



Construction and Skilled Labor Report

Q1 2025



Key market statistics

4.2%

UNEMPLOYMENT
RATE
(March 2025)

7.1m

TOTAL UNEMPLOYED
PEOPLE
(March 2025)

6.4%

CONSTRUCTION
UNEMPLOYMENT RATE
(March 2025)

2.39%

CURRENT
INFLATION RATE
(March 2025)

-0.1%

CONSUMER
PRICE INDEX
(March 2025)

7.5%

FED PRIME RATE
(April 2025)

228k

JOBS ADDED
(March 2025)

2025 has brought an evolving situation not only for construction, but the entire economy. With a wide range of changes from a new presidential administration, it can be difficult to navigate where to even start.

But we've highlighted a few areas of focus for construction businesses to consider.

An industry on the rise

In the construction supply chain, there have been improvements, and conditions appear to be stabilizing, though concerns persist. A recent [survey by AEC SmartBrief](#) highlighted the primary worries as labor shortages, inflation and material costs, along with supply chain instability.

The [Global Supply Chain Volatility](#) Index from GEP, which analyzes supply chain pressures using data from 27,000 businesses across 40 nations, is rising in every region except Europe. This trend points to increased supply chain strain, influenced by stockpiling goods and materials to mitigate tariffs in the U.S. and the expansion of manufacturing in China.

Despite this, contractors maintain a positive outlook. A [survey by AGC involving 1,100 contractors revealed](#) that 69% expect to expand their workforce in 2025, while only 10% foresee a reduction in staff.



69%

OF CONTRACTORS EXPECT
TO EXPAND THEIR WORKFORCE

In a [recent article from Construct Connect](#), several economists offered their insights on the state of the industry. Here are a few highlights:

1. Spending is up, but is **expected to slow in 2025 to around 5% to 5.5% increase** (*Kermit Baker, Chief Economist for the American Institute of Architects*)
2. More than **90% of contractors reported trouble filling positions in 2024**, up from 80% in 2023 (*Ken Simonson, Chief Economist for the Associated General Contractors of America*)
3. **Bidding was up by about 5% in 2024** (*Kristy O'Brien, ConstructConnect's Director of Content Acquisition*)
4. Expect to see **more hotels, stores and military projects in 2025** (*Michael Guckes, ConstructConnect's Chief Economist*)



The rise of AI and what it means for construction

The demand for construction and infrastructure is still on the rise, largely driven by AI advancements. [According to JLL](#), data centers are expected to grow by 15-20% through 2027.



15-20%

**EXPECTED GROWTH OF
DATA CENTERS THROUGH 2027**

This growth in technology and data center construction has crucial impacts. A [Goldman Sachs report](#) highlights that a single ChatGPT query consumes ten times more energy than a standard Google search. As a result, many data centers are pushing the limits of our electrical grid, prompting some companies to build their own power sources. Factors like extreme weather events, such as the January fires near Los Angeles and Hurricane Helene in the Southeast, could further affect the availability of electrical resources and lead to higher prices for related materials.

We're just scratching the surface of how to utilize AI, but it's already making waves in various areas, including construction. Ken Simonson, the Chief Economist at AGC, told [DPR](#) that "there is work being done by the U.S. government specific to the Census Bureau to use AI and satellite images to help see new construction starts, with potential enhancements for other information that could provide better real time information on construction activity and types within the U.S."

On another note, [Blynco](#), a subsidiary of Bentley Systems, has created a free digital map that provides near real-time updates on infrastructure assets along the U.S. interstate highway system. They gather dashcam images from fleets that drive on these roads daily to track things like guardrails, speed limit signs and work zones. This tool could help speed up repairs and improve highway safety.

The cost of construction

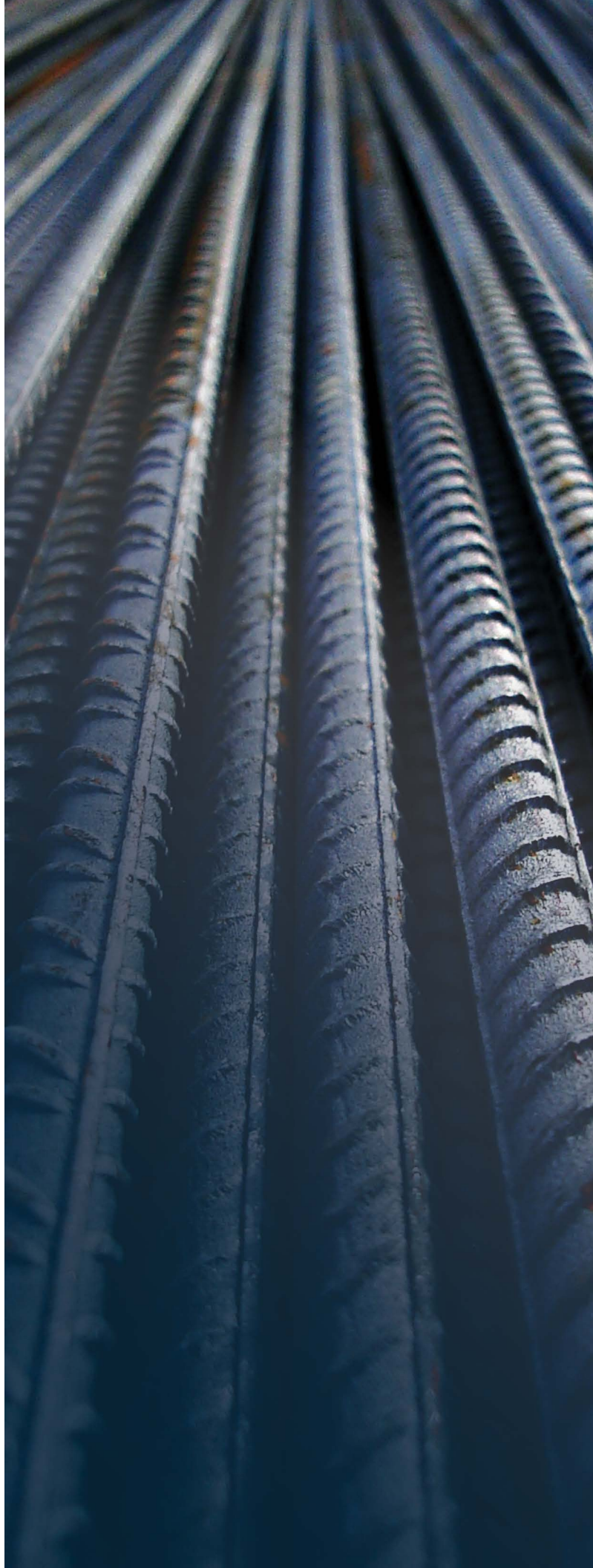
At present, pricing has stabilized, and materials are generally accessible, with notable exceptions like mineral wool insulation, switchgear, semiconductors and certain types of copper wiring. However, potential upcoming tariffs could influence this situation.

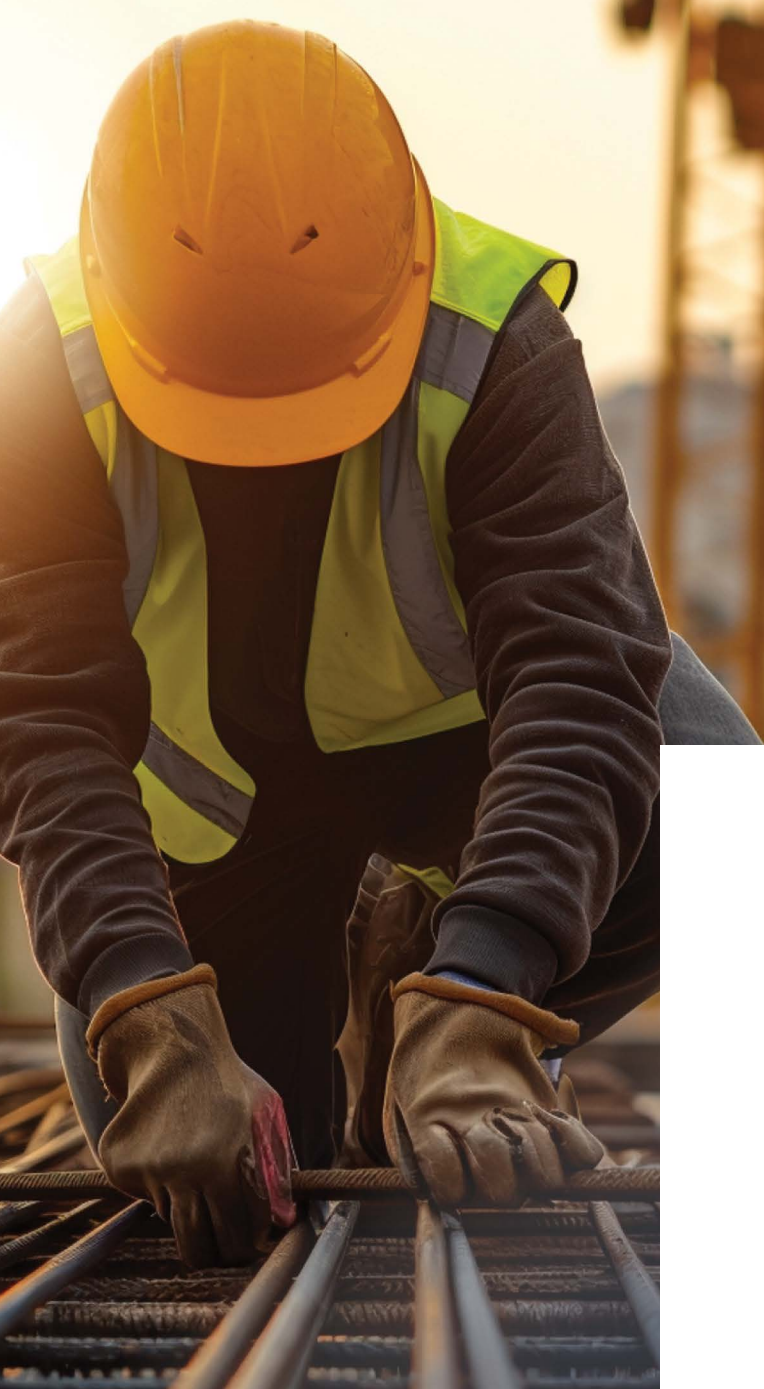
Over the past year, prices for aluminum, light fixtures, insulation, lumber, electrical equipment and semiconductors have steadily risen. The [Cumming Group](#) forecasts that the wildfires in Southern California, which affected around 10,000 homes, will have repercussions on materials such as wood and concrete. [Steel and related products](#) have seen a year-over-year decline of nearly 17% as of January, but an increase is expected due to recently announced tariffs.



Looking ahead, iron ore prices are anticipated to decrease in 2025, driven by weak demand for steel and sufficient supply. Factors such as China's economic slowdown and potential tariffs or regulatory changes are restraining market demand for iron ore.

All in all, Q1 proved to be an interesting start to the year. While things are looking up for a lot of sectors in construction, economic and political volatility may start to take their toll in coming months.





Struggling to attract, hire and retain qualified tradespeople? We can help.

At PeopleReady Skilled Trades (PRST) we help connect tradespeople and work across a wide range of trades, including carpentry, electrical, plumbing, welding, solar installations and more. Whether you need a single tradesperson or require a coordinated effort to dispatch skilled workers across multiple projects, we ensure you have the right people with the right tools, on-site and on time.



About PRST

Our mission is to connect skilled tradespeople and work — a mission we've been dedicated to since 1987. As part of TrueBlue, we own our niche and have honed the craft of skilled trades staffing across the construction, energy and marine sectors.

We put a scalable workforce within reach

A skilled trades labor shortage is sweeping the nation. Without access to a scalable workforce, businesses are forced to weigh deadlines against profit, safety against risk and quality against completion. When you partner with PRST, a skilled workforce is always within reach. When you scale with the help of an experienced staffing partner, we make it easier to scale up or down to meet rapidly changing project demands.

We Respect the Craft

Skilled tradespeople are at the heart of everything we do. Our respect for our tradespeople and the essential work they do every day runs deep. And, we show our respect by extending to them the same level of care and service that we provide to our customers.

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