patch of economic activity emerged early last year,” said Basu. “January represented the fastest pace of job growth since April 2011.”