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July 2024

US & NC Construction Outlook: Torrid or Tepid?

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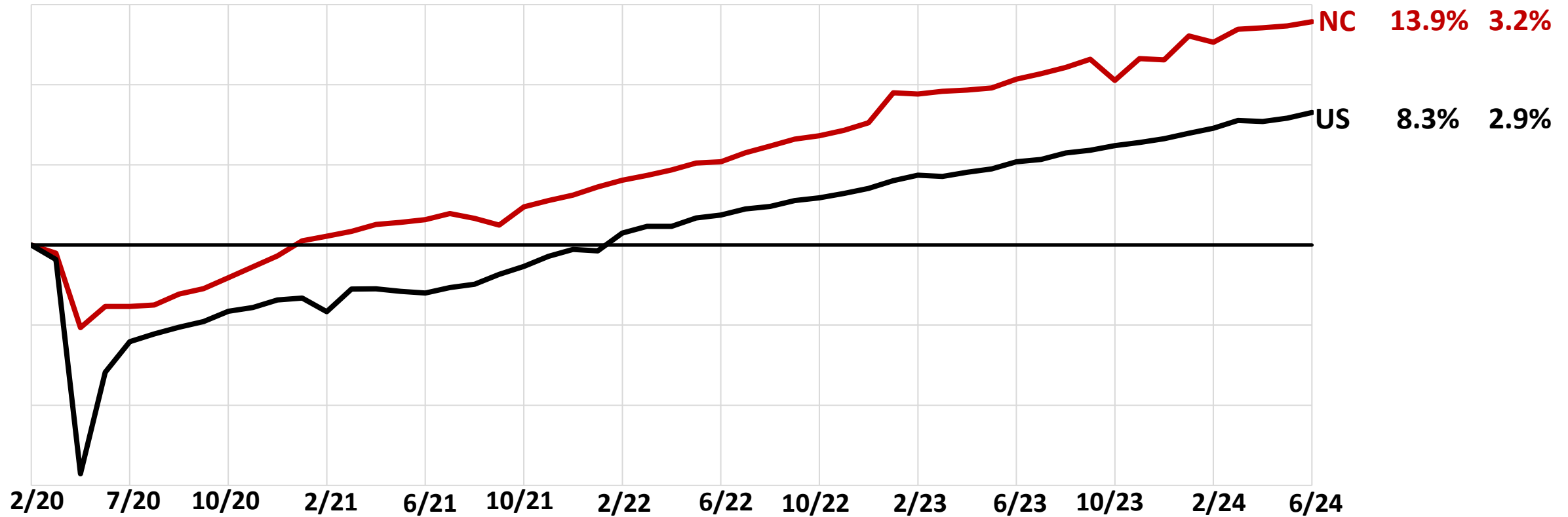
US & NC Construction Employment

Cumulative change, Feb. 2020- June 2024, seasonally adjusted



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% change
Feb. 2020- June 2023-
June 2024: June 2024:

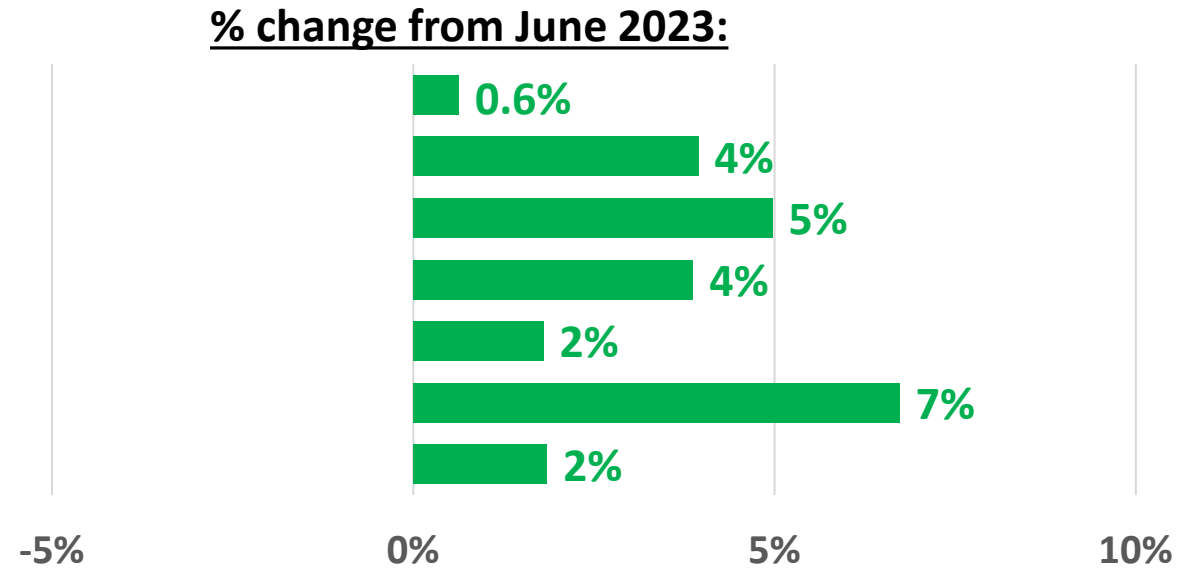


North Carolina Metro Construction Employment

June 2023 – June 2024, not seasonally adjusted

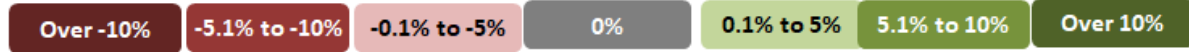


	<u>June 2024:</u>
Charlotte-Concord-Gastonia, NC-SC*	79,400
Raleigh*	52,700
Greensboro-High Point*	19,000
Winston-Salem*	13,400
Wilmington*	11,300
Durham-Chapel Hill*	11,100
Asheville*	11,000



Construction employment change by state, June 2023-June 2024 (U.S.: 2.9%)

35 states **up**, 1 state unchanged, 14 states & DC **down**

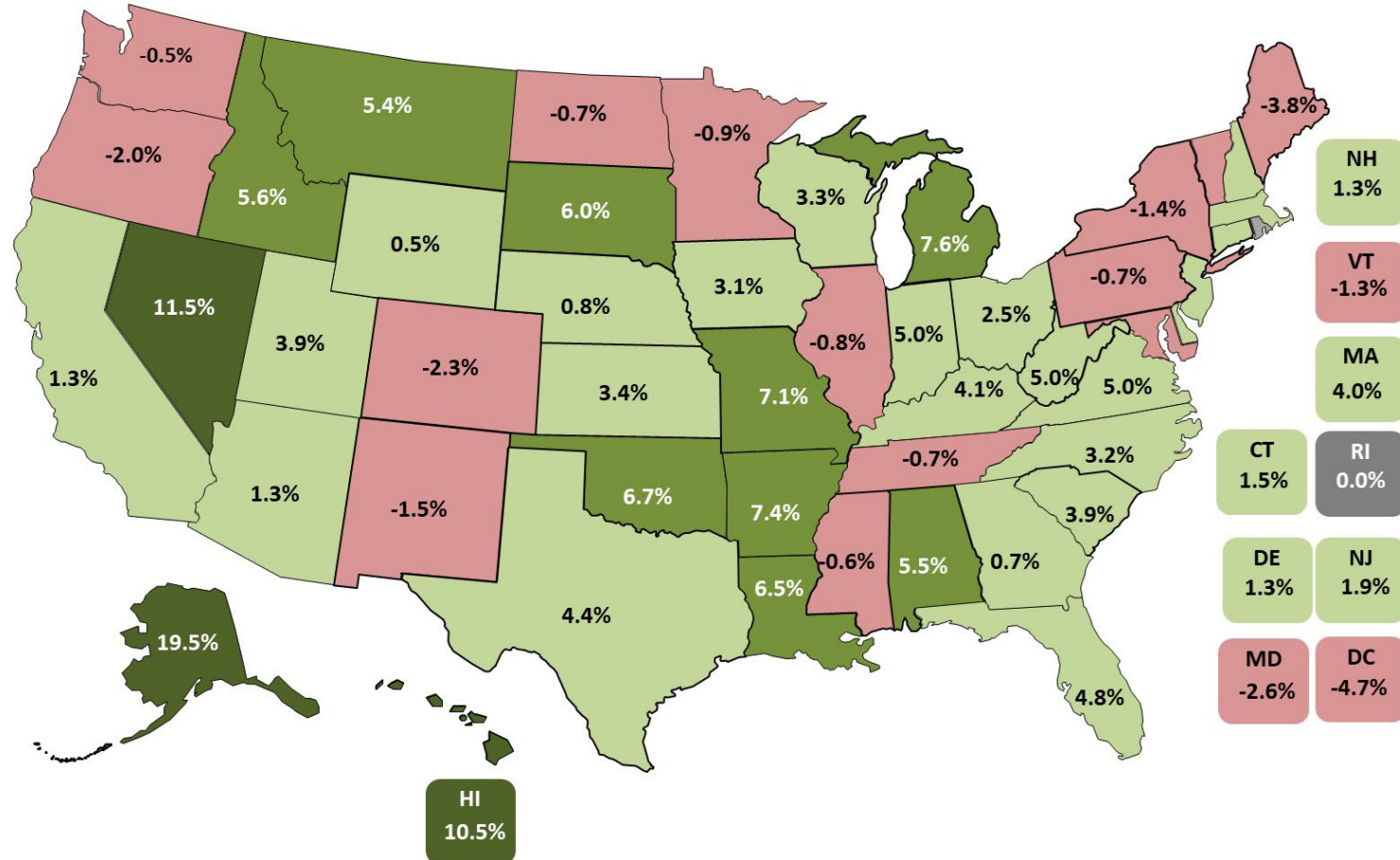


Top 5

AK	19.5%
NV	11.5%
HI	10.5%
MI	7.6%
AR	7.4%

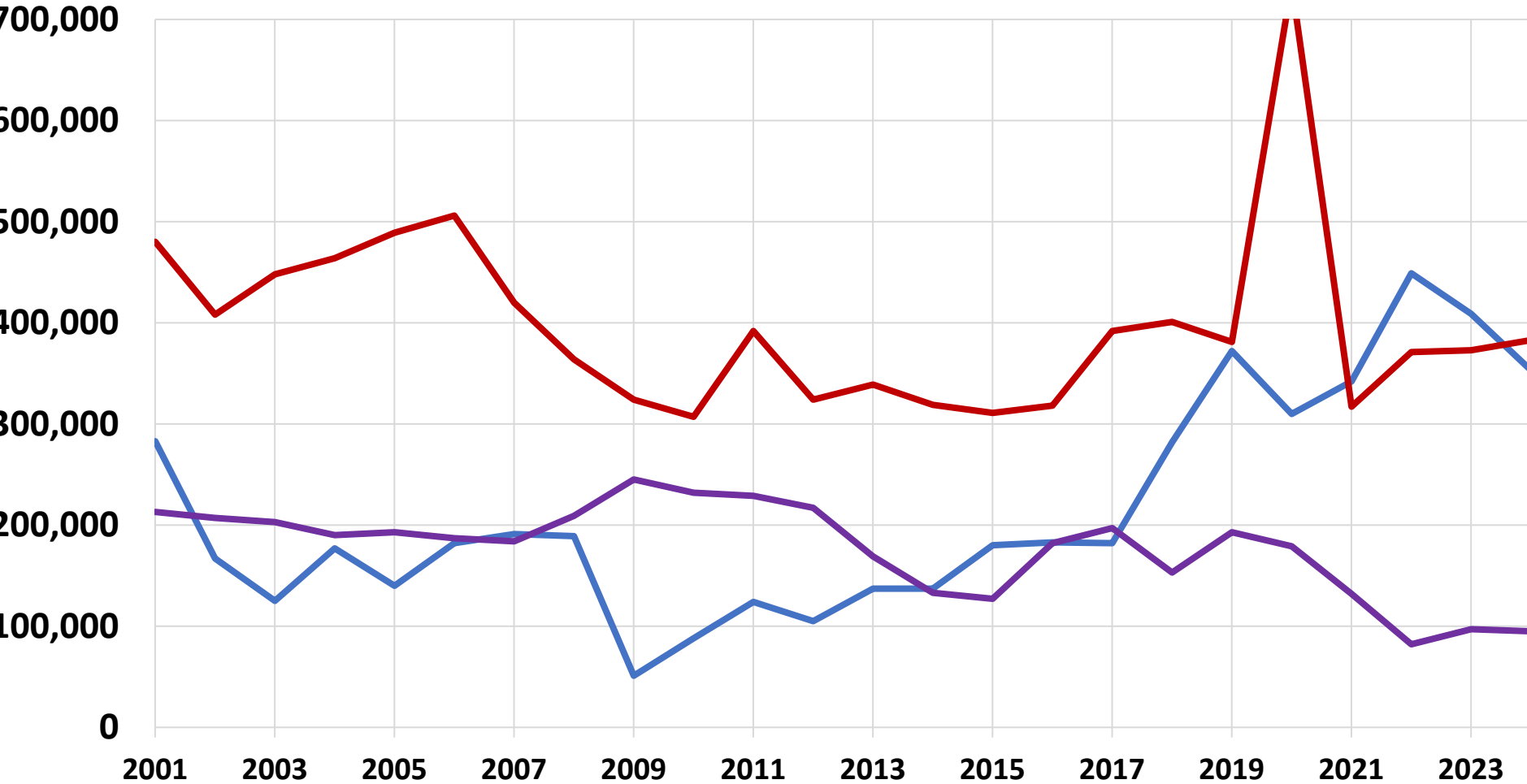
Bottom 5

DC	-4.7%
ME	-3.8%
MD	-2.6%
CO	-2.3%
OR	-2.0%



Construction job openings, hires & layoffs

Job openings, hires, and layoffs May 2001-May 2024, seasonally adjusted

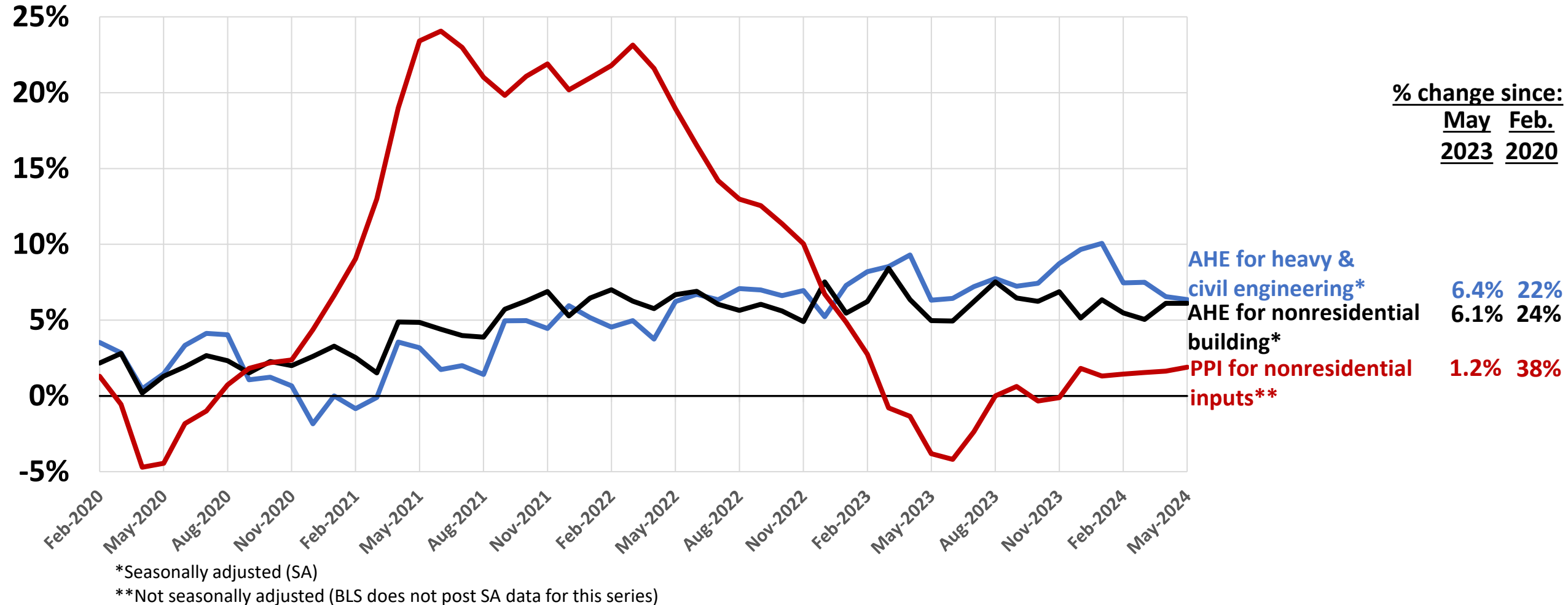


	<u>May 2024</u>	<u>12-mo change</u>	
		<u>#:</u>	<u>%:</u>
Hires	383,000	10,000	2.7%
Job openings	353,000	-56,000	-14%
Layoffs & discharges	95,000	-2,000	-2.1%

Change in construction materials and labor costs, 2020-2024



Year-over-year change in producer price index (PPI) for nonresidential inputs and average hourly earnings (AHE) for nonresidential building and heavy & civil engineering construction, Feb. 2020 – May 2024



Input and bid price changes, June 2024



producer price indexes, 1 - & 12-mo. change (not seasonally adjusted)

June 2024 change from:
May 2024 June 2023
(1 month) (12 months)

Overall input costs and bid prices have moderated

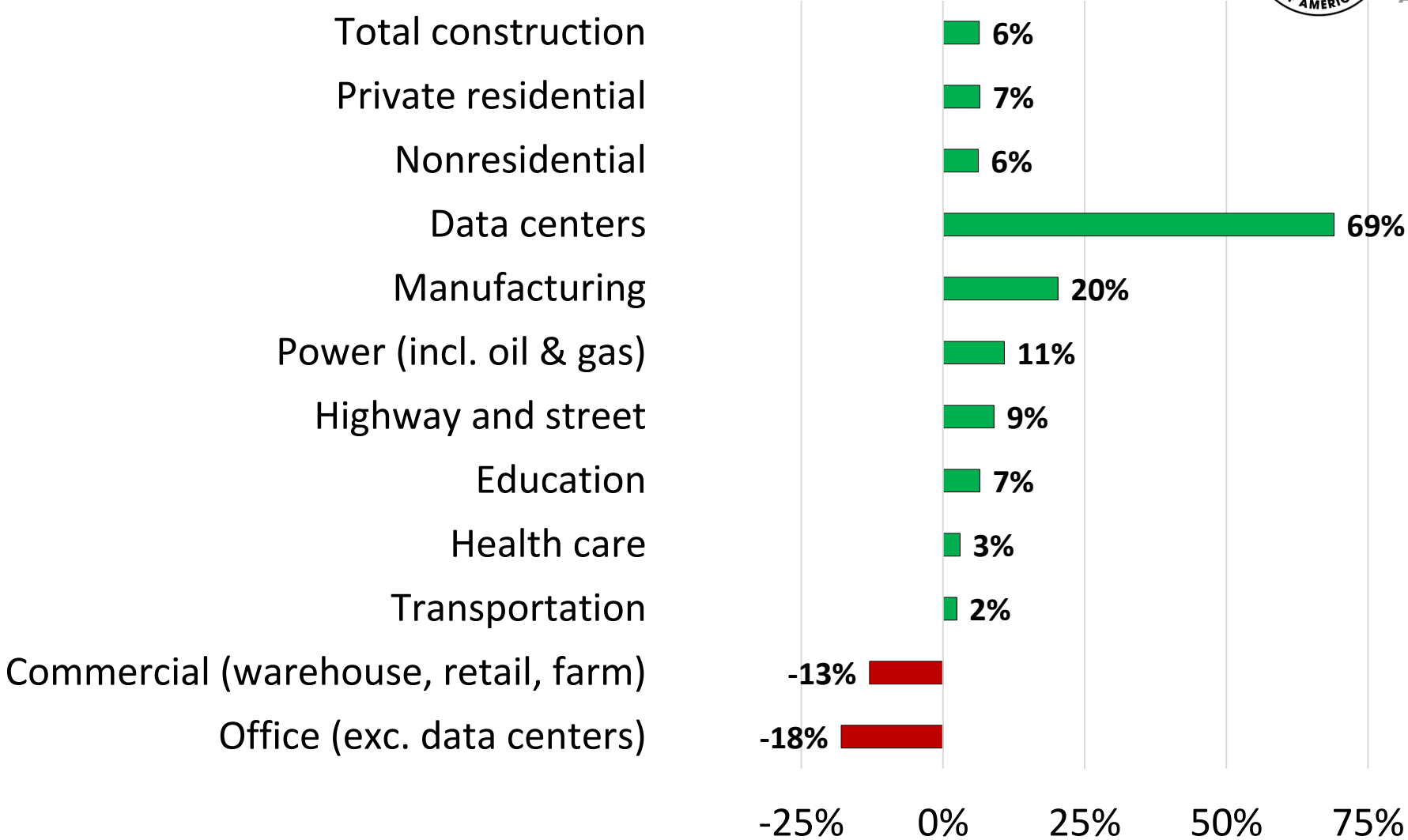
Inputs to new nonresidential construction	-0.1%	1.1%
Output (bid price) index for new nonresidential buildings	0.4%	-0.7%

...but some input prices remain volatile

Copper and brass mill shapes	2.1%	14%
Cement	0.0%	6.9%
Steel mill products	-1.8%	-15%

Change in construction spending: May 2023-May 2024

Year-over-year % change in current (not inflation-adjusted) dollars, seasonally adjusted



Airport construction spending: total, state & local, and private

Year-to-date change in total, state and local, and private air construction spending
Jan. 2024 – May 2024, not seasonally adjusted



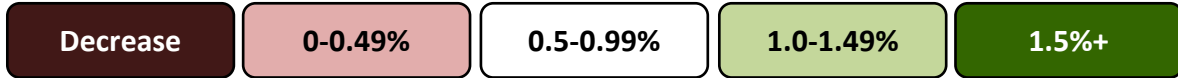
	<u>Jan-May 2024</u>	<u>% change from</u>
	<u>(billion \$):</u>	<u>Jan-May 2023:</u>
Total (excl. federal)	\$9.2	3%
State & local	\$7.3	9%
Private	\$2.0	-14%

Medium-term outlook for construction



- Economic recovery: will continue but with sticky inflation & interest rates
- Single-family: revival should continue despite 7% mortgage rates
- Multifamily, warehouse, office: steep drops likely as vacancies and costs climb
- Data center, manufacturing construction, power, infrastructure: strong growth
- Infrastructure Investment & Jobs Act, “Chips” Act, Inflation Reduction Act will give major boost to infrastructure, manufacturing, and power construction. BUT
 - money will be slow to turn into construction awards and spending
 - Buy America, labor, environmental strings may tie up project starts for years
- Materials costs, lead times: few problems except electrical gear, some electronics
- Labor availability remains the #1 challenge for many contractors

Population change by state, July 2022–July 2023 (U.S.: 0.49%)

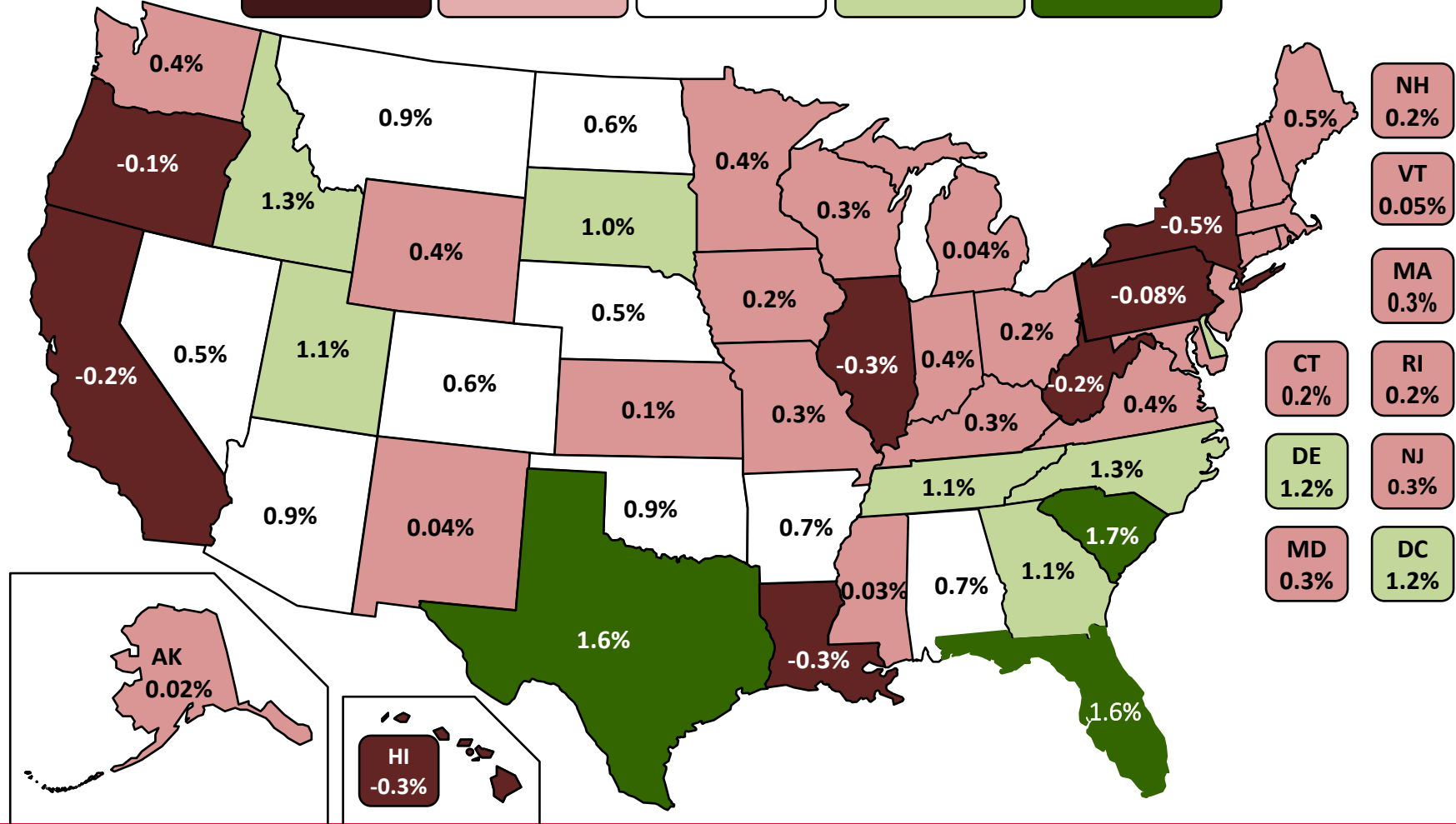


Top 5

SC	1.7%
FL	1.6%
TX	1.6%
ID	1.3%
NC	1.3%

Bottom 5

NY	-0.5%
LA	-0.3%
HI	-0.3%
IL	-0.3%
WV	-0.2%



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))
- Surveys, state and metro data, [fact sheets: www.agc.org/learn/construction-data](http://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: <https://www.agc.org/newsroom>
- Construction impact model: <https://www.agc.org/agc-construction-impact-model>
- ConsensusDocs Price Escalation Resource [Center: https://www.consensusdocs.org/price-escalation-clause/](https://www.consensusdocs.org/price-escalation-clause/)



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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 \$4,540," 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](#)

