

Data Digest

WWW.AGC.ORG

Supported by:



Vol. 23, No. 38 October 17-20, 2023

Employment rises year-over-year in 43 states; ConstructConnect, Dodge, ABI point to slump in starts

Seasonally adjusted **construction employment** rose from September 2022 to September 2023 in 43 states and the District of Columbia and declined in seven states, according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. Texas again added the most construction jobs (19,900 jobs or 2.5%), followed again by California (14,200, 1.5%), Ohio (12,700, 5.4%). Wyoming had the largest percentage increase (11%, 2,300 jobs), followed by Arkansas (10%, 6,400) and West Virginia (9.3%, 2,800). Missouri again lost the most jobs (-6,500 jobs, -4.6%), followed again by Colorado (-4,200, -2.3%) and North Dakota (-1,400, -5.4%). The largest percentage losses again occurred in North Dakota, Missouri, and Colorado. Construction employment rose in September in 28 states and D.C., fell in 21 states, and was flat in New Hampshire. Oregon added the most jobs over the month (3,200, 2.6%), followed by Tennessee (2,600, 1.7%), California (2,200, 0.2%), and Oklahoma (2,000, 2.4%). Rhode Island had the largest percentage gain (2.8%, 600 jobs), followed by Oregon, Oklahoma, and Iowa (2.2%, 1,800 jobs). (For D.C., Delaware, and Hawaii, which have few mining or logging jobs, BLS posts combined totals with construction; AGC treats the changes as all from construction.)

The **value of construction starts** in current dollars (not adjusted for inflation) tumbled 26% from September 2022 to last month, data firm ConstructConnect [reported](#) today. **Nonresidential building starts** declined 34%, with the largest component—institutional starts—up 0.9%, commercial starts down 21%, and industrial (manufacturing) starts down 76%. **Engineering (civil)** starts declined 11%, with roads/highways down 32%, power and miscellaneous civil up 321%, water/sewage down 9.3%, bridges down 49%, dams/marine down 5.1%, and airports down 40%.

Total construction starts in current dollars fell 6% from August to September at a seasonally adjusted annual rate, Dodge Construction Network [reported](#) on Wednesday. **Nonbuilding starts** fell 9%: highway and bridge starts lost 15% and environmental public works starts fell 29%, while miscellaneous nonbuilding starts rose 4%, and utility/gas plant starts gained 14%. **Nonresidential starts** fell 9%. "Commercial starts rose 6% due to strength in data center work (classified as an office structure in the Dodge database) and retail. Institutional starts fell 8% in September despite a healthy gain in education starts, and manufacturing starts declined 13%." **Residential building starts** fell 6%. Single-family starts gained 1%, while multifamily starts lost 17%.

The **Architecture Billings Index (ABI)** registered a score of 44.8, seasonally adjusted, in September, the lowest reading since August 2020 and down from 48.1 in August, the American Institute of Architects (AIA) [reported](#) on Wednesday. The ABI is derived from the share of responding architecture firms that report a gain in billings over the previous month less the share reporting a decline in billings, presented on a 0-to-100 scale. Thus, any score below 50 means more firms reported decreased billings than increased billings, compared to the month before. AIA calls the index "a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months." "The September ABI score reflects a marked downturn in business conditions at architecture firms, with the sharpest decline observed since the peak of the pandemic," said AIA Chief Economist Kermit Baker. "While more firms are reporting a decrease in billings, the report also shows the hesitance among clients to commit to new projects with a slump in newly signed design contracts. As a result, backlogs at architecture firms fell to 6.5 months on average in the third quarter, their lowest level since the fourth quarter of 2021." Readings for practice specialties (based on three-month averages) varied: institutional, 50.1 (up from 49.7 in August); mixed practice, 46.2 (down from 46.7); commercial/industrial, 45.0 (down from 48.3); and residential (mainly multifamily), 43.5 (up from 43.4). The **new design contracts** index slipped from 47.9 in August to 46.2.

Housing starts (units) in September increased 7.0% from August but fell 7.2% year-over-year (y/y) at a seasonally adjusted annual rate, the Census Bureau [reported](#) on Wednesday. Single-family starts rose 3.2% and 8.6%, respectively. Multifamily (five or more units) starts jumped 17% for the month but plunged 31% y/y. **Residential permits** fell 4.4% for the month and 7.2% y/y. Single-family permits rose for the eighth-straight month, by 1.8% from August and 12% y/y. Multifamily permits tumbled 14% and 32%, respectively. There were 986,000 multifamily units under construction, just 7,000 units less the August rate and 15,000 units less than in July, which was the highest in the 54-year history of the series.

Data DIGest is a weekly summary of economic news. Sign up [here](#). Editor: Ken.Simonson@agc.org, Chief Economist, AGC. Go here for [Ken's PPT](#) or more [construction data](#).

© 2023 Associated General Contractors of America. License granted for limited use with attribution under Creative Commons Attribution-No Derivatives 4.0 International (CC BY-ND 4.0) license: <https://creativecommons.org/licenses/by-nd/4.0/>. Warranties disclaimed. Conditions apply.