



Steel Market Update 
Community Chat

Featuring:

Ken Simonson

Chief Economist

The Association General Contractors of America (AGC)

June 25, 2025 // Michael Cowden, Editor-in-Chief

UPCOMING events

▲ Steel Summit 2025

Atlanta // Aug. 25-27, 2025

North America's largest gathering of the flat-rolled steel industry
at the *Georgia International Convention Center*



Steel 101 Workshop

Davenport, Iowa // Oct. 14-15, 2025

An introduction to steelmaking and market fundamentals
Includes workbook, *Tour of SSAB Iowa*, and networking

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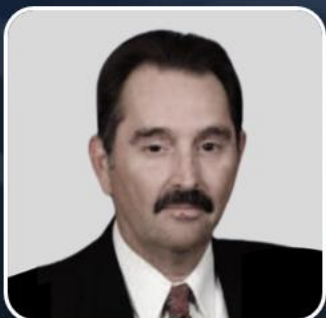
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Contact david@steelmarketupdate.com for participation information.



Nippon/US Steel finalize 'partnership,'
including US government 'Golden
Share'

Multi-family pullback drives housing starts
to 5-year low in May

Canada, mirroring the US, plans to take harder line on imported steel and aluminum

Trump proclamation doubles S232 on imported steel, aluminum to 50%

Mexico shuts down steel importer amid trade talks

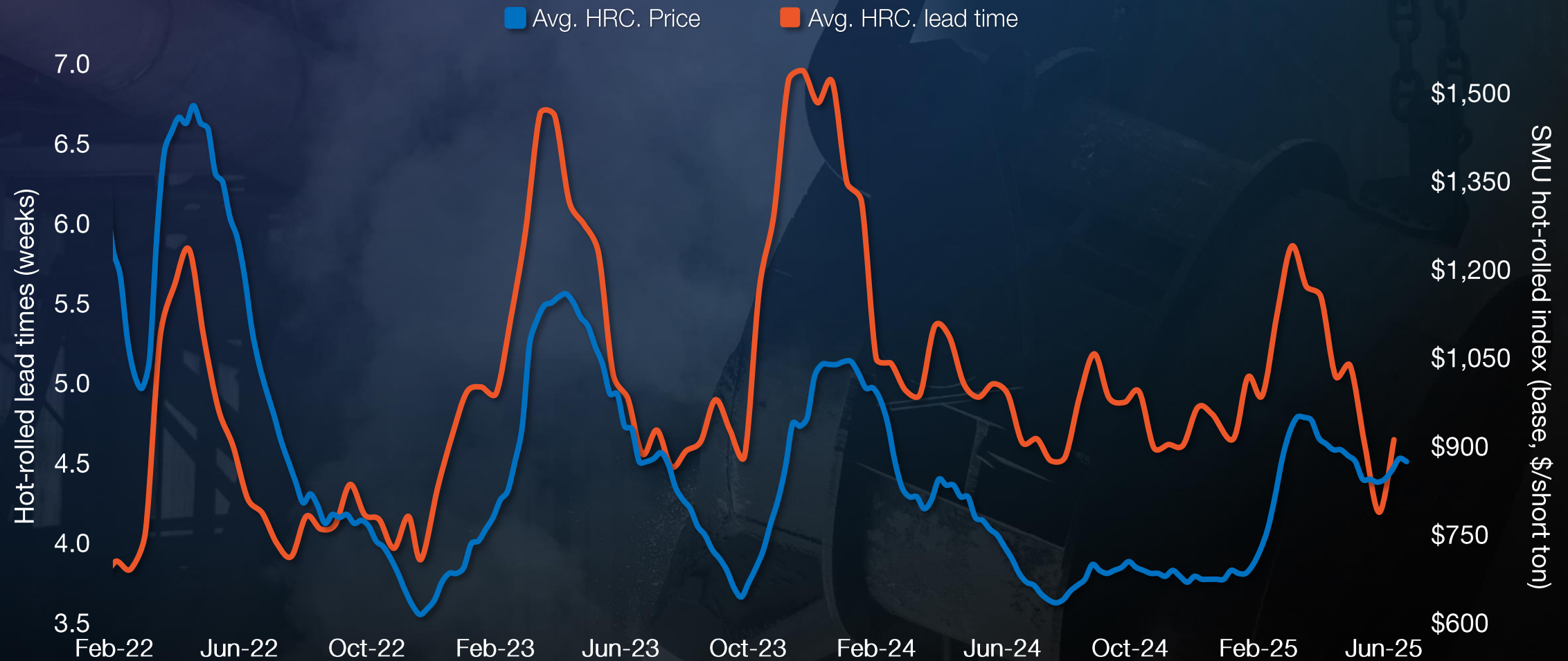
Architecture firms still struggling: ABI data

AISI: Domestic steel output ticks back up

Tariffs, ample domestic supply cause importers to shift
or cancel HR import orders

Hot-rolled steel prices vs. lead times

SMU's hot-rolled steel prices and lead times, with data through June 24, 2025.

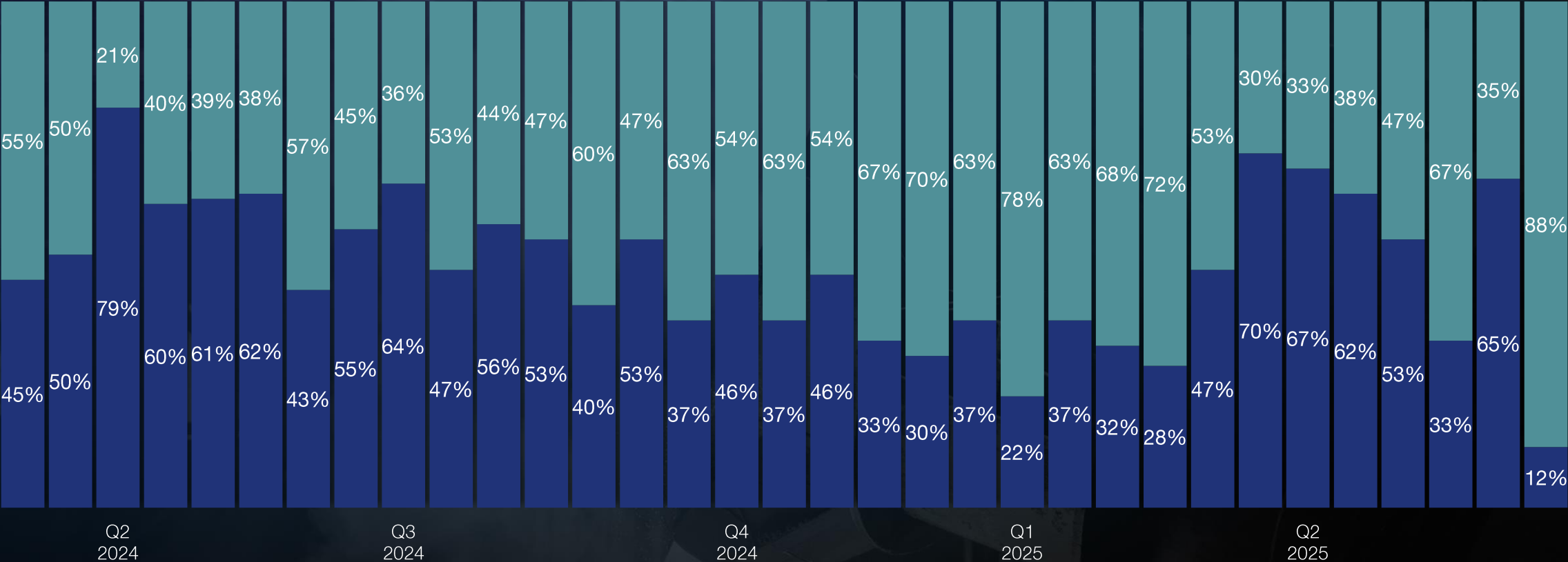


Foreign steel competitiveness

Service centers

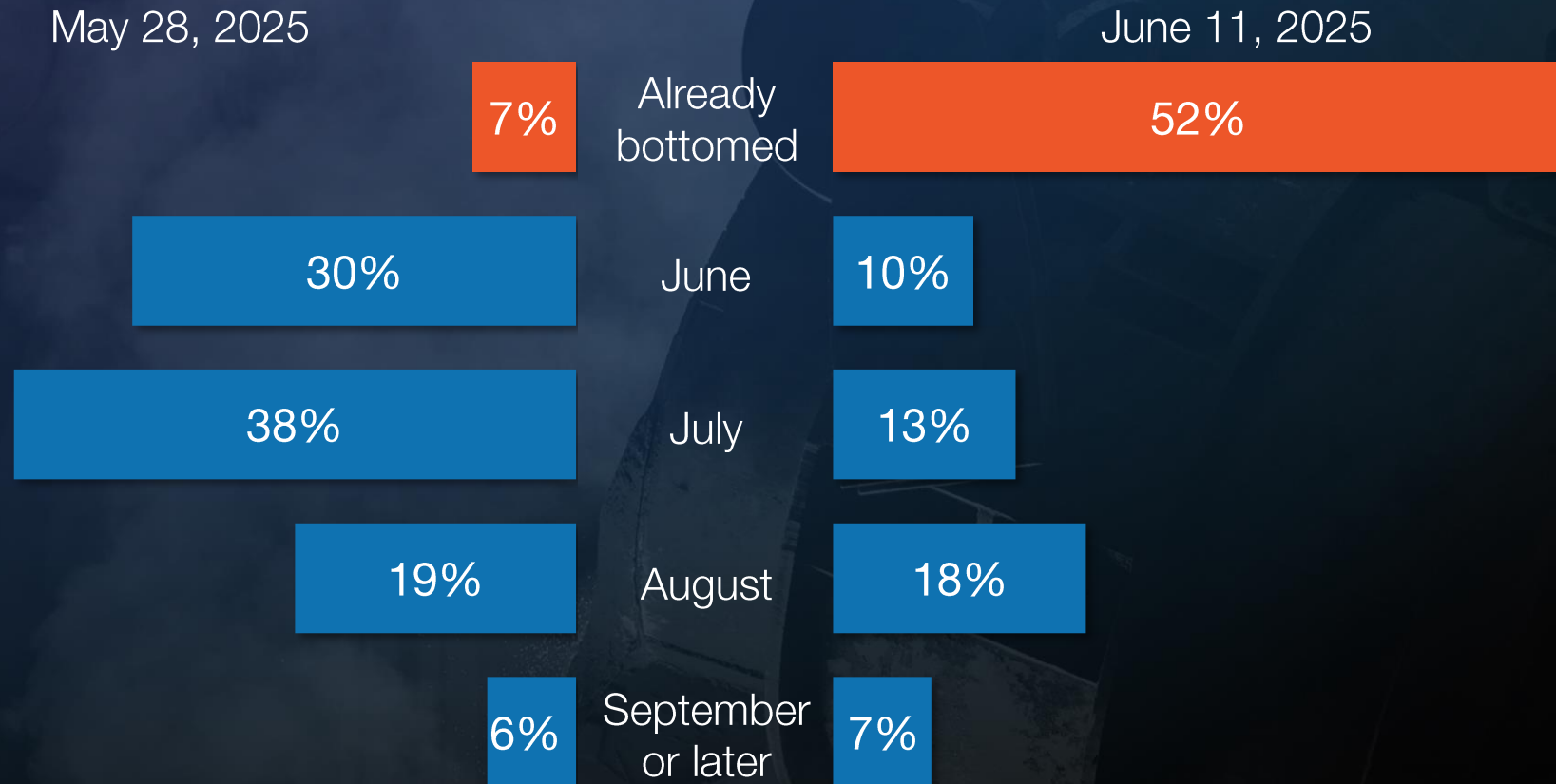
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No



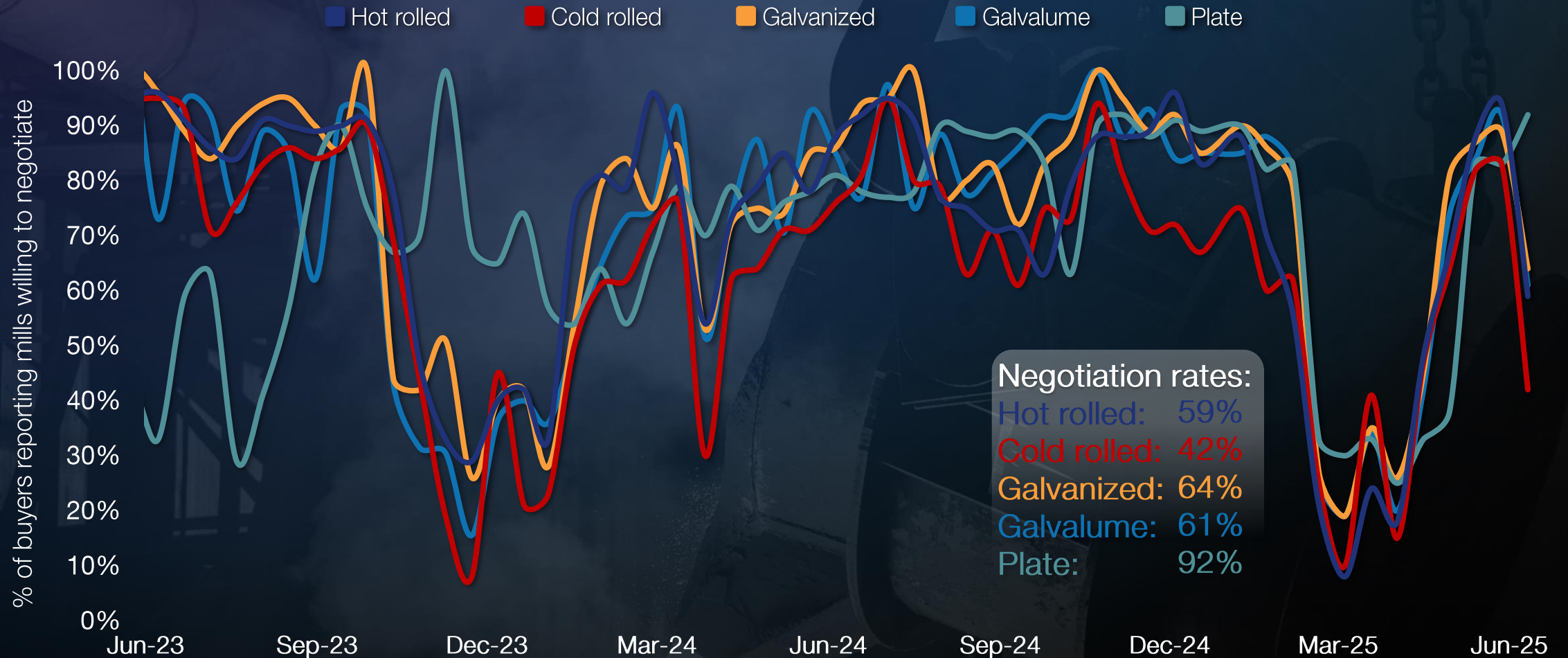
Hot rolled inflection point

When do you think steel prices will bottom?



Steel mill negotiations

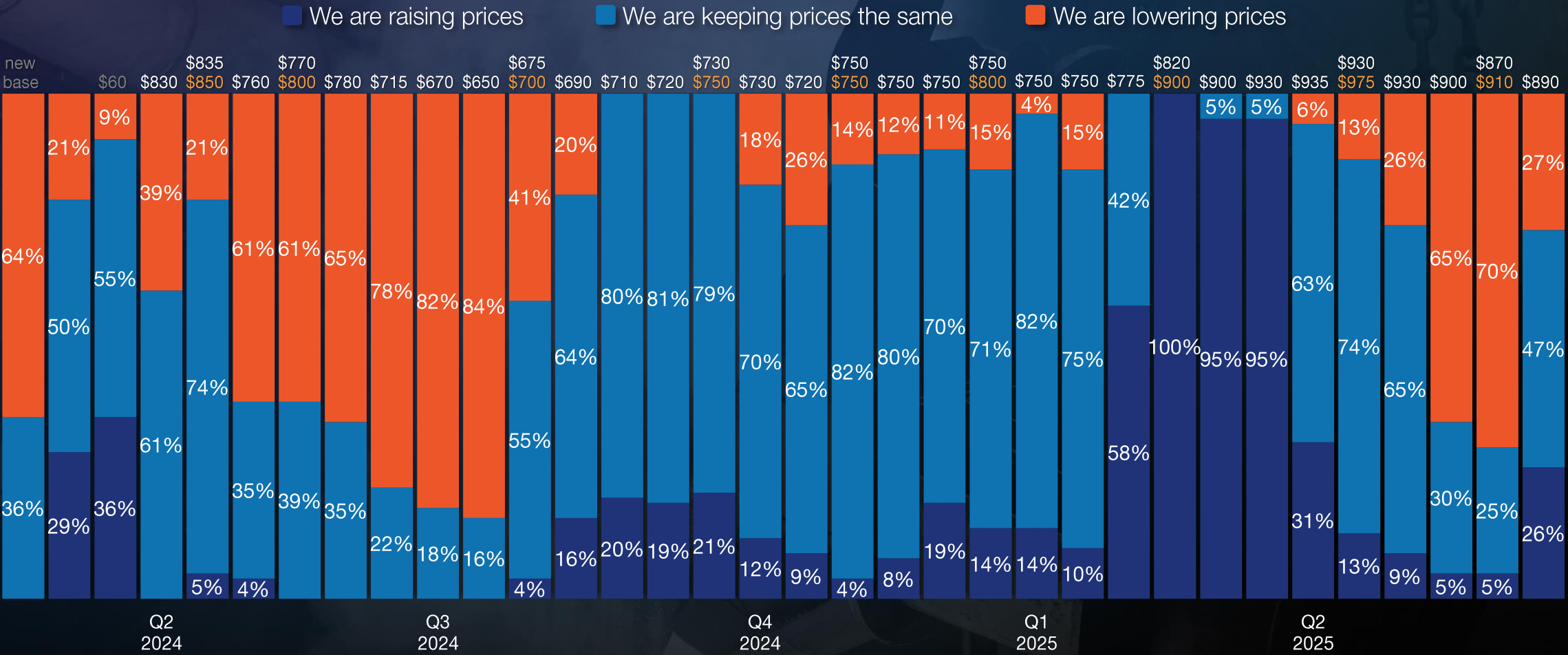
SMU's price negotiations on new steel orders by product through June 11, 2025.



Service center view of selling prices history

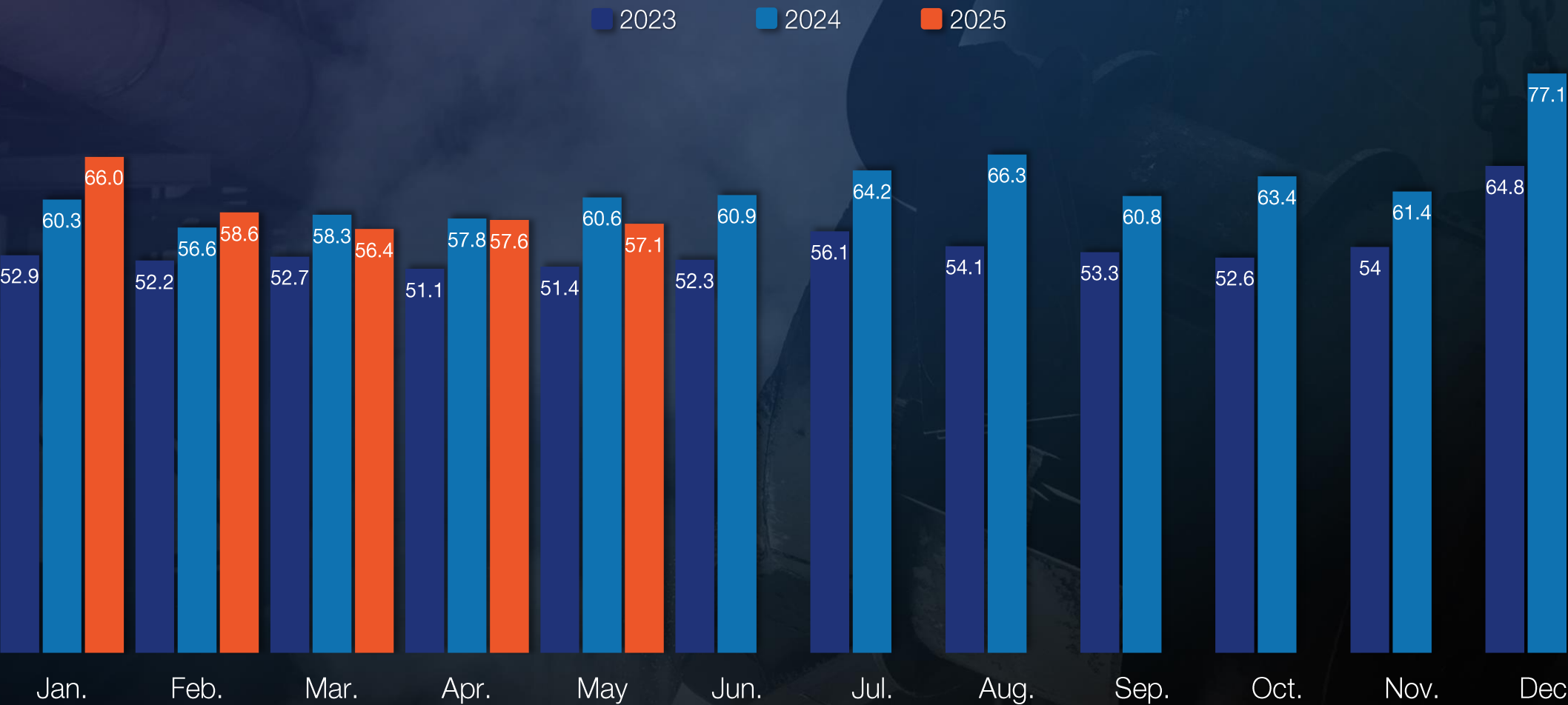
Service centers

Compared to two weeks ago, how is your company handling spot pricing to your customers?



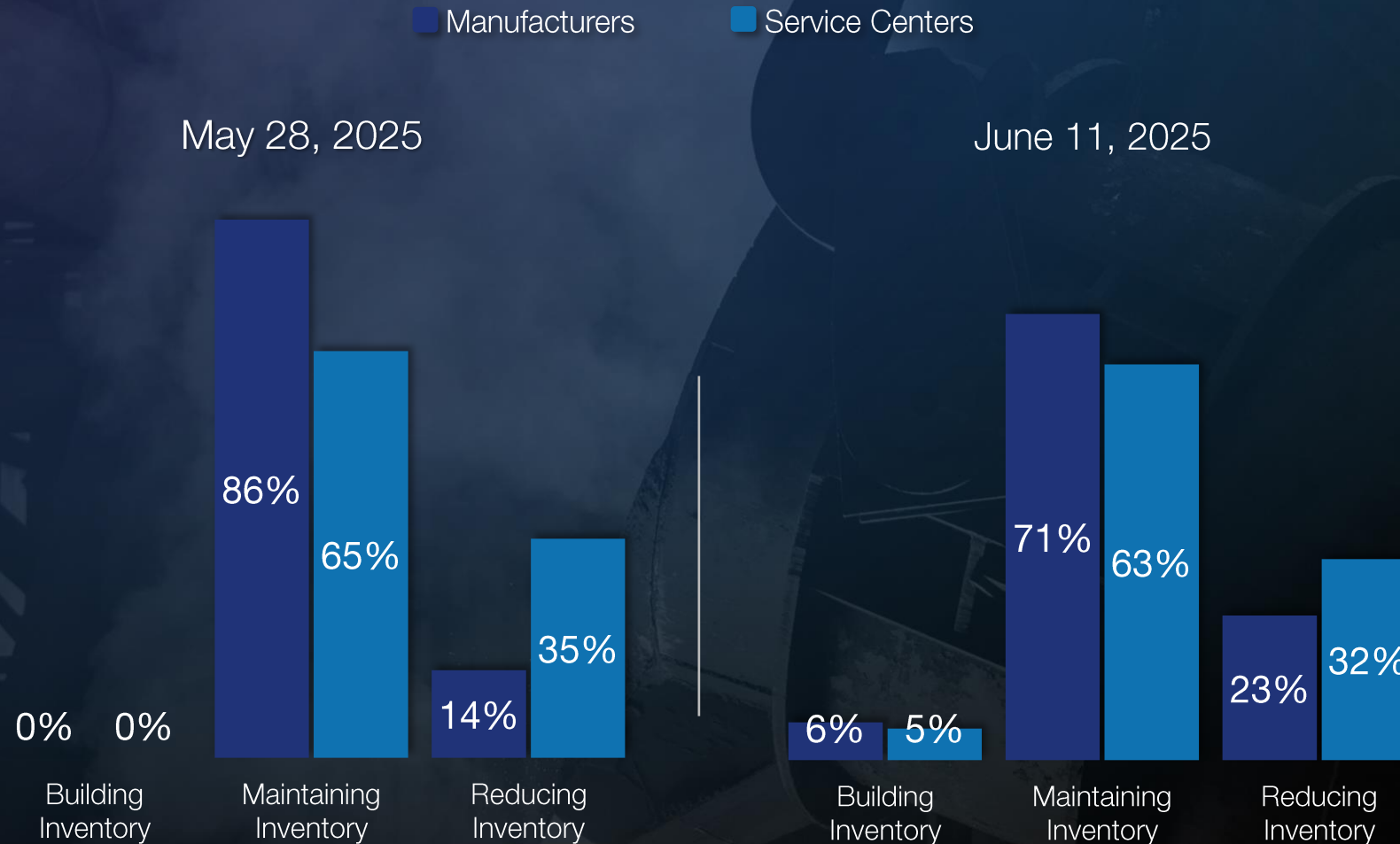
Service center inventories history

SMU's flat rolled product shipping days of supply, with data through May 2025.



Manufacturer and service center inventory buying patterns

Is your company building, reducing, or maintaining its flat-rolled steel inventory?

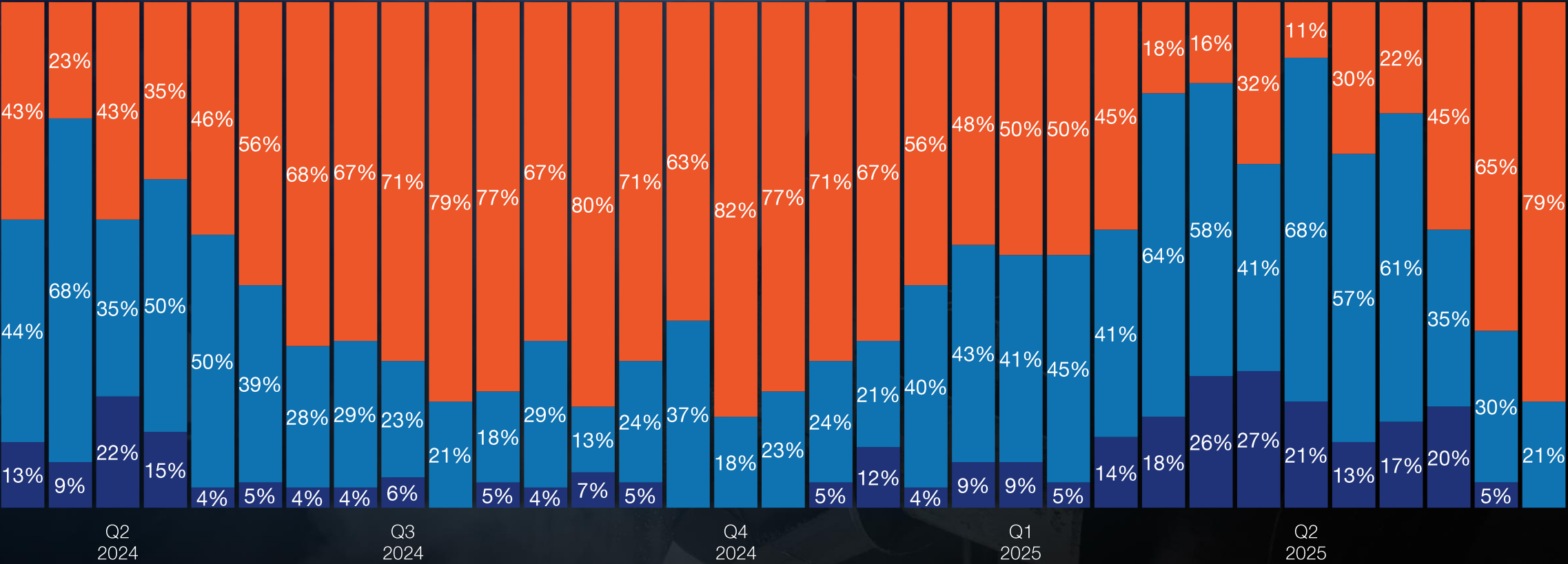


Service center releases history

Service centers

How do you see your customer releases (demand) for your products compared to one year ago?

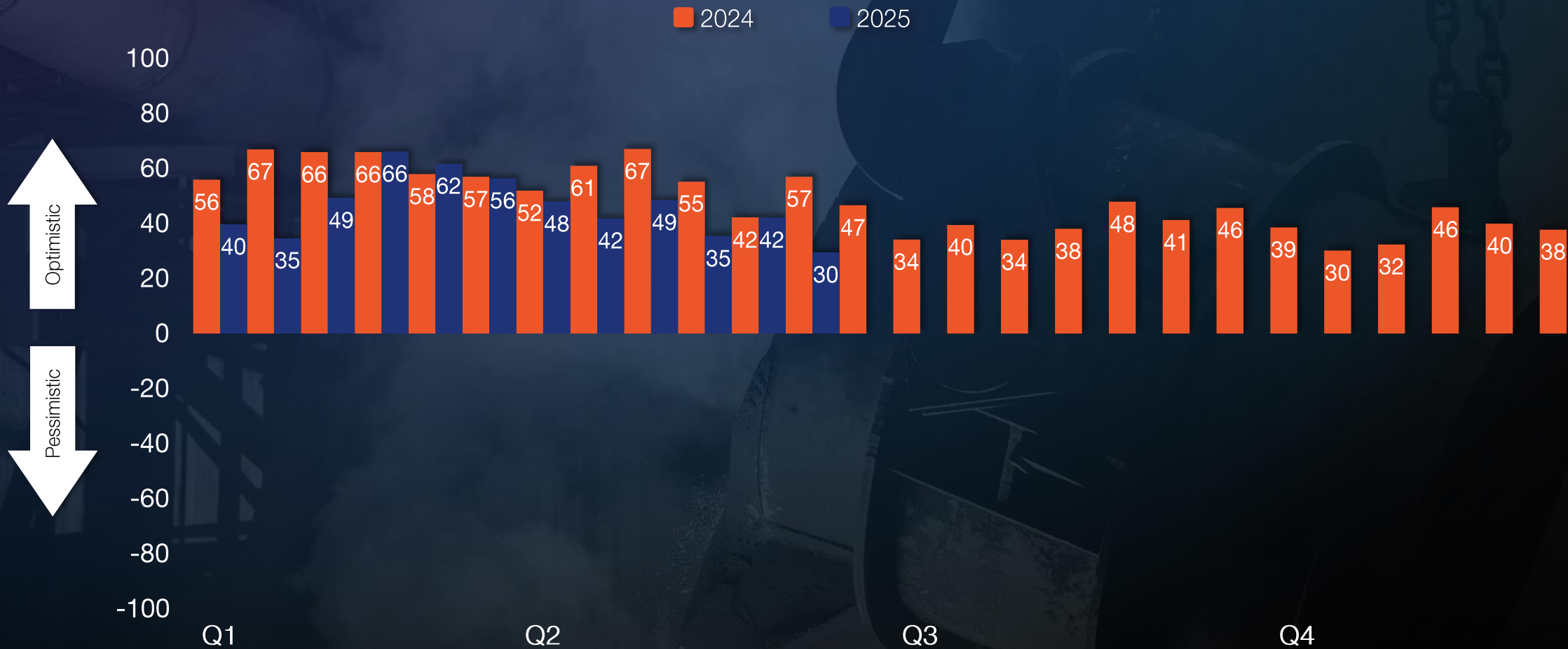
■ Releasing more steel ■ Releasing the same amount of steel ■ Releasing less steel



Steel buyers' sentiment

Down 12 points to +30

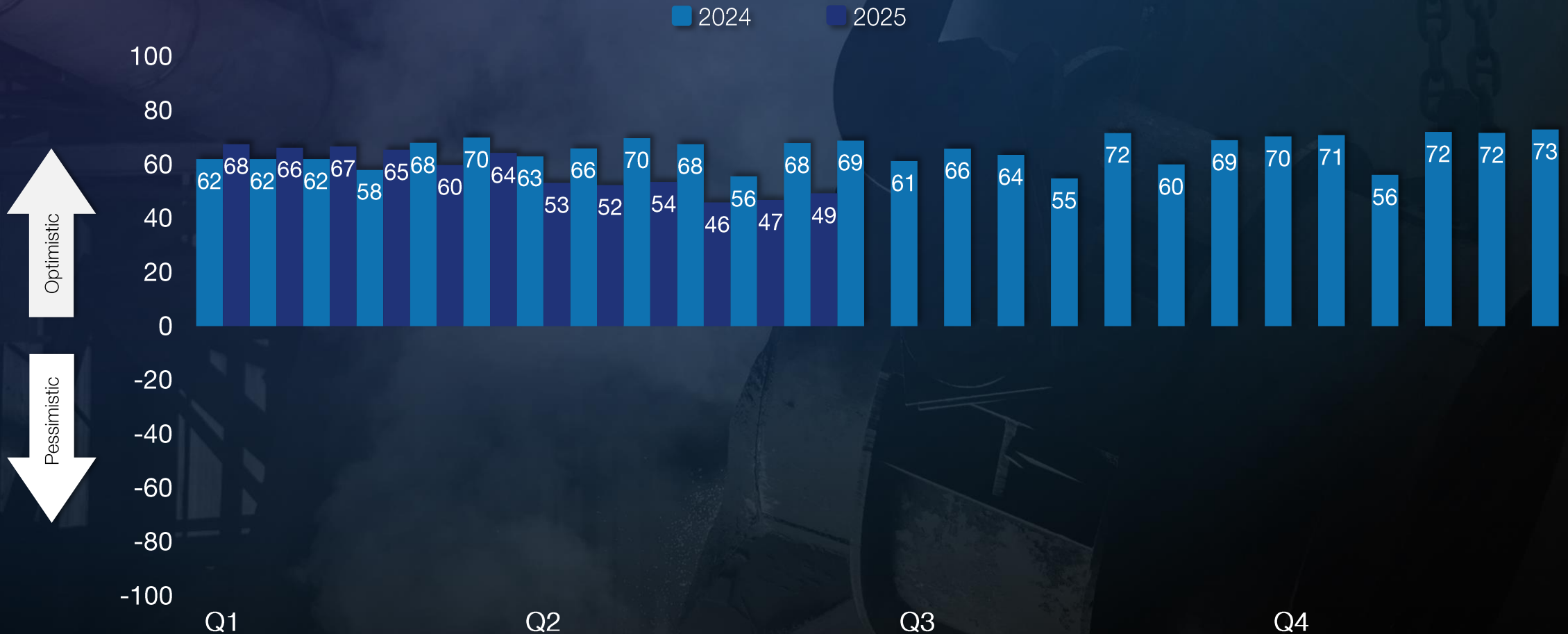
SMU's current steel buyers' sentiment index, with data through June 11, 2025.



Steel buyers' future sentiment

Up two points to +49

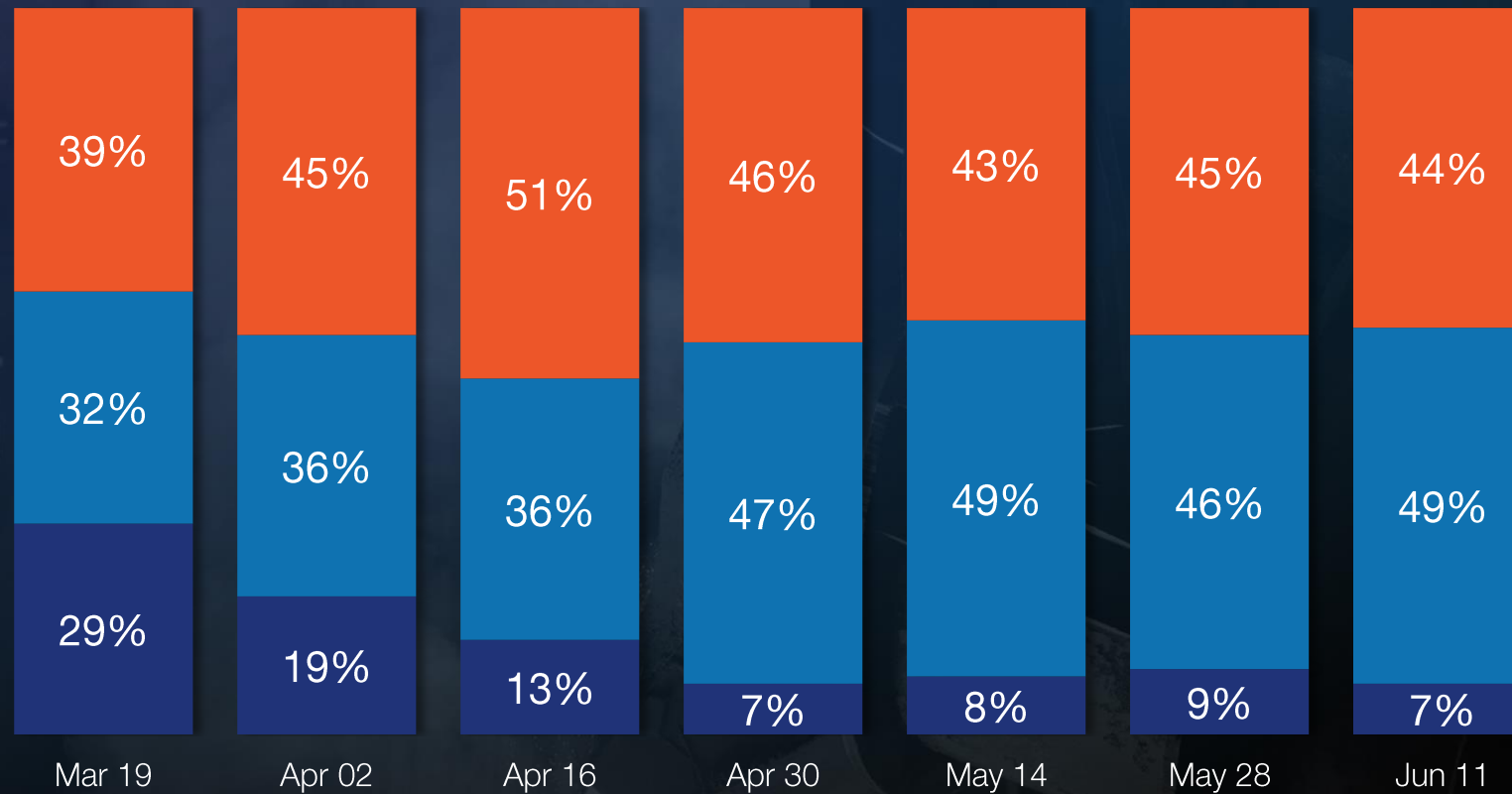
SMU's future steel buyers' sentiment index, with data through June 11, 2025.



How popular are Trump's tariffs

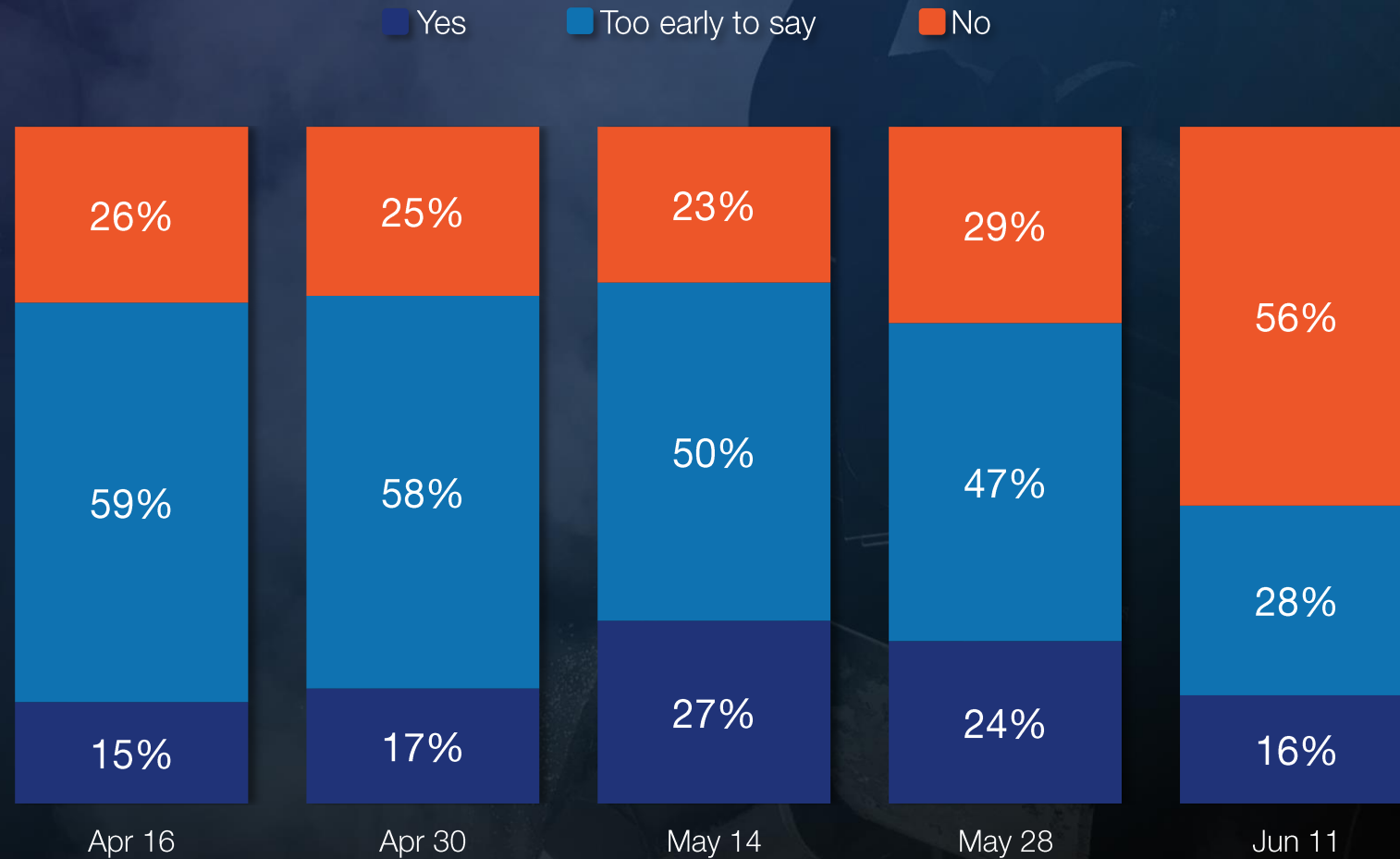
Are President Trump's tariff policies helping your business?

Yes I'm not sure No



Evidence of reshoring

Are you seeing evidence of manufacturing reshoring to the US because of Trump's tariffs?



FEATURED

guests



Ken Simonson

Associated General Contractors
of America

Ken Simonson has been Chief Economist for the Associated General Contractors of America, the leading construction trade association, since 2001. He provides insight into the economy and what it implies for construction and related industries through frequent media interviews, presentations, and the Data DIgest, his weekly one-page e-newsletter that goes to more than 20,000 subscribers.

Ken has over 40 years of experience analyzing, advocating and communicating about economic and tax issues. He currently serves as an advisor to the Census Bureau's construction data re-engineering initiative. He is a Fellow and past president of the National Association for Business Economics, and he is co-director of the Tax Economists Forum, a professional meeting group he co-founded in 1982.

Ken has a BA in economics from the University of Chicago, and an MA in economics from Northwestern University.



AGC
THE CONSTRUCTION
ASSOCIATION

June 2025

Will U.S. Construction Thrive or Dive in the Rest of '25?

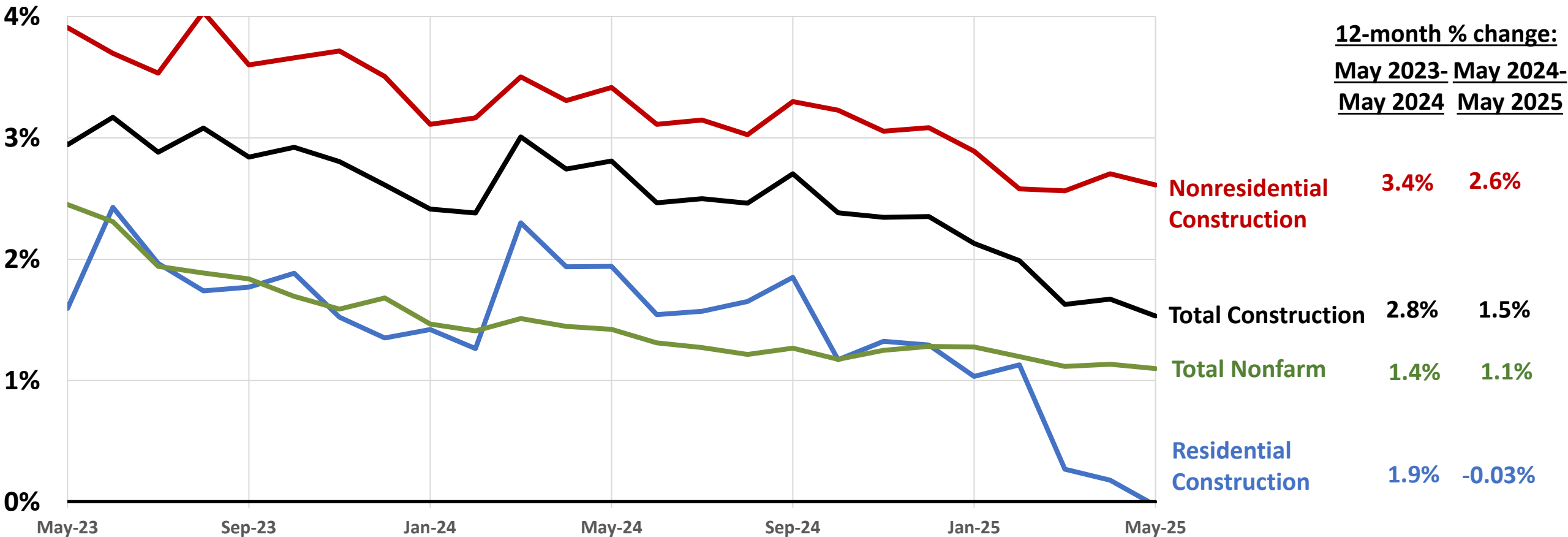
Ken Simonson

Chief Economist, AGC of America

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Construction job gains have slowed but still outpace other sectors

Year-over-year % change, May 2023-May 2025, seasonally adjusted



Construction employment is increasing in most states

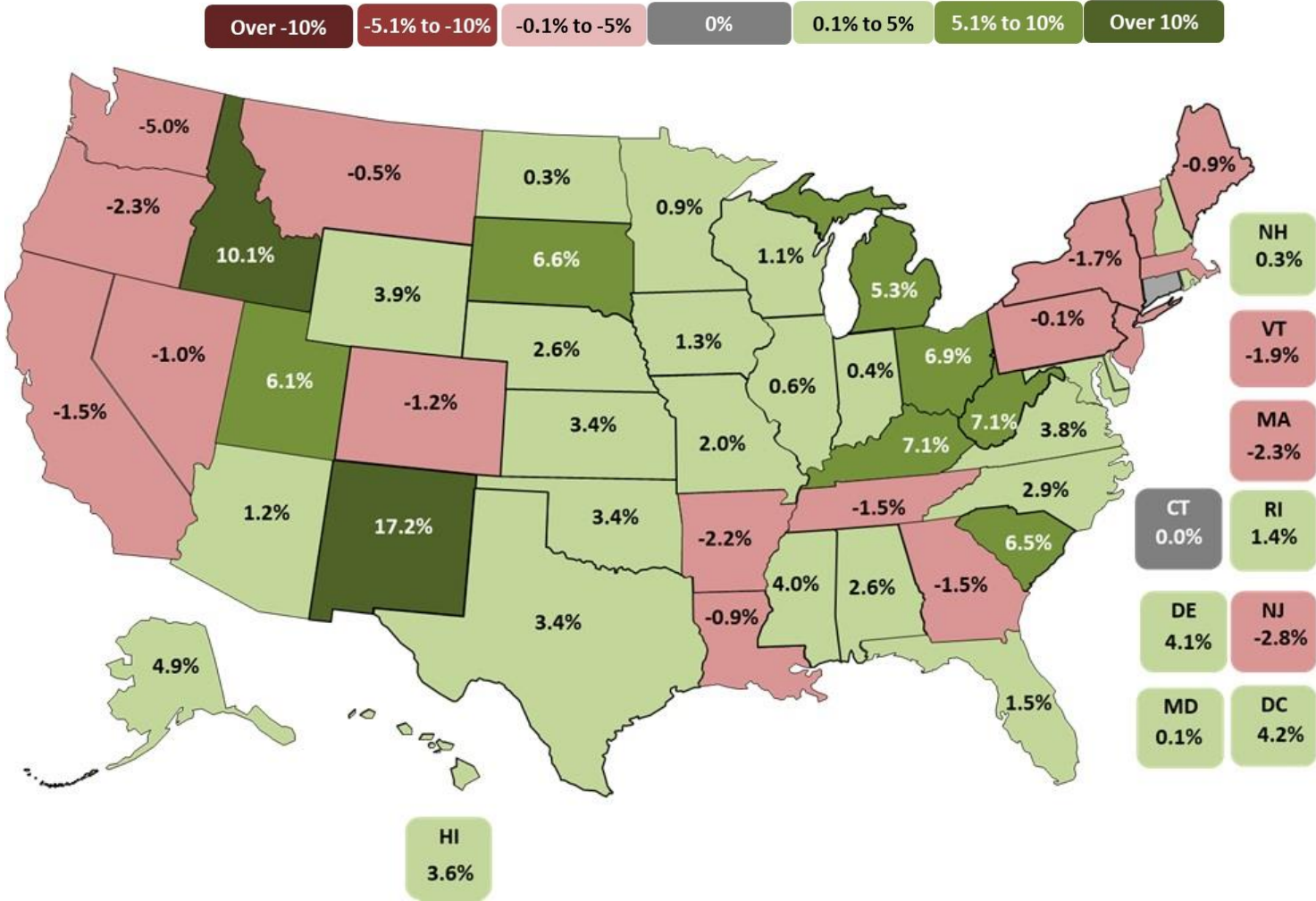
33 states & DC up, 16 states down, & 1 unchanged May 2024-May 2025 (U.S.: 1.5%)

Top 5

NM	17%
ID	10%
KY	7.1%
WV	7.1%
OH	6.9%

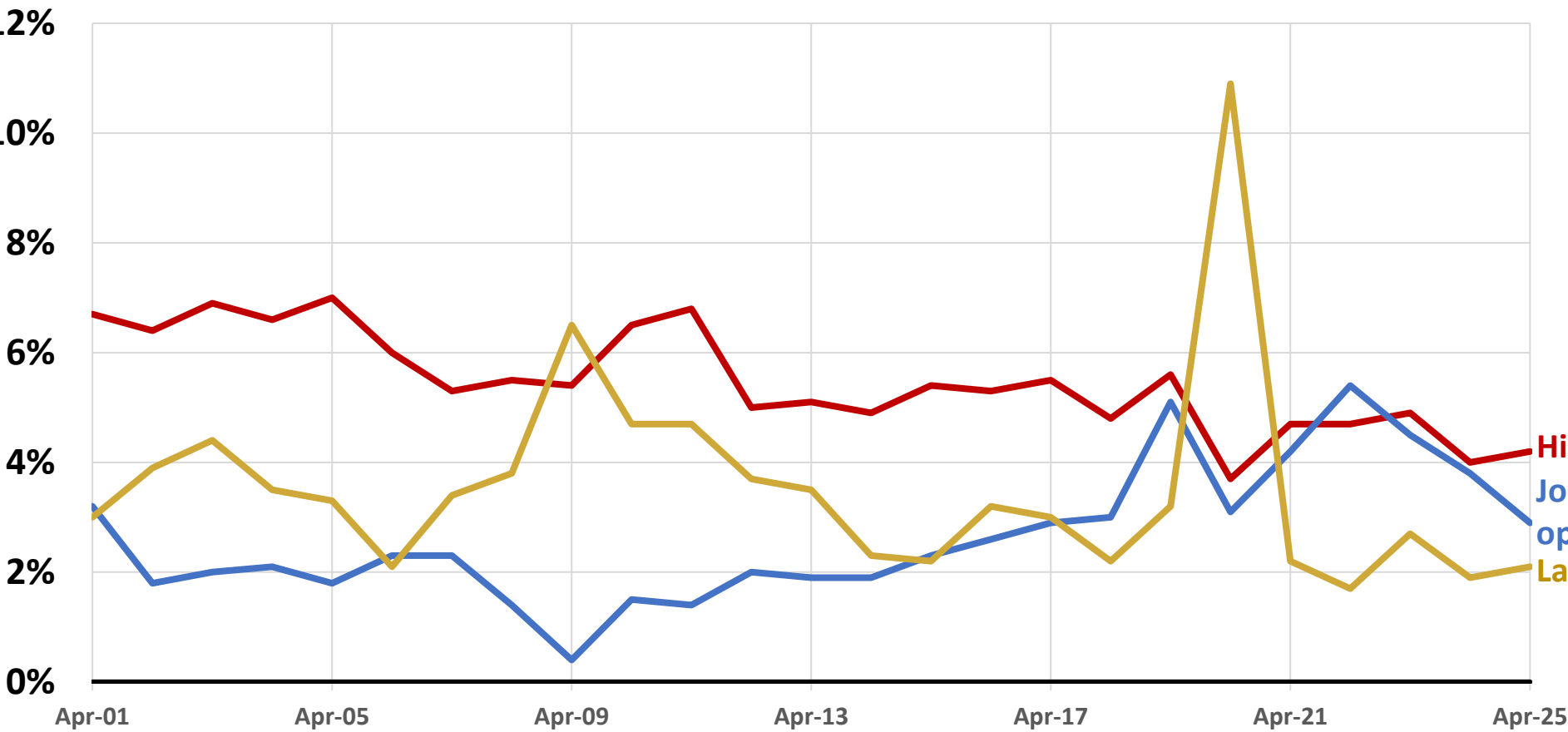
Bottom 5

WA	-5.0%
NJ	-2.8%
OR	-2.3%
MA	-2.3%
AR	-2.2%



Contractors have pulled back on hires & openings but also layoffs

Job openings, hires, and layoff rates, April 2001-April 2025, seasonally adjusted

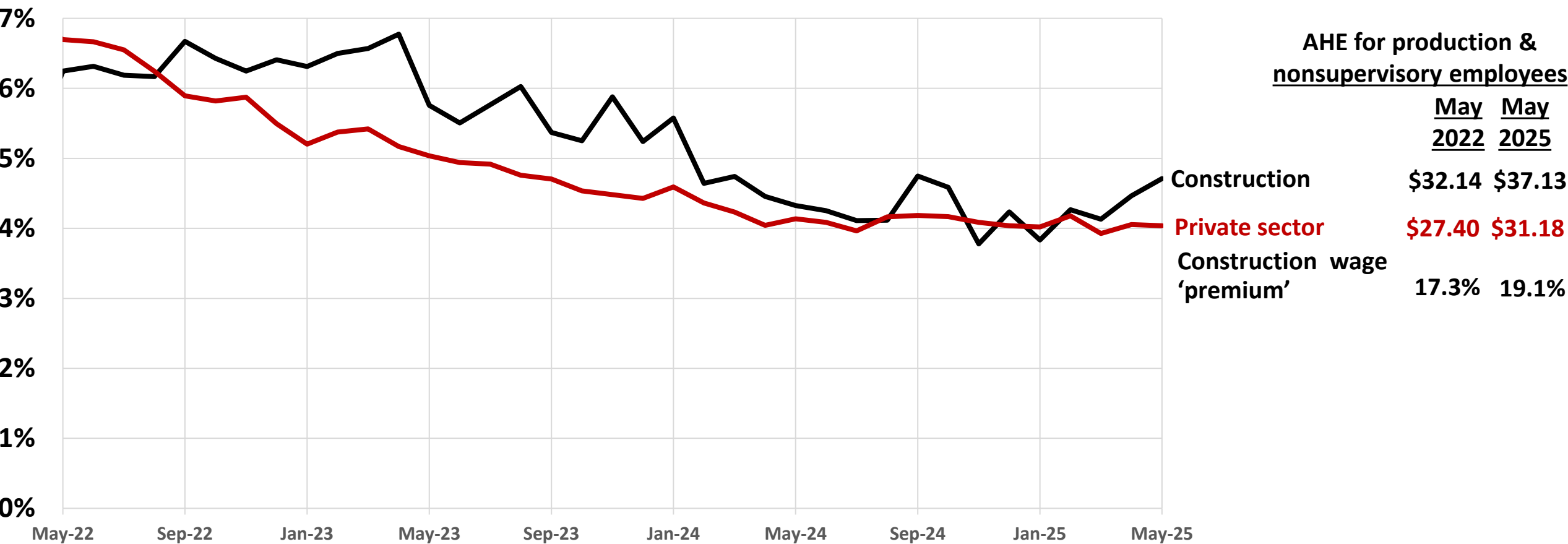


	<u>April</u> <u>2025</u>	<u>April</u> <u>2024</u>
Hires	4.2%	4.0%
Job openings	2.9%	3.8%
Layoffs	2.1%	1.9%

Source: Bureau of Labor Statistics, www.bls.gov/jlt, Job Openings & Labor Turnover Survey (JOLTS)

Construction pay has risen faster than in overall private sector

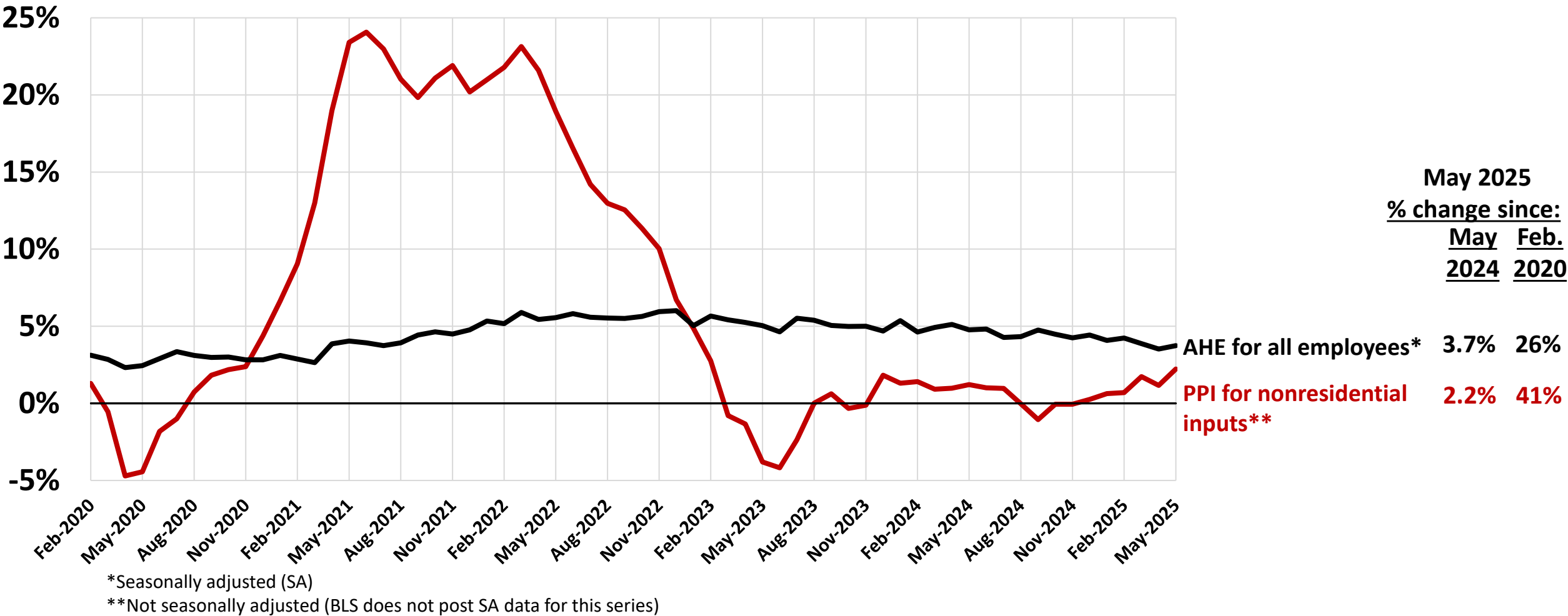
12-month change in average hourly earnings (AHE) for production & nonsupervisory employees in construction compared to **private sector**, May 2022-May 2025, seasonally adjusted



Wages have risen 3.5-6% since 2021; materials costs have been volatile



Year-over-year change in **producer price index (PPI) for nonresidential inputs** and average hourly earnings (AHE) for all employees in construction, Feb. 2020 – May 2025



Price changes for construction inputs as of May 2025

producer price indexes (PPIs), 1 - & 12-month change (not seasonally adjusted)



May 2025 change from:
Apr. 2025 May 2024 Feb. 2020
(1 month) (12 months) (63 months)

Overall input costs were flat in 2024 but have outpaced the CPI since 2020

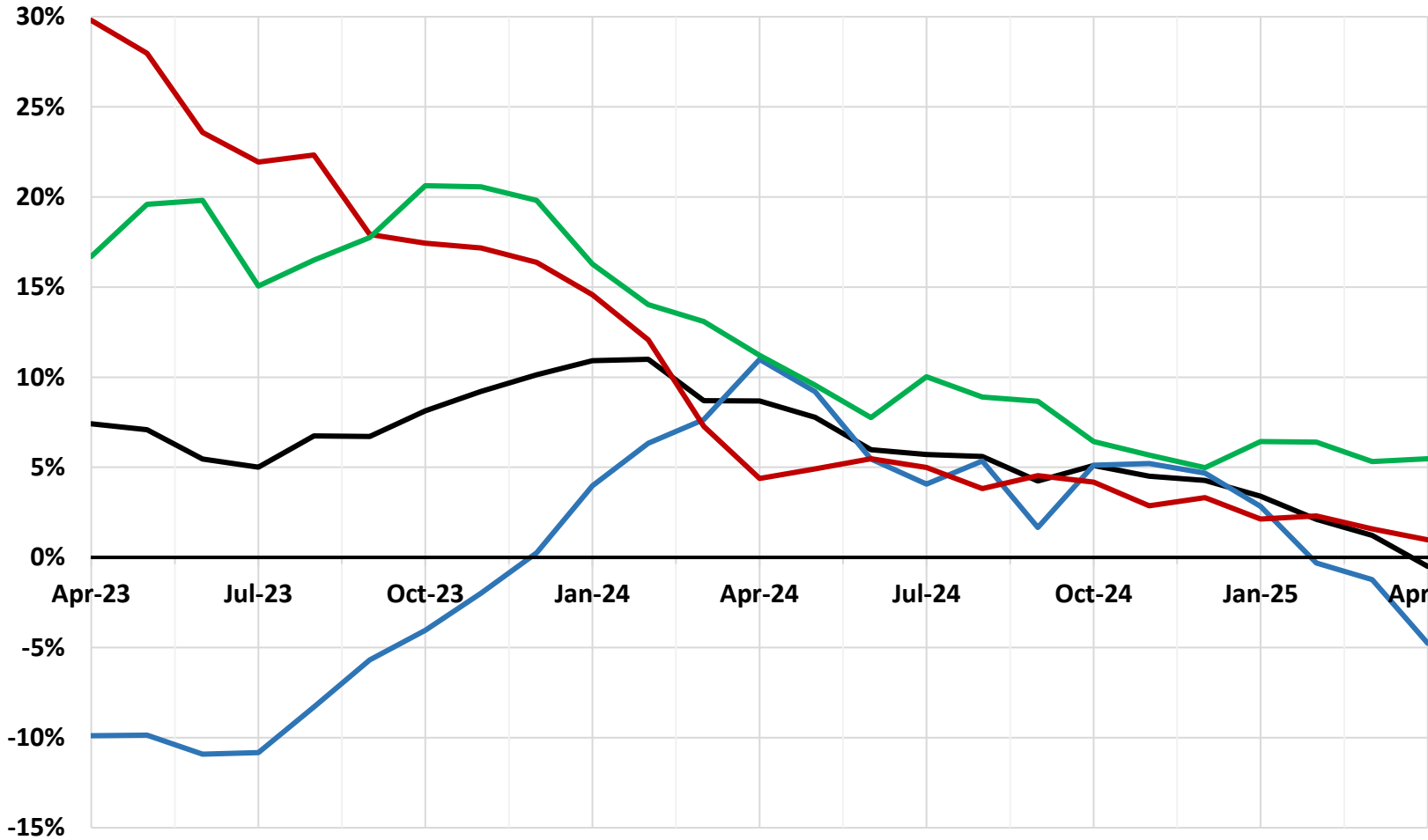
PPI for inputs to new nonresidential construction	0.4%	2.2%	41%
Consumer price index (CPI)	0.2%	2.4%	24%

...and some input prices remain volatile

Steel mill products		7.1%	8.8%	73%
Aluminum mill shapes		-3.6%	8.8%	36%
Gypsum building materials		0.0%	1.4%	54%

Construction spending has slowed sharply

Year-over-year % change in current dollars, seasonally adjusted, April 2023-April 2025



<u>Apr. 2025</u> <u>(billion \$)</u>	<u>year-over-year % change</u>	
	<u>Apr 2023-</u> <u>Apr 2024</u>	<u>Apr 2024-</u> <u>Apr 2025</u>
\$514	11%	5%
al \$746	4%	1%
\$2,152	9%	-0.5%
\$893	11%	-5%

Spending trends: mix of increases and **decreases**

Year-over-year % change, current dollars, seasonally adjusted, April 2024-April 2025

Total -0.5%: Private residential -5% (single-family -2%; multi -11%; improvements -5%); public residential -1%

Nonresidential 3% (private 1%, public 5%)

Nonresidential segments (in descending order of April 2025 spending; combined new & renovation spending)

- Mfg. 0.3% (**computer/electronic -10%**; chemical 17%; **transportation equipment -0.4%**; food/beverage/tobacco 16%)
- Power 4% (electric 5%; **oil/gas fields & pipelines -3%**)
- Highway and street 0.5%
- Education 7% (primary/secondary 6%; higher ed 9%)
- **Commercial -4%** (**warehouse -8%**; **retail -4%**; farm 2%)
- Office including data centers 4% (data centers 32%; **other private office -9%**; public office 4%)
- Transportation 7% (air 16%; private rail/truck 4%; **transit -8%**)
- Health care 3% (hospital 3%; **medical building -9%**; special care 41%)
- Sewage/waste 9%; Amuse/recreation 11%; Water supply 7%; Communication 2%; Lodging -0.6%; Public safety 4%; **Conser/development -0.4%**

Tariff announcements & dates affecting construction (as of June 24)

(more at AGC [Tariff Resource Center](http://www.agc.org/tariff-resources-contractors): www.agc.org/tariff-resources-contractors)

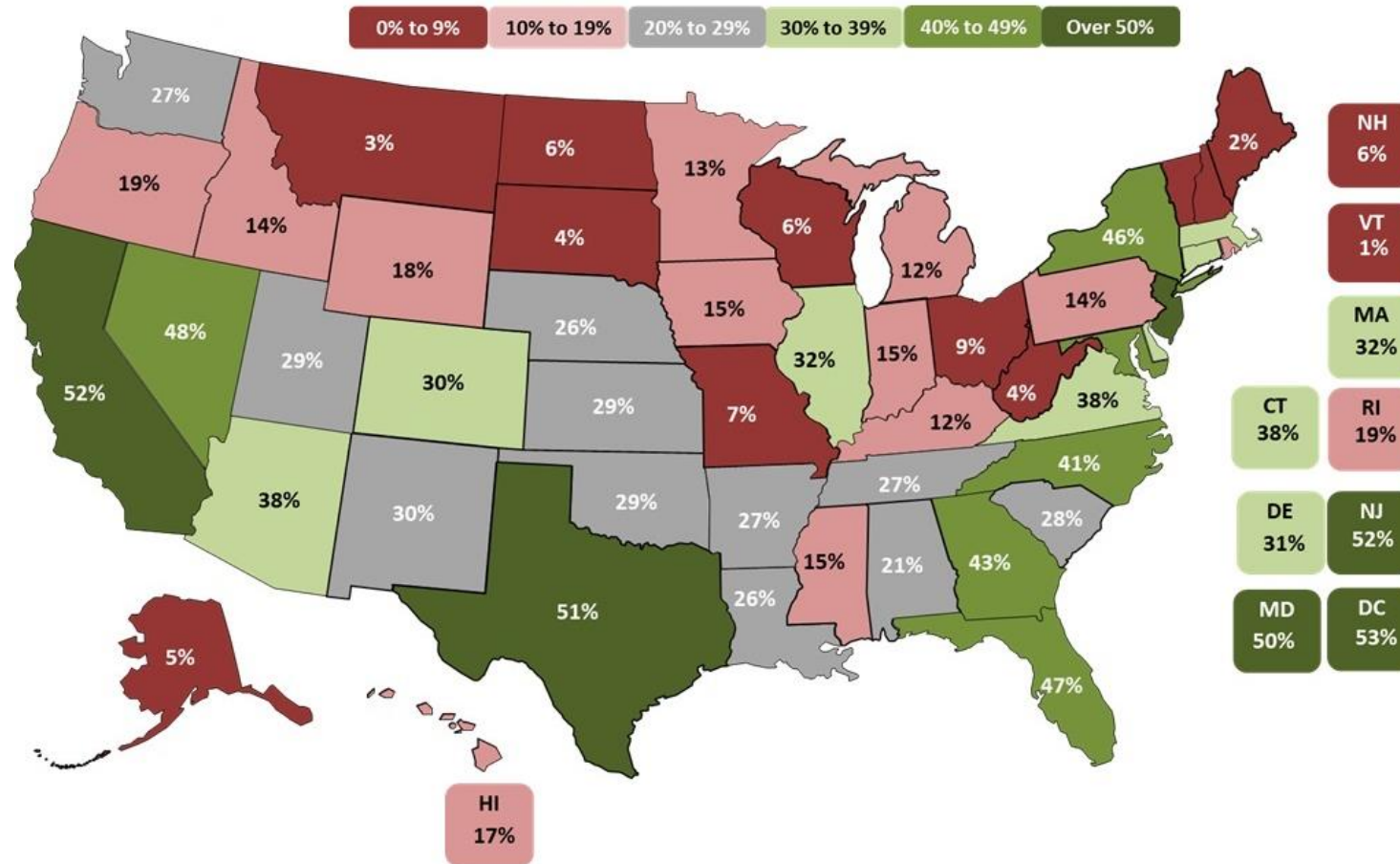


- **10% “baseline” tariff on nearly all imports**
- **Additional** country-specific **“reciprocal” tariffs** announced, then suspended for 90 days on April 9
- **China 30%:** 10% tariff Feb. 4; changed to 20% March 4; 54% April 5, 145% April 9, reduced to 30% May 12 under temporary 90-day truce; “framework” for 35% tariff announced June 10
- **Canada, Mexico** 25% if not covered by USMCA; 10% on energy, “critical minerals”
- **Steel & aluminum** 50% June 4 (~~waiver for UK until July 9~~); raised from 25% March 12
- **Copper** pending investigation by Department of Commerce
- **Lumber** possible 25%; possible higher tariffs on Canadian lumber
- **Cars & trucks** 25%; partial credit for parts
- **Fee on Chinese ships calling on U.S. ports:** proposed structure varies by ship type; implementation may begin in Oct., rising through 2028

Construction trades rely heavily on immigrants (34% vs. 18% for all workers); impact varies greatly by state (1-53%)



Share of construction trade workers that are foreign born by state, 2023



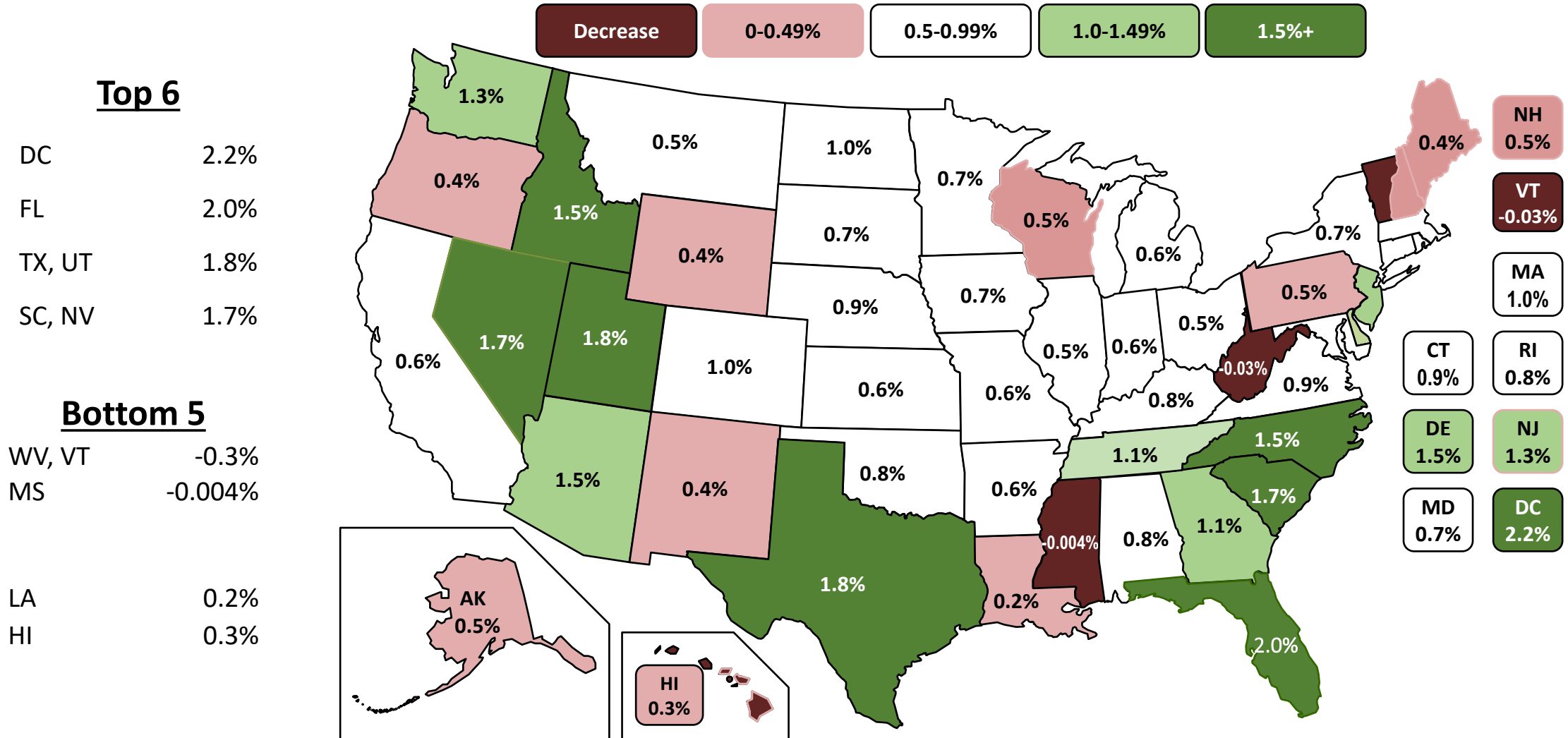
Share of construction trade workers that are foreign born by trade, 2023

<u>Occupation</u>	<u>Foreign born</u>	<u>Occupation</u>	<u>Foreign born</u>
Plasterers & Stucco Masons	61%	Pipelayers	26%
Drywall Installers, Ceiling Tile Installers, & Tapers	61%	Plumbers, Pipefitters, & Steamfitters	18%
Roofers	52%	Glaziers	18%
Painters & Paperhangers	51%	Solar Photovoltaic Installers	17%
Carpet, Floor, & Tile Installers and Finishers	45%	Sheet Metal Workers	17%
Construction Laborers	43%	Boilermakers	16%
Insulation Workers	34%	Electricians	16%
Carpenters	32%	Structural Iron & Steel Workers	15%
Cement Masons, Concrete Finishers, Terrazzo Workers	31%	Construction Equipment Operators	15%

Medium-term outlook: modestly positive but growing risk of decline



- Economic growth will continue but risks of inflation and recession are high
 - higher tariffs will raise costs, invite retaliation, may disrupt supply chains
 - harsh immigration/deportation actions will worsen construction labor shortages
 - expectation of larger deficits may push interest rates higher
 - less support for renewables may slow solar and EV related projects
 - however, lessened federal regulatory hurdles may help projects start sooner
- Single-family: gradual pickup if mortgage rates don't spike
- Multifamily, warehouse, office: declines likely through 2025 given high costs, weak demand
- Data center, power, infrastructure: best bets for growth
- Mfg. construction: canceled & deferred projects likely to outweigh new starts
- Materials costs: up 1-3%, much more if tariffs last; lead times: few problems except electrical gear
- Labor costs: up 4-5%; availability remains a challenge unless layoffs become widespread



AGC economic resources

(email ken.simonson@agc.org)

- *Data DIGest*: weekly email summary of construction economic news ([subscribe](https://marketplace.agc.org/Store/ItemDetail?iProductCode=4401&OrderLineId=901649fd-c733-4103-93e0-a251778cd084): <https://marketplace.agc.org/Store/ItemDetail?iProductCode=4401&OrderLineId=901649fd-c733-4103-93e0-a251778cd084>)
- AGC [Tariff Resource Center](http://www.agc.org/tariff-resources-contractors): www.agc.org/tariff-resources-contractors
- State and metro data, [fact sheets](http://www.agc.org/learn/construction-data): www.agc.org/learn/construction-data
- Monthly [press releases](http://www.agc.org/newsroom): construction spending; producer price indexes; national, state, metro employment with rankings: www.agc.org/newsroom
- Construction impact model: www.agc.org/agc-construction-impact-model
- ConsensusDocs [Price Escalation Resource Center](http://www.consensusdocs.org/price-escalation-clause/): www.consensusdocs.org/price-escalation-clause/



PPI for inputs rises in April but dips over 12 months; pay in construction tops U.S. median by 18%

Prices show mixed trends in April

The producer price index (PPI) for material and service inputs to new nonresidential construction rose 0.5% from March to April but declined 1.1% year-over-year (y/y), according to Bureau of Labor Statistics (BLS) data posted on Thursday.

[Read more](#)

Construction pay tops U.S. median by 18%

"Half of payroll workers in construction earn more than \$54,540," 18% more than the U.S. median wage of \$46,310, "and the top 25% make at least \$77,030," 4.9% higher than the U.S. top quartile base of \$73,460, the National Association of Home Builders reported on Tuesday, based on its analysis of May 2022 Occupational Employment and Wage Statistics posted by BLS...

[Read more](#)

Child counts decline in 35 states

In a trend with implications for school and other construction, "Thirty-five states have fewer children than they did five years ago, a situation caused by declining birth rates nationwide, but also by young families migrating across state borders in search of cheaper housing," Stateline reported on Thursday...

[Read more](#)

Results from RICS-AACE construction survey

Firms reporting declining profit margins outnumbered firms reporting rising margins by 27 percentage points (a net balance reading of -27%) in the first quarter (Q1) 2023 RICS-AACE USA Construction Monitor, covering 60 responses between March 8 and April 21 and posted by RICS on Monday...

[Read more](#)

AGC Highway safety survey closes tonight

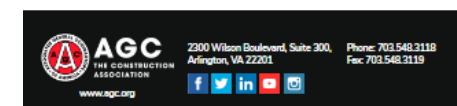
Highway contractors are invited to complete AGC's annual highway work zone safety survey by tonight, May 12. Responses will be kept confidential.

[Read more](#)

Census of Construction reminder

The Census Bureau reminded firms in all industries, "The due date for responding to the 2022 Economic Census has passed, but it's not too late to respond..."

[Read more](#)



THANKS

for listening

We're glad you joined!

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