

Data Digest

WWW.AGC.ORG

Supported by:



Vol. 24, No. 4 February 5-9, 2024

Employment rose in 63% of metros in 2023; price hikes announced for wallboard, ready-mix

Construction employment, not seasonally adjusted, rose year-over-year (y/y) from December 2022 in 224 (63%) of the 358 **metro areas** (including divisions of larger metros) for which BLS [posts](#) construction employment data, fell in 80 (22%), and was unchanged in 54, according to an [analysis](#) AGC released on Wednesday. (AGC treats as construction-only the totals for metros in which BLS reports only combined totals for mining, logging, and construction.) The Dallas-Plano-Irving division again added the most jobs (12,300 combined jobs, 8%), followed by Phoenix-Mesa-Scottsdale (10,400 construction jobs, 7%); Riverside-San Bernardino-Ontario, Calif. (10,000 construction jobs, 9%); and Baton Rouge, La. (9,000 construction jobs, 18%). The largest percentage gain occurred in Sioux Falls, S.D. (2,000 combined jobs, 20%), followed by Tulsa, Okla. (4,600 construction jobs, 19%) and Baton Rouge. Houston-The Woodlands-Sugar Land lost the most jobs (-5,900 construction jobs, -3%), followed by 4,500 combined jobs each in the Orange-Rockland-Westchester, N.Y. division (-10%) and the Nassau County-Suffolk County, N.Y. division (-5%). The largest percentage losses (-10% each) occurred in Orange-Rockland-Westchester; Pittsfield, Mass. (-200 combined jobs); and Binghamton, N.Y. (-400 combined jobs), followed by Albany-Schenectady-Troy, N.Y. (-8%, -1,600 combined jobs).

Materials costs may be starting to heat up after a quiet year in 2023. Foundation Building Materials announced on February 1, “All **wallboard** manufacturers have announced a 20% price increase for implementation March 1. We will be implementing a price increase effective March 1 in accordance with the manufacturers increase.” Alamo Concrete Products notified its San Antonio division customers on January 19 that it would raise **ready-mix concrete** prices \$12.50 per cubic yard, effective April 1. **Readers are invited to send price-change information to** ken.simonson@agc.org.

“**Economic activity in the services sector** expanded in January for the 13th consecutive month,” the Institute for Supply Management (ISM) [reported](#) on Monday. Construction is among three sectors (out of 18) that reported no change in business activity and among four reporting no change in orders. Construction is among the sectors that reported paying higher prices (15 sectors), an increase in employment (3), and faster supplier deliveries (5). Construction is one of nine sectors reporting a decrease in order backlogs. **Items significant for construction reported up in price** include construction contractors, electrical components (3 months in a row), polyvinyl chloride (PVC) components, power tools, and steel products (2 months). **Price declines** were reported for diesel fuel (2) and copper products. **Items listed in short supply** include construction contractors, electrical components (8), switchgear, and transformers (17).

Lead times for many materials have improved from last year, in some cases to pre-pandemic levels, but there has been little or no change in the extreme delivery times for switchgear and transformers. Manufacturers are building new capacity but do not expect it to come on line until late this year or beyond. Other materials may be affected by the disruption to shipping through the Suez and Panama canals. ISM survey quoted one construction firm as reporting, “Transportation impacts of the Suez Canal, due to unrest in the Red Sea and the issues at the Panama Canal are impacting both costs and schedules for the transport of global goods.” Extreme drought in Panama has caused canal authorities to limit the number of ships and the amount of cargo or containers that can transit that canal.

The Dodge Momentum Index rose 0.1% in January from December but declined 3% y/y, Dodge Construction Network [reported](#) on Wednesday. The index is “a monthly measure of the initial report for **nonresidential building projects in planning**, shown to lead construction spending for nonresidential buildings by a full year.” The commercial component fell 1% for the month and 12% y/y; the institutional component increased 2% for the month and 15% y/y.

“U.S. **battery storage capacity** has been growing since 2021 and could increase by 89% by the end of 2024 if developers bring all of the energy storage systems they have planned on line by their intended commercial operation dates,” the Energy Information Administration [reported](#) on January 9. “The rapid growth of variable solar and wind capacity in states such as California and Texas supports growth in battery storage, which works by storing excess power in periods of low electricity demand and releasing power when electricity demand is high.... Developers expect to bring more than 300 utility-scale battery storage projects on line in the United States by 2025, and around 50% of the planned capacity installations will be in Texas.”

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.