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Employment rises in 35 states through June; ConstructConnect, Dodge diverge on year-to-date starts

Seasonally adjusted **construction employment** rose year-over-year (y/y) from June 2023 to June 2024 in 35 states, declined in 14 states and the District of Columbia, and was unchanged in Rhode Island, according to AGC's [analysis](#) of Bureau of Labor Statistics data [posted](#) on July 19. The most jobs were again added in Texas (36,100 or 4.4%), Florida (29,900, 4.8%), and Michigan (14,400, 7.6%), followed by Nevada (12,800 jobs, 11.5%). Alaska again had the largest percentage increase (19.5%, 3,300 jobs), followed by Nevada and Hawaii (10.5%, 4,000). New York again lost the most jobs (-5,400, -1.4%), followed by Colorado (-4,200, -2.3%), and Maryland (-4,200, -2.6%). D.C. had the largest percentage loss (-4.7%, -700 jobs), followed by Maine (-3.8%, -1,300), Maryland, and Colorado. **For the month**, construction employment rose in 29 states, declined in 17 states and D.C., and was unchanged in Alaska, New Jersey, New Mexico, and Wyoming. Texas added the most jobs (5,100 or 0.6%), followed by Ohio (3,600, 1.5%), Florida (3,400, 0.5%), and Nevada (3,300, 2.7%). Nevada had the largest percentage gain, followed by Ohio and Tennessee (1.3%, 2,000). New York lost the most construction jobs from May to June (-4,400 or -1.1%), followed by Colorado (-1,100, -0.6%), Georgia (-700, -0.3%), Illinois (-600, -0.3% percent), and Maine (-600, -1.8%). Vermont lost the highest percentage of jobs (-1.9%, -300 jobs), followed by Maine, North Dakota (-1.4%, -400), D.C. (-1.4%, -200), and New York. (For D.C., Delaware, and Hawaii, BLS posts combined totals for mining, logging, and construction; AGC treats the changes as all from construction.)

Reports this week on construction starts from construction data providers ConstructConnect and Dodge Construction Network show divergent trends for various types of projects. The **value of construction starts** decreased 1.8% year-to-date in the first six months of 2024 compared to January-June 2023, ConstructConnect [reported](#) on Wednesday. **Nonresidential building starts** fell 12%, with institutional up 1.6%, commercial down 7.9%, and industrial down 37%. **Heavy engineering (civil) starts** rose 17%, with roads up 1.9%, water/sewage up 22.5%, miscellaneous up 53%, power up 52%, and bridges up 3.1%. **Residential starts** fell 3.1%, with single-family up 11% and multifamily down 25%.

Total **construction starts** plunged 19% from May to June at a seasonally adjusted annual rate, Dodge Construction Network [reported](#) on Tuesday. "Much of the decline was due to a stark decline in utility/gas starts following a strong May that saw several megaprojects get underway. During the month, **nonbuilding starts** fell 46% (following a 49% gain in May), while **nonresidential starts** fell 13%. **Residential starts** rose 9% during the month. On a year-to-date basis through June, total construction starts were up 7% from the first six months of 2023. Residential starts were up 14%, while nonbuilding starts gained 8%, and nonresidential building starts rose 1%."

The **Architecture Billings Index (ABI)** rose from a downwardly revised 42.4 in May, seasonally adjusted, to 46.4 in June but remained below the breakeven 50 mark for the 17th-straight month, the American Institute of Architects (AIA) [reported](#) on Wednesday. AIA calls the index "a leading economic indicator of construction activity, providing an approximately 9-to-12-month glimpse into the future of nonresidential construction spending activity." The ABI is derived from the share of responding architecture firms that report a gain in billings compared to the previous month less the share reporting a decline in billings, presented on a 0-to-100 scale. "Indicators of future work remained generally soft as well: Only slightly more than half of the responding firms reported an increase in inquiries into new work. Firms reported a third consecutive month of decline in value of newly signed design contracts. While many firms still have a healthy backlog of projects in the pipeline, 6.4 months on average, this is the lowest that backlogs have been in more than three years." AIA also [posted](#) its midyear "consensus" of nine forecasts for spending on nonresidential building segments in 2024 and 2025.

"**Economic activity** maintained a slight to modest pace of growth in a majority of districts this reporting cycle," the Federal Reserve [reported](#) on July 17 in its latest Beige Book, which "characterizes regional economic conditions and prospects based on a variety of mostly qualitative information, gathered directly from each district's sources.... However, while seven Districts reported some level of increase in activity, five noted flat or declining activity—three more than in the prior reporting period.... Reports on residential and commercial real estate markets varied, but most banks reported only slight changes, if any, in recent weeks." AGC [posted](#) construction-related comments from the 12 district summaries.

Contractors are invited to fill out the **2024 Arcoro/AGC Workforce Survey**. Results will be posted in late August.

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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