

Data Digest

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Industry job totals rise in October in 40 states; PPI shows little change but price hikes may resume

Seasonally adjusted **construction employment** rose from October 2022 to October 2023 in 40 states and the District of Columbia, fell in eight states, and held steady in Connecticut and Virginia, according to AGC's [analysis](#) of data the Bureau of Labor Statistics (BLS) [posted](#) today. California added the most construction jobs (21,000 or 2.3%), followed by Ohio (17,700, 7.5%) and Texas (17,000, 2.1%). Kentucky had the largest percentage increase (15%, 12,300 jobs), followed by Arkansas (13%, 7,700) and Louisiana (10%, 12,900). Colorado lost the most jobs (-7,200, -3.9%), followed by Missouri (-4,200, -3.2%) and North Carolina (-4,000, -1.6%). The largest percentage losses were in North Dakota (-8.5%, -2,300 jobs), Colorado, and Missouri. Construction employment rose in October in 22 states, fell in 26 states and D.C., and was flat in New Jersey and Vermont. Ohio added the most jobs over the month (6,000, 2.4%), followed by California (4,500, 0.5%). Kentucky had the largest percentage gain (2.6%, 2,400 jobs), followed by Ohio. (For D.C., Delaware, and Hawaii, BLS posts combined totals for mining, logging, and construction; AGC treats the changes as all from construction.)

Input prices and bid prices for construction were little changed from September to October, according to data the Bureau of Labor Statistics [posted](#) on Wednesday. The **producer price index (PPI) for material and service inputs** to new nonresidential construction declined 0.5%, not seasonally adjusted, for the month and 0.1% year-over-year (y/y). Most inputs had modest changes for the month and y/y, with a few exceptions: the PPI for diesel fuel slumped 4.3% for the month and 33% y/y; ready-mix concrete was up 0.1% and 11%, respectively; and cement fell 0.7% for the month but rose 8.5% y/y. Notable declines included the PPI for steel mill products (-2.5% and -9.9%, respectively); lumber and plywood (-0.9% and -11.5%); and truck transportation of freight (up 1.1% for the month but down 7.0% y/y). The **index for new nonresidential building construction**—a measure of prices that contractors say they would bid to erect a fixed set of buildings—fell 0.4% for the month and rose just 0.6% y/y. Changes in PPIs for new, repair, and maintenance work by subcontractors were mixed: roofing contractors (-0.1% and 9.3%, respectively), plumbing (0.5% and 4.1%), electrical (-0.6% and 2.4%), and concrete contractors (1.3% and -1.8%). AGC posted tables of construction PPIs.

The slide in some **materials prices** may be ending. The Nucor Vulcraft/Vercor Group announced on Tuesday “an increase in price of approximately 10% throughout the country beginning November 20” for steel products such as bar joists. Wheatland Tube announced 5-10% immediate price increases in October and early November for various types of pipe. **Readers are invited to send price announcements** to ken.simonson@agc.org.

The **Architecture Billings Index (ABI)** registered a score of 44.3, seasonally adjusted, in October, the lowest reading since December 2020 and down from 44.8 in September, 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.” Readings for practice specialties (based on three-month averages) all slipped: institutional, 49.1 (down from 49.4 in September); mixed practice, 44.0 (down from 44.8); commercial/industrial, 43.7 (down from 45.2); and residential (mainly multifamily), 40.1 (down from 41.7). The **new design contracts** index edged up from 46.2 in September to 46.5. Regarding their **revenue outlook** for 2024, “responding firm leaders anticipate an average decline of 0.6%.”

Housing starts (units) in October increased 1.9% from September but fell 4.2% y/y at a seasonally adjusted annual rate, the Census Bureau [reported](#) today. Single-family starts rose 0.2% and 13%, respectively. Multifamily (five or more units) starts increased 4.9% for the month but plunged 32% y/y. **Residential permits** rose 1.1% for the month but declined 4.4% y/y. Single-family permits rose for the ninth-straight month, by 0.5% from September and 14% y/y. Multifamily permits rose 2.0% for the month but fell 28% y/y. There were 987,000 multifamily units under construction, 1,000 units more than in September and just 14,000 units less than in July, which was the highest in the 54-year history of the series.

AGC contractor members are invited to [fill out](#) the 2024 AGC/Sage Construction **Hiring and Business Outlook Survey** between now and December 7. Results will be posted in early January.

Note: The DIGest is taking Thanksgiving off. The next issue will be sent on Friday, December 1.

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](#).

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