



TRUELINE
TALENT

CONSTRUCTION HIRING REPORT

2025 Year in Review

2026 Hiring Outlook



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01

EXECUTIVE SUMMARY

The construction industry entered 2025 navigating a complex set of conditions: a softening labor demand driven by elevated interest rates, persistent structural skilled-labor shortages, and a workforce undergoing significant demographic transformation. This report synthesizes the key hiring and labor market trends of 2025 and translates them into actionable intelligence for employers entering 2026.

1.1 THE STATE OF THE CONSTRUCTION WORKFORCE IN 2025

Total payroll construction employment stood at approximately 8.3 million workers as of mid-2025, with residential construction accounting for 3.3 million of that total. Despite a year marked by job losses in the residential sector, home builders and remodelers shed a net 26,100 positions over the trailing twelve months. The underlying shortage of skilled craftsmen remained acute. The industry continued to require an estimated 723,000 new hires per year simply to meet replacement and growth demand.

Average hourly earnings in construction reached \$39.70 in July 2025, a 3.7% year-over-year increase that continued to outpace economy-wide wage growth. Non-supervisory workers in residential building saw even stronger nominal wage growth of 9.2% in June 2025, a clear signal that the structural shortage of skilled tradespeople has not abated despite the cyclical slowdown.

BY THE NUMBERS



8.3M

TOTAL WORKERS



3.3M

RESIDENTIAL



723,000

HIRES / YEAR



\$39.70

AVG HOURLY WAGE

1.2 THE HARDEST-TO-FILL ROLES

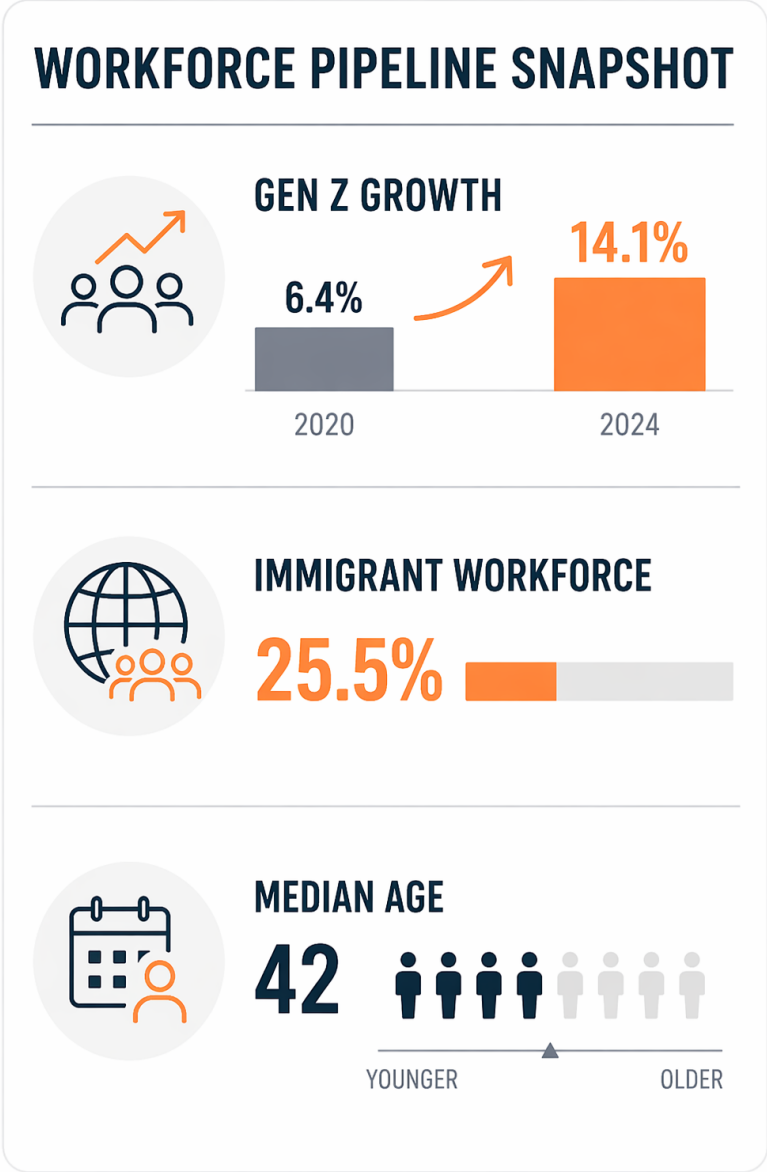
Finished carpenters, framers, roofers, HVAC technicians, electricians, and plumbers remained the most difficult trades to staff throughout 2025. The skilled labor shortage is estimated to cost the residential construction industry \$10.8 billion annually; \$2.7 billion in carrying costs due to extended build times and \$8.1 billion in lost production representing approximately 19,000 homes that were never built.

1.3 MACROECONOMIC CONTEXT

Interest rates held at elevated levels through much of 2025 before the Federal Reserve resumed its cutting cycle in September. NAHB projects mortgage rates to fall below 6% on a sustained basis by early 2027, which will release deferred housing demand and drive a re-acceleration of residential construction hiring. Trade policy uncertainty and tariff impacts on materials costs added further complexity to project starts and contractor hiring confidence.

1.4 DEMOGRAPHIC SHIFTS SHAPING THE PIPELINE

The construction workforce continues to age. The median worker is 42 years old, and Baby Boomers represent 14.2% of the labor force, signaling a significant retirement wave over the next decade. The good news: Gen Z's share of the construction workforce has more than doubled since 2019, rising from 6.4% to 14.1% by 2023, suggesting a growing pipeline of younger entrants. Immigrant workers, who now comprise 25.5% of the construction labor force and one in three tradespeople, remain a critical source of supply, making immigration policy one of the most consequential wildcards for 2026 labor availability.



1.5 WHAT TO EXPECT IN 2026

As interest rates continue their descent, deferred residential projects are expected to re-enter the pipeline in 2026, intensifying competition for available trade talent. Employers who invest now in competitive compensation bench-marking, passive candidate pipelines, and employer brand development will be positioned to win the best talent before demand fully rebounds. The roles to watch: superintendents, mid-level project managers, estimators with digital takeoff experience, and licensed MEP tradespeople.

02

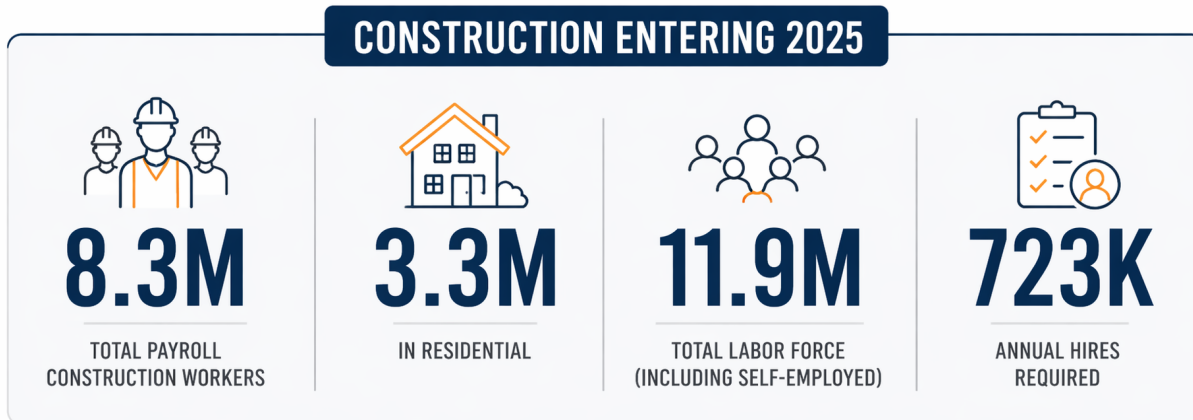
2025 CONSTRUCTION LABOR MARKET: YEAR IN REVIEW

This section draws on the HBI Fall 2025 Construction Labor Market Report and related NAHB Economics research to reconstruct how the construction labor market evolved across the year.

2.1 THE SETUP: WHERE THE MARKET STOOD ENTERING 2025

Construction entered 2025 with employment near historical highs in absolute terms but showing clear signs of deceleration. Total payroll employment stood at approximately 8.3 million, with the residential sector accounting for 3.3 million, comprising 954,000 builders and 2.4 million residential specialty trade contractors. The labor force, including self-employed and temporarily unemployed workers, reached 11.9 million.

Anticipated construction demand was revised downward from prior forecasts as the “higher for longer” interest rate environment proved more durable than initially expected. Single-family housing starts remained constrained by affordability headwinds, and multifamily activity, which had provided an offsetting boost in 2023-2024, began to moderate as completions caught up with earlier starts. Key uncertainties entering the year centered on three forces: the trajectory of Federal Reserve policy, the evolving tariff environment affecting materials costs, and the broader macroeconomic outlook.



2.2 HOW THE YEAR UNFOLDED

The dominant narrative of 2025 was a labor demand slowdown against the backdrop of a persistent structural shortage. Monthly job growth in construction turned negative during several months of the year, and the six-month moving average of residential construction job changes reflected consistent losses by mid-year. Home builders and remodelers lost a net 26,100 positions over the trailing twelve months through August 2025; the fourth annual decline since September 2020.

Not all segments moved in the same direction. Infrastructure and data center construction proved more resilient, supported by federal infrastructure spending and hyperscales capital expenditure programs. Residential new construction bore the brunt of rate-driven demand compression, while commercial remodeling and renovation activity held up more firmly, in part because more than half of production employees in the residential building sector are re-modelers, and remodeling tends to be less sensitive to mortgage rate fluctuations than new construction.

Supply chain conditions, while much improved from their 2021-2022 nadir, continued to create friction in specific categories. Electrical components, HVAC equipment, and certain specialty materials maintained elevated lead times, creating planning complexity for project managers and subcontractors attempting to schedule labor against uncertain material availability.

03

EMPLOYMENT LANDSCAPE

Employment levels, job openings, and turnover metrics tell a nuanced story in 2025: headline payroll losses in residential construction coexisted with rising job openings, compressed quit rates, and historically low unemployment for the sector—a combination that reflects structural shortage more than cyclical health.

3.1 TOTAL CONSTRUCTION EMPLOYMENT

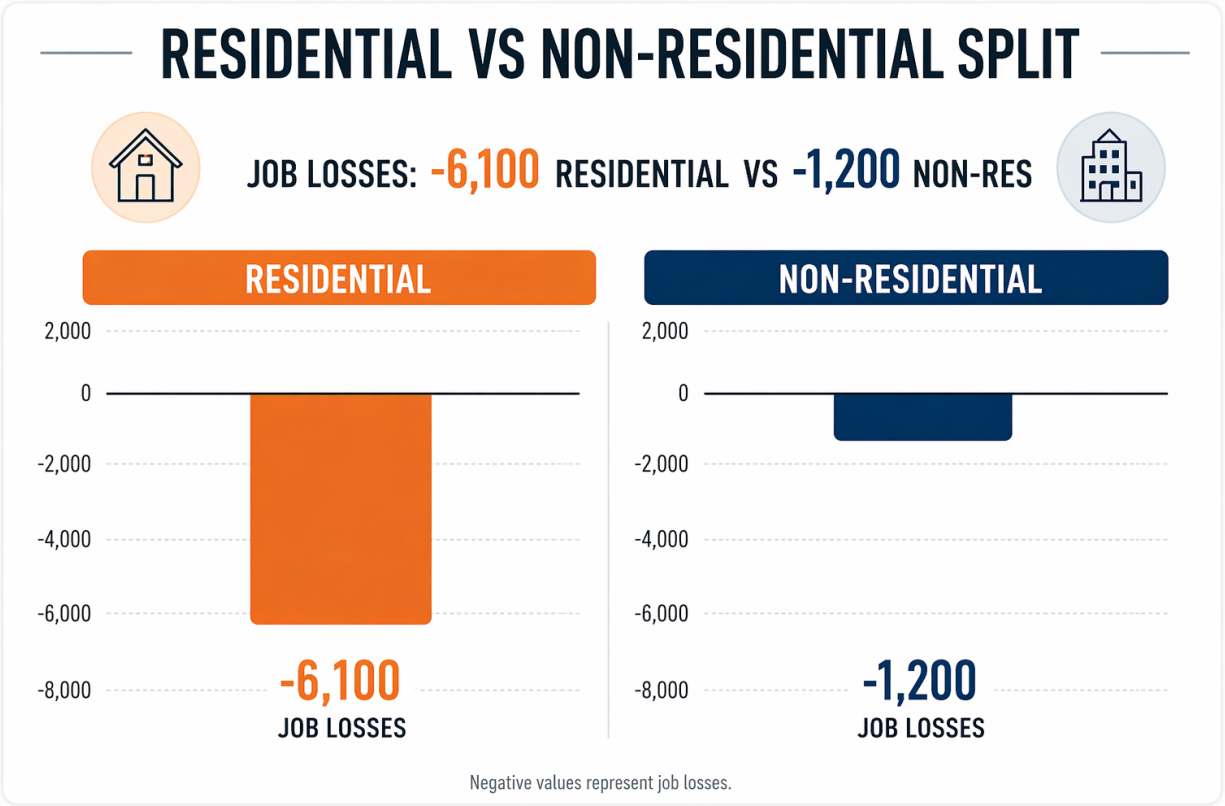
As of August 2025, the construction sector employed approximately 8.3 million payroll workers, representing a year-over-year decrease reflecting the softening demand environment. Construction employment had grown substantially from its post-Great Recession low, gaining over 1.3 million residential positions alone since that trough, but the pace of growth clearly decelerated through 2024 and into 2025.

For context, total non-farm payroll employment added just 22,000 jobs in August 2025, well below expectations, with the unemployment rate rising to 4.3%, its highest in nearly four years. Monthly job growth averaged 75,000 through August 2025, a sharp deceleration from the 168,000 monthly average of 2024. Construction’s softening occurred within this broader context of U.S. labor market cooling.

3.2 RESIDENTIAL VS. NON-RESIDENTIAL

Residential construction payroll employment, comprising 954,000 builders and 2.4 million specialty trade contractors, saw the steepest losses. The sector shed 6,100 jobs in August alone, on top of losses in several prior months. Non-residential construction fared somewhat better, losing 1,200 jobs in August, modest relative to the residential draw-down.

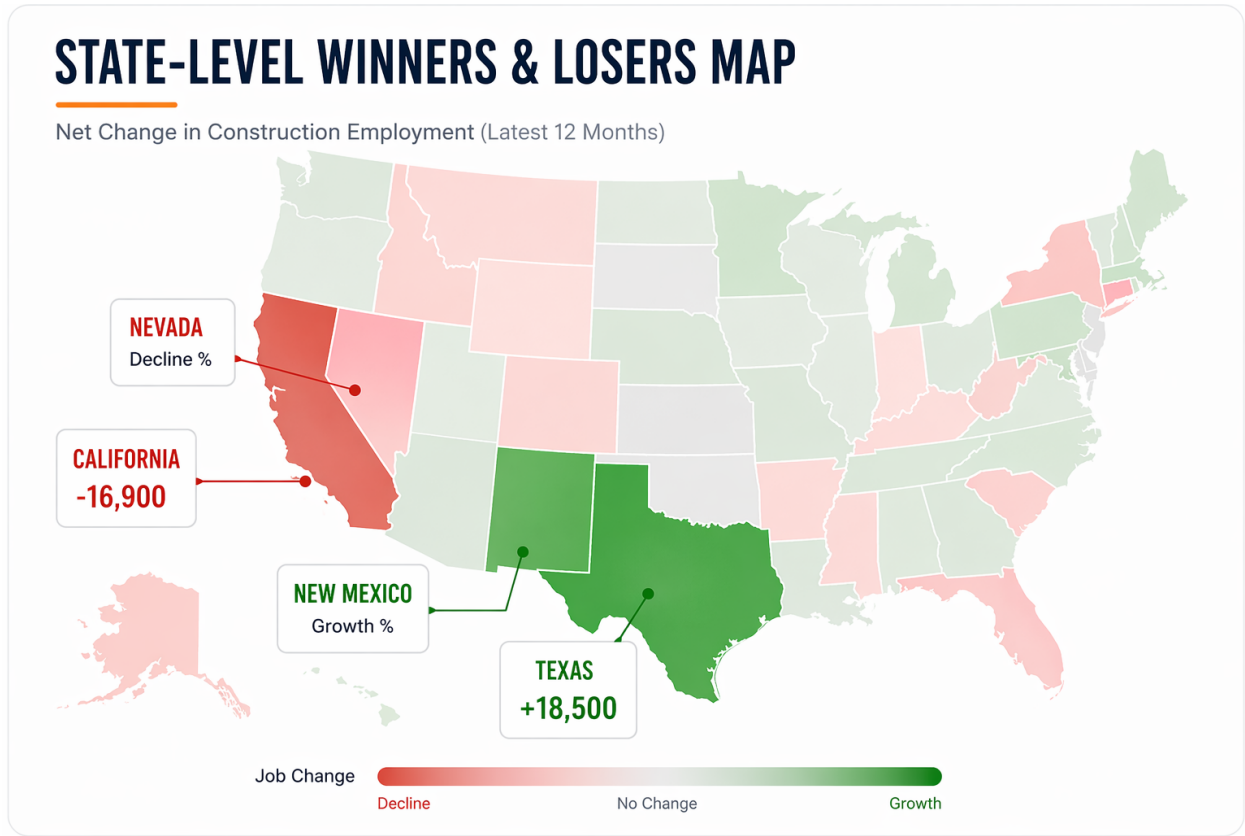
The divergence reflects the differential sensitivity of these segments to interest rates. Residential new construction, particularly single-family, is highly mortgage-rate-sensitive. Non-residential activity, including commercial, industrial, data center, and infrastructure work, is driven more by corporate capital expenditure cycles, federal spending programs, and long-term lease demand, all of which proved more resilient in 2025.



3.3 STATE-LEVEL EMPLOYMENT

Employment trends varied significantly across states. On a year-over-year basis through August, Texas added 18,500 construction jobs—the largest gain of any state—while California lost 16,900 construction sector positions, the steepest decline. New Mexico registered the highest annual growth rate in construction at 13.3%, while Nevada reported the largest percentage decline at 6.4%.

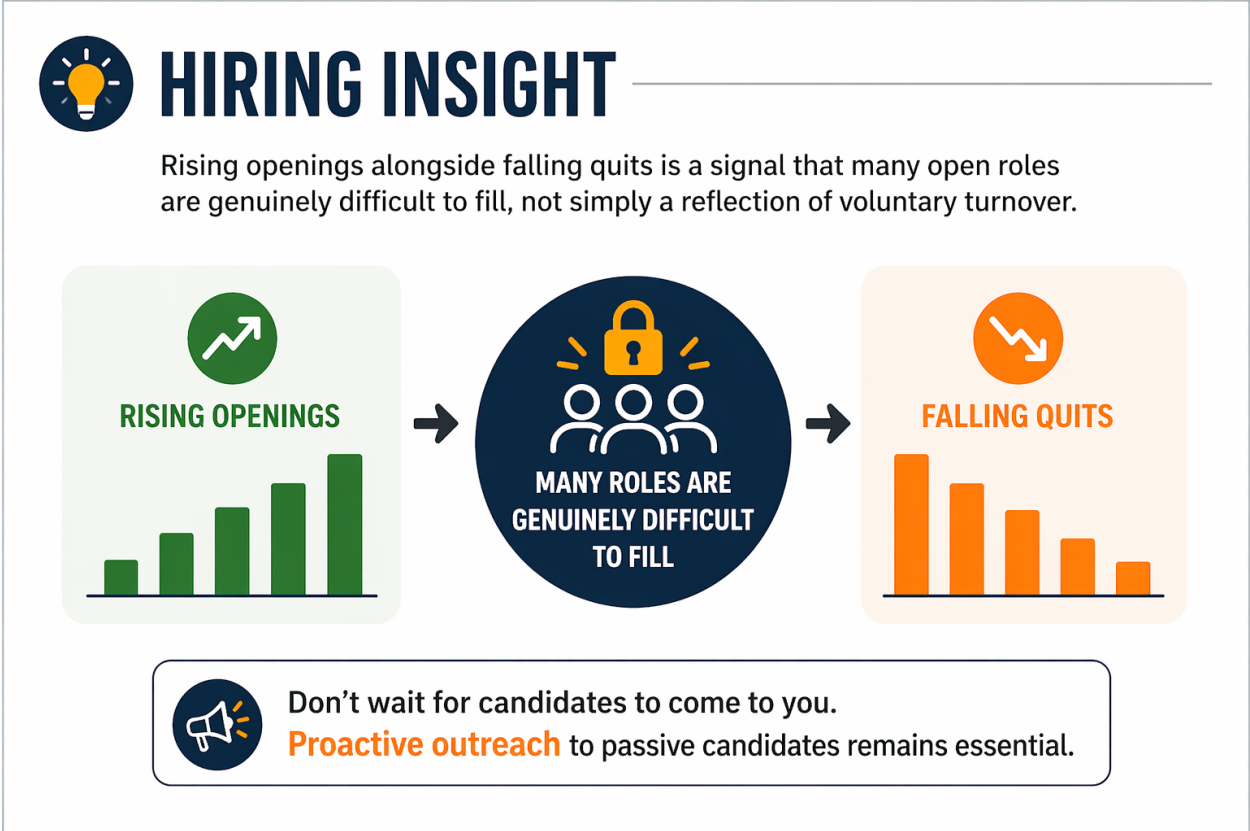
States with the highest concentration of residential construction workers in their labor forces remained concentrated in the Mountain West. Idaho, Montana, and Utah led the nation, with residential construction accounting for 5.5%, 5.1%, and 4.9% of their employed labor forces, respectively, well above the national average of 2.9%. Florida remained second in total residential construction employment (468,000 workers) and continued to benefit from strong population inflows.



3.4 JOB OPENINGS + TURNOVER

Despite the headline employment losses, the number of open construction sector jobs increased from 229,000 a year prior to 306,000 in July 2025, per JOLTS data, a counter-intuitive signal reflecting the persistence of the structural skilled labor shortage even as cyclical demand softened. The construction job openings rate climbed to 3.5% in July, up from 2.7% a year earlier.

The layoff rate in construction rose to 2.8% in July, the highest since March 2023, while the quit rate declined to 0.9% —the lowest ever recorded for the sector. This combination (rising openings, rising layoffs, falling quits) is characteristic of a market in transition: some employers shedding headcount in response to slowing project pipelines, while others actively recruiting to fill persistent hard-to-staff roles. Workers, sensing the uncertainty, are staying put rather than voluntarily leaving even as open positions go unfilled.



04

WAGES + COMPENSATION

Construction wages continued to grow faster than most sectors of the economy in 2025, reflecting the ongoing pressure of skilled labor scarcity. Understanding current wage benchmarks—by trade, by region, and by job type—is foundational to effective recruiting and offer strategy.

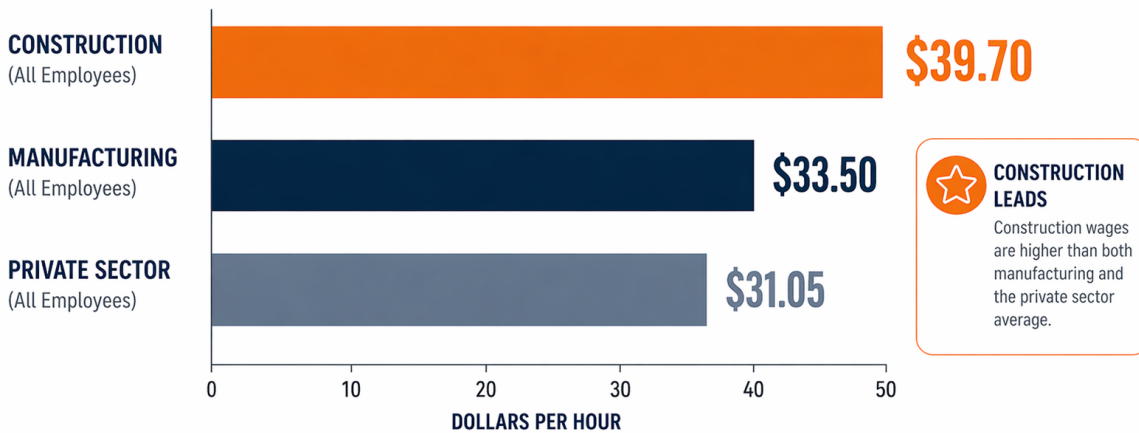
4.1 AVERAGE HOURLY EARNINGS

Average hourly earnings (AHE) across all construction payroll workers reached \$39.70 in July 2025, representing a 3.7% year-over-year increase. This exceeded AHE in manufacturing (\$35.30/hour), trade, transportation, and utilities (\$31.10/hour), and the overall U.S. private sector average of \$36.40/hour.

The deceleration from peak wage growth rates is notable but should be interpreted carefully. Wage growth in construction ran at 9.2% for non-supervisory residential building workers as recently as June 2025, reflecting ongoing craftsman scarcity even as headline AHE growth moderated. The deceleration is a cyclical signal; the underlying premium that construction commands over comparable occupations remains structurally intact.

WAGE COMPARISON ACROSS INDUSTRIES

Average Hourly Wage (USD)



4.2 OCCUPATIONAL WAGE BENCHMARKS

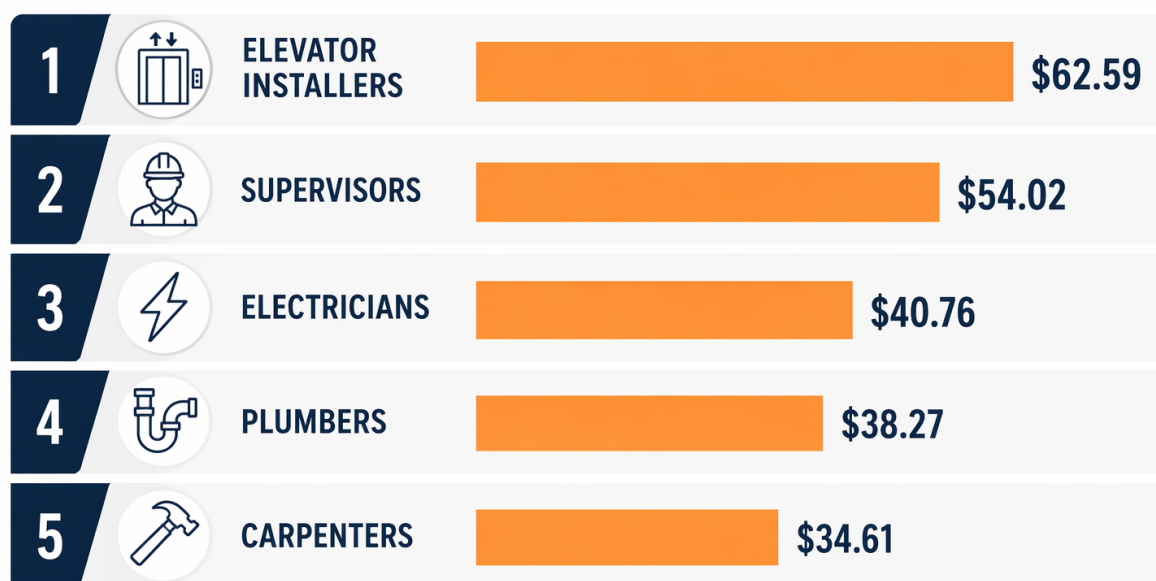
Among construction trades, elevator installers and repairers commanded the highest median wages at \$108,130 annually, with the top quartile earning at least \$133,370. First-line supervisors of construction trades followed with a median of \$78,900 and top-quartile earnings exceeding \$100,150.

Plumbers and electricians, trades with specialized licensing requirements and persistent shortage, show median earnings above \$62,000, with top-quartile wages exceeding \$80,000. Carpenters, one of the most common trades, earn a median of approximately \$59,890, with the top 25% earning at least \$76,290. These figures exceed the national median annual pay of \$49,500, reinforcing the strong earnings case for skilled trades careers.

White-collar construction roles continue to command significant premiums. Senior project managers saw compensation cost increases averaging 14.8% over the past twelve months across the multifamily sector. Construction superintendent/supervisor roles saw 14.3% cost increases, and project managers 12.6%, all substantially above inflation and broader market wage growth.

TOP PAYING TRADES

BY AVERAGE HOURLY WAGE



Source: U.S. Bureau of Labor Statistics | May 2024

4.3 FRINGE BENEFITS

In the home building industry, fringe benefits add approximately 18% to employees' total compensation on top of base payroll. This varies by sub-sector: single-family and multifamily general contractors average 20% on top of payroll, residential re-modelers approximately 19%, and for-sale builders around 16%.

Legally required benefits (Social Security, Medicare, unemployment insurance, workers' compensation) account for approximately 12% of payroll across the four residential sub-sectors. Voluntarily provided benefits—health insurance, pension plans, life insurance, welfare plans—add another 7% on average, with multifamily contractors at the top end (10%) and residential re-modelers at the low end (6%).

For specialty trade contractors, fringe benefit rates are highest at 28% of payroll, equally split between legally required and voluntary. As competition for skilled tradespeople intensifies, benefits packages have become a meaningful differentiation in recruiting and retention, particularly health coverage, retirement contribution matches, and paid time off structures.

4.4 SELF-EMPLOYMENT COMPENSATION

Approximately 23% of the employed construction labor force, roughly 2.6 million workers, is self-employed, a significantly higher rate than the economy-wide average of 10%. This matters for compensation bench-marking: self-employed workers do not appear in payroll wage statistics, and their true total compensation (including business income, tax advantages, and flexibility premiums) often differs meaningfully from the picture presented by AHE data alone.

Regional variation in self-employment rates is pronounced. In Maine, 38% of construction workers are self-employed; in Vermont, 36%; in Montana, 30%. These markets require particular care in compensation analysis, as a significant portion of available labor operates outside conventional payroll structures. Conversely, Nevada (13%) and Washington D.C. (9%) have the lowest self-employment shares, reflecting heavier commercial construction activity and larger-firm dominance.

05

LABOR SHORTAGES + HIRING DIFFICULTY

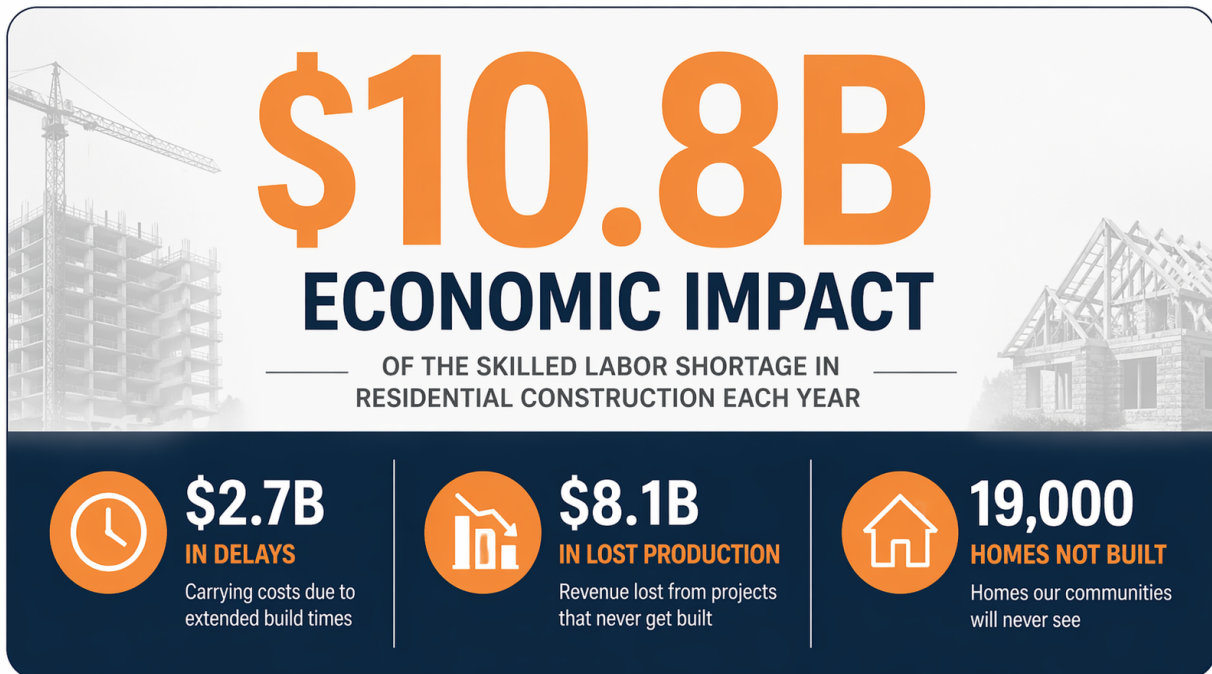
The skilled labor shortage in construction is not a new phenomenon, but new research has for the first time quantified its full economic cost and the numbers are staggering. Understanding the scale, structure, and trade-specific nature of the shortage is essential context for any employer seeking to hire in this market.

5.1 SCALE OF THE SHORTAGE

New research from the University of Denver, commissioned by HBI and analyzed by NAHB Economics, estimates the annual economic impact of the skilled construction labor shortage at \$10.806 billion. This breaks down into two components: \$2.663 billion in direct carrying costs attributable to longer construction cycle times, and \$8.143 billion in lost production, representing approximately 19,000 single-family homes that are never built due to labor constraints.

To put this in context: this cost is imposed on a single-family residential construction market with an annualized value of approximately \$422.8 billion. The shortage is costing the industry roughly 2.6% of its total output annually in foregone production.

Meeting the industry's ongoing demand requires approximately 723,000 new hires per year, accounting for both net employment growth and replacement of workers who permanently exit the sector. Over 2024-2026, this represents a cumulative need for approximately 2.17 million net new hires in construction.



5.2 TRADE-BY-TRADE SHORTAGE DATA

The February 2024 NAHB Housing Market Index (HMI) survey asked builders to rate labor availability across 16 key trades. The results confirm where recruiting pressure is most acute:

- **Finished carpentry:** 65% of builders reported some or serious shortage, the highest rate of any trade
- **Bricklayers/masons:** similarly acute shortage, despite relatively high immigrant worker representation
- **Electricians:** over 50% of builders reported shortages; this trade requires professional licensing, which constrains supply
- **Plumbers:** over 50% shortage rate; same licensing dynamic applies
- **HVAC technicians:** over 50% shortage rate; demand increasingly driven by energy efficiency retrofits
- **Framers and roofers:** consistently high shortage rates across most regions

Pay and benefit increases remained the primary retention and recruitment tool. The compression in quit rates (to a record low of 0.9% in July 2025) suggests that workers who have found stable employment are highly reluctant to leave, even when approached with competing offers. This changes the math for poaching: it takes a more compelling offer, not just a marginal pay bump, to move experienced tradespeople in the current environment.

Regional variation in hiring difficulty was pronounced. States with the fastest-growing construction wages—Nevada (+10.6% YoY), Mississippi and Alaska (both near 10%), Colorado, Texas, and Florida—reflect the tightest local labor markets, where employers have been forced to bid aggressively for available talent.

5.4 STRUCTURAL VS. CYCLICAL SHORTAGE

The 2025 slowdown in construction activity provided some temporary relief from the tightest hiring conditions of 2022-2023, but it did not resolve the structural shortage. The structural dimension has two primary drivers: the retirement of experienced workers and the insufficient pipeline of new entrants.

The share of Baby Boomers in the construction labor force stands at 14.2% — a cohort that will largely exit the workforce within the next decade, taking with it decades of accumulated craft knowledge and supervisory experience. Meanwhile, the pipeline of new entrants, while improving (Gen Z's share has doubled since 2019), is not yet large enough to replace retiring workers on a one-for-one basis.

Workforce development programs, including HBI's training initiatives and ABC's (Associated Builders and Contractors) apprenticeship programs, are critical to closing this gap. ABC's research suggests approximately 3,550 new jobs are needed for every \$1 billion of new construction spending. As the next construction cycle accelerates, the structural shortage will again become the binding constraint on industry growth.

06

WORKFORCE DEMOGRAPHICS

The construction workforce is undergoing meaningful demographic transformation. Understanding who is in the workforce, and who is not, shapes both the near-term recruiting landscape and the long-term pipeline.

6.1 AGE + GENERATIONAL COMPOSITION

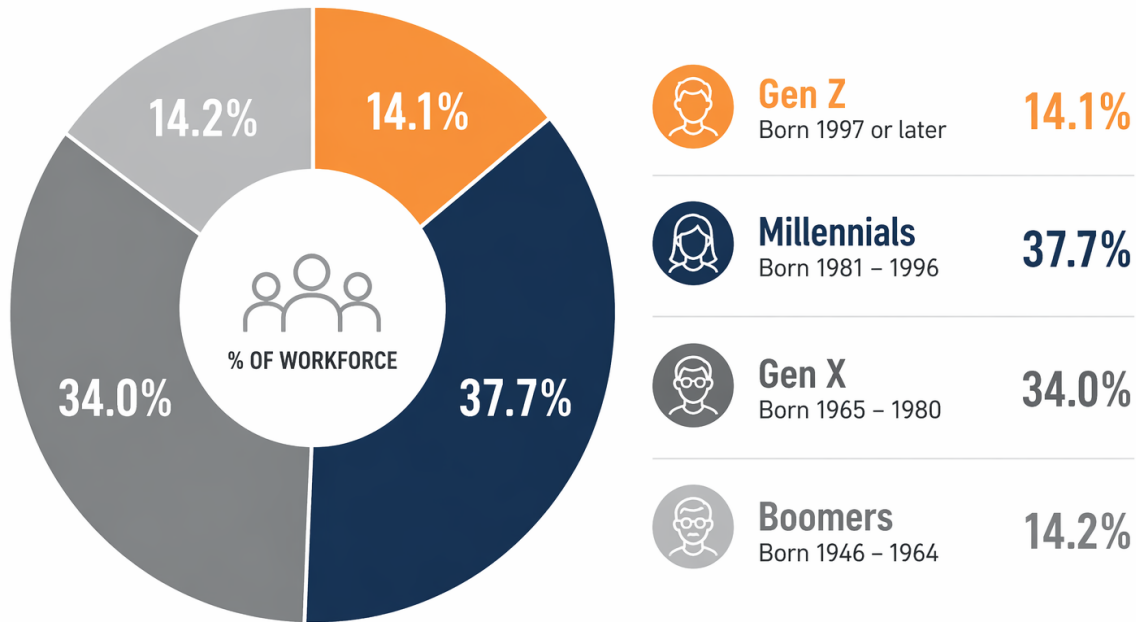
The median age of construction workers is 42, one year older than the national labor force median. This figure has remained stable in recent years, but the generational composition beneath it is shifting significantly.

Gen Z (born 1997-2012) now accounts for 14.1% of the construction labor force, up from just 6.4% in 2019, more than doubling in four years. Millennials increased their share from 35.7% to 37.7% over the same period. Together, Millennials and Gen-Xers represent approximately 71% of the construction labor force, a higher share than in the overall economy (66%), reflecting construction's relatively strong retention of mid-career workers.

The retirement pressure is real but measured: Baby Boomers represent 14.2% of the construction workforce, implying a significant but not immediate retirement wave. The more pressing concern is that Gen X, a smaller generational cohort, is currently bearing a disproportionate share of supervisory and senior craft roles. As this cohort ages into retirement over the next decade, a genuine leadership-level gap will emerge.

Notably, Gen Z workers appear more likely to enter construction than Millennials were at the same life stage. High college costs, competitive construction wages, and improving perceptions of trades careers all appear to be contributing to this shift.

GENERATIONAL BREAKDOWN



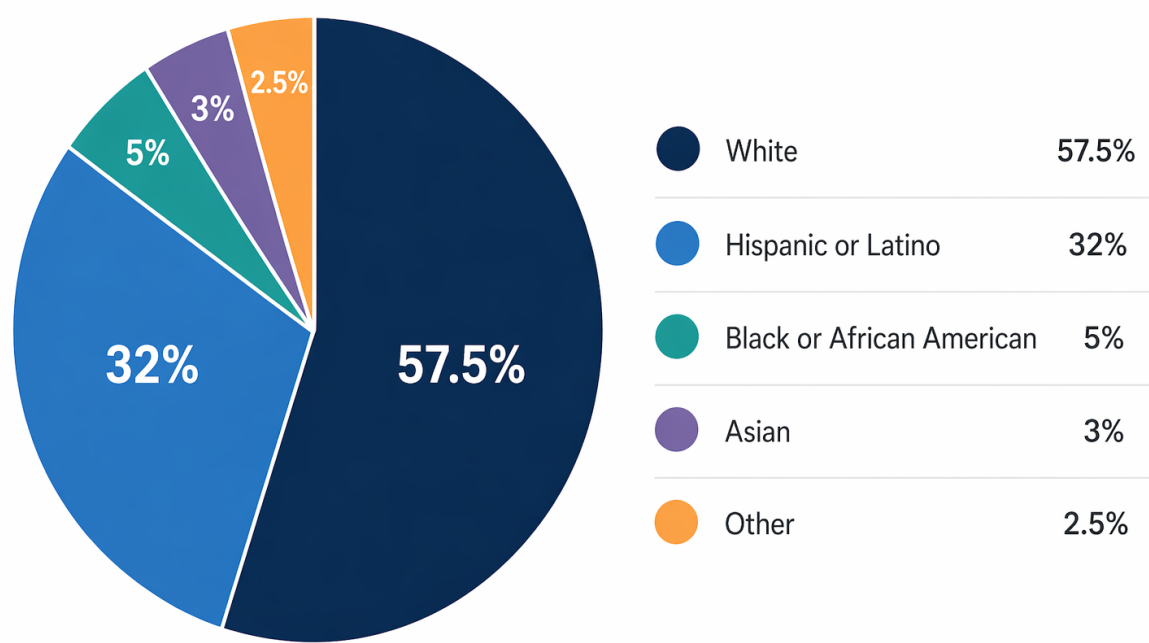
6.2 RACIAL + ETHNIC COMPOSITION

Hispanic workers now represent approximately 32% of the construction labor force, nearly one in three construction workers, up from 23.6% in 2010. This share is substantially above Hispanic representation in the overall economy (19.2%), reflecting both the deep roots of Hispanic labor in construction and the growing share of new Hispanic entrants. Texas, California, and Florida together employ 52% of the nation's Hispanic construction workforce, with Texas alone employing 803,000 Hispanic construction workers.

Non-Hispanic White workers account for approximately 57.5% of the construction workforce, close to their overall labor force representation. Non-Hispanic Black workers represent just 5% of the construction workforce, below their 12% share of the total U.S. labor force, a gap that represents both a demographic under-representation and a potential untapped talent pool for employers focused on diversifying their hiring pipelines. Non-Hispanic Asian workers account for less than 2% of the construction workforce.

Regional variation is dramatic: in Maine, only 1% of construction workers are Hispanic, while in New Mexico, Texas, California, and Nevada, more than half the construction workforce identifies as Hispanic. Recruiting strategy, including language accessibility and culturally relevant outreach, needs to be calibrated to local market composition.

WORKFORCE COMPOSITION BY ETHNICITY



6.3 IMMIGRANT WORKERS

Immigrant workers have become an indispensable part of the construction labor supply. The share of immigrants in construction has reached a historic high of 25.5% overall, and one in three tradespeople is foreign-born. In 2023, the construction workforce included 3 million foreign-born workers, the highest number ever recorded in the American Community Survey.

The reliance on immigrant labor is concentrated in specific trades: plasterers and stucco masons (61% immigrant share), drywall and ceiling tile installers (61%), roofers (52%), painters (51%), and carpet/floor/tile installers (45%). These are also among the trades with the most acute labor shortages, making immigration policy directly relevant to construction labor supply.

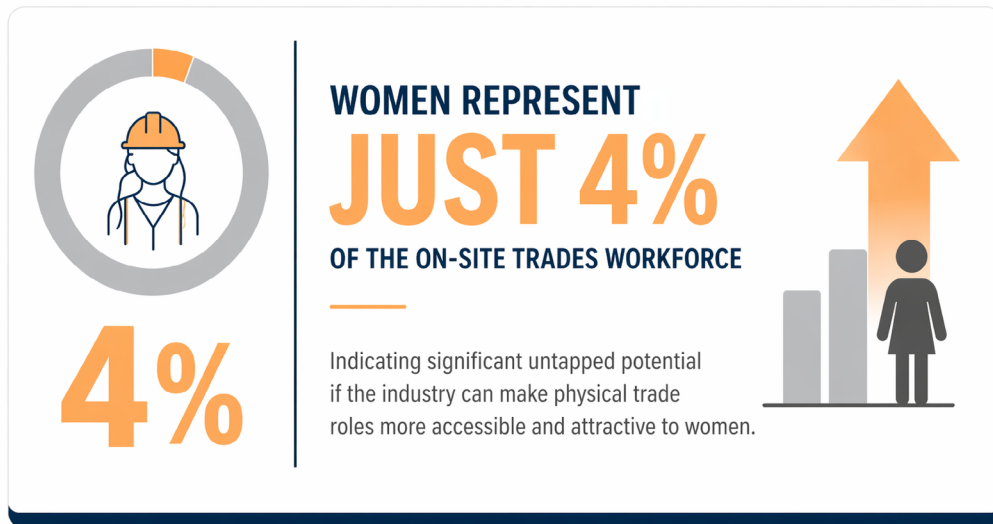
Immigration policy represents one of the most significant wildcards for 2026 labor availability. Any sustained reduction in immigration flows—whether through enforcement actions, visa restrictions, or chilling effects on labor force participation—would fall disproportionately on construction, given the sector’s heavy reliance on foreign-born workers in critical trades.

6.4 WOMEN IN CONSTRUCTION

Women now represent 11.2% of the construction workforce, a 20-year high, up from 9.1% in 2017, and totaling approximately 1.34 million workers. Growth has accelerated significantly in recent years, with the number of women in construction reaching a record in 2024.

The occupational distribution of women in construction reflects the industry’s evolving structure: women are primarily concentrated in office and administrative support (437,000), sales-related roles (39,000), and management and professional occupations (521,000). Women account for 65.7% of all sales and office workers in construction. However, women represent just 4% of natural resources, construction, and maintenance occupations—the on-site trades—indicating significant untapped potential if the industry can make physical trade roles more accessible and attractive to women.

As the industry’s white-collar roles (project management, estimating, scheduling, safety, technology) grow as a share of total employment, the structural conditions for broader female participation continue to improve.



6.5 VETERANS

Approximately 560,000 veterans were employed in construction in 2022, representing 6.5% of all employed veterans, slightly above the 6.1% of non-veterans employed in the sector. The share of veterans in construction has been rising, reflecting both active industry outreach and the natural alignment between military training (discipline, equipment operation, teamwork) and construction career requirements.

Veterans represent an underutilized talent pool, particularly for supervisory, safety, and project management roles. Employers with structured veteran hiring programs and pathways from military MOS codes to relevant construction roles consistently report strong retention and performance outcomes.

6.6 RISE OF WHITE-COLLAR JOBS IN CONSTRUCTION

One of the most consequential structural shifts in the construction labor force over the past two decades has been the rapid growth of white-collar roles. The share of tradespeople in the construction workforce declined from 71% in 2005 to under 61% in 2022, even as total construction employment approached its prior peak. Over the same period, the share of computer, engineering, and science occupations doubled, and management and business occupations grew by 60%.

This shift reflects three forces: the adoption of new construction technologies (BIM, drone surveying, digital takeoff, project management software), an increasingly complex regulatory and compliance environment that demands more professional management overhead, and the growing scale of construction enterprises as the industry consolidates.

For recruiting firms, the implication is clear: construction clients are increasingly seeking talent that spans the traditional trade/office divide. Estimators with digital expertise, project managers with technology fluency, and safety managers with EHS credentials are among the fastest-growing demand categories. Building a candidate pipeline across both field and office functions is now a strategic imperative.

07

MACROECONOMIC PRESSURES ON HIRING

Hiring decisions in construction do not occur in isolation; they are shaped by the macroeconomic environment in which projects are financed, permitted, and executed. Four external forces dominated the 2025 hiring context.

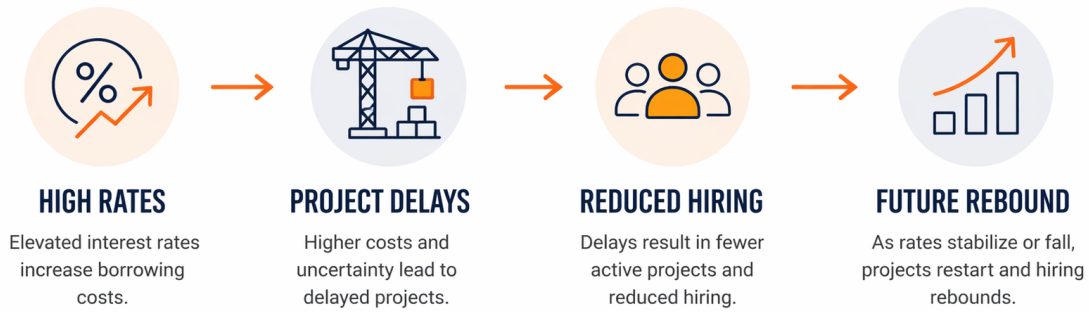
7.1 INTEREST RATES + PROJECT DEFERRALS

The most significant macroeconomic drag on construction hiring in 2025 was the sustained elevated interest rate environment. With the federal funds rate remaining high through mid-year and mortgage rates staying above 6.5% for much of 2025, single-family housing demand was constrained and residential construction activity remained below potential.

The Federal Reserve cut rates by 100 basis points at the end of 2024 and resumed cutting in September 2025. NAHB projects at least 75 additional basis points of easing before mid-2026, with mortgage rates expected to fall below 6% on a sustained basis by early 2027. This trajectory has significant implications for hiring: as rates fall, pent-up housing demand will be released, and residential construction activity, along with demand for residential construction labor, will re-accelerate.

The differential between publicly funded and private sector projects was notable in 2025. Infrastructure projects supported by federal Infrastructure Investment and Jobs Act funding remained relatively insulated from rate sensitivity, providing steadier hiring conditions for civil contractors. Private residential and commercial projects were more exposed to financing cost volatility.

INTEREST RATE IMPACT FLOW



The cycle is temporary—position now to capitalize on the rebound.

7.2 TRADE POLICY + TARIFF UNCERTAINTY

Trade policy uncertainty created significant cost planning challenges for contractors throughout 2025. Tariff changes on steel, aluminum, lumber, and imported construction materials introduced price volatility that complicated project budgeting, bid pricing, and subcontractor negotiation. Contractors who locked in material costs early generally fared better than those who deferred purchasing decisions.

The downstream effect on hiring was tangible: project starts that might have proceeded under stable cost conditions were delayed or repriced, reducing near-term labor demand. Contractors managing through this uncertainty tended to lean on existing staff and subcontractor relationships rather than adding new payroll; a rational response to uncertainty that nonetheless deepened the hiring drought for available candidates.

7.3 SUPPLY CHAIN STATUS

Supply chain conditions in 2025 represented a meaningful improvement from the severe disruptions of 2021-2022, but friction persisted in key categories. Electrical components, HVAC equipment, and certain specialty materials maintained elevated lead times and cost volatility, creating ongoing challenges for project scheduling and labor deployment.

The practical impact on hiring: when material availability is unpredictable, labor scheduling becomes more difficult, reducing employers' willingness to commit to new hires. For recruiting, this translates into a more cautious hiring posture from clients, longer decision cycles, more intensive vetting, and a preference for contract or project-based arrangements over permanent placements in some segments.

7.4 TECHNOLOGY + AI INVESTMENT

Artificial intelligence and construction technology adoption continued to expand in 2025, though the home building sector specifically remained in the early stages. According to the July 2025 NAHB/Wells Fargo HMI survey, the most common AI application among single-family builders was marketing and advertising material generation (used by 20% of builders), followed by market analysis and project planning support (11%). Fewer than 5% of builders are currently using AI for any of ten other business functions, including project design, construction monitoring, or automated equipment operation.

The broader construction sector is further along: drone usage for site surveying, AI-enhanced project management software, and digital twin applications are more established in commercial and infrastructure segments. These technologies are increasing demand for tech-fluent workers across field supervision, estimating, and project management roles, shifting the skills profile of the ideal candidate in many searches.

White-collar job growth in construction has partly been driven by technology adoption: the number of engineers, architects, and science-related occupations in construction has doubled since 2005, while management ranks expanded from 1.2 million to 1.9 million workers. For recruiting, this means that a growing share of construction talent needs live at the intersection of industry expertise and technological capability.

08

2026 FORWARD-LOOKING OUTLOOK

The construction labor market in 2026 will be shaped by the interplay of recovering housing demand, ongoing structural labor scarcity, policy uncertainty, and the continued maturation of technology adoption. Here is our sector-by-sector, trade-by-trade read on what employers should expect.

8.1 HIRING DEMAND PROJECTIONS

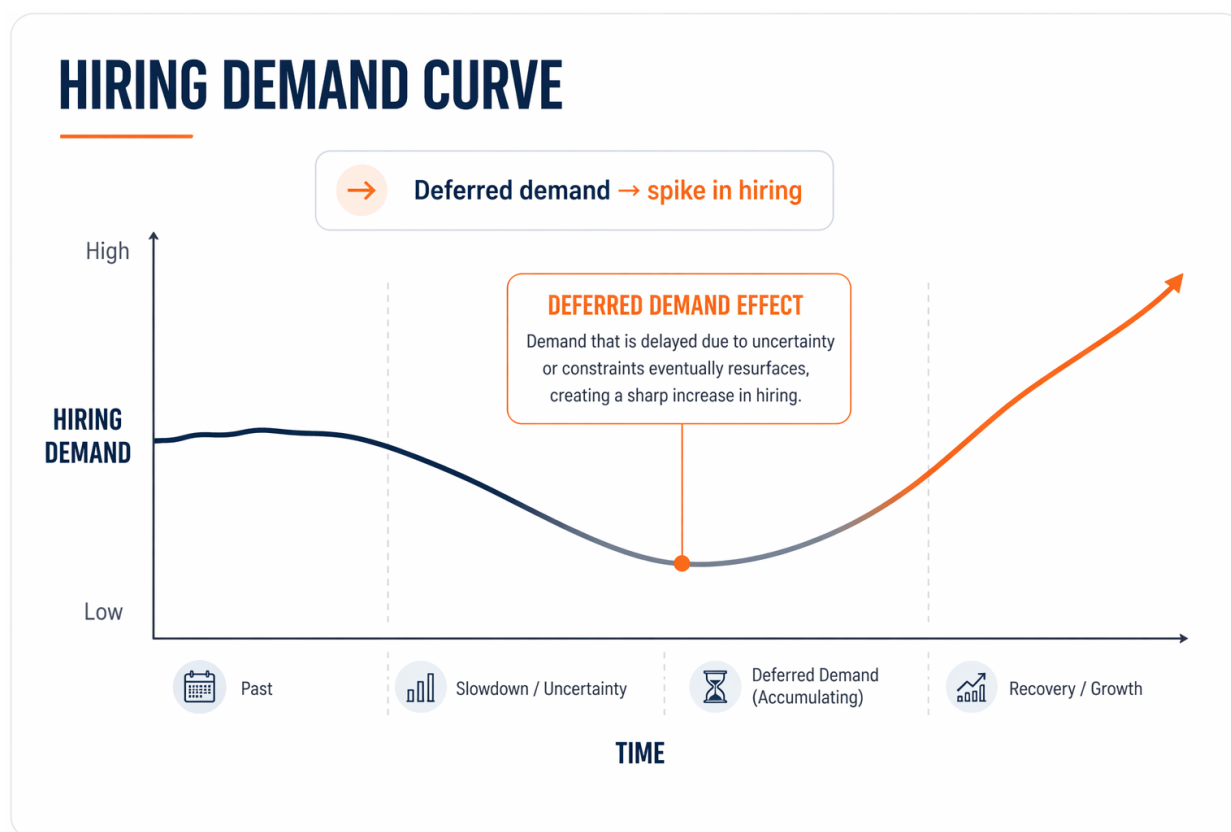
The baseline need for construction labor does not diminish with cyclical softening; it defers and compounds. The underlying requirement of approximately 723,000 net new hires per year remains the structural floor. As interest rates continue to decline and mortgage affordability improves through 2026, deferred residential projects will re-enter the pipeline, pushing actual hiring demand above that baseline.

NAHB projects a 1.5-million-home housing deficit that requires resolution over the remainder of the decade. Addressing this deficit will require a sustained acceleration of single-family construction, and with it, a significant ramp in residential construction hiring. The employers who begin building their talent pipelines in 2025 and early 2026 will have a decisive advantage when demand re-accelerates.

Scenario analysis suggests:

- **Upside scenario:** Rate cuts proceed as projected, mortgage rates fall below 6% by early 2027, housing starts rebound sharply, and competition for experienced residential trade talent becomes acute, particularly in high-growth Sun Belt and Mountain West markets.

- **Base scenario:** Rate cuts proceed on a gradual trajectory, residential construction recovers modestly in 2026, and infrastructure/data center activity remains robust, creating steady but not surging demand across most trades and regions.
- **Downside scenario:** Tariff escalation, geopolitical disruption, or policy uncertainty delays the housing recovery, keeping residential construction in a holding pattern and maintaining the current buyer's market for construction talent.



8.2 WAGE TRAJECTORY

Wage growth in construction is likely to remain above economy-wide averages in 2026, even if the headline deceleration trend continues. The structural shortage that drives construction wage premiums has not been resolved, it has merely been masked by cyclical demand softening. As activity re-accelerates, wage pressure will return, particularly for licensed trades (electricians, plumbers, HVAC) where the supply pipeline is most constrained.

Non-supervisory workers in residential building where the craftsman shortage is most acute are likely to see continued above-average wage growth. The 9.2% growth recorded in June 2025 for this segment reflects a structural premium that is unlikely to fully dissipate.

Benefits competition will intensify as an employer differentiator. As base wage compression becomes harder to sustain, employers who offer superior health coverage, retirement contributions, paid time off, and career development support will have a meaningful edge in attraction and retention.

8.3 LABOR SUPPLY RISKS

Three supply-side risks warrant close attention in 2026:

- **Immigration policy:** With immigrant workers comprising 25.5% of the construction labor force and one in three tradespeople, any significant reduction in immigration flows through enforcement, restriction, or chilling effects would hit construction labor supply harder than almost any other sector. Employers in states with high immigrant labor shares (California, Texas, Florida, New York, New Jersey) should monitor this risk closely and develop contingency workforce plans.
- **Retirement acceleration:** As Baby Boomers (14.2% of the construction workforce) move into retirement, the loss of experienced supervisory and craft knowledge will intensify. This is particularly acute for first-line supervisors, senior estimators, and master-licensed tradespeople—roles that take years to develop and cannot be quickly backfilled.
- **Geographic mismatch:** Available labor does not always coincide with active project locations. States losing construction employment (Nevada, California) and states gaining it (Texas, New Mexico, South Carolina) are not the same markets. Employers pursuing growth projects in high-demand markets may need to recruit nationally and offer relocation support.

8.4 STRATEGIC SIGNALS FOR EMPLOYERS

Several strategic signals from 2025 data suggest how forward-thinking employers should position themselves for 2026:

- **Early movers win top talent:** In a market where experienced candidates have options even during a cyclical slowdown. Employers who engage early before project demand fully materializes secure better candidates at more competitive terms.
- **Material market stabilization creates planning clarity:** As supply chains stabilize and tariff impacts are absorbed into project pricing, construction timelines will become more predictable, enabling more confident hiring decisions and longer-term workforce planning.
- **The new development cycle is forming:** Infrastructure spending, data center buildout, and the coming residential recovery are converging to create the conditions for a multi-year construction expansion. Hiring decisions made in H1 2026 will determine which employers are positioned to capture this growth.

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RECRUITING FIRM PERSPECTIVE + RECOMMENDATIONS

The data tells one story. What we see on the ground—in active searches, candidate conversations, and client engagements—adds important texture. This section translates market intelligence into practical guidance for employers navigating construction hiring in 2025 and planning for 2026.

9.1 WHAT WE'RE SEEING IN THE MARKET

The hardest roles to fill in 2025 have been consistent: experienced superintendents and general superintendents, mid-level project managers (5-10 years of experience), licensed MEP tradespeople (electricians, plumbers, HVAC), and estimators with digital takeoff proficiency. These roles attract strong candidate interest in terms of volume, but deep, qualified candidates, particularly those who combine technical excellence with supervisory capability are exceptionally scarce.

What candidates are prioritizing in 2025 has shifted. Compensation remains table stakes, but the candidates with the most options are also weighing project type (they want to work on interesting, well-managed projects), employer stability (track record of completing projects and paying subcontractors), geographic flexibility (or lack thereof), and growth trajectory. Candidates who left construction during the 2020 downturn and moved to adjacent industries have generally not returned, and in many cases, have no intention of doing so.

Common reasons offers are declined or searches stall: compensation packages that lag current market benchmarks (the most common issue); offer processes that take too long; top candidates in construction typically have multiple offers within two weeks of active searching; role uncertainty or lack of defined scope; and negative employer reputation, which in a relationship-driven industry travels fast and is difficult to overcome.



FROM THE FIELD

The candidates who are most in-demand in this market are the ones who aren't actively looking. Engaging a passive candidate, someone currently employed and performing well, requires a compelling story about the opportunity, not just a compensation bump. Employers who can articulate why their project portfolio, culture, and growth path are differentiated will consistently out-recruit those who lead with base salary alone.

9.2 RECOMMENDATIONS FOR EMPLOYERS

Based on current market conditions and our observations from active searches, we offer the following recommendations for employers hiring in construction in 2026:

- **Move faster.** The window between first interview and offer acceptance for a strong candidate is measured in days, not weeks. Build your internal approval process around speed. If it takes three weeks to get an offer approved, you will consistently lose top candidates to employers who can move in one week.
- **Benchmark compensation before opening a search, not after.** Nothing stalls a search faster than discovering mid-process that your compensation parameters are below market. Current market data for every key role should inform the hiring decision before the job description is written.
- **Build a bench.** The candidates you need for H1 2026 should be in your pipeline today. Passive outreach, relationship cultivation, and talent mapping are investments that pay off when demand surges and competition for available talent intensifies.
- **Broaden search parameters.** Geography, adjacent industries (manufacturing, energy, facilities management), veteran pipelines, and community college / trade school recruiting are all underutilized channels. The employers who find talent in 2026 will be the ones who look in more places than their competitors.

- **Invest in employer brand.** How your firm is perceived by candidates—through online reviews, word-of-mouth in the trades community, social media presence, and the experience of past candidates—is a significant determinant of who applies and who accepts. This is particularly true in construction, where informal networks are dense and reputations travel quickly.

EMPLOYER PLAYBOOK CHECKLIST



MOVE FASTER

Streamline hiring and decision-making to secure top talent before competitors.



BENCHMARK COMP

Use market data to offer competitive pay and attract top performers.



BUILD PIPELINE

Develop early-career talent through partnerships, internships, and training programs.



BROADEN SEARCH

Expand beyond traditional talent pools to diverse and overlooked candidates.



INVEST IN BRAND

Strengthen your employer brand to attract, engage, and retain great talent.

9.3 ROLES TO WATCH IN 2026

Based on our analysis of labor market data and current client demand, we identify the following roles as priority hiring targets for construction employers in 2026:

- **Superintendent / General Superintendent:** The single hardest role to fill in most markets. Experienced supers with a track record of delivering complex projects on time and budget are in chronic short supply. This role will be the most contested in any hiring upturn.
- **Estimator (especially with digital takeoff experience):** Demand for estimators is growing faster than supply, and the premium for candidates with Bluebeam, On-Screen Takeoff, or similar digital platform proficiency is significant. This is a role where adjacent-industry candidates (manufacturing, energy) can be successfully transitioned with targeted upskilling.
- **Project Manager (mid-level, 5-10 years):** The backbone of any general contractor's operations. Mid-level PMs with owner-representative or GC background and experience managing \$10M-\$50M projects are in persistent demand across commercial, industrial, and multifamily segments.
- **MEP Trades — Electricians, Plumbers, HVAC Technicians:** Licensed MEP tradespeople remain the tightest labor category in most U.S. markets. These roles require multi-year apprenticeship and licensing, meaning supply responses to demand signals are slow. Employers who can offer compelling paths to journeyman and master-level advancement will have the best success recruiting in this category.
- **Safety Manager / EHS Director:** As project complexity grows and OSHA enforcement intensifies, demand for qualified safety professionals continues to outpace supply. Candidates with CHST or CSP credentials and experience managing safety programs on large commercial or industrial projects are particularly sought-after.

ROLES TO WATCH



SUPERINTENDENT

Oversees on-site operations and project execution.



PM

Plans, coordinates and delivers projects on time and on budget.



ESTIMATOR

Prepares accurate cost estimates and supports bidding success.



MEP

Specializes in mechanical, electrical and plumbing systems.



SAFETY

Ensures a safe work environment and regulatory compliance.

LET'S BUILD WHAT'S NEXT – TOGETHER

The construction industry isn't slowing down. But hiring the right people, at the right time, has never been more complex.

That's where Trueline Talent comes in.

We don't just fill roles. We help construction companies build high-performing teams that keep projects moving, margins protected, and timelines on track. Whether you're scaling for growth, backfilling critical roles, or navigating a tightening labor market, we bring the strategy, network, and execution to make it happen.

READY TO STRENGTHEN YOUR TEAM?

If hiring has become a bottleneck, now is the time to act.

PARTNER WITH TRUELINE TALENT TO:

- Access a deep network of pre-vetted construction professionals
- Reduce time-to-hire on critical roles
- Improve candidate quality and long-term retention
- Scale your workforce with confidence

LET'S START THE CONVERSATION

Reach out today to discuss your hiring goals and challenges



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ABOUT TRUELINE TALENT

Trueline Talent places construction professionals across 200+ US markets — a fully distributed national recruiting firm powered by the Blueprint Magazine Networks.

