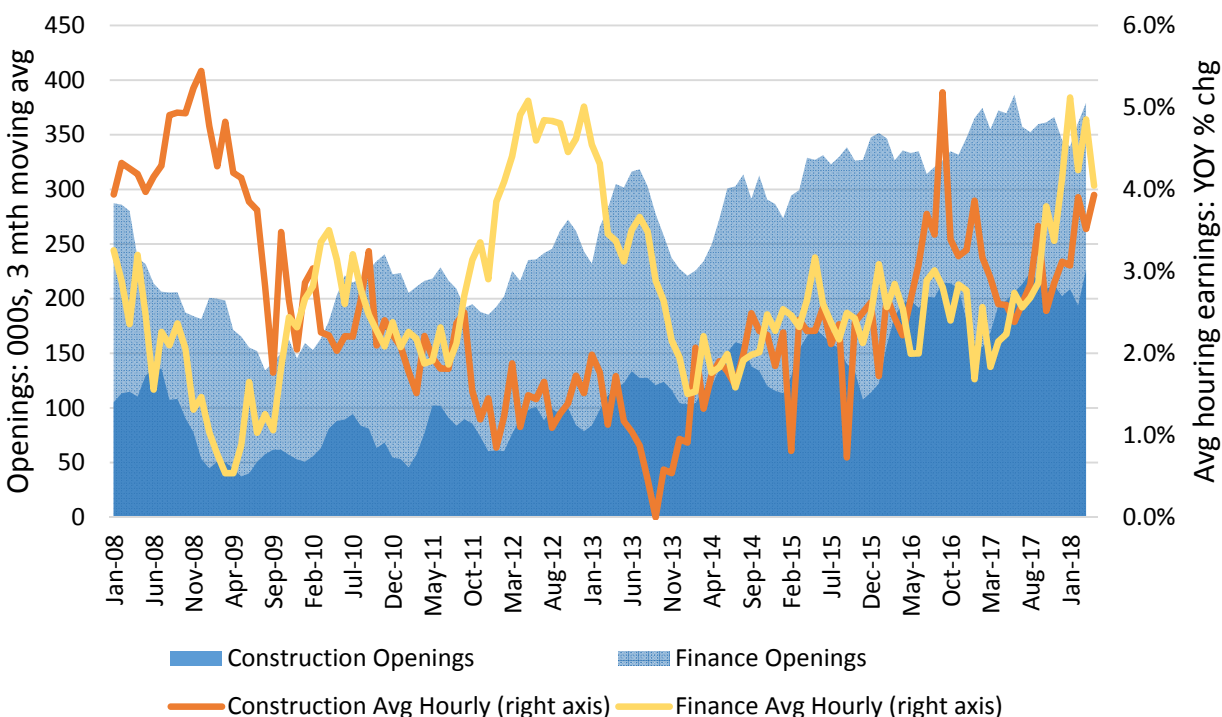


## Chart of the Week - May 11, 2018

### Construction & Finance Sector Job Openings and Wage Growth



Source: Bureau of Labor Statistics

In this week’s chart, we feature data on job openings and hourly earnings for the construction and finance sectors. The data showed an upward trend in annual wage growth in the construction sector as job openings increased, further evidence that builders had difficulty hiring the skilled labor required, and as a result continued to raise wages to attract workers. Builders reported that labor shortages were a constraint for building activity in 2017 and will be a struggle again in 2018, with 82 percent of builders surveyed expressing that the cost and availability of labor would be a challenge for them in 2018<sup>1</sup>.

Similarly, the broader finance sector saw wage growth continue its upward trend as openings in the financial activities sector increased. Additionally, recent data from our benchmarking studies and performance report<sup>2</sup> showed that staffing expenses continued to rise, even as origination volume slowed, making profitability increasingly challenging for many lenders. If construction hiring starts to pick up again, builders will be able to increase the pace of new construction, which will help lift housing supply and drive some of the increase in purchase originations that we expect.

<sup>1</sup> NAHB Eye on Housing: <http://eyeonhousing.org/2017/01/top-challenge-for-builders-is-labor-costavailability/>

<sup>2</sup> MBA Performance Report: [https://www.mba.org/2018-press-releases/march/mba-news-\(32318\)-independent-mortgage-bank-production-profits-down-in-fourth-quarter-2017](https://www.mba.org/2018-press-releases/march/mba-news-(32318)-independent-mortgage-bank-production-profits-down-in-fourth-quarter-2017)