



Construction and Skilled Labor Report

Q2 2025



Key market statistics

4.1%

UNEMPLOYMENT
RATE
(June 2025)

7.2m

TOTAL UNEMPLOYED
PEOPLE
(June 2025)

4.4%

CONSTRUCTION
UNEMPLOYMENT RATE
(June 2025)

2.4%

CURRENT
INFLATION RATE
(June 2025)

+0.1%

CONSUMER
PRICE INDEX
(May 2025)

7.5%

FED PRIME RATE
(June 2025)

110k

JOBS ADDED
(June 2025)



Volatility is the name of the game

Unemployment dropped down to up 4.1% in June after holding steady at 4.2% in April and May.

While this area is fluctuating in small amounts, construction costs are still climbing. Construction input prices increased 0.2% in May due to spikes in the cost of iron, steel, copper and aluminum, according to an analysis by [Associated Builders and Contractors](#).

And according to Construction Dive, input prices are now 1.3% higher than a year ago overall, and 1.6% higher for nonresidential construction, with tariff-related price increases largely offsetting declines in energy costs. On an annualized basis, however, costs climbed 6% through May.



The stock market has been all over the place in Q2, thanks to new tariff announcements and the Fed's warnings that tariffs could drive up inflation and slow economic growth. [Contractors are playing it safe](#) — fewer than 26% expect profits to rise in the next six months, while 40% anticipate a decline. That's despite [backlog improving](#) to 8.4 months, in May.

Mixed signals everywhere. Some indicators look good, others... not so much. But the biggest Q2 storyline? Tariffs.

Tariffs: Boom or bust?

Unlike standard duties (which are indirect taxes meant to balance global trade), tariffs are direct, targeted taxes that can shift quickly based on geopolitics and economic conditions. The goal? Make imported goods more expensive, giving U.S. producers a competitive edge and bringing manufacturing back home.

Will they work? Too soon to tell. The steel and aluminum tariffs from 2017-2018 did add over 80,000 jobs in those industries by 2019, but the broader impact on U.S. manufacturing has been limited. [Reshoring \(bringing production back to the U.S.\)](#) is tough — it's expensive, slow and complicated by labor shortages.



80,000

**JOBS ADDED FROM STEEL &
ALUMINUM TARIFFS IN 2019**

Even if manufacturing returns, many raw materials and components will likely still be imported. With so many parts going into a single product, predicting the full impact is tricky.





Materials at risk

The 2025 proposed tariffs (as of this writing) include:

- Semiconductors
- Steel & aluminum (removing special country exceptions, hiking aluminum tariffs from 10% to 25%)
- China (30% tariffs)
- Canada & Mexico (25% on items outside USMCA, plus a 10% tariff on Canadian petroleum — which fuels 24% of U.S. refining capacity)
- Global tariff of 10% on all other countries (replacing the paused reciprocal tariffs)



10%


**GLOBAL TARIFF ON ALL
OTHER COUNTRIES**

In May, the [U.S. Court of International Trade blocked](#) the April tariffs, and the White House's appeal was upheld a day later — meaning the current tariffs stay in place for now.

What does this mean for costs? It depends on where materials come from and how much they've been processed (e.g., raw steel vs. coil vs. studs vs. wall systems).

Steel and aluminum have faced tariffs for years, but since many suppliers adjusted to work around them, we could still see price swings. Electrical equipment and transformers are especially vulnerable — they rely heavily on imported parts, with Mexico being a major source.

All this said, what should you do? The short answer is that it depends on the project, trade, manufacturer and their supply chain. What is clear is that there is a lot of uncertainty regarding this topic, where we are, and where we are headed. And when fluctuating costs and shifting timelines start to impact your workforce planning, having a reliable staffing partner by your side can help you stay agile.



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. Whether you need a single trade worker 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.

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.

Looking for skilled tradespeople for your next project?

Visit skilled.peopleready.com/request-tradespeople.